



FY20 Budget Update  
Select Board  
March 18, 2019

Pam Dukeman  
Finance Director

# Article 1 – FY19 Budget Adjustments by Transfers

| <b>Transfer</b>                     |                  |   |                  |
|-------------------------------------|------------------|---|------------------|
| <b>From Account</b>                 | <b>Amount</b>    | <b>To Account</b>                       | <b>Amount</b>    |
| <b>Building Maintenance Expense</b> | <b>\$70,000</b>  | <b>Building Maintenance Salary</b>      | <b>\$70,000</b>  |
| <b>Fincom Reserve Account</b>       | <b>\$100,000</b> | <b>Snow and Ice Budget</b>              | <b>\$100,000</b> |
| <b>Retirement Assessment</b>        | <b>\$178,000</b> | <b>School Security Projects</b>         | <b>\$100,000</b> |
|                                     |                  | <b>Youth and Family Services Salary</b> | <b>\$42,000</b>  |
|                                     |                  | <b>Selectmen’s Office Salary</b>        | <b>\$20,000</b>  |
|                                     |                  | <b>Assessor’s Office Salary</b>         | <b>\$8,000</b>   |
|                                     |                  | <b>Legal Salary</b>                     | <b>\$8,000</b>   |
| <b>Total</b>                        | <b>\$348,000</b> | <b>Total</b>                            | <b>\$348,000</b> |

- Minor adjustments based on activity during the year

## Article 2 - FY19 Budget Adjustments by Appropriation

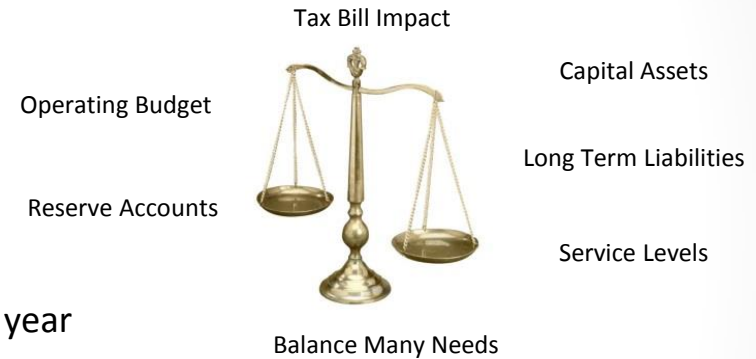
| <b>Transfer</b>           |                 |                                       |                 |
|---------------------------|-----------------|---------------------------------------|-----------------|
| <b>From Account</b>       | <b>Amount</b>   | <b>To Account</b>                     | <b>Amount</b>   |
| <b>Ambulance Receipts</b> | <b>\$73,500</b> | <b>Ambulance Services/Equipment</b>   | <b>\$73,500</b> |
| <b>Overlay Surplus</b>    | <b>\$26,000</b> | <b>Assessing Revaluation Services</b> | <b>\$26,000</b> |
| <b>Total</b>              | <b>\$99,500</b> | <b>Total</b>                          | <b>\$99,500</b> |

- Standard Adjustments

# FY20 Preliminary Overall Budget Summary

FY20 Proposed Base Budget is a comprehensive plan that provides for:

- ✓ Maintain high quality of services provided by Town and School departments (Approximately 3.5% operating budget increase)
  - Continued stable and sustainable operating budget growth.
  
- ✓ Base Capital Budget
  - School Capital - \$1.01M
  - Municipal Capital - \$1.32M
  
- ✓ Supplemental Capital Budget - \$2.4M
  - Appropriation for additional capital as done in prior year
  - Funded with Free Cash and Meals/Hotel Tax
  
- ✓ Liabilities/Reserves
  - \$125K transfer from Free Cash to Stabilization Fund – keeps on target with financial policy
  - \$1.44M contributed to OPEB trust fund – keeps on target with required funding



# FY20 Operating Budget Updates

## Minor Budget Updates:

- Two Outside Assessments
- Recreation Accounting Revision

## Assessments:

- Blue Hills Regional School Budget
  - Final FY20 budget of \$149,576
    - An increase of \$13.2K or 9.7% compared to FY19
    - \$30K less than original FY20 proposed budget
- Sewer Department MWRA Assessment
  - Final FY20 Assessment is \$3,163,487
    - An increase of \$163,487 or 5% compared to FY19
  - \$43K higher than original FY20 Proposed Budget
  - Sewer budget revenue will be adjusted in final budget
    - No overall budget impact
- Recreation Department – Accounting Revision
  - Adjust budget and revenue
    - Full Time staff must be in Town budget, not Revolving Account per the Department of Revenue
    - Recreation budget in Appendix D will be adjusted by \$152K
    - Recreation Revenue will be increased by \$152K
      - No overall budget impact

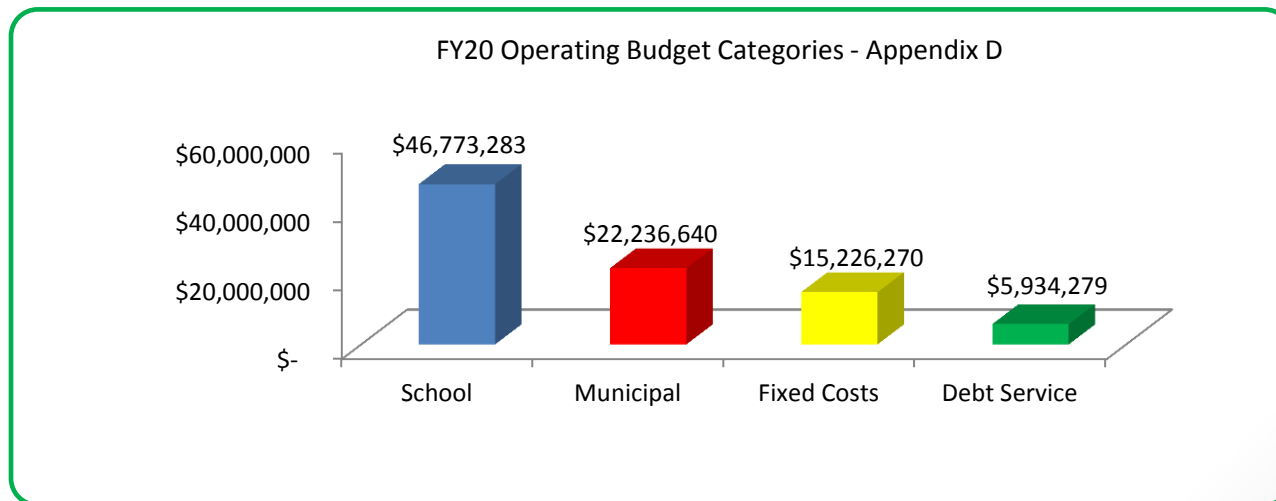
# Article – Operating Budget Appendix D

FY20 Proposed Budget Provides For:

- ✓ Maintained high quality of services provided by Town and School departments (Approximately 3.6% increase)
  - Article: FY20 Town Operating Budgets \$94.5M

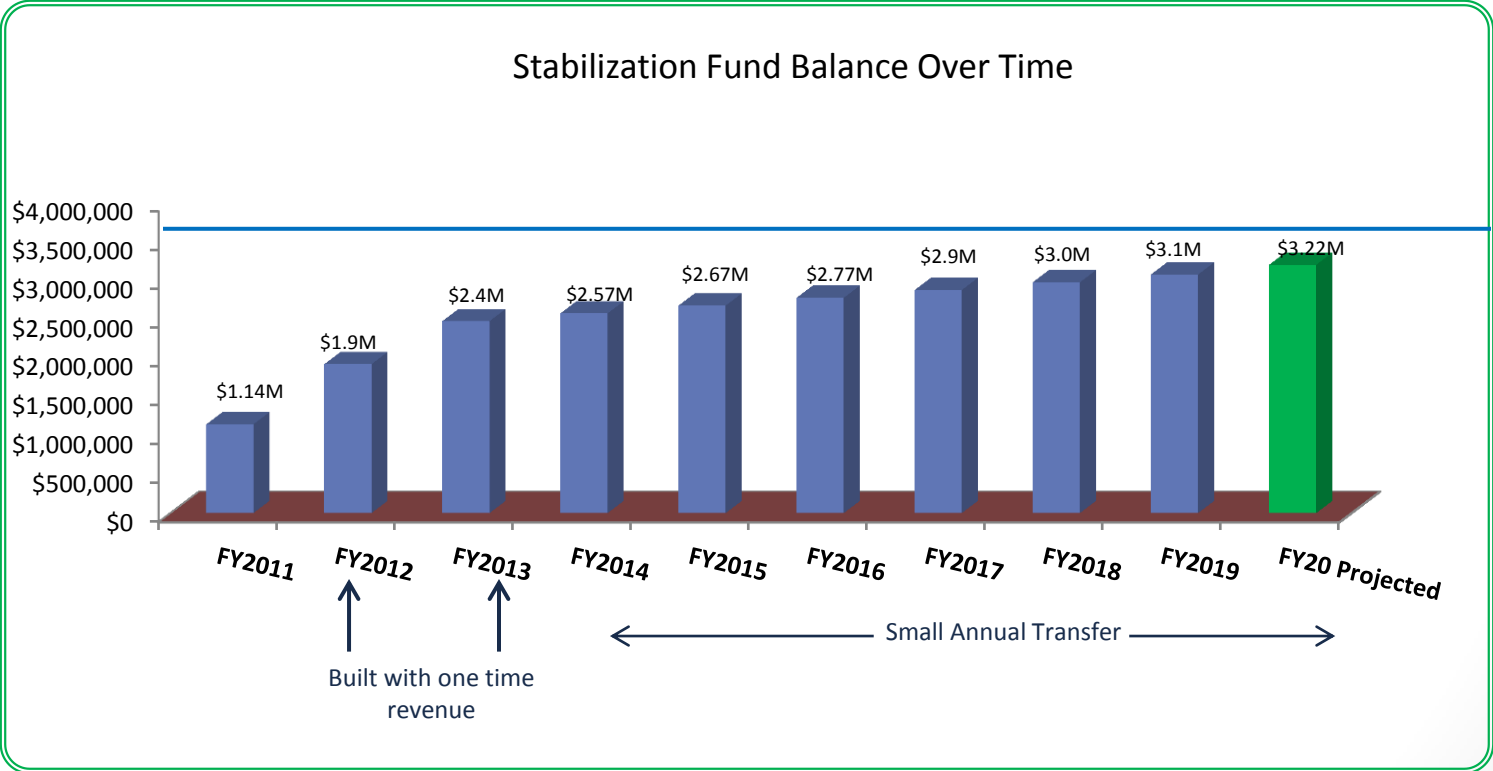
| FY19 Budget         | Category                           | Fy20 Select Board Proposed | \$ Change FY20 v FY19 | % Change FY20 v FY19 |
|---------------------|------------------------------------|----------------------------|-----------------------|----------------------|
| \$44,903,135        | School Operating                   | \$46,463,031               | \$ 1,559,896          | 3.5%                 |
| \$20,963,382        | Municipal Operating                | \$21,699,140               | \$ 735,758            | 3.5%                 |
|                     | University Station Direct Services | \$ 587,500                 | \$ 587,500            |                      |
| \$ 136,373          | Blue Hills                         | \$ 149,576                 | \$ 13,203             | 9.7%                 |
| \$ 106,541          | Traffic Supervisors                | \$ 110,676                 | \$ 4,135              | 3.9%                 |
| \$14,626,822        | Fixed Costs                        | \$15,226,270               | \$ 599,448            | 4.1%                 |
| \$ 6,137,978        | Debt Service                       | \$ 5,934,279               | \$ (203,699)          | -3.3%                |
| \$ 4,319,239        | Sewer                              | \$ 4,334,975               | \$ 15,736             | 0.4%                 |
| <b>\$91,193,470</b> | <b>Total</b>                       | <b>\$94,505,447</b>        | <b>\$ 3,311,977</b>   | <b>3.6%</b>          |

- Continued stable and sustainable operating budget growth



# Article - Stabilization Fund

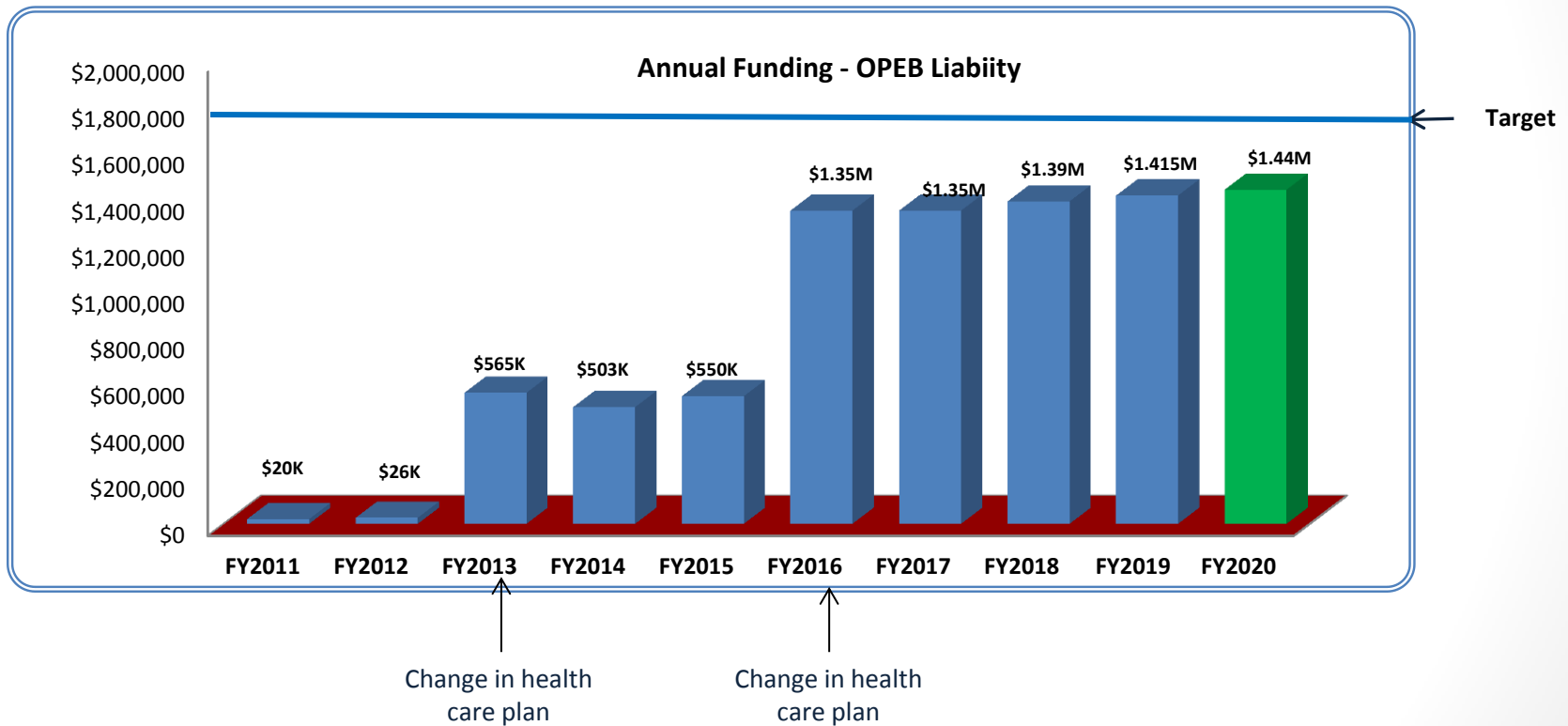
| Purpose            | Amount    | Funding Source |
|--------------------|-----------|----------------|
| Stabilization Fund | \$125,000 | Free Cash      |



- Town Meeting Article will appropriate \$125K from Free Cash

# Article - OPEB Liability Trust Fund

| Purpose                   | Amount      | Funding Source |
|---------------------------|-------------|----------------|
| OPEB Liability Trust Fund | \$1,440,000 | Taxation       |



- Balance in trust fund account as of 12/18 is approximately \$8.3M.
- Town Meeting article will appropriate \$1.44M into trust account.

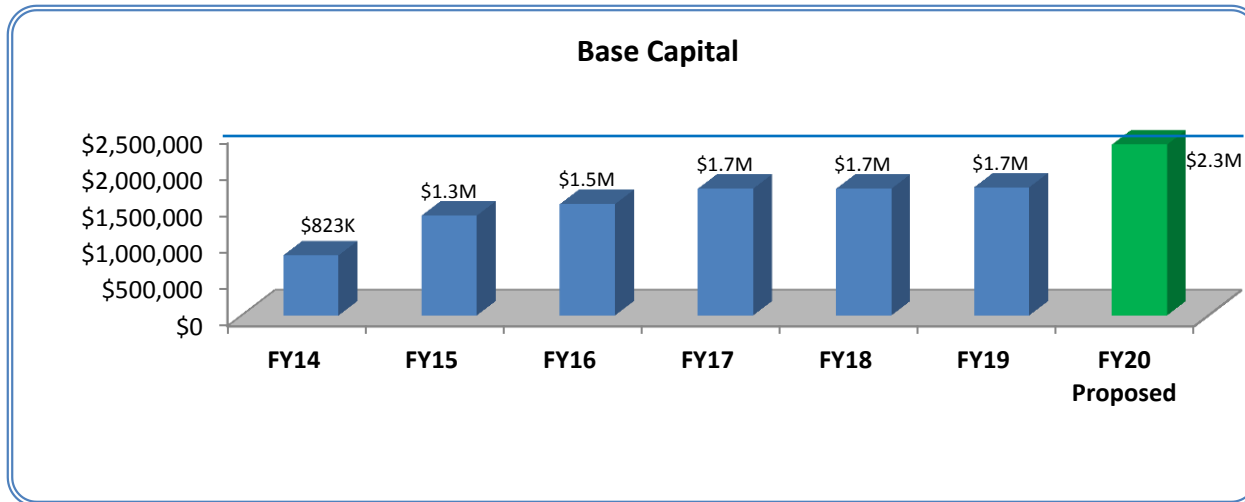


# Capital Budget Articles

- Important to maintain Town and School assets – buildings, infrastructure, and equipment.
- The Town has made significant progress in increasing the ongoing capital budget.
  - FY20 base capital articles more than double FY14 levels.
- FY20 continues improvement in ongoing capital funding.

## Base Capital

- Article: Municipal Capital Improvements
  - \$1,322,000, funded with Free Cash
- Article: School Capital Improvements
  - \$1,017,000, funded with Free Cash



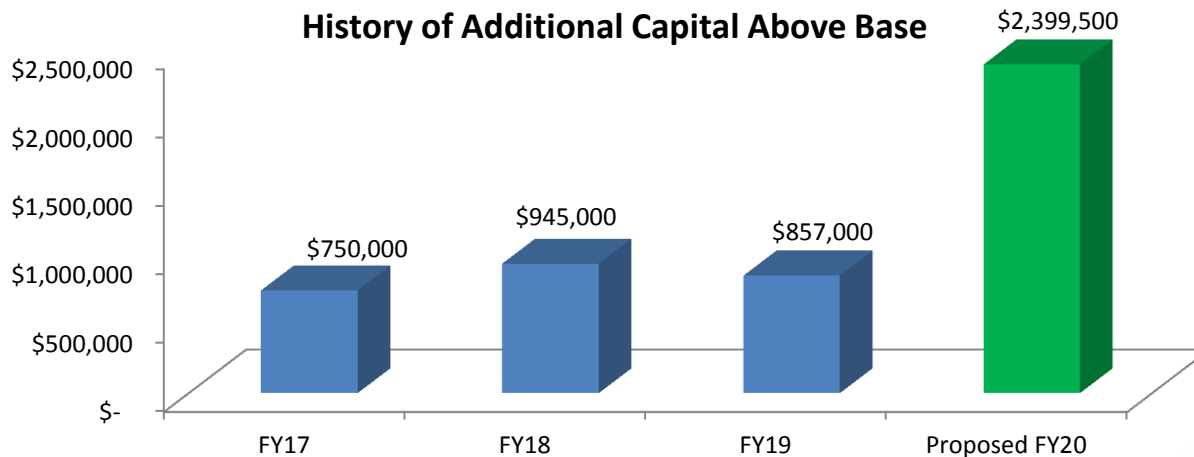
Target Per  
Financial  
Policies  
Approx.  
\$2.4M

Important to continue reinvestment in Town owned buildings, equipment and assets.

# Capital Budget Articles - Continued

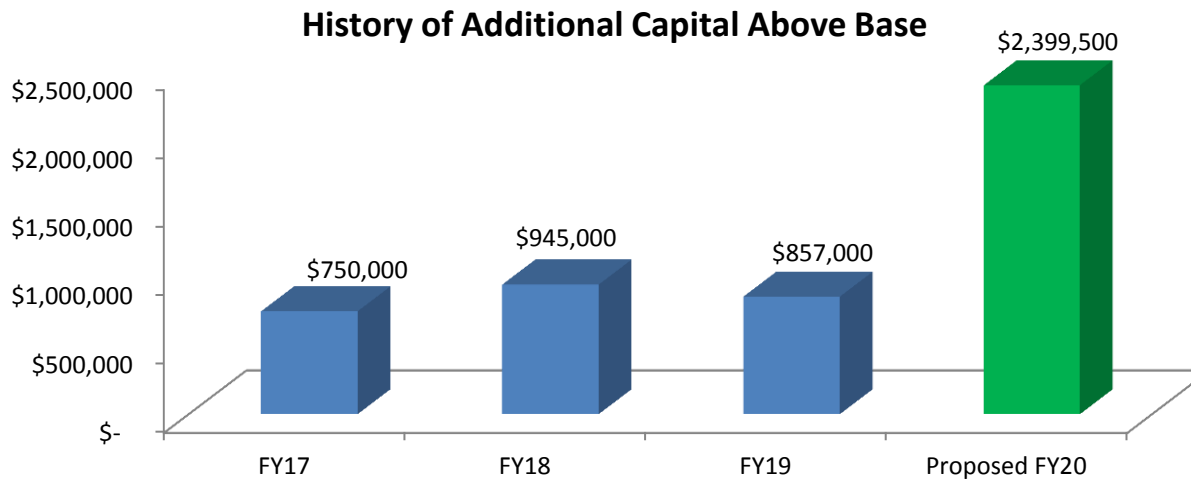
## Other Capital Articles:

- Article: Sewer Capital Improvements
  - \$1,050,000 funded with Sewer Retained
  - Earnings
- Article: Other Capital – Ambulance
  - \$67,500 funded with Ambulance Revenue
- Article: Other Capital Improvements
  - \$2,399,500 funded with \$1.1M Meals/Hotels tax and \$1.2M Free Cash
  - Each year since FY17, the Town has had an “additional” capital budget article beyond the main base articles.
  - The purpose is to address important capital needs with available funding, such as free cash and meals/hotels tax.



# Other Capital Budget Article

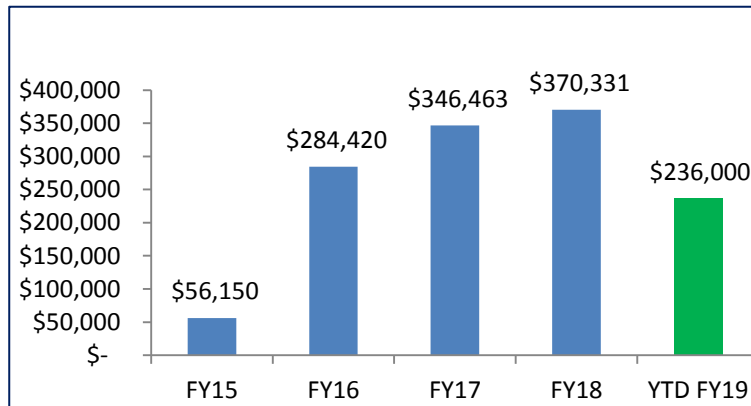
| Equipment/Project  | Requesting Department  | Cost               | Funding Source   |
|--|------------------------|--------------------|------------------|
| Recreation Field Lighting                                  | Recreation             | \$725,000          | Meals/Hotel Fund |
| Thurston Middle School HVAC Project                        | Schools                | \$300,000          | Meals/Hotel Fund |
| Council On Aging HVAC system                               | DPW                    | \$150,000          | Meals/Hotel Fund |
| Morrison Basketball Court Refurbishment                    | Recreation             | \$35,000           | Free Cash        |
| Carby Street Retaining Wall                                | DPW                    | \$250,000          | Free Cash        |
| Town/School Financial Enterprise Software                  | Information Technology | \$237,500          | Free Cash        |
| Fire Station 1 Repair and Maintenance                      | DPW                    | \$250,000          | Free Cash        |
| Swap Body multi purpose vehicle                            | Fire                   | \$400,000          | Free Cash        |
| Perry Crouse Pond Maintenance Project                      | Conservation           | \$32,000           | Free Cash        |
| Design new fields on land behind High School tennis courts | Recreation             | \$20,000           | Free Cash        |
| <b>Total</b>   |                        | <b>\$2,399,500</b> |                  |



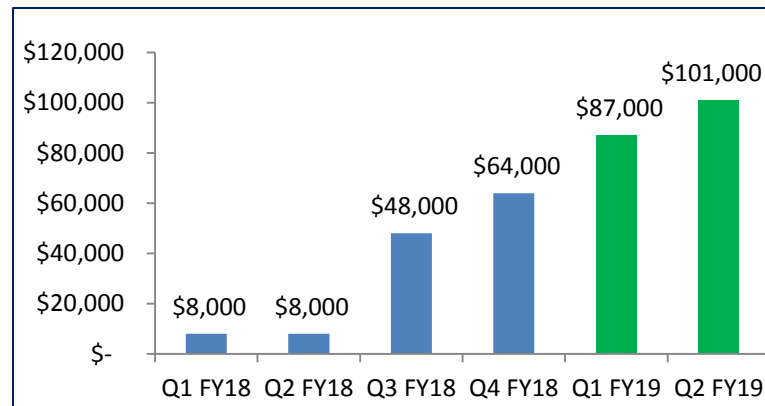
# Meals and Hotels Tax

- Meals/Hotel Tax
  - Meals/Hotel tax revenue to be used for Capital budget
    - Current balance approximately \$1,176,000 as of December 31, 2018
    - The current proposed FY20 budget utilizes \$1,175,000 of this revenue for capital budget items.
    - Anticipated June 30, 2019 balance \$450,000.

### Meals Tax Revenue - Annual



### Hotels Tax Revenue - Quarterly



Total Hotel Tax revenue received in FY18 was \$129K

### Prior Use of Funds

- May 2018 Town Meeting appropriated \$432K of funds for two town wide capital projects:
  - Lighting of the High School tennis courts
  - HVAC project at the High School pool
  - Both of these facilities receive extensive use by residents of all ages.

# 2019 Annual Town Meeting - Road Bond

## Capital Article

|                                      |                  |
|--------------------------------------|------------------|
| <b>Route 109 Corridor Project</b>    | \$2,000,000      |
| <b>Crosswalk Safety Improvement</b>  | \$500,000        |
| <b>Paving/Sidewalk Enhancements</b>  | \$1,500,000      |
| <b>Pavement Preservation Program</b> | <u>\$900,000</u> |
| <b>Total</b>                         | \$4,900,000      |

This work should go forward now because of the Dedham/Westwood Water District's upcoming work on Route 109. The bond would be funded by issuing a ten-year debt exclusion. Approximate annual debt service of \$570K. Annual cost to average homeowner, approximately \$86/year.

Project – If necessary, could proceed only with Route 109 sidewalk - \$900K

- This would be funded by a 10 year bond within the budget (\$92,500 remaining University Station revenue and \$30,000 change in budgeted Blue Hills Assessment estimate.)
- Additional pieces would then be added at future Town Meetings.

## 2019 Annual Town Meeting - Road Bond

Select Board needs to provide language to the Town Clerk by March 26, 2019, and vote approval of question to go on April 30<sup>th</sup> ballot.

Recommendation for 2019 Ballot Language:

**Recommended 2019 Road Bond Annual Town Election Ballot Question:**

Shall the Town of Westwood be allowed to exempt from the provisions of Proposition two and one-half, so called, the amounts required to pay the principal and interest on the \$4,900,000 bond to be issued in order to implement Road Improvement work, including implementing improvements to the Route 109 corridor, implementing crosswalk safety improvements, implementing paving and sidewalk enhancements, and implementing the pavement preservation program?

## FY20 Budget Deliverables

- Select Board Meeting – March 18, 2019
  - Finalize Articles 1 and 2
  - Finalize all budget articles approved by the Select Board
  - Final Road Bond ballot language approved by the Select Board
    - Then submitted to the Town Clerk
- Final Budget updates to be submitted to Finance and Warrant commission
- Finance and Warrant Commission Hearing – March 25, 2019
  - Town Meeting financial articles reviewed and voted
- Town Meeting Book prepared for mailing to residents