

Town Administration
Fiscal Year 2018
General Fund Budget
Recommendations

December 14, 2016

Board of Selectmen's Meeting

FY2018 General Fund – Budget Overview

- Revenue
 - Total Projected Revenues: \$93,485,008
- Expenses
 - Total Projected Expenses: \$93,176,494

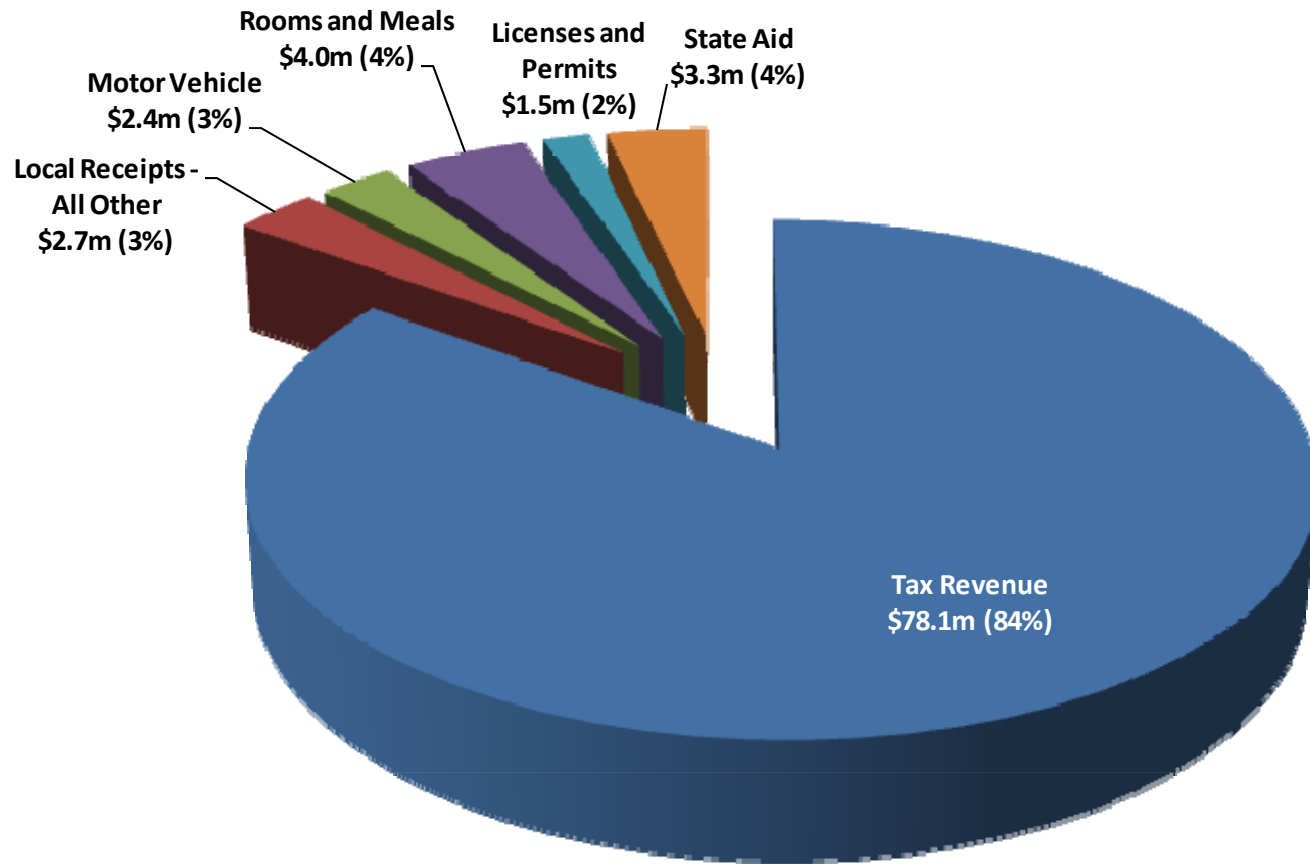
FY2018 General Fund – Budget Summary Comparison

REVENUES	FY2017	FY2018	\$ Change	% Change
Property Tax	\$ 73,981,628	\$ 78,063,118	\$ 4,081,490	5.5%
Local Receipts - All Other	2,689,915	2,742,720	52,805	2.0%
Motor Vehicle Excise	2,150,000	2,400,000	250,000	11.6%
Rooms and Meals Tax	3,466,000	3,954,000	488,000	14.1%
Licenses and Permits	1,375,000	1,500,000	125,000	9.1%
State Aid ⁽¹⁾	3,180,705	3,271,156	90,451	2.8%
Free Cash	-	1,180,500	1,180,500	na
Other Available Funds	-	65,000	65,000	na
TOTAL REVENUES	\$ 86,843,248	\$ 93,176,494	\$ 6,333,246	7.3%
EXPENDITURES				
Municipal Departments	24,598,592	26,432,702	1,834,110	7.5%
School Department	26,486,642	27,951,642	1,465,000	5.5%
Fixed Costs	25,002,972	27,865,353	2,862,381	11.4%
Special Appropriations	10,755,042	10,926,797	171,755	1.6%
TOTAL EXPENDITURES	\$ 86,843,248	\$ 93,176,494	\$ 6,333,246	7.3%

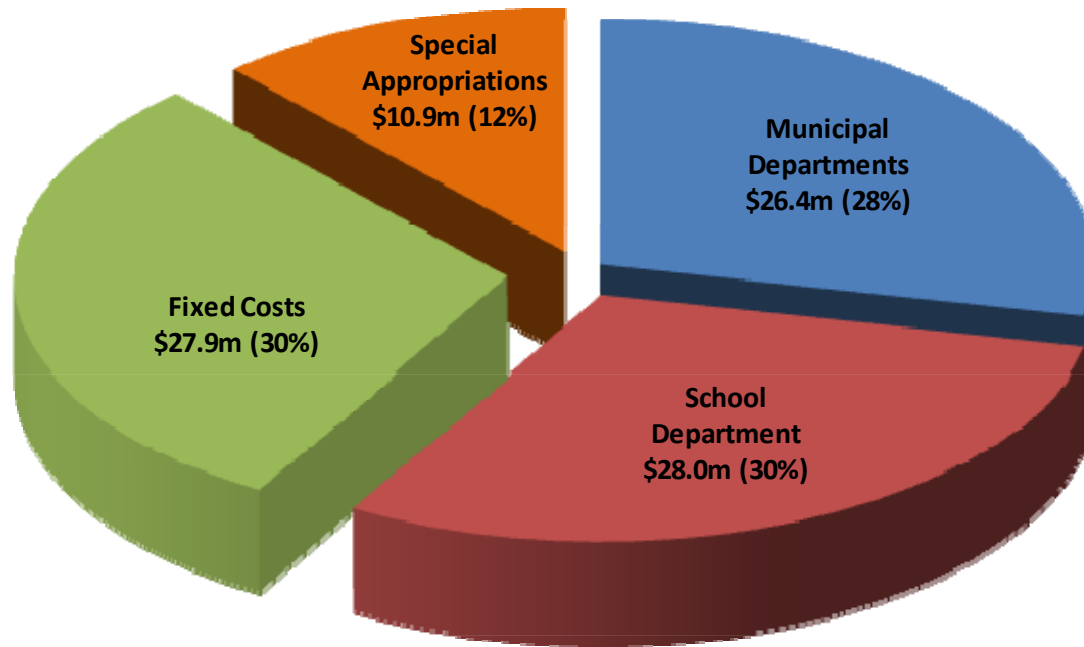
- See Appendix A for detailed breakdown.

(1) FY2018 state aid represents level funding from FY2017 approved figure.

FY2018 General Fund – Projected Revenue



FY2018 General Fund – Projected Expenses



FY2018 General Fund – Expense Categories

Category	FY2018 Current Projection	Notes
Town Operational Expenses	\$8,038,876	<i>15.7% increase</i>
Town Operational EIR's ⁽¹⁾	\$1,180,500	<i>Included in Town expenses</i>
Town Salaries	\$18,393,826	<i>contracts in negotiations; c/b allowance</i>
Town Personnel EIR's	\$349,307	<i>Included in Town salaries</i>
School Operational Expenses	\$5,179,087	<i>4.1% increase</i>
School Operational EIR's	\$202,294	<i>Included in School expenses</i>
School Salaries	\$21,109,849	<i>Contracts in negotiations; c/b allowance</i>
School Personnel EIR's	\$1,197,706	<i>Included in School salaries</i>

(1) EIR = Expense Increase Request.

FY2018 General Fund – Fixed Costs

Category	FY2018 Current Projection	% Change over FY2017 Budget
Health Insurance		
Active	\$9,472,238	<i>8.5% increase</i>
Retiree	\$3,157,413	<i>8.5% increase</i>
General Insurance	\$2,457,743	<i>No change</i>
Debt Service	\$8,522,427	<i>per established schedule</i>
Retirement	\$4,255,533	<i>8.5% increase</i>
Enterprise Fund Subsidies	\$8,106,376	<i>1.6% increase</i>

- See Appendix A for detailed breakdown.

FY2018 General Fund – Special Appropriations

Category	FY2018 Current Projection	% Change over FY2017 Budget
Health & Human Services	\$400,000	<i>No change</i>
County Assessment	\$170,201	<i>No change</i>
Reserve Fund	\$500,000	<i>No change</i>
Unpaid Bills	\$25,000	<i>No change</i>
Other Post Employment Benefits (OPEB)	\$500,000	<i>No change</i>
Overlay & Other Deficits	\$0	\$0
Cherry Sheet Charges	\$430,220	<i>0.7% increase</i>
Community School	\$465,000	<i>No change</i>
Min Cap Funding Req.	\$820,000	<i>n/a - 1% of prior year revenue</i>
TOTAL	\$93,176,494	<i>7.3% increase</i>

FY2018 Town Expense Increase Requests

(included in recommended budget, excluding school)

- \$ 3,625,038 Submitted Requests
- \$ 1,949,628 Recommended
 - One-time \$1,180,500
 - Ongoing \$ 769,128
- To be funded through available tax levy, budget adjustments, alternate funding sources, free cash, potential revenue increases

FY2018 Town Expense Increase Requests Funding Source

Funding Source	Amount
Tax Levy & Other General Revenues	\$614,307
Free Cash	1,180,500
Other Funds (see next slide)	\$154,821
Total - All Funding Sources	\$1,949,628

FY2018 Town Expense Increase Requests Other Funding Source Breakdown

Funding Source	Amount
C & I License Plate Fund	\$25,000
Beach Improvement Revolver	\$58,521
Septic Inspection Revolver	\$9,300
Sewer Enterprise Fund	\$62,000
Total	\$154,821

Preliminary Free Cash Recommendation Likely to Change

General Fund Free Cash	\$6,642,219
Fund Town Expense Increase Requests (one-time)	\$1,255,500
Fund Town & School Capital Projects	3,636,099
Fund Possible Solid Waste FY2017 Budget Deficit	\$1,500,000
Unallocated Free Cash	\$250,620

Administration & Board of Selectmen Goals and Priorities for FY2018

- Balanced budget – within projected revenue
- Capital and operational investment in infrastructure/facilities
- Staffing for increased service and seasonal demands; and to meet priorities
- Water quality
- Energy cost management and mitigation
- Health insurance cost mitigation
- Strategic Plan
- Housing
- Increased use of technology for transparency

Initiatives/Needs/Goals Addressed with Budget Recommendations

- Facilities, infrastructure & equipment maintenance
 - Additional funding proposed in DPW (Facilities), Town Admin, Public Safety, Natural Resources, IT
- Staffing/Professional Services to address high activity and/or mandates
 - Sewer, Public Safety, Natural Resources, PLUS, Town Admin, HR, Finance
 - Request for staffing study to include roadmap
 - Request for engineering services to help oversee multiple projects
 - State-mandated property revaluation
- Water quality/ponds:
 - Natural Resources (continuation of and increase in water quality initiatives)
- Housing
 - PLUS (housing specialist)

Efforts to Reduce Expenses and Increase Efficiency, Transparency

- Personnel
 - Review staffing when key positions become vacant
 - Combine/consolidate duties where appropriate
 - Cross-train staff where appropriate
 - Increase training opportunities so as to reduce reliance on consultants, reduce legal fees and other expense impacts (i.e. effort to get several employees certified as Mass Public Purchasing Officials)
- Continual Review of Internal Controls/Processes and Procedures
- Implementation of software to better inform the public and town boards, departments (capital planning, budget, project management, work order system)
- Seek 2nd Compact Community grant (examples of projects: IT, CIP, budget document)

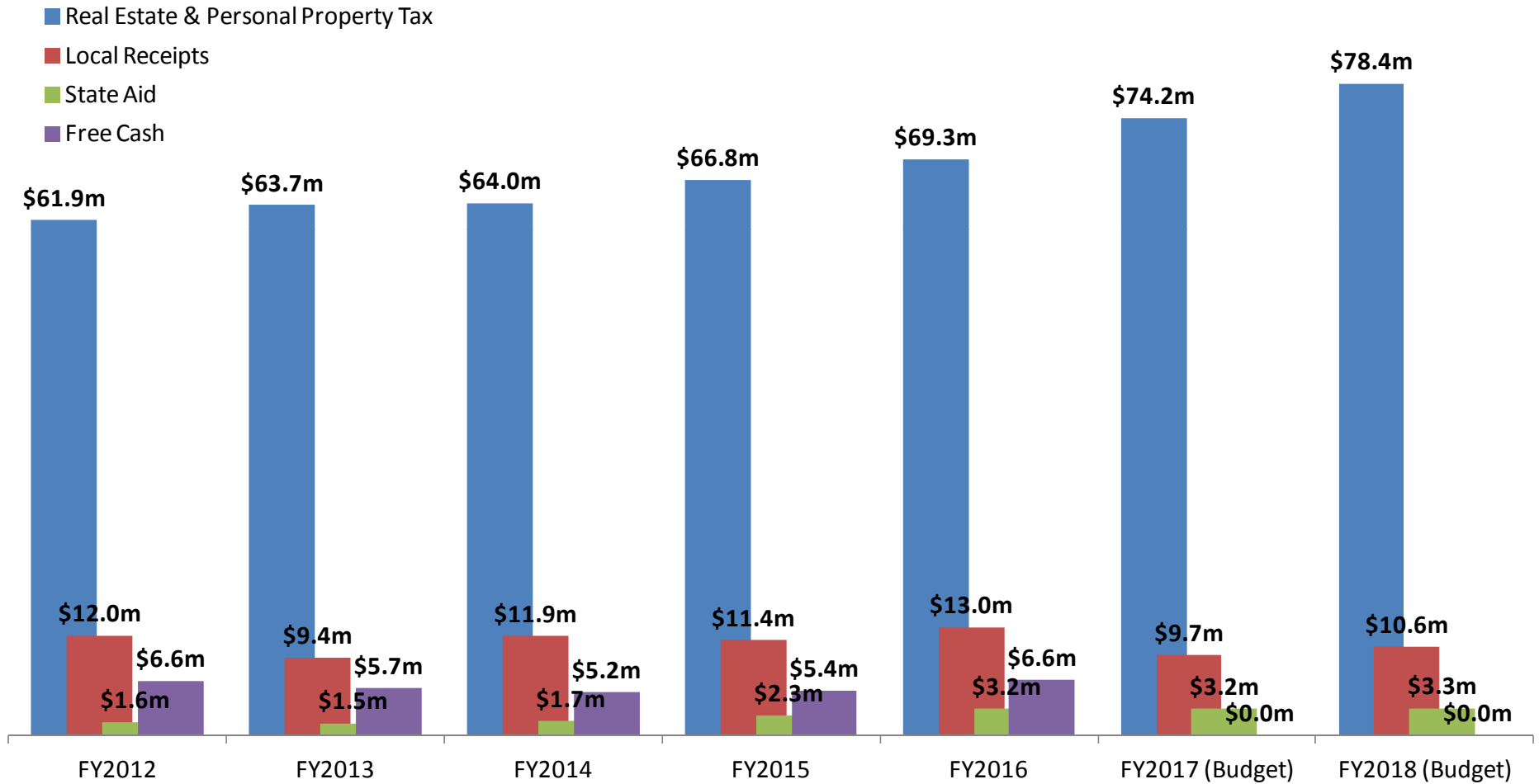
Outstanding Items and Current Unknowns

- Strategic Plan
- Potential Future Tax Overrides
 - Our Island Home
 - Solid Waste Enterprise Fund
- Collective Bargaining
- State Aid impact
- Chapter 90
- Health Insurance
- Citizen Warrant Articles Potential Cost Impact

Next Steps

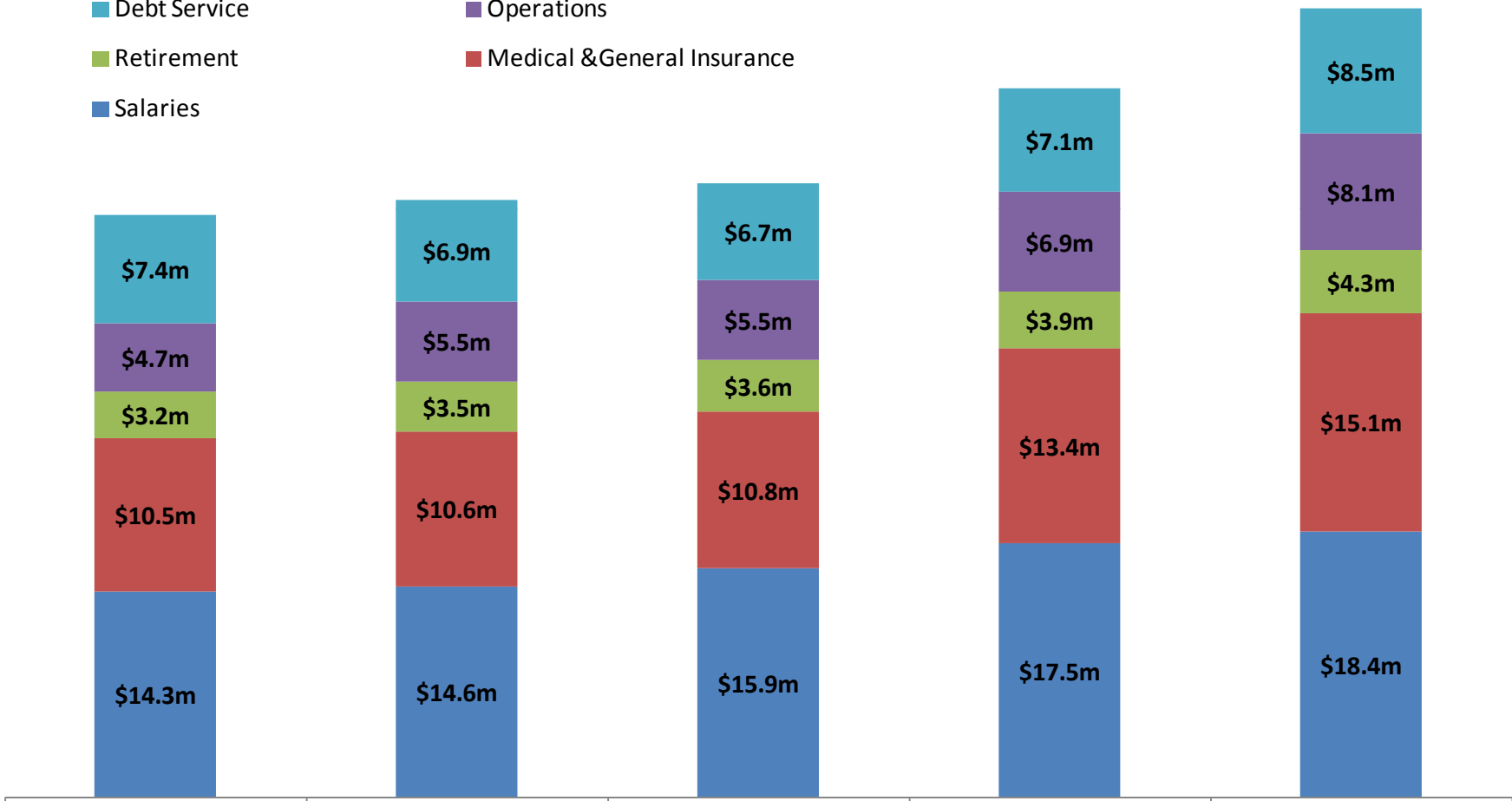
- December 19: Capital Program Committee review of recommendations with Finance Committee
- December 20: Town Administration FY2018 Budget presentation to School Committee
- January 4: Board of Selectmen public hearing; adoption of recommended FY2018 General Fund Budget
- January 9: Review of Recommended Budget with Finance Committee
- January 18: Review of Enterprise Fund Budgets and County with Board of Selectmen/County Commissioners
- Mid-January – mid-March: Finance Committee review of General Fund & Enterprise Fund budgets; other financial appropriations
- Saturday, April 1: Annual Town Meeting (2017)

General Fund Revenue Breakdown FY2014-FY2018



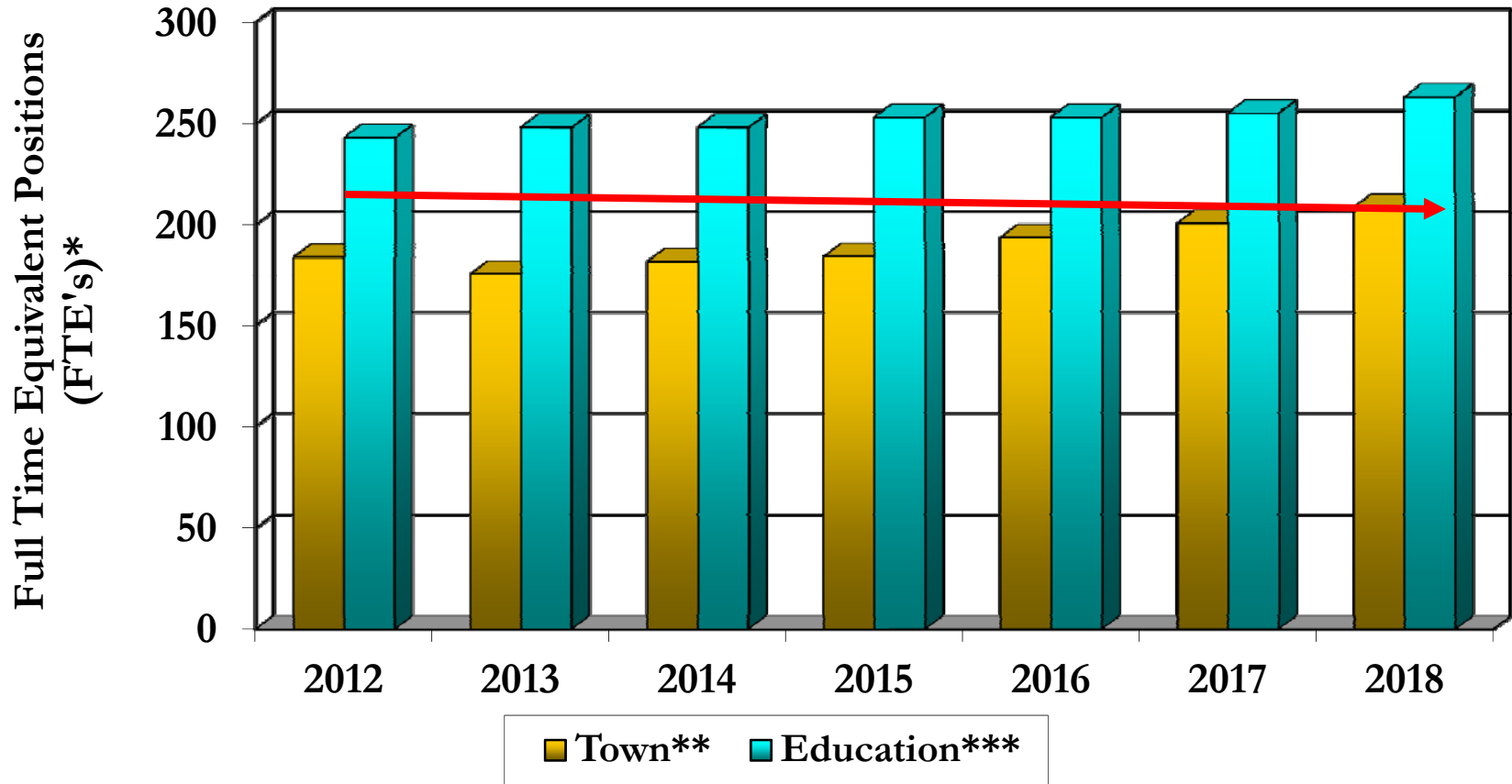
Town Expense Breakdown FY2014-FY2018

- Debt Service
- Salaries
- Retirement
- Operations
- Medical & General Insurance



FY2014 (Actual)
12/9/2016

General Fund Personnel History FY2014-FY2018



*Full Time Equivalent Calculation = 33-40 Hrs 1.0; 20-32 Hrs 0.50; Seasonal = 0.25

**For comparative purposes, Town Personnel History does not include Our Island Home

*** Education Personnel History includes Community School Employees

Appendix

FY2018 Status of Capital Projects Requests

Department	Projects Submitted	Amount
GENERAL FUND		
Transportation	Sidewalk Improvement Plan	\$ 1,000,000
Transportation	Surfside Area Roads Reconstruction	1,000,000
Transportation	Road Improvements/Maintenance - Island Wide	900,000
Transportation	Old South Rd/Fairgrounds Rotary	150,000
Transportation	Old South Rd Bike Path Maintenance	75,000
Transportation	Stormwater Improvements	500,000
Fire Department	Replace Ambulance #2	279,000
Fire Department	ALS Equipment for Ambulance	50,000
Facilities	Tom Nevers Playground Equipment	100,000
Police	Replace Dispatch Equipment	930,150

FY2018 Status of Capital Projects Requests – cont'd

Department	Projects Submitted	Amount
GENERAL FUND - CONT'D		
DPW	Pick-Up Truck with Plow	\$ 60,000
DPW	One Ton Dump Truck with Plow	75,000
DPW	Bucket Truck with Chipper	250,000
DPW	Grader	200,000
DPW	Leaf/Rubbish Vacuum Truck	100,000
DPW	Mowing Equipment	50,000
DPW	Sconset Flagpole Monument	145,000
School	NPS Building Improvements	300,000
School	Paving at NHS/CPS	300,000
School	NHS/CPS HVAC Upgrade	450,000
School	Backus Lane Playground & Field Improvements	375,000
Town Administration	Desktops, Printers Replacement	50,000
	GIS Digital Image Updates	300,000
Our Island Home	Design and Construction of a New Facility	37,500,000

FY2018 Status of Capital Projects Requests – cont'd

TOTAL GENERAL FUND ITEMS	\$	45,139,150
Other Funding Sources:		
General Fund Debt Exclusion - Our Island Home	\$	37,500,000
Free Cash		3,631,099
Debt Exclusion		2,900,000
Capital from Operating Budget		738,000
Prior Year Capital Article Reappropriations		46,051
CPC Funds		45,000
Ambulance Reserve		329,000
Total other funding sources	\$	45,189,150
Items left to fund	\$	(50,000)

FY2018 Status of Capital Projects Requests Enterprise Funds

Enterprise Fund	Projects Submitted	Amount
Airport	Reconstruct Apron Area 3/Replace Fence	\$ 2,200,000
Airport	5 Year CIP EA/EIR Permitting	450,000
Airport	ALP Update and SMS Narrative	250,000
Airport	Airport Equipment and Vehicles	198,000
Airport	Extension of Bag Belt	200,000
Airport	Fire Surpression for Fuel Farm	70,000
Airport	Fuel Farm Piping Replacement	436,100
Airport	Paint and Beads & Rubber & Markings	176,000
Airport	Airport Facility Upgrades	52,000
	Subtotal Airport	\$ 4,032,100
Our Island Home	Exterior Trim and Side Wall	343,500
Our Island Home	Kitchen Renovation and Laundry	200,000
	Subtotal OIH	\$ 543,500
Sewer	Pump Station Upgrades	100,000
Sewer	Force Main Assessment and Inspections	500,000
Sewer	CMOM (Capacity/Maint?OPS/Management	1,750,000
Sewer	Generator Replacement	54,700
Sewer	Tanker Truck Replacement	250,000
Sewer	Sconset Collections System Evaluation	693,000
Sewer	Town Water Main to Plant and Housing	250,000
Sewer	Flora Street Manholes	100,000
Sewer	Farmer Street Main and Manhole Replacement	100,000
Sewer	Fiber Lines to Plant	75,000
	Subtotal Sewer	\$ 3,872,700

FY2018 Status of Capital Projects Requests Enterprise Funds – cont'd

Enterprise Fund	Projects Submitted	Amount
Solid Waste	Continuation of Landfill Mining (7th Year)	\$ 700,000
Solid Waste	Repairs and Replacements	50,000
	Subtotal Solid Waste	\$ 750,000
Siasconset Water	Water Main Replacement	2,340,250
	Subtotal Siasconset Water	\$ 2,340,250
Wannacomet	Hydrant Replacement	\$175,000
Wannacomet	Water Main Replacement	\$2,420,635
	Subtotal Wannacomet Water	\$ 2,595,635
SUBTOTAL - ALL ENTERPRISE FUNDS		\$ 14,134,185
	Borrowing Authorizations	1,277,100
	Airport AIP Grants	2,755,000
	Tax Revenue and Free Cash	750,000
	OIH Retained Earnings	543,500
	Sewer Retained Earnings and Operating Budget	3,872,700
	Wannacomet Retained Earnings	2,595,635
	Sconset Retained Earnings	2,340,250
	Total Funding Sources	\$ 14,134,185
	Total Remaining to be Funded	\$ -

FY2018 General Fund Budget Breakdown – Revenues

	Budget FY2017	Budget FY2018	\$ Change	% Change
Tax Revenue Limitations				
Levy Limit from Prior Year	\$ 65,801,036	\$ 68,716,742	\$ 2,915,706	4.4%
Add: 2 1/2 % increase	1,645,026	1,717,919	72,893	4.4%
Add: Prop 2.5% operating override	-	-	-	na
Add: new growth <i>estimate</i>	900,000	800,000	(100,000)	(11.1%)
Add: operating override	-	-	-	na
Levy Limit for Current Year	68,346,062	71,234,660	\$ 2,888,599	4.2%
Add: Debt Exclusion	6,854,905	8,036,972	1,182,067	
Maximum Allowable Levy for Current Year	\$ 75,200,967	\$ 79,271,632	\$ 4,070,666	5.4%
OVERLAY	(1,000,000)	(900,000)	100,000	(10.0%)
Net available:	\$ 74,200,967	\$ 78,371,632	\$ 4,170,666	5.6%
State Aid	\$ 3,180,702	\$ 3,271,156	\$ 90,454	2.8%
Local Receipts:				
Motor Vehicle Excise	2,150,000	2,400,000	250,000	11.6%
Other Excise	3,500,000	3,954,000	454,000	13.0%
Penalties and Interest on Taxes and Excises	599,140	599,140	-	-
Payments in Lieu of Taxes	7,330	7,330	-	-
Other Charges for Services	44,600	30,000	(14,600)	(32.7%)
Fees	857,785	875,000	17,215	2.0%
Rentals	556,090	700,000	143,910	25.9%
Other Departmental Revenue	186,430	175,000	(11,430)	(6.1%)
Licenses and Permits	1,375,000	1,500,000	125,000	9.1%
Fines and Forefits	244,800	200,000	(44,800)	(18.3%)
Investment Income	110,500	145,000	34,500	31.2%
Miscellaneous Recurring (RDS Subsidy)	49,240	11,250	(37,990)	(77.2%)
Miscellaneous Non-Recurring	-	-	-	na
Total Local Receipts	9,680,915	10,596,720	915,805	9.5%
Total Revenue	\$ 87,062,584	\$ 92,239,508	\$ 5,176,925	5.9%
Other Sources				
Other Sources	-	65,000	65,000	na
Free Cash Used	72,100	1,180,500	1,108,400	1,537.3%
Excess Overlay	-	-	-	-
Total Revenue and Other Sources	\$ 87,134,684	\$ 93,485,008	\$ 6,350,325	7.3%
Total Expenses and Other Uses (budget reprogramming)	\$ 86,843,248	\$ 93,176,494	\$ 6,333,246	7.3%

FY2018 General Fund Budget Breakdown – Expenses

	Budget FY2017	Budget FY2018	\$ Change	% Change
General Fund Operating Budget Items:				
Salaries - TOWN (includes allowance for collective bargaining)	\$ 17,189,549	\$ 18,044,519	\$ 854,970	5.0%
<i>Town Expense Increase Requests- Salaries</i>	463,245	349,307	(113,938)	(24.6%)
Salaries - School (includes allowance for collective bargaining)	21,109,849	21,734,425	624,576	3.0%
<i>School Expense Increase Requests- Salaries</i>		573,130	573,130	na
Transfers to community school	400,000	400,000		
Subtotal Salaries	\$ 39,162,643	\$ 41,101,381	\$ 1,938,738	5.0%
Operating Expenses, Town:	5,951,035	6,752,236	801,201	13.5%
<i>+ Town Expense Increase Requests-Operating</i>	889,700	1,180,500	290,800	32.7%
Operating Override - 2011 Mosquito Control	105,063	106,140	1,077	1.0%
Operating Expenses, School	4,976,793	4,976,793	-	-
<i>+ School Expense Increase Requests-Operating</i>		202,294	202,294	na
Transfers to community school	-	65,000	65,000	na
Subtotal Expense	\$ 11,922,591	\$ 13,282,963	\$ 1,360,372	11.4%
Group Medical Insurance- Active Employees	9,255,215	9,472,238	217,023	2.3%
Group Medical Insurance- Retired Employees	2,578,585	3,157,413	578,828	22.4%
General Insurance (all other insurance)	2,264,360	2,457,743	193,383	8.5%
Subtotal Insurance	\$ 14,098,160	\$ 15,087,393	\$ 989,233	7.0%
Debt Service	\$ 7,177,125	\$ 8,522,427	\$ 1,345,302	18.7%
Retirement	\$ 3,727,687	\$ 4,255,533	\$ 527,846	14.2%
Total General Fund Operating Budget Items	\$ 76,088,206	\$ 82,249,697	\$ 6,161,491	8.1%
Other Articles				
Unpaid Bills	-	-	-	na
Reserve Fund	500,000	500,000	-	-
Health and Human Services	400,000	400,000	-	-
County Assessment	170,201	170,201	-	-
Other Post Employment Benefits (OPEB / GASB45)	500,000	500,000	-	-
Capital				na
General Fund budgeted from revenue (Town Bylaw 11-12.1)				na
Town Capital (Non-Recurring)	387,458	410,000	22,542	5.8%
School Capital (Non-Recurring)	387,458	410,000	22,542	5.8%
Enterprise Fund Transfers				na
Transfer to Enterprise Fund (Our Island Home - Beginning FY2011)	2,352,375	1,511,446	(840,929)	(35.7%)
Add: Additional Subsidy from Free Cash (Our Island Home)	-	-	-	na
Transfer to Enterprise Fund (SWEF Operating Overrides 1999/2006)	-	3,394,013	3,394,013	na
Add: Additional General Fund Subsidy to SWEF 2012-Forward	4,930,250	1,659,988	(3,270,262)	(66.3%)
Add: Additional General Fund Subsidy to SWEF 2018-Forward		840,929	840,929	na
Add: Additional General Fund Subsidy to SWEF-Landfill Mining	700,000	700,000	-	-
Transfer to Airport Enterprise Fund	-	-	-	na
Transfer to Siasconset Water	-	-	-	na
Total Other Article Appropriations	\$ 10,327,742	\$ 10,496,577	\$ 168,835	1.6%
Other Statutory Expenditures				
Overlay and other deficits	-	-	-	na
Cherry Sheet Offsets and Charges	427,300	430,220	2,920	0.7%
Total Appropriations and Other Statutory Expenditures	\$ 86,843,248	\$ 93,176,494	\$ 6,333,246	7.3%