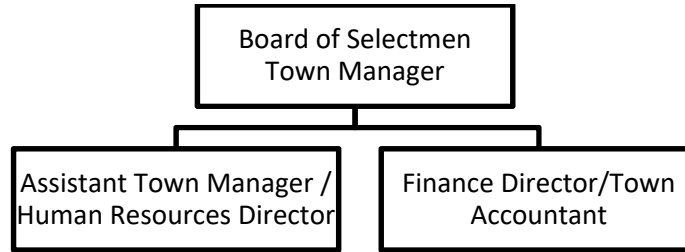


**TOWN OF WESTON  
FY21 TOWN MANAGER'S PROPOSED BUDGET AND FINANCING PLAN  
UNCLASSIFIED**



	Actual FY18	Actual FY19	Budget FY20	Town Manager Recommended FY21 Budget	FY20 to FY21 \$ Change	% Change
<b>UNCLASSIFIED</b>						
<b>Revenues</b>						
Tax Levy and General Fund Revenues	16,376,570	16,484,061	17,876,754	19,023,174	1,146,420	6.4%
Brook School Apartments Enterprise Fund	123,317		103,026	104,571	1,545	1.5%
Water Enterprise Fund	142,269		143,805	145,963	2,158	1.5%
<b>Total</b>	<b>16,642,156</b>	<b>16,484,061</b>	<b>18,123,585</b>	<b>19,273,708</b>	<b>1,150,123</b>	<b>6.3%</b>
<b>Expenditures</b>						
<b>Insurance</b>						
Insurance, Workers' Compensation	309,202	307,409	327,950	327,950	-	0.0%
Public Safety - Injured on Duty+	12,376	23,254	20,000	25,000	5,000	0.25%
Unemployment Compensation	40,657	22,885	71,384	120,000	48,616	68.1%
Insurance, Property & Liability	347,285	321,802	405,244	405,244	-	0.0%
Uninsured Losses+	1,500	500	-	-	-	-
<b>subtotal</b>	<b>711,020</b>	<b>675,850</b>	<b>824,578</b>	<b>878,194</b>	<b>53,616</b>	<b>6.5%</b>
<b>Fringe Benefits</b>						
Insurance, Group Life, Accid, Health, Medicare	10,588,932	10,386,973	11,129,750	11,821,064	691,314	6.2%
Contributory Retirement-Middlesex	4,792,481	5,114,586	5,287,887	5,668,652	380,765	7.2%
Compensated Absence Fund+	47,021	153,326	240,000	260,000	20,000	8.3%
<b>subtotal</b>	<b>15,428,435</b>	<b>16,657,637</b>	<b>17,749,716</b>	<b>17,749,716</b>	<b>1,092,079</b>	<b>6.6%</b>
Reserve Fund	480,000	15,808,212	611,910	616,718	4,808	0.8%
Debt Service (non-excluded)	22,702	-	29,460	29,080	(380)	-1.3%
<b>Total</b>	<b>16,642,156</b>	<b>16,484,061</b>	<b>18,123,585</b>	<b>19,273,708</b>	<b>1,150,123</b>	<b>6.3%</b>
<b>CAPITAL &amp; SEPARATE ARTICLES</b>						
<b>Revenues</b>						
Tax Levy and General Fund Revenues	1,736,480	2,121,634	2,279,656	2,987,879	708,223	31.1%
<b>Total</b>	<b>1,736,480</b>	<b>2,121,634</b>	<b>2,279,656</b>	<b>2,987,879</b>	<b>708,223</b>	<b>31.1%</b>
<b>Expenditures</b>						
Cash Capital	-	-	65,000	652,000	587,000	9.03%
Post Employment Benefits Reserve	1,736,480	2,121,634	2,214,656	2,335,879	121,223	5.5%
<b>Total</b>	<b>1,736,480</b>	<b>2,121,634</b>	<b>2,279,656</b>	<b>2,987,879</b>	<b>708,223</b>	<b>31.1%</b>
<b>DEBT SERVICE (excluded)</b>						
<b>Revenues</b>						
Tax Levy and General Fund Revenues	8,165,171	7,760,966	8,657,029	9,981,289	1,324,260	15.3%
Mass. School Building Authority	665,538	665,538	665,535	-	(665,535)	-100.0%
Premium Offset	145,450	159,479	301,917	252,053	(49,864)	-16.5%
<b>Total</b>	<b>8,976,159</b>	<b>8,585,983</b>	<b>9,624,481</b>	<b>10,233,342</b>	<b>608,861</b>	<b>6.3%</b>
Debt Service (excluded)*	8,976,159	8,585,983	9,624,481	10,233,342	608,861	6.3%
New Debt Service (proposed to be excluded)	-	-	-	-	-	-
<b>Total</b>	<b>8,976,159</b>	<b>8,585,983</b>	<b>9,624,481</b>	<b>10,233,342</b>	<b>608,861</b>	<b>6.3%</b>

**Town of Weston  
FY21 Town Manager's Proposed Budget**

**UNCLASSIFIED: Employee Benefits and Town Wide Expenses**

**Description of Services**

The Unclassified portion of the Town budget represents those fixed costs which are not generally attributed to any one department or service.

**Budget Recommendations**

**Workers' Compensation:** The Town's insurance premium is based on: 1) the Town's payroll for each insured class of employee; 2) the workers' compensation rates set by the State; and 3) the Town's claims experience.

**Public Safety, Injured on Duty:** This continuing balance account, which covers medical expenses for police officers and firefighters who are injured in the line of duty, is managed by the Human Resources Department. Given the number of police officers and firefighters, the Town has a modest number of claims. The Town's Reserve Policy requires the Town to maintain a balance of \$50,000 in total for police and fire. The fund experiences some anticipated claims. As such, additional funds are being allocated to the fund in keeping with the Town's Reserve Policy.

**Unemployment Compensation:** The Town self-insures for this benefit. The budget is directly related to the number of former employees qualifying for benefits. Because we are a reimbursement employer, we must pay claims from former employees who lose their jobs with other employers, so the need for these funds is somewhat unpredictable. Claims have been relatively low in the previous fiscal years. However, it is expected this increase will increase in FY21 due to the School department's proposed budget to reduce staff because of declining student enrollment. Unemployment compensation should increase as a result of the reduction.

**Insurance, Property, General Liability, Motor Vehicle:** This budget is increasing to cover anticipated premium rate increases. The Town continues to benefit from participation in a loss control program to obtain premium credit for the following year based on certain activities being completed during the current year.

**Uninsured Losses:** The balance in this account remains just above the target of \$150,000 for this reserve account, so no funds are requested.

**Group Health Insurance:** The Town's employees and retirees are enrolled in the health insurance plans of the Commonwealth of Massachusetts, Group Insurance Commission. Currently, we are projecting a 2 to 5% increase in premiums for FY21. The GIC sets the FY21 rates in March 2020. In addition, \$110,000 is included for those currently "opting out" of the Town's plans, saving the Town approximately \$369,188. Finally, \$66,000 is added to account for potential health insurance costs for three new positions proposed in the FY21 budget.

**Medicare Tax:** The Medicare tax is 1.45 percent of payroll.

**Contributory Retirement-Middlesex:** The Town participates in the Middlesex Retirement System (MRS). An actuarial analysis, which is conducted every two years, determines the Town's pension liability and funding schedule. Full funding is statutorily required by 2040, however MRS has it for 2035. The most recent actuarial study as of 1/1/2018 has determined the Town's level of funding to be 45%. The amount to be assessed to the Town in FY21 is a 7.2% increase over the FY20 assessment. This same percentage increase is expected over the upcoming years, based upon the actuary study.

**Compensated Absence Fund:** This reserve account is intended to fund the sick leave buy-back payment for which many employees are eligible at retirement, the liability for which exceeds \$1.9 million. The budget request

is increased by \$20,000 to \$260,000, in accordance with the Town's Reserve Policy. The balance in this account as of 12/31/19 is approximately \$661,380.

**Reserve Fund:** The Reserve Fund is for unforeseen and extraordinary expenses, subject to Finance Committee review and approval. The Reserve Fund is increased to \$616,718, in accordance with recently revised Reserve Policy, which is approximately .75 percent of the adjusted general fund budget for FY21.

**Debt Service (non-excluded):** This item is for previously authorized non-excluded debt service, debt issuance costs and interest on tax abatements. The Town's policy is to request that the debt service for capital requests be placed on the ballot for exclusion from the limits of Proposition 2½. After a final expense of \$19,380 in FY21, non-excluded debt will be fully retired.

**Debt Service (excluded):** This item is for previously authorized excluded debt service on projects approved by Town Meeting. For a project to be excluded from the property tax limits of Proposition 2½, it must be so voted on the ballot at Town Election. As mentioned above, the Town's policy is to request that the debt service for capital requests be placed on the ballot for exclusion from the limits of Proposition 2 ½.

The gross amount included in the FY21 budget is \$10,233,342. This is an increase of 6.3% over FY20. Much of this increase is due to the Town Center and Case House Rehabilitation projects that were approved at previous town meetings and are currently in construction phase. A premium revenue offset of \$252,053 is available and this will reduce the amount of debt service to be raised on the FY21 tax levy to \$ 9,981,289.

**New Debt Service (proposed to be excluded):** This item is normally for estimated debt service for capital projects proposed in the next year's budget. These projects will be placed on the May 2020 ballot for exclusion from the limits of Proposition 2 ½. If all projects proposed at the May 2020 Annual Town Meeting were to pass, there will be no new debt service in FY21 based on the timing of borrowing. There will be a discussion at Town Meeting on the debt impact of the proposed projects from FY22 onward.

**Stabilization Fund:** The current balance in the Stabilization Fund is approximately \$3.2 million. The Town's Reserve Policy calls for a reserve target of 3.5% of the prior fiscal year's general fund operating budget amount, excluding exempt debt service, which would be \$2,880,818. Because the balance exceeds 3.5%, no amount for FY21 is included.

**Separate Articles to be Presented:**

**Cash Capital:** These are one- time capital items requested in the Capital Improvement Plan to be funded by certified free cash. Included in this \$652,000-line item request is: fire safety gear for \$200,000, an ambulance for \$350,000, a Fire Department Shift Commander vehicle for \$70,000 and a Recreation Department truck replacement for \$32,000.

**Post-Employment Benefits:** Under State law, all Town and School employees eligible for retirement benefits are also eligible for post-employment health insurance benefits (OPEB). The most recent actuarial study as of 7/1/18, conducted in accordance with the requirements of GASB45, has determined the amount of the unfunded liability to be \$50 million.

A trust fund established for this purpose has a current balance of \$21.9 million. Funding for FY21 is proposed at \$2,335,879 which is the amount required in the actuarial funding schedule of \$2,300,737 plus another \$86,081 for the FY20 funding shortfall based on the new actuarial study.

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