



SPRING FORUM 2015

Budget Preparation for Fiscal Year 2016

Presented by James McKenna, Town Manager

Snow and Ice Costs - Winter 2015

<i>Total Spent to Date</i>	\$650,000
<i>FY15 Budgeted Snow & Ice</i>	\$90,000
<i>Estimated Deficit</i>	\$560,000

Amount submitted on initial damage assessment (IDA) for 4 storms:

Jan 26-Feb 1:	\$127,370
Feb 2-3:	\$71,668
Feb 8-13:	\$133,216
Feb 14-22:	\$162,967

Potential reimbursements is 75% of allowable costs for declared emergencies: \$371,416. Thus running actual deficit from FY16 funds is \$189,000.

Reimbursement is contingent on storms being declared emergencies. Only the first storm (Jan 26-28) has been an emergency.

7 Major Fiscal Accomplishments FY15

- Schools successfully accomplished swing space merge from 4 to 3 buildings
- Free Cash **\$2.3 million**
- Completed Park Restoration

Pond Street Park, Coughlin Park & Crest Avenue Park

- Residential Property Values Increased **12%**
- Eradicating Blight in our Neighborhoods

Receivership Program –

Beacon St., Shirley St., Winthrop St., Beal St & Lincoln Tr.

Sanitation and Habitation Inspections Program

Tax – title process

- **Refunding of debt** and issuance of **school building debt**, saving **\$8 million** over life of the borrowing for the taxpayers
- Established stabilization funds for capital and building maintenance and approved overall available reserves to **\$2,992,584**



8 Major Projects – Fiscal Year 2016

- Public Works Contract IV
Cottage Hill Area
Pico Beach Area
- Veteran's Road Drainage / Lewis Lake
- Miller Field Plan Development
- High School/Middle School Pauline Street Re-use Plan
- Center Business District
- Implement Town Ferry Service
- Town website revamp & other Technology advancements
- Increasing Public Health Services in Winthrop



Fiscal Year 2016 Budget Objectives

1. **Stabilize** where necessary
2. Build for **Sustainability**
3. **Improve** wherever possible

Live within the limits of Proposition 2 1/2

Significant Budget Challenges

- Snow & Ice Deficit \$189,000 (current net of reimbursement)
- Health Insurance for Municipal & School employees increase by 6.9% or approximately \$400,000
- Pension cost increase of 2% or \$55,000
- Departmental budget requests for FY16 in excess of \$1.2 million over anticipated revenue.
- Capital purchases such as equipment, vehicles and substantive building repairs will have to be funded through a free cash/capital funding program
- We continue to fund OPEB at \$61,000

Total est. additional operating expense

\$1,905,000

Significant Budget Challenges, cont.

- Recent Council approval of \$650,000 for sidewalk improvements for Cottage Hill and Pico Ave will satisfy our sidewalk improvement commitment for FY16.
- Water consumption from FY14 to FY15 has increased by 12% and this will require a water rate adjustment in FY16 while sewer rates will stay at par.

- Veteran's MGL Chapter 115 Benefits increasing new high school debt exclusion

1st year payment \$1.35 million

Town Ferry Service to begin August 2015 and will operate as a division of Harbor & Waterways Department

Revenue Highlights

• Prop 2 ½ Levy	\$638,957
• Estimated new growth	\$120,000
• Increase in state aid	\$163,408
• Chapter 70 increase \$38,920	
• General Gov't increase \$135,047	
• Less offset assessments \$36,217	
• Increase in local receipt estimates	\$200,000
• Enterprise fund indirect costs offsets	-\$83,619

Total New Revenue -

\$1,038,746



The Bottom Line

New Revenue

\$1,038,746

Less budget requests and other expense

\$1,905,000

Current budget deficit

(\$866,254)