

FY2014 Budget and Capital Plan



**PRESENTED BY JIM MALLOY,
TOWN MANAGER**

1-8-13

Selectmen's Goal on Budget



- The Board of Selectmen set a goal this Fall for maintaining the budget with a tax increase of no more than 2% over the FY13 level (without including new growth as a part of the tax base).
- This allows for additional property tax revenues of \$1,247,502.
- Other additional revenue estimates include \$41,911 for local receipts and \$129,423 in State Aid.

Total General Fund Expenses



	<u>FY13</u>	<u>FY14</u>	<u>\$ Inc</u>	<u>% Inc</u>
Total Expenditures	\$ 76,963,232	\$ 79,299,038	\$ 2,335,806	3.0%
Town Expenses	\$ 14,644,614	\$ 14,946,942	\$ 302,328	2.1%
Shared Expenses*	\$ 20,349,546	\$ 20,956,888	\$ 607,342	3.0%
School Expenses	\$ 41,402,909	\$ 42,694,208	\$ 1,291,299	3.1%
Assabet	\$ 686,163	\$ 701,000	\$ 14,837	2.2%

* Insurance and Debt Service

Budget Highlights



- Wage increases range from 1.6% for non-union to 2.0% for union staff (Town).
- 3 line items account for 84% of overall increase:

Insurance	\$	574,800
Fire Salaries	\$	91,188
School Dept	\$	1,291,299

- Electrical costs reduced by approximately \$650,000 overall (including water, sewer & WWTP)

Level Service Town Budget with this Exception



The Town will be losing access to
Reverse 911 in July 2013

We are proposing to provide the same (but better)
service so we can improve communications with
residents using a notification system (like
Blackboard Connect or Code Red)

Estimated Cost: \$11,000

Total Expenditures/Revenues and Balance using Selectmen's goal of 2.0%



FY14 Tax Levy Limit	\$ 63,611,356
Total Receipts All Sources	\$ 30,723,890
Total Expenses	\$ 94,686,907
Amount over 2.0% goal	\$ 351,661

Source – Leah Talbot's worksheet on Town budget/finances

Tax Impact of Town, School Dept and Assabet



Calculation includes:

Base Budget +

Related Debt +

Related Insurance +

Related Retirement Costs = Total Expense

- Related Revenues = Net Applied to the Tax Rate

Tax Impact of Town and School Services (School Dept)



	<u>FY12</u>	<u>FY13</u>	<u>FY14 Est.</u>	<u>Change FY12-13</u>	<u>Change FY13-14</u>
School Budget	39,982,853	41,402,909	42,694,208	1,420,056	1,291,299
School Share - Insurance	7,536,166	7,721,319	8,303,446	185,153	582,127
School Debt Service	6,809,892	6,347,299	5,175,208	(462,593)	(1,172,091)
School Retirement	745,742	780,863	800,882	35,121	20,019
Total School Expense	55,074,653	56,252,390	56,973,743	1,177,736	721,354
Ch. 70	(4,206,047)	(4,475,455)	(4,609,719)	(269,408)	(134,264)
Medicaid Reimbursement	(117,724)	114,500	119,625	232,224	5,125
Pro-Rated Share Unrestricted	(659,544)	(714,841)	(724,741)	(55,296)	(9,900)
School Construction Aid	(3,778,460)	(3,778,460)	(2,845,371)	-	933,089
Net Applied to Tax Rate	46,312,878	47,398,134	48,913,538	1,085,256	1,515,404

Tax Impact of Town and School Services (Town and Assabet)



	<u>FY12</u>	<u>FY13</u>	<u>FY14 Est.</u>	<u>Change FY12-13</u>	<u>Change FY13-14</u>
Town General Fund Budget	14,401,328	14,644,614	14,946,942	243,286	302,328
Town Share - Insurance	2,776,934	2,568,881	2,766,500	(208,053)	197,619
Town General Fund Debt	1,560,967	1,623,806	1,542,069	62,839	(81,737)
Town Retirement	1,429,784	1,497,119	1,534,050	67,335	36,931
Total Town Expense	20,169,013	20,334,420	20,789,561	165,408	455,141
Town Department Revenues	(6,305,098)	(7,006,490)	(6,904,069)	(701,392)	102,421
Pro-Rated Share Unrestricted	(249,751)	(266,851)	(270,547)	(17,100)	(3,696)
Net Applied to Tax Rate	13,614,164	13,061,079	13,614,946	(553,084)	553,866
Assabet	686,187	632,037	701,008	(54,150)	68,971

FY12-FY14(Est) Tax Impact



Total Expense	75,929,853	77,218,847	78,464,313
	<u>FY12</u>	<u>FY13</u>	<u>FY14 Est.</u>
School %	76.4%	77.6%	77.4%
Assabet %	1.1%	1.0%	1.1%
Town %	22.5%	21.4%	21.5%
Tax Rate	19.21	18.97	19.14
School Share of Tax Rate	14.68	14.72	14.81
Assabet Share of Tax Rate	0.22	0.20	0.21
Town Share of Tax Rate	4.31	4.06	4.12
Avg Single Family Home Value	405,530	420,266	428,706
School Single Family Tax Bill	5,952	6,185	6,348
Assabet Single Family Tax Bill	88	82	91
Town Single Family Tax Bill	1,750	1,705	1,767
Total Single Family Tax Bill	7,790	7,972	8,205

What If...



The Town departments didn't exist and the community only funded schools at the legal minimum allowed by law?

	Approved at <u>Town Meeting</u>	Legal <u>Minimum</u>
School Budget	\$ 41,402,909	\$ 31,319,909
Total School Costs	\$ 47,398,134	\$ 37,315,134
Total Assessed Value	\$ 3,288,092,151	\$ 3,288,092,151
Associated Tax Rate for Schools	\$ 14.42	\$ 11.35
Average Single Family Home	\$ 420,266	\$ 420,266
Avg Single Family Home School Cost	\$ 6,058	\$ 4,769
Annual Difference	\$ 1,289	
Monthly Difference	\$ 107	

In FY13 Westborough's average single family tax bill is \$7,972 which is 32nd highest in the State. At \$4,769 Westborough would be 116th highest avg single family tax bill...

FY14 Capital Plan



- **The Town is using the same capital planning rating system as in the previous 3 years on these criteria:**
 - Public Safety and Health
 - Infrastructure Needs
 - Efficiency of Services
 - Legal Requirements
 - Public Support
 - Personnel Impacts
 - Service Impacts
 - Administrative Needs

Capital Plan – New



To address questions asked at recent Town Meetings, we've added the scheduled replacement date using the capital asset depreciation schedule found in A Practical Guide for Implementation of GASB #34 for MA Local Governments

To inform what the useful life of a piece of equipment is and when it is scheduled to be replaced

Capital Plan Summary



<u>Item</u>	<u>Cost</u>	<u>Scheduled to be Replaced in FY</u>	<u>Date</u>	
DPW Garage Roof Study	\$ 15,000	n/a	1980	
DPW F350 Utility	\$ 57,000	2006		
DPW Water/Sewer Backhoe	\$ 140,000	2005		
DPW Sewer Van	\$ 28,000	2004		
Fire Dept Pumper Repairs	\$ 75,000	n/a	1991, 1996 & 1998	
Library Window Replacement	\$ 160,000	n/a	1908	
Police Department Cruisers	\$ 106,500	2011 & 2015		
School Dept Fales Stairway	\$ 55,000	n/a	1963	
School Dept Mill Pond Gym Floor	\$ 215,000	n/a	2001	

Other – 5 Year Forecast



	Est. Avg.		Est. Avg.
Fiscal Year	Single Family Value	Est. Tax Rate	Single Family Tax Bill
2013	420,300	18.97	7,973
2014	428,706	18.92	8,113
2015	437,280	18.74	8,193
2016	446,026	18.92	8,439
2017	454,946	18.88	8,591
2018	464,045	19.03	8,831

Other - Road Management Plan



- Town manages approximately 95 miles of roads and 56 miles of sidewalks.
- Overall condition rating declined from 7.05 in 2011 to 6.86 in 2012.
- To adequately fund road maintenance would cost \$1,082,937. The Town receives \$824,286 from Ch 90 and funds \$106,689 in the DPW Budget leaving the Town \$151,962 short.

Other Interesting Facts

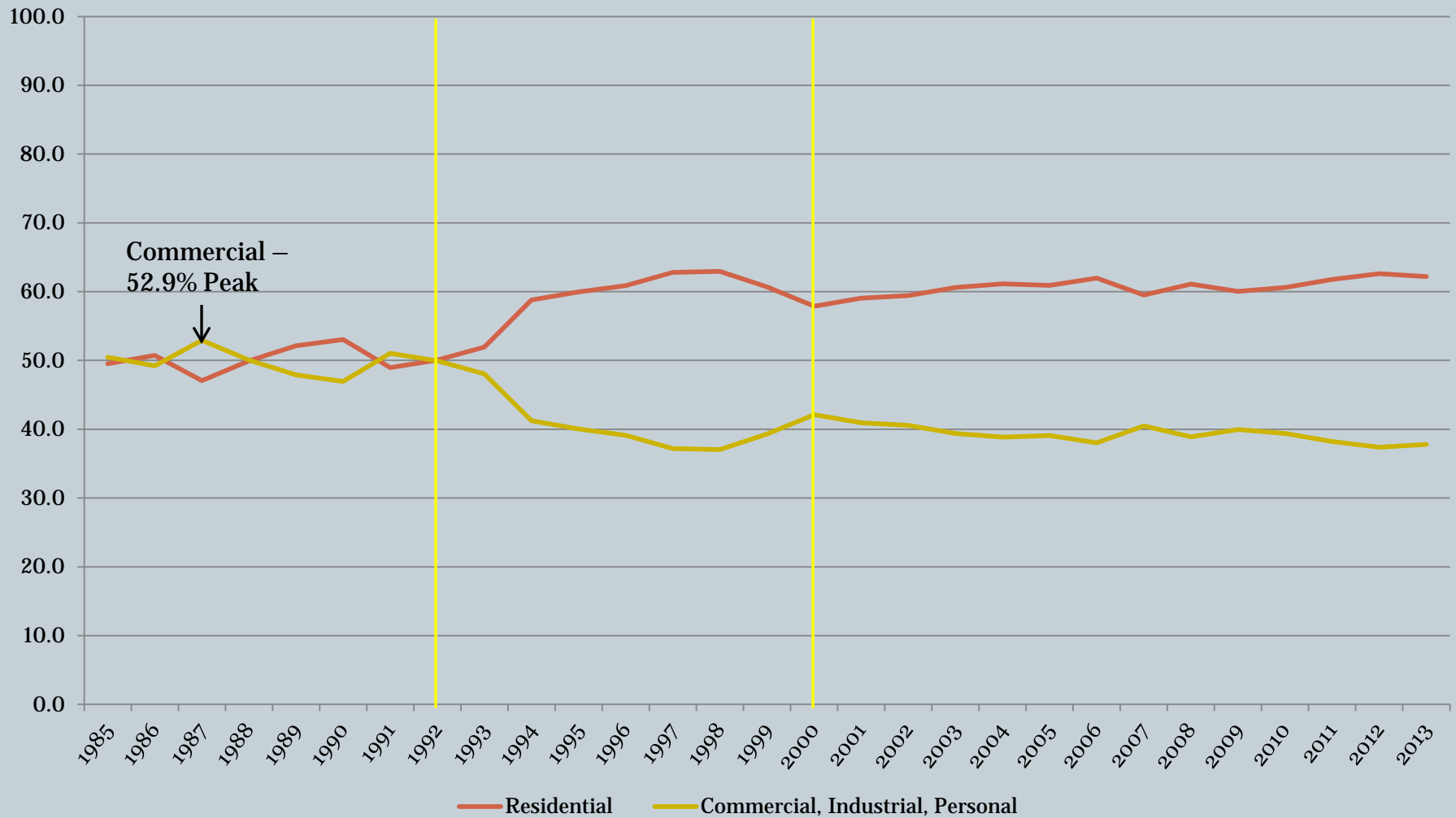


Between FY09 and FY13 Westborough had the 10th highest growth in excess levy capacity, meaning that Westborough has been one of the more fiscally conservative towns during this period by not spending to it's full taxing capacity under Proposition 2½.

During this period:

- *Excess levy capacity grew from \$95,000 to \$3,157,269*
- *Reserves grew from \$4.2 million to \$6.2 million*
- *The Town went from using \$1.2 million to balance the budget to \$0*

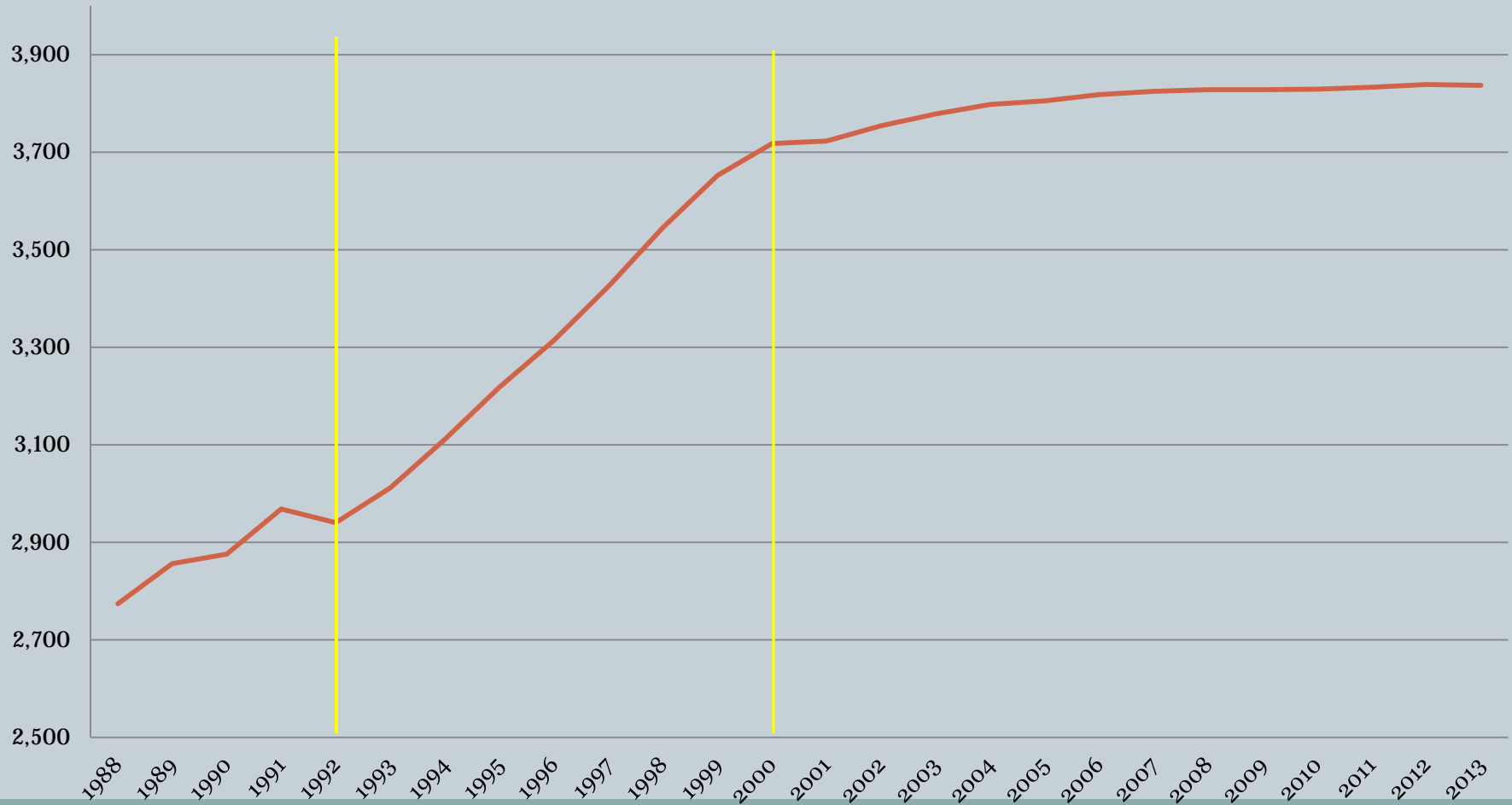
Residential % vs. Commercial, Industrial and Personal Property % of Total Town Value



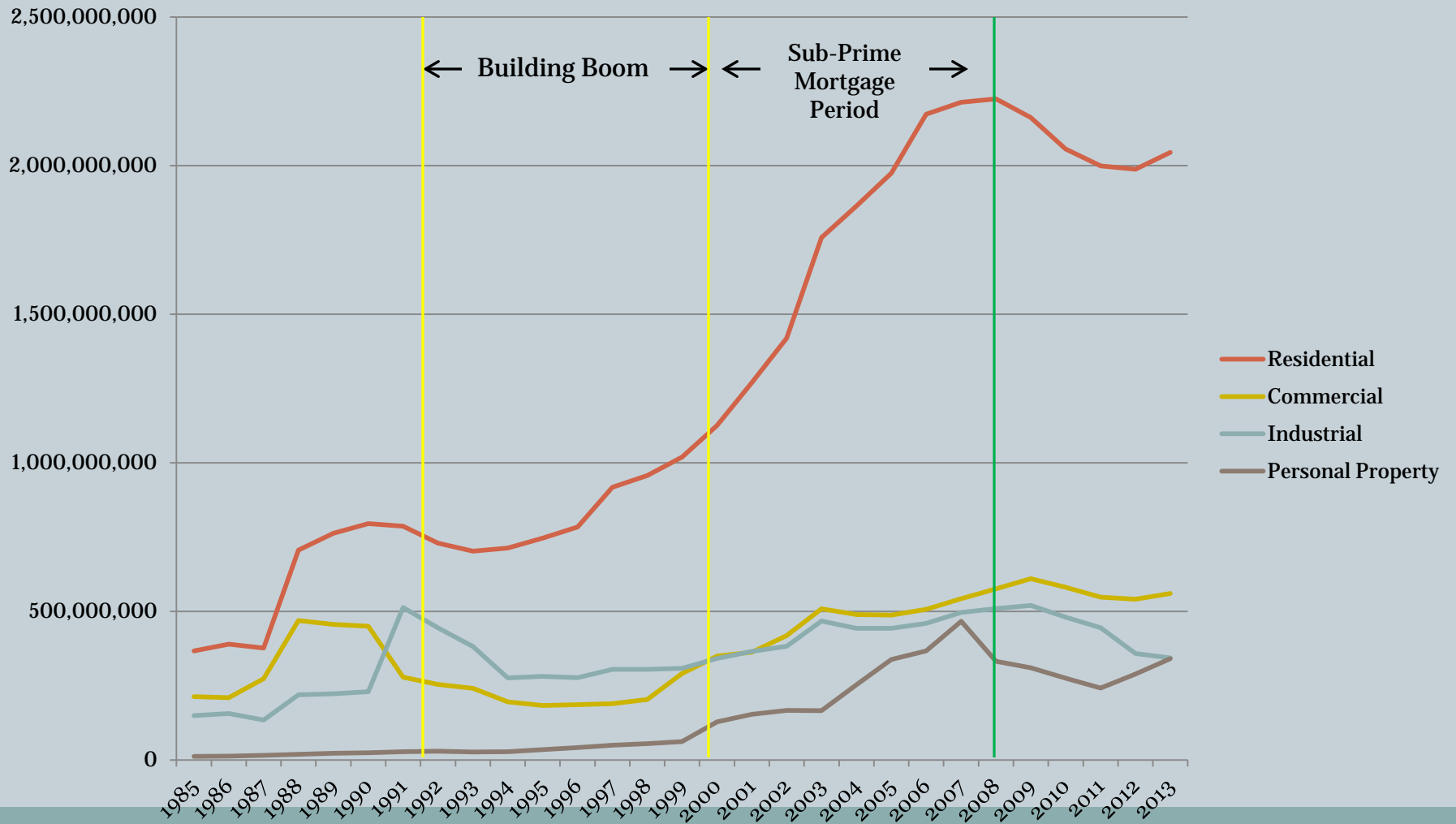
Housing Units



Housing Units



Assessed Valuation History



Questions?



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