FY 2013
Budget Presentation
Annual Town Meeting

Monday April 23, 2012
Agenda

• FY 2013 Projected Revenue Sources

• FY 2013 Departmental Budget Expenses
  – Town and Schools

• FY 2013 Fixed Costs

• FY 2013 Conclusion
FY 2013 Budget Key Issues

• Governor’s Budget released 1/20/2012
  – Level Funding Less Supplemental Increase of $132,000*

• House Budget released by House Leadership
  – NOT VOTED BY HOUSE; Budget Deliberations begin 4/23
  – Includes Net Increase $313,242
  – Senate begins budget deliberations about 5/14

• House – Senate Conference Committee 6/12

• Final State Budget 6/30
FY 2013 Budget Key Issues

• Health insurance negotiations successfully concluded

• Collective Bargaining status

• 4\textsuperscript{th} year of reduced/level State Aid and Impact on Services
Fiscal Year 2013 Projected Revenues
July 1, 2012 to June 30, 2013
REVENUE CATEGORIES

• Levy – Real Estate Taxes

• State Aid (Cherry Sheets)

• Local Receipts

• Other Available Funds
FY 2013 Revenue Sources

**Proposed Tax Levy**

PROPERTY TAXES Prior Year Levy Limit
Add 2.5 %
NEW GROWTH
SUB TOTAL PROPERTY TAXES
Prop 2.5 Debt Exclusion

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year Levy Limit</td>
<td>48,786,609</td>
</tr>
<tr>
<td>Add 2.5%</td>
<td>1,219,665</td>
</tr>
<tr>
<td>New Growth</td>
<td>400,000</td>
</tr>
<tr>
<td>Sub Total Property Taxes</td>
<td>50,406,274</td>
</tr>
<tr>
<td>Prop 2.5 Debt Exclusion</td>
<td>687,376</td>
</tr>
<tr>
<td><strong>Total Property Taxes</strong></td>
<td><strong>51,093,650</strong></td>
</tr>
</tbody>
</table>

Total New Revenue = $1,598,112

Debt Exclusion for MHS = $53,000 in short term interest which is a $4.80 *annual* impact on average home
Property Tax Levy
FY 2004 - 2013

* FY 13 new growth projected at $400,000
New Growth
FY 2004 - 2013

* FY 13 new growth projected at $400,000
**TAX RATES**

- Town of Marshfield has the lowest tax rate on the South Shore $11.76

<table>
<thead>
<tr>
<th>Town</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hingham</td>
<td>$11.89</td>
</tr>
<tr>
<td>Weymouth</td>
<td>$12.14</td>
</tr>
<tr>
<td>Hull</td>
<td>$13.06</td>
</tr>
<tr>
<td>Norwell</td>
<td>$14.24</td>
</tr>
<tr>
<td>Kingston</td>
<td>$15.33</td>
</tr>
<tr>
<td>Cohasset</td>
<td>$11.98</td>
</tr>
<tr>
<td>Scituate</td>
<td>$12.34</td>
</tr>
<tr>
<td>Pembroke</td>
<td>$13.91</td>
</tr>
<tr>
<td>Hanover</td>
<td>$15.00</td>
</tr>
<tr>
<td>Rockland</td>
<td>$15.81</td>
</tr>
</tbody>
</table>
FY 2013 Revenue Sources

**Proposed Local Receipts**

- Utilize formula of 5 year average less 10% for local receipts
- Includes motor vehicle excise, investment income, fines and penalties, fees and ambulance charges

**Total New Revenue = $134,000**
### FY 2013 Revenue Sources

#### Proposed State Aid

<table>
<thead>
<tr>
<th>State Aid Description</th>
<th>FY12 Budget</th>
<th>Projection FY13 Governor's Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Aid</td>
<td>$15,751,280</td>
<td>$15,790,651</td>
</tr>
<tr>
<td>Gross Assessments</td>
<td>$(674,790)</td>
<td>$(710,589)</td>
</tr>
<tr>
<td>NET AID</td>
<td>$15,076,490</td>
<td>$15,080,062</td>
</tr>
<tr>
<td>Change from Prior Year</td>
<td>$3,572</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

- **One time aid in FY 2012 of $132,484 not included; Governor not including this amount in his FY 13 budget.**
## FY 2013 Revenue Sources
### Proposed State Aid

Comparison of House with governors numbers

<table>
<thead>
<tr>
<th>State Aid Description</th>
<th>FY12</th>
<th>Projection FY13 Governor's Budget</th>
<th>Projection FY13 HWM Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Aid</td>
<td>$15,751,280</td>
<td>$15,790,651</td>
</tr>
<tr>
<td></td>
<td>Gross Assessments</td>
<td>$ (674,790)</td>
<td>$ (710,589)</td>
</tr>
<tr>
<td><strong>NET AID</strong></td>
<td><strong>$15,076,490</strong></td>
<td><strong>$15,080,062</strong></td>
<td><strong>$15,393,304</strong></td>
</tr>
</tbody>
</table>

Change from Prior FY

|                       | $3,572        | $316,814                        | 0.0%                      | 2.1%                      |
FY 2013 Revenue Sources

OTHER Revenue Sources

Cemetery Perpetual Care Interest
Licensing of Dogs
Waterways Fund
Wetland Protection Fund
Overlay Surplus
Enterprise Indirect Costs
Free Cash
FY 2013 Revenue Sources

Proposed Use of Reserves

• Free Cash for Operational Budgets
  – One time revenue – creates structural deficits
    ➢ $2.3M used in FY 2007
    ➢ Reduced from $750K in FY12 to $590K in FY 2013

  – Eliminate use of Free Cash in operational budget by FY 2015
FY 2013 Proposed Town/School Apportionment
(Fixed Costs 50%/50%; Revenue 32.4%/67.6%)

<table>
<thead>
<tr>
<th></th>
<th>FY12 Budget</th>
<th>FY13 Estimated</th>
<th>Change from PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fixed</td>
<td>$ 16,433,850</td>
<td>$ 17,004,714</td>
<td>$570,864</td>
</tr>
<tr>
<td>Total Educa</td>
<td>$ 40,650,267</td>
<td>$ 41,400,104</td>
<td>$749,837</td>
</tr>
<tr>
<td>Total Town</td>
<td>$ 15,343,772</td>
<td>$ 15,521,122</td>
<td>$177,350</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$ 72,427,889</td>
<td>$ 73,925,940</td>
<td>$ 1,498,051</td>
</tr>
</tbody>
</table>

FY13 Budget will be $1,498,051 more than FY12 - +2.1%
RECOMMENDED Expenses
July 1, 2012 to June 30, 2013
Expense Overview

• Budget challenges
  – 4 Years level service or level dollar budgets
  – Several requests for new positions – none recommended
  – Police and Fire Department overtime hardest to gauge due to unforeseen and extraordinary events/emergencies
  – Collective Bargaining process not complete
Expense Categories

General Government
Public Safety
Schools
Public Works
Health and Human Services
Culture and Recreation
Employee Benefits
Miscellaneous
GENERAL GOVERNMENT

• GENERAL GOVT TOTAL
  • FY 12  $ 2,368,320
  • FY 13  $ 2,547,571
  • DIFFERENCE $ 179,251  7.6%

— No new positions
GENERAL GOVERNMENT HIGHLIGHTS

Why a 7.6% Increase.......................... ? ? ?

• $150,000 for Facilities Maintenance
  $75,000 from each School and Town Maintenance Budgets

• $30,000 For Elections
PUBLIC SAFETY

• PUBLIC SAFETY TOTAL
  • FY 12 $8,585,920
  • FY 13 $8,811,001
  • DIFFERENCE $225,081 2.6%

— No new positions
PUBLIC SAFETY HIGHLIGHTS

• Police
  ➢ Includes Collective Bargaining Settlement
  ➢ 5 Officers - 2 retiring, 1 deployment and 2 vacancies
  ➢ Police Chief Retires August

• Fire
  ➢ Does Not Include Collective Bargaining Settlement
  ➢ Request to Fund Administrative Officer not included
SCHOOLS

• **FY 12**  $40,650,267 Operating Budget
  $ 623,463 Ed Jobs Funds

$41,273,730 Total FY12 Funding
SCHOOLS

• FY 13 $ 400,000 Contractual Inc. (No COLA)
  $ 363,430 Operational Increases
  ▪ Out of District Tuition $213,430
  ▪ Kindergarten Teacher & ISP $  70,000
  ▪ Athletics Expense $  80,000

($ 237,083) Operational Decreases
  ▪ Full Day Kindergarten Revenue $ 58,000
  ▪ Repairs & Maintenance to Facilities $ 75,000
  ▪ Sick Leave Buyback Reserve $ 16,000
  ▪ Salary Attrition $ 88,083

• FY13 $ 41,800,077 Level Budget
SCHOOLS

• $41,800,077 FY13 Level Budget

• $41,400,104 FY13 Town Education Budget

• $399,973 Reductions Needed
Approved Tier I “Bad Idea” Reductions

- Electricity (Fixed Contract Savings) $75,000
- Vocational Tuition $23,152
- Elementary Math Text & Supplies $21,636
- Special Ed. Van Lease $15,000
- GWS Heating System Repairs $6,000
- Office Equipment $5,000
- System-wide Textbooks $50,000
- Special Ed. Teacher (.5 FTE) $37,185
- Instructional Support Personnel (1 FTE) $17,000
- Elementary Teachers (3 FTE) $150,000

Total Tier I “Bad Idea” Reductions (4.5 FTE) $399,973
SCHOOLS HIGHLIGHTS

Approved Tier II “Bad Idea” Reductions

- Special Ed. Teachers (3 FTE) $152,600
- Elementary Teachers (2 FTE) $100,000
- Instructional Support Personnel (5 FTE) $85,000
- Social/Emotional Program Director (1 FTE) $73,500
- Technical Ed. Teacher (1 FTE) $53,625
- Multi-Sensory Reading Tutor (1 FTE) $36,309
- MHS Health Teacher (.5 FTE) $25,000
- Physical Therapist (.2 FTE) $12,927
- Nurse Assistant (.5 FTE) $7,500

Total Tier II “Bad Idea” Reductions (14.2 FTE) $546,461
SCHOOLS HIGHLIGHTS

Total FY13 “Bad Idea” Reductions
$946,434 (18.7 FTE)
PUBLIC WORKS

• PUBLIC WORKS TOTAL
  • FY 12 $ 3,000,140
  • FY 13 $ 2,961,537
• DIFFERENCE $ (38,603) -1.3%

— No new positions
PUBLIC WORKS HIGHLIGHTS

• Level Service Budget – no layoffs

• Request to add Assistant Director Position and Confidential Secretary position not included
HEALTH & HUMAN SERVICES

• Health & Human Services TOTAL
  • FY 12    $ 874,185
  • FY 13    $ 877,441
  • DIFFERENCE $ 3,256 0.4%

No new positions
Health & Human Services Highlights

• Council on Aging restructuring
  – Increase one PT position to FT
  – Combine two PT positions into 1 FT
  – Continued use of COA Formula grant for funding
  – Fund bus drivers from GATRA revolving fund
  – Augment one Bus Driver position with maintenance duties by eliminating cleaning contract

• Veterans Services includes cost of living increase for benefits
CULTURE & RECREATION

• Culture and Recreation TOTAL
  • FY 12 $ 737,443
  • FY 13 $ 710,387
  • DIFFERENCE $ (27,056) -3.7%

— No new positions
Culture & Recreation Highlights

• Library Contractual Changes included

• Library expense cut by $25,000
EMPLOYEE BENEFITS

• Employee Benefits TOTAL
  • FY 12 $ 10,293,041
  • FY 13 $ 10,685,905
  • DIFFERENCE $ 392,864 3.8%
Employee Benefits Highlights

• Retirement 14.7% increase
  – Plan for County System to be fully funded by 2030

• Health Insurance Settlement Reached with Plan design changes
  – Town Budgetary Savings $88,746
Miscellaneous Budgets

- **Miscellaneous Budgets TOTAL**
  - FY 12 $ 5,918,573
  - FY 13 $ 5,931,994
  - DIFFERENCE $ 13,421 0.2 %
Miscellaneous Budget Highlights

• Debt Service Budget increasing by amount of MHS short term interest $53,000

• Utilities decrease due to electricity and natural gas contracts reductions

• w/o Debt Increase Miscellaneous Budgets actually decrease by $40,000
FY 2013 Budget Summary

• Balanced Budget

• Maintain Level Services

• Implement Health Insurance Changes

• Minimize staff reductions
FINAL FY 2013 Budget as Proposed

Bottom Line

• Recommended FY 2013 Budget is $73,925,940
  
  ❖ 2.1% increase from FY 2012
FY 2013
Budget Overview

THANK YOU