



***Fiscal Year 2018
Budget Update
Joint Selectmen / Advisory Board Hearing***

Monday, March 28, 2017



Agenda

- FY 2018 Revenues
- FY 2018 Budget Requests/CUTS
- FY 2018 Fixed Costs
- Next Steps



Fiscal Year 2018
Projected Revenue
July 1, 2017 to June 30, 2018



REVENUES

| | Budgeted FY17 | Estimated FY18 | Town Admin. FY18 | | Change from FY17 |
|---|-------------------|-------------------|---------------------|---|-----------------------|
| Base Tax Levy | 56,378,234 | 58,529,796 | 58,529,796 | | 2,151,562 3.8% |
| Statutory 2 1/2 Increase | 1,409,456 | 1,463,245 | 1,463,245 | | 53,789 3.8% |
| New Growth | 742,106 | 550,000 | 550,000 | | (192,106) -25.9% |
| Levy Limit | 58,529,796 | 60,493,041 | 60,543,041 | | 2,013,245 3.4% |
| | | | | | |
| FB/Martinson & MHS | | | | | |
| Debt Exclusion | 4,279,861 | 4,361,297 | 4,361,297 | | 81,436 1.9% |
| Max Total Allowable Levy | 62,809,657 | 64,904,338 | 64,904,338 | | 2,094,681 3.3% |
| | | | | | |
| State Aid | 16,841,289 | 16,841,289 | 17,003,833 | * | 162,544 1.0% |
| Less Offsets | (51,877) | (51,877) | (47,881) | | 3,996 -7.7% |
| Total State Aid (Less Offsets) | 16,789,412 | 16,789,412 | 16,955,952 | | 166,540 1.0% |



REVENUES

| | | | | | |
|--|------------------|------------------|------------------|---|---------------|
| Local Receipts | 6,336,575 | 6,336,575 | 6,541,575 | * | 205,000 |
| Non-recurring | | | | | 0 |
| Free Cash | | | | | 0 |
| MSBA Reimbursement | 1,112,854 | 1,112,854 | 1,112,854 | | 0 |
| Use of Reserved Bond Premium | 275,441 | 275,441 | 275,441 | | 0 |
| <i>Waterways</i> | 30,000 | 30,000 | 30,000 | | 0 |
| <i>Wetland Protection</i> | 20,000 | 20,000 | 20,000 | | 0 |
| <i>Licensing & Keeping of Dogs</i> | 20,000 | 20,000 | 20,000 | | 0 |
| <i>Cemetery Perpetual Care</i> | 20,000 | 20,000 | 20,000 | | 0 |
| <i>Enterprise Indirects</i> | 1,492,319 | 1,317,006 | 1,317,006 | * | (175,313) |
| <i>Overlay Surplus</i> | | | 350,000 | | |
| <i>Solar panel</i> | | | 100,000 | | |
| <i>COA state grant</i> | | 47,729 | 47,729 | | |
| <i>COA gatra reimbursement</i> | | 67,709 | 67,709 | | |
| Total Other Revenue | 9,307,189 | 9,247,314 | 9,902,314 | | 29,687 |



TOTAL FY 2018 REVENUE

| | Budgeted FY17 | Estimated FY18 | Town Admin. FY18 | | Change from FY17 |
|----------------------|-------------------|-------------------|--------------------------|----------|------------------------|
| Total Revenue | 88,906,258 | 90,772,642 | <u>91,762,604</u> | - | 2,285,908 2.57% |



FY 2018 Revenue Assumptions - Summary

- Increase Tax Levy as allowed under Proposition 2 ½
 - **ADDED \$50K New Growth**
- State Aid Level Funded
 - **ADDED \$166K Gov's Numbers**



FY 2018 Revenue Assumptions - Summary

- Local Receipts were Level Funded
 - **ADDED \$25K (actually \$200K BUT offsets \$175 loss Indirects) plus**
 - **ADDED \$5K for library Recertification**
- **Added \$350,000 From Overlay Surplus**



Fiscal Year 2018 -
Proposed Expenses - Overview
July 1, 2017 to June 30, 2018



FY 18 Proposed Expenses

Summary of Requests

| DEPARTMENT | FY 17 | FY 18 | Advisory Board Rec |
|--------------------------------|-------------------|-------------------|--------------------|
| Town Government | 18,214,593 | 19,487,817 | 18,597,048 |
| School Department | 45,881,625 | 48,291,788 | 46,860,362 |
| Debt Service-Non excluded | 3,456,477 | 3,944,026 | 3,944,026 |
| Debt Service-Excluded | 5,668,156 | 5,679,622 | 5,679,622 |
| General Insurance/Medicare | 1,631,741 | 1,713,791 | 1,713,791 |
| Pension Total | 5,451,747 | 5,646,638 | 5,646,638 |
| Employee Health/Life Insurance | 6,359,456 | 7,567,753 | 6,809,872 |
| Unemployment | 100,000 | 100,000 | 100,000 * |
| Facilities | 567,629 | 817,920 | 567,920 |
| Snow & Ice | 400,000 | 408,000 | 400,000 |
| Audit/OPEB/Payroll | 100,000 | 113,000 | 113,000 * |
| Other Expense | | | |
| Reserve Fund | 100,000 | 100,000 | 100,000 |
| Overlay | 0 | 400,000 | 300,000 |
| State & County Assessments | 773,695 | 773,695 | 830,326 |
| Town Meeting Appropriation | 78,000 | 0 | 100,000 |
| | 88,783,119 | 95,044,049 | 91,762,604 |



FIXED COST SUMMARY

Fixed Costs

| | | | | | | | |
|--------------|-----|----|---|----|------------|----|------------|
| Reserve Fund | 132 | \$ | - | \$ | 100,000.00 | \$ | 100,000.00 |
|--------------|-----|----|---|----|------------|----|------------|

| | | | | | | | |
|--------------|-----|--|--|--|--|--|--|
| Snow Removal | 423 | | | | | | |
|--------------|-----|--|--|--|--|--|--|

| | | | | | | | |
|-----------|--|----|------------|----|------------|----|------------|
| Personnel | | \$ | 107,100.00 | \$ | 109,242.00 | \$ | 107,100.00 |
|-----------|--|----|------------|----|------------|----|------------|

| | | | | | | | |
|----------|--|----|------------|----|------------|----|------------|
| Expenses | | \$ | 292,900.00 | \$ | 298,758.00 | \$ | 292,900.00 |
|----------|--|----|------------|----|------------|----|------------|

| | | | | | | | |
|-------|--|----|------------|----|------------|----|------------|
| Total | | \$ | 400,000.00 | \$ | 408,000.00 | \$ | 400,000.00 |
|-------|--|----|------------|----|------------|----|------------|

| | | | | | | | |
|------------|-----|--|--|--|--|--|--|
| Facilities | 123 | | | | | | |
|------------|-----|--|--|--|--|--|--|

| | | | | | | | |
|-----------|--|----|------------|----|------------|----|------------|
| Personnel | | \$ | 168,951.31 | \$ | 168,951.31 | \$ | 168,951.31 |
|-----------|--|----|------------|----|------------|----|------------|

| | | | | | | | |
|----------|--|----|------------|----|------------|----|------------|
| Expenses | | \$ | 398,678.00 | \$ | 648,969.00 | \$ | 398,969.00 |
|----------|--|----|------------|----|------------|----|------------|

| | | | | | | | |
|-------|--|----|------------|----|------------|----|------------|
| Total | | \$ | 567,629.31 | \$ | 817,920.31 | \$ | 567,920.31 |
|-------|--|----|------------|----|------------|----|------------|

| | | | | | | | |
|-------------------|-----|----|------------|----|------------|----|------------|
| General Insurance | 910 | \$ | 882,790.00 | \$ | 953,790.50 | \$ | 953,790.50 |
|-------------------|-----|----|------------|----|------------|----|------------|

| | | | | | | | |
|-------------------------|-----|----|--------------|----|--------------|----|--------------|
| Health & Life Insurance | 912 | \$ | 6,359,456.00 | \$ | 7,567,753.00 | \$ | 6,809,871.81 |
|-------------------------|-----|----|--------------|----|--------------|----|--------------|

| | | | | | | | |
|-------------------|-----|----|------------|----|------------|----|------------|
| Unemployment Comp | 913 | \$ | 100,000.00 | \$ | 100,000.00 | \$ | 100,000.00 |
|-------------------|-----|----|------------|----|------------|----|------------|

| | | | | | | | |
|----------|-----|----|------------|----|------------|----|------------|
| Medicare | 914 | \$ | 748,951.00 | \$ | 760,000.00 | \$ | 760,000.00 |
|----------|-----|----|------------|----|------------|----|------------|

| | | | | | | | |
|------------|-----|----|--------------|----|--------------|----|--------------|
| Retirement | 911 | \$ | 5,451,747.00 | \$ | 5,646,638.00 | \$ | 5,646,638.00 |
|------------|-----|----|--------------|----|--------------|----|--------------|

| | | | | | | | |
|--------------------|-----|----|------------|----|------------|----|------------|
| Audit/OPEB/Payroll | 149 | \$ | 100,000.00 | \$ | 113,000.00 | \$ | 113,000.00 |
|--------------------|-----|----|------------|----|------------|----|------------|

| | | | | | | | |
|--------------------------|--|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Fixed Costs Total | | \$ | 14,610,573.31 | \$ | 16,467,101.81 | \$ | 15,451,220.62 |
|--------------------------|--|-----------|----------------------|-----------|----------------------|-----------|----------------------|



Health Insurance

- Projected increase 19 % or \$1,208,297
- *Rates / Number not yet confirmed by MMHG; earliest April 2017*

GBS MMHG RECOMMENDATION

Projected Increase 11.8 % Increase or \$750,000



Health Insurance

- **FINAL RECOMMENDATION**

**Projected Health Insurance Increase 7.1 %
or \$450,416 or approximately \$300,000
reduction in previously anticipated
expense**

Voted by the MMHG March 23,2017



Fiscal Year 2018 -
Proposed Expenses - REDUCTIONS
July 1, 2017 to June 30, 2018



FY 2018 General Government

- **General Government 5.25% Increase as requested
\$129,618**
- *General Government 1.94% Increase as
recommended \$47,917*



FY 2018 Public Safety

- Cut 4 police Officers, 2 FF/EMT's, and PT Zoning Enf.
- Plus some PD and FD OT

REQ. Public Safety 6.81% Increase \$734,614

REC. Public Safety 1.94% Increase \$210,005



FY 2018 Education

- **School Department Request \$48,291,788**
- **School Department 5% Increase as requested \$2,419,163**
- *Recommendation Preliminary.....*
- **School Department \$46,310,362**
- **School Department 1% Increase \$428,737**



FY 2018 Education

- **School Department Request \$48,291,788**
- **School Department 5% Increase as requested \$2,419,163**
- *Recommendation * still under discussion.....*
- **School Department \$46,860,362**
- **School Department 2.3% Increase \$978,737**



FY 2018 Public Works

- Cut new positions – Truck driver(laborer) and CTG Supervisor, cut fuel, cut small capital

DPW 5.14 % Increase as requested, \$142,312

Recommendation:

DPW 2.62 % decrease as \$75,311

Salaries moved to Enterprise

Supervisory position \$72K (left \$7500 for promotion)



FY 2018 Health & Human Services

**Requested Health and Human Services 18.82%
Increase \$180,868**

Cut new position Ass't COA Director

**Recommendation Health and Human Services
14.26 % Increase \$135,497**

\$116,000 of increase tied to adding COA Grant money into budget without Grant funding COA budget using \$4K LESS G/F than last year.



FY 2018 Culture & Recreation

- **Requested Culture and Recreation 4.14 %
increase \$31,506**
- **Requested Culture and Recreation 1.42 %
increase \$5,806 add \$5K for Library Cert.
increase is \$10,806**



Facilities Department

- **LEVEL FUNDED**
 - No increase in Services
 - No custodians in Town Buildings



Proposed Revenues v. Expenses

- **GRAND TOTAL REVENUES**

\$91,407,604

\$91,762,604

- **GRAND TOTAL EXPENSES**

\$91,762,604



FY 2018 Budget Summary

- Budget is balanced but
 - Only Positive Town side - no layoffs
 - Balanced Budget with bare bones services
 - All Departments Impacted
- Fixed Costs remain huge burden
- State Budget Process not complete and best hope at this point is legislature's budget at least meets Governor's numbers
- Collector Treasurer's work with collections will help in FY 19



FY 2018 Budget Summary

- Collective Bargaining will be initiated and at this point unaccounted and same for by-law employees.
- Collector Treasurer will present the Town's debt status for all debt March 20th.



FY 2018 Budget NEXT STEPS

Work on Budget will continue.....



FY 2018 Budget NEXT STEPS

ANNUAL TOWN MEETING

MONDAY APRIL 24, 2017

7:00 PM

MARSHFIELD HIGH SCHOOL

AUDITORIUM