

# Town of Winchendon



## FISCAL YEAR 2017 BUDGET PRESENTATION TO THE BOARD OF SELECTMEN AND FINANCE COMMITTEE

Keith R. Hickey  
Town Manager

# Town Manager's Recommended Budget

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- What's included in the budget book?
- Transmittal letter outlining proposals included in my proposed budget.
- A more detailed budget proposal by fund.
- Revenue information including cherry sheet revenues, local receipts and other available funds.
- School Indirect Cost calculations including supporting calculations.
- Budget PowerPoint presentation for the Board's review.

# Budget Priorities

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- Develop structurally balanced budget
- Maintain reasonable consistency in the tax burden to the Winchendon taxpayers
- Deliver an adequate level of critical services
- Eliminate the reliance of grant funds not yet approved to fund key departmental positions.
- Properly account for indirect costs to enterprise funds and school department.

# Budget Priorities

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- Emphasis on services and priorities, then funding accordingly.
- Accurately predict the funding needs and sources enterprise funds to eliminate the risk of those funds ending the fiscal year in a deficit position.
- Increased transparency for costs of services
- Sustainability

# Future Budget Goals

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- Maintain structurally balanced budget from year to year
- Preserve critical services to improve/sustain quality of life for Winchendon residents
- Forecast revenues conservatively to increase/replenish reserves
- Replenish Stabilization Fund to 5% of budget (currently 3.8%)
- Establish Capital Stabilization Fund
- Create financial policies and adhere to them
- Pay down deficit legislation in accordance with State amortization schedule
- Continue to evaluate performance data to aid in future budgeting decisions

# Future Budget Goals

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- Manage long-term liabilities
- Properly plan for future expenditures that are known of now.
- Avoid relying on state and federal revenue sources that have not been awarded for fund appropriations.
- Explore opportunities to share resources with school, consider regionalizing services where appropriate.

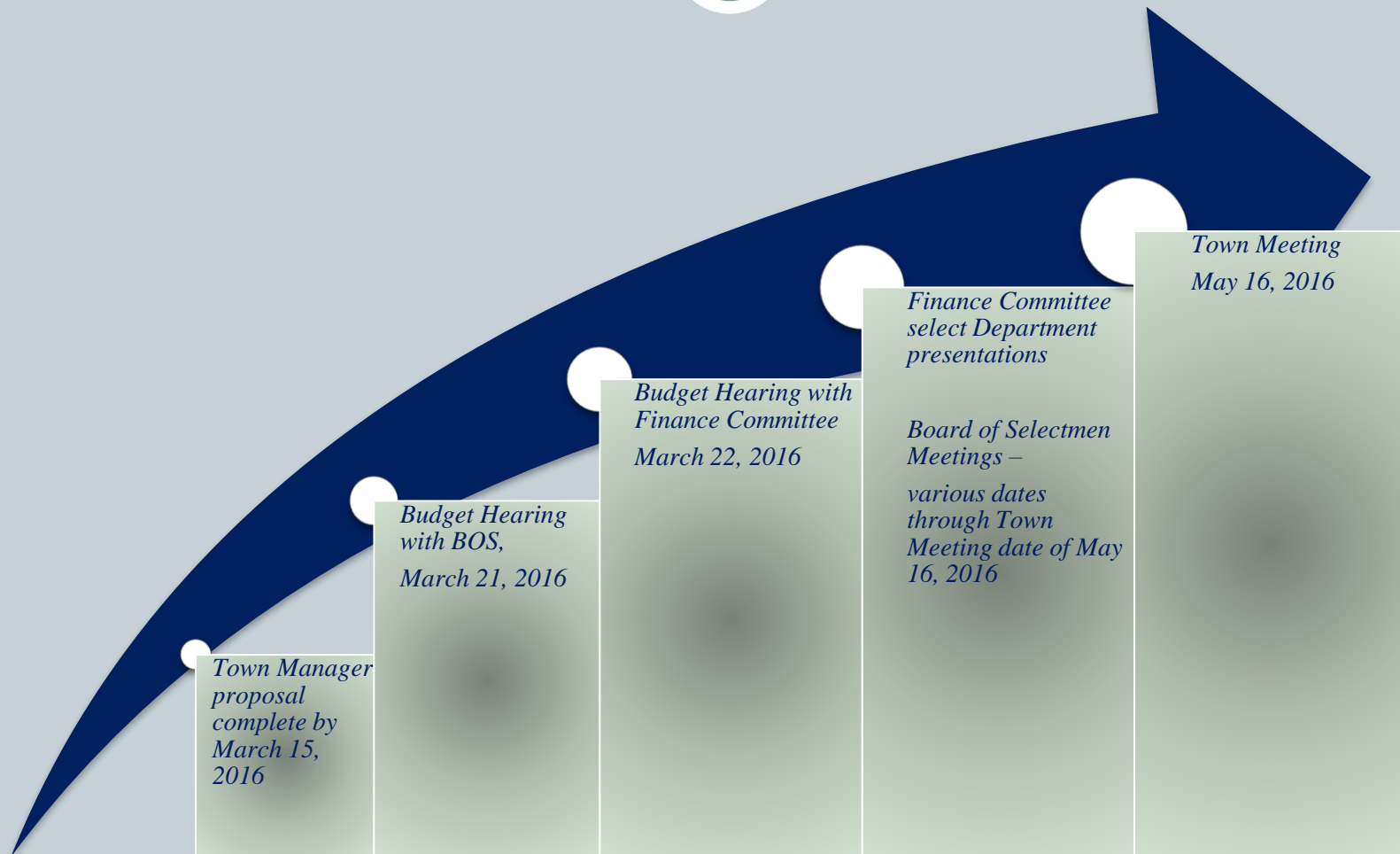
# Items Included in Town Manager Budget of Note

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- An additional \$25,000 for Snow and Ice Removal
- Capital Purchases
  - School Security Upgrade \$35,000
  - Replacement of Election Equipment \$26,500
  - Replace Cardiac Monitors and Defibs. \$51,000
  - EPA Drainage Compliance \$33,000
- Staffing Proposals
  - Fully fund Community Development staff rather than partially funded by *anticipated* revenues.
  - Fully fund Council on Aging Director rather than partially funded by Robinson Broadhurst grant.
  - Hire part time administrative support staff for Fire Dept. to assume ambulance billing responsibilities.
  - Restore one Public Works employee from FY16 budget cuts.
- Modify Transfer Station Recycling to Single Stream

# Budget Process

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# Budget Summary

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Budget Item	Amount
Total Budget Sources	<u>\$ 28,264,303</u>
Operating Budget	\$ 28,194,303
Allowance for Abatements	<u>70,000</u>
Total Budget Uses	<u>\$ 28,264,303</u>



# BUDGET SOURCES (REVENUES)

# Summary of Budget Sources

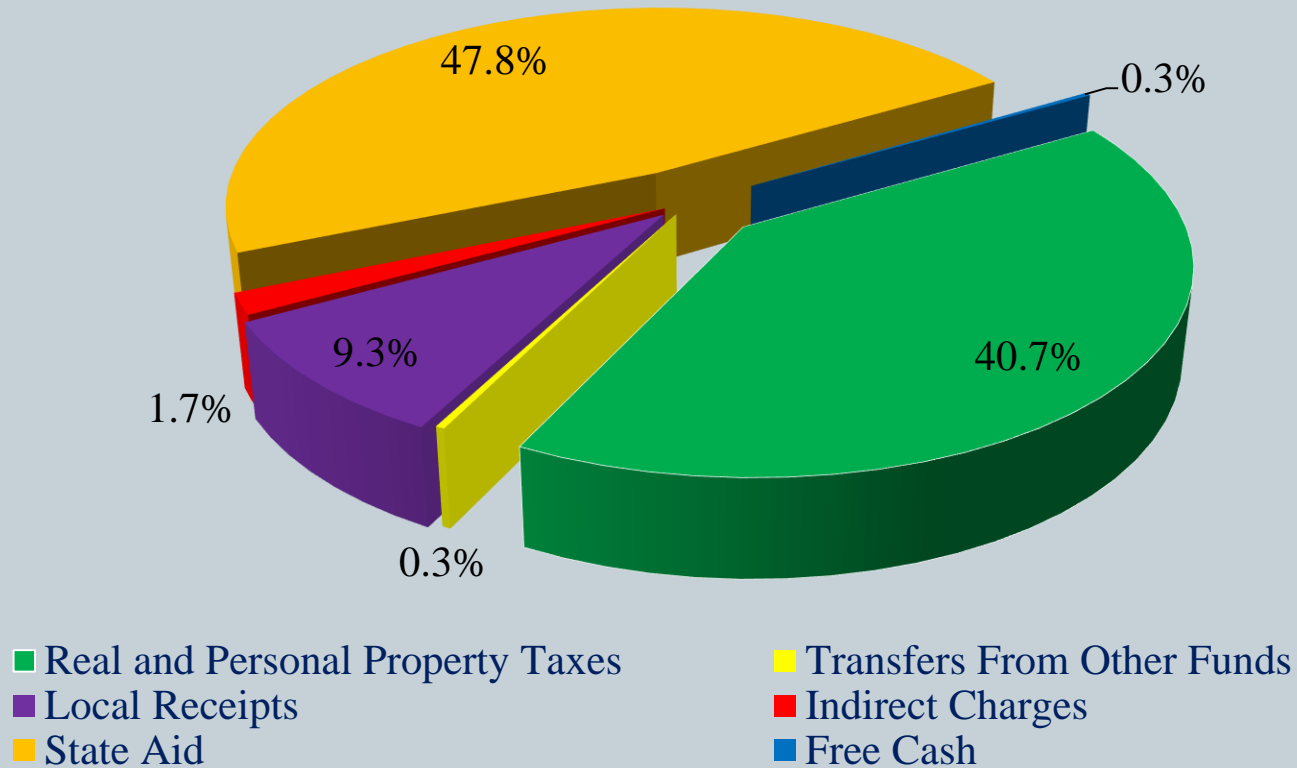
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Revenue Type	Amount
Real and Personal Property Taxes	\$ 11,513,745
State Aid	13,502,701
Local Receipts	2,622,795
Indirect Charges	470,029
Transfers From Other Funds	82,426
Free Cash	<u>72,607</u>
<b>Total Budget Sources</b>	<b><u>\$ 28,264,303</u></b>

# Summary Budget Sources

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## Source Types



# Real and Personal Property Taxes

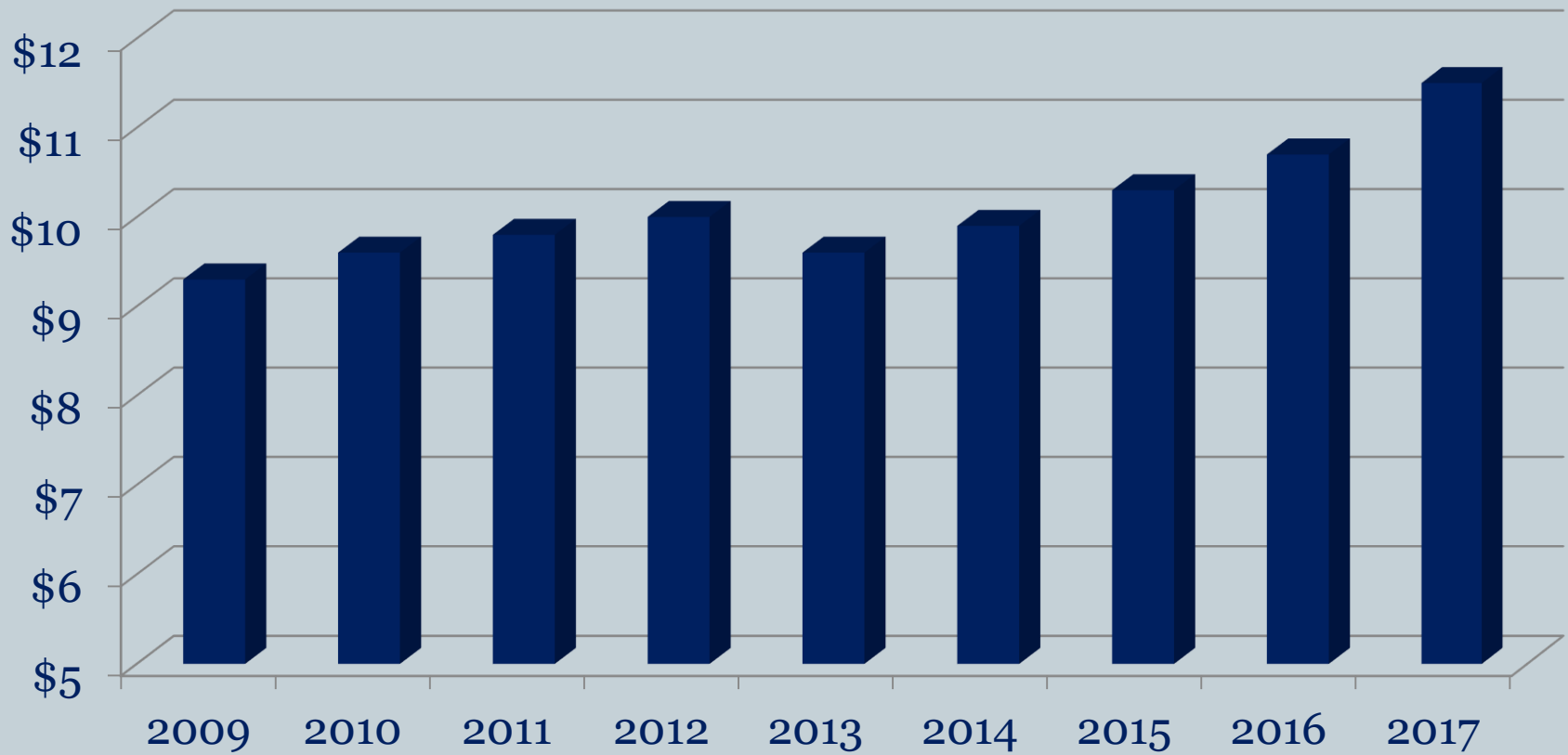
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LEVY COMPONENT	AMOUNT
Levy Limit 2015	\$ 10,710,062
Proposition 2 ½ % increase	267,753
New Growth Estimate	80,000
Debt Exclusions (Police Station, Library, Fire Truck)	<u>455,930</u>
Maximum Allowable Levy 2016	<u><u>\$ 11,513,745</u></u>

# Annual Levy Amount

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Levy in millions



# New Growth

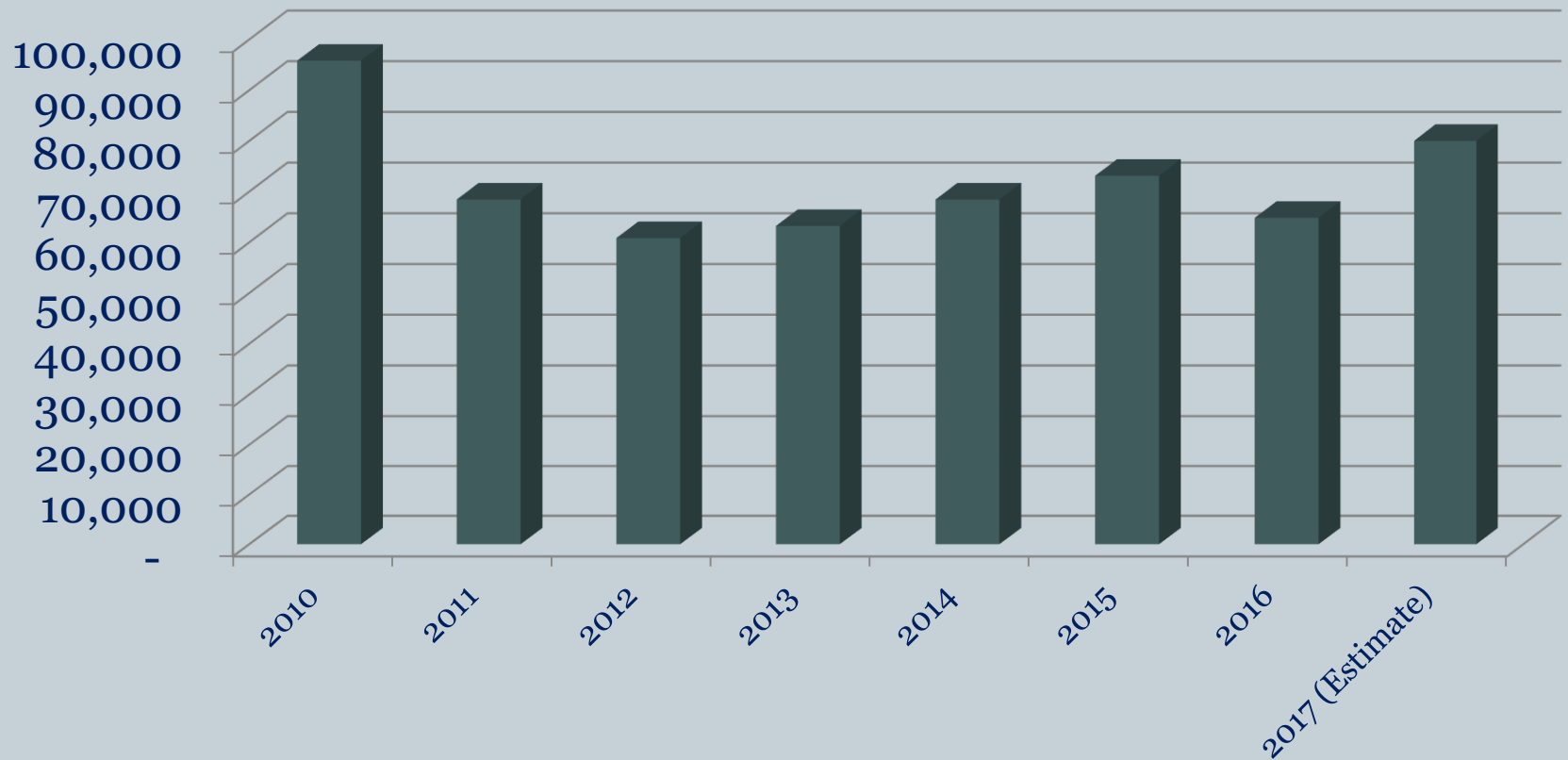
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- Estimate \$80,000
- Based on discussions with Assessor's Office and permit activity.
- Amount is conservative, based on permit activity and anticipated Planning Board approvals.
- Final amounts are not available until after the budget has been presented to Town Meeting; this could be subject to revision.

# New Growth

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## Historic New Growth \$





# Debt Exclusion

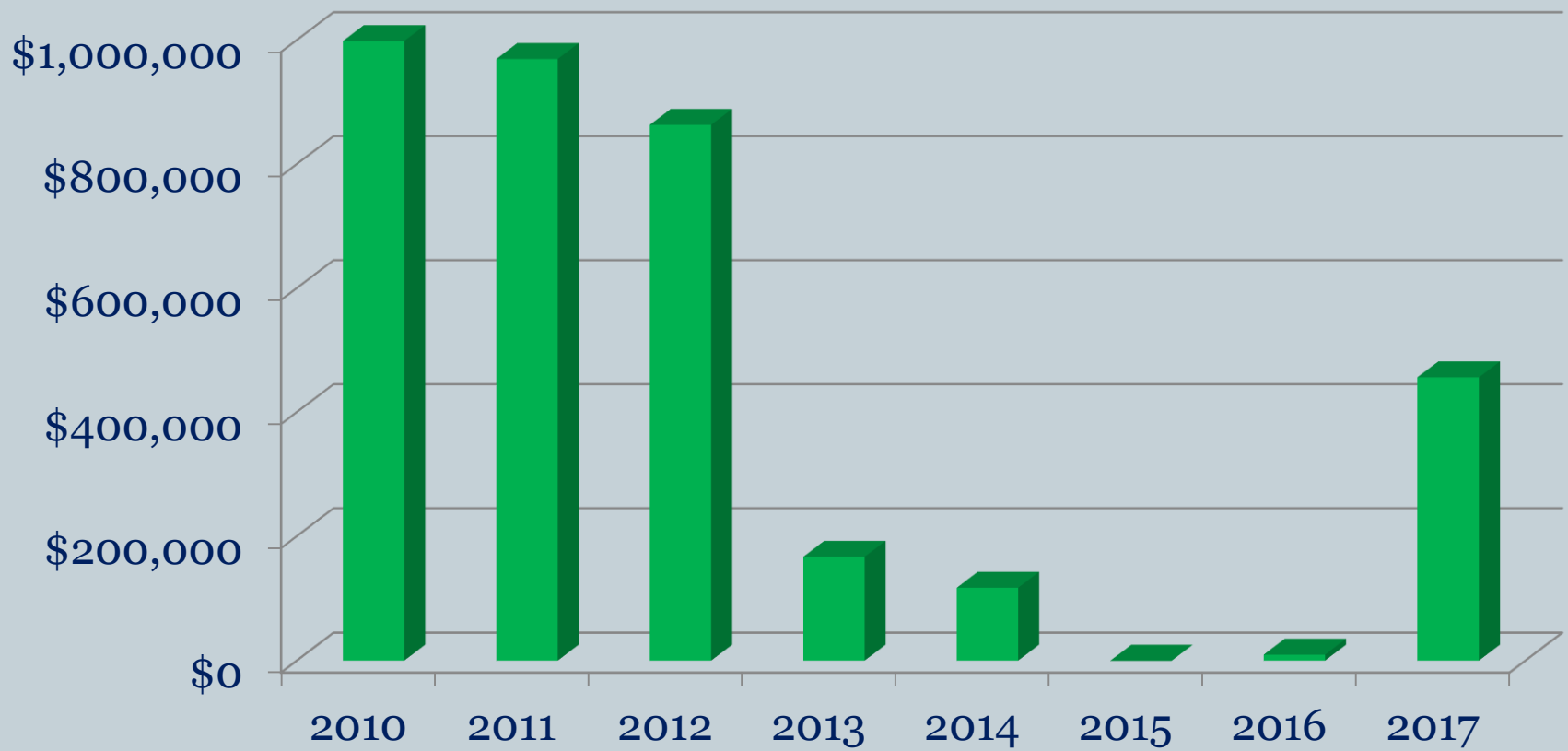
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- One of Management's important goals is the adequate stewardship of municipal infrastructure.
- It is challenging for the Town to carry out a sufficient capital improvement plan without assistance from the taxpayer outside the boundaries of Proposition 2 1/2.
- This is accomplished through debt and capital exclusions, which, when approved by the voters, allows the Town to assess taxes above the Proposition 2 1/2 limits set by law.
- Debt exclusion amounts for fiscal 2017 equal \$455,930. As mentioned earlier the debt exclusions are for the police station renovations, fire ladder truck, library access renovations and school generator.

# Historic Debt Exclusion

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## Excluded debt amount (millions \$)



# State Aid and MSBA

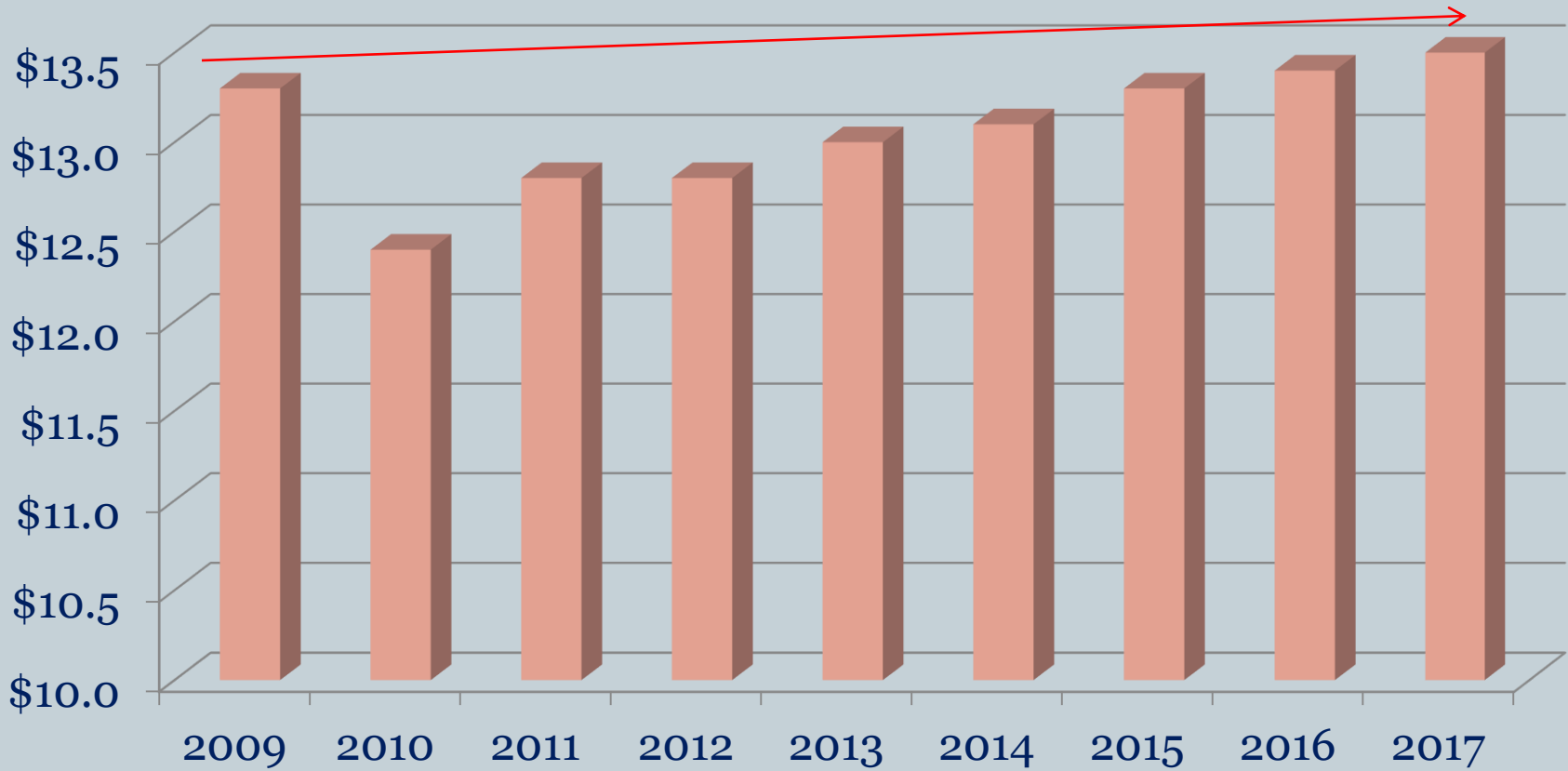
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- Estimated State Revenue Included in Governor's budget:
  - Governor has included state revenues of \$13,502,701 for Winchendon.
  - Governor's budget needs to be approved by both House and Senate Ways and Means.
  - Modifications to Winchendon's budget will be proposed if changes are made to the proposed Governor's budget. Future changes not expected to have significant impact on budget.
  - Amounts received from the State have increased by only 1.5% since 2009 while budget has increased 8.6%.

# Historic State Aid

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## State Aid in millions



# State Aid

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Distribution Type		2016		2017
Chapter 70		\$ 11,288,335		\$ 11,316,915
Charter School Reimbursements		145,794		110,165
Unrestricted Local Aid		1,550,908		1,617,597
Veterans' Benefits		342,880		342,880
Other		<u>110,170</u>		<u>115,144</u>
<b>Total</b>		<b><u>\$ 13,438,087</u></b>		<b><u>\$ 13,502,701</u></b>
<b>State and County Assessment</b>		<b><u>\$ 1,313,170</u></b>		<b><u>\$ 1,441,214</u></b>

# Local Receipts

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Receipt Type	Amount
Motor Vehicle excise	\$ 1,096,760
Meals Tax excise	70,700
Penalties and interest	255,000
Payment in lieu of taxes	50,500
Licenses and permits	190,000
Fines and forfeits	25,250
Investment income	5,500
Departmental and Other	737,185
Medicaid reimbursement	<u>191,900</u>
<b>Total Local Receipts</b>	<b><u><u>\$ 2,622,795</u></u></b>

# Indirect Charges

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## What are they?

- Charges incurred by the General Fund on behalf of the Water, Sewer and Transfer Station Enterprise Funds.
- Allocated back to Water, Sewer and Transfer Enterprise Funds based on a reasonable and methodical allocation process.
- Includes administrative fees such as Accounting, Treasury, Collector, and Data Processing, employee benefits etc.

# Indirect Charges for FY17

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- Water Indirect Costs - \$212,854 (prior year was \$242,457) which represents 18.2% of the budget.
- Sewer Indirect Costs - \$230,435 (prior year was \$248,302) which represents 17.0% of the budget.
- Transfer Station Indirect Costs - \$26,740 (prior year was \$29,257) which represents 13.7% of budget
- Enterprise debt service is paid directly by the Enterprise Funds

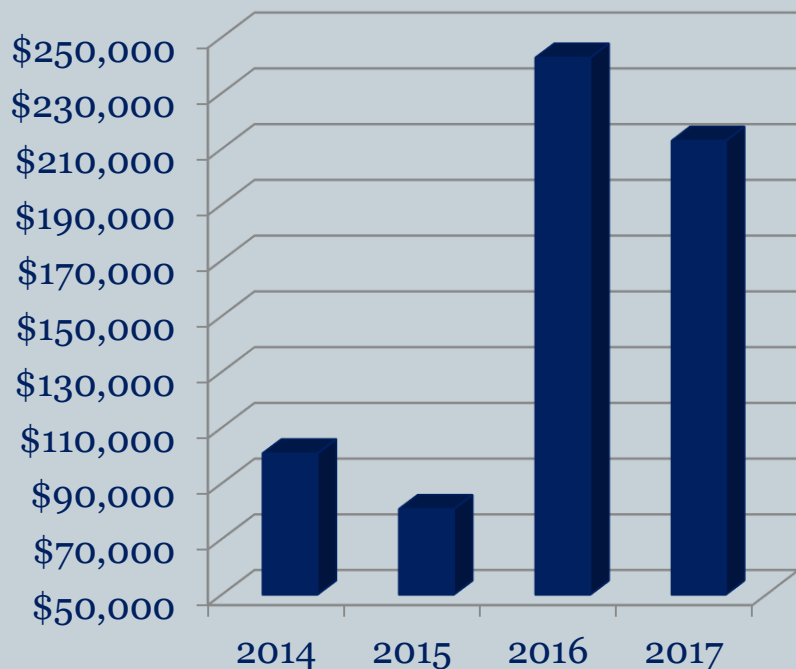


# Indirect Charges

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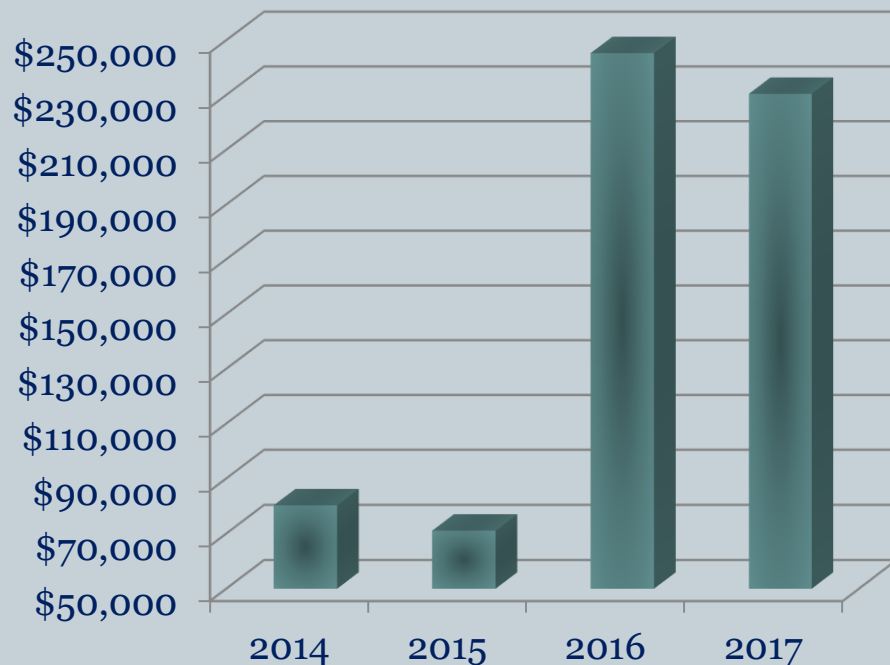
## Water indirect Charge history

### Indirect Charges



## Sewer indirect charge history

### Indirect Charges



# Transfers From Other Funds

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- Annually, amounts are transferred from various available funds to supplement the sources in the operating budgets
  - Stabilization infrastructure transfer of \$71,399 is used to offset the debt service associated with the landfill cover and other landfill associated costs incurred by the general fund
  - Cemetery trust transfer of \$3,060 subsidize a portion of the costs of the cemetery
  - Title V lien redemption transfers subsidize a portion of the debt service associated with the activity
- Free cash is the amount certified by the State in the prior year that is available for appropriation; the Town is using the entire amount of \$72,607 to subsidize the 2017 capital purchases in the operating budget



# BUDGET USES (APPROPRIATIONS)

# Summary Budget Uses

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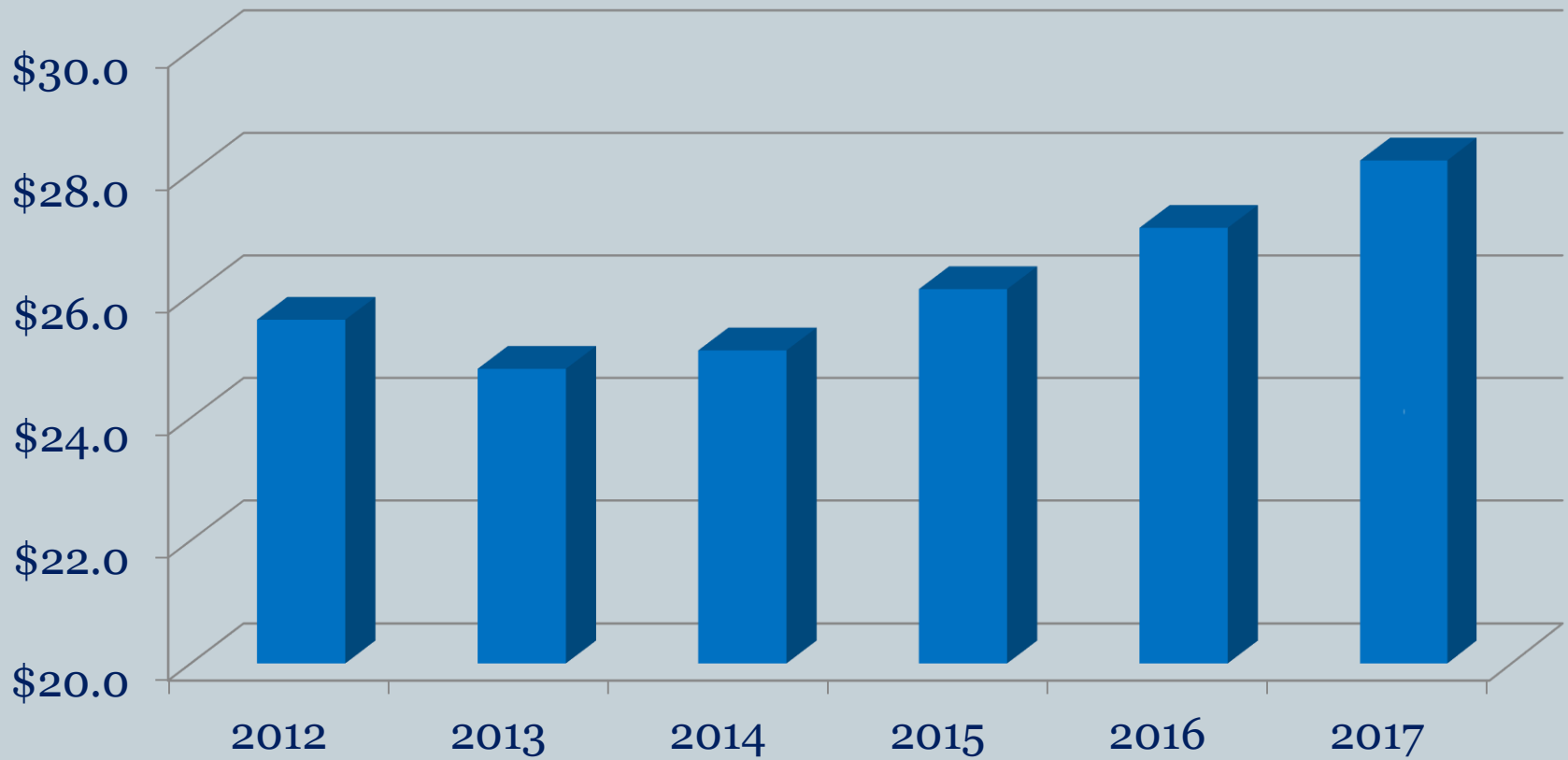
<u>Appropriation Function</u>	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>2017 Budget</u>	<u>Change</u>
General Government	\$ 1,778,179	\$ 1,760,279	\$ 1,691,082	\$ 1,791,769	\$ 100,687
Public Safety	2,260,235	2,247,330	2,377,044	2,514,464	137,420
Public Works	976,895	989,138	1,084,929	1,021,966	(62,963)
Culture & Recreation	170,968	162,178	186,455	176,445	(10,010)
Education	15,202,247	15,196,580	14,986,999	15,160,106	173,107
Health & Human Services	690,860	685,313	698,371	722,092	23,721
Debt Service	579,807	579,768	644,647	1,189,529	544,882
Employee Benefits	3,369,145	3,500,526	4,139,881	4,031,218	(108,663)
Capital Articles	-	-	-	145,500	145,500
State & County	<u>1,093,478</u>	<u>1,183,716</u>	<u>1,313,170</u>	<u>1,441,214</u>	<u>128,044</u>
Total Budget Uses	<u>\$ 26,121,814</u>	<u>\$ 26,304,828</u>	<u>\$ 27,122,578</u>	<u>\$ 28,194,303</u>	<u>\$ 1,071,725</u>

Summary does not include allowance for abatements, transfers out and deficits raised

# Annual Budget Comparison

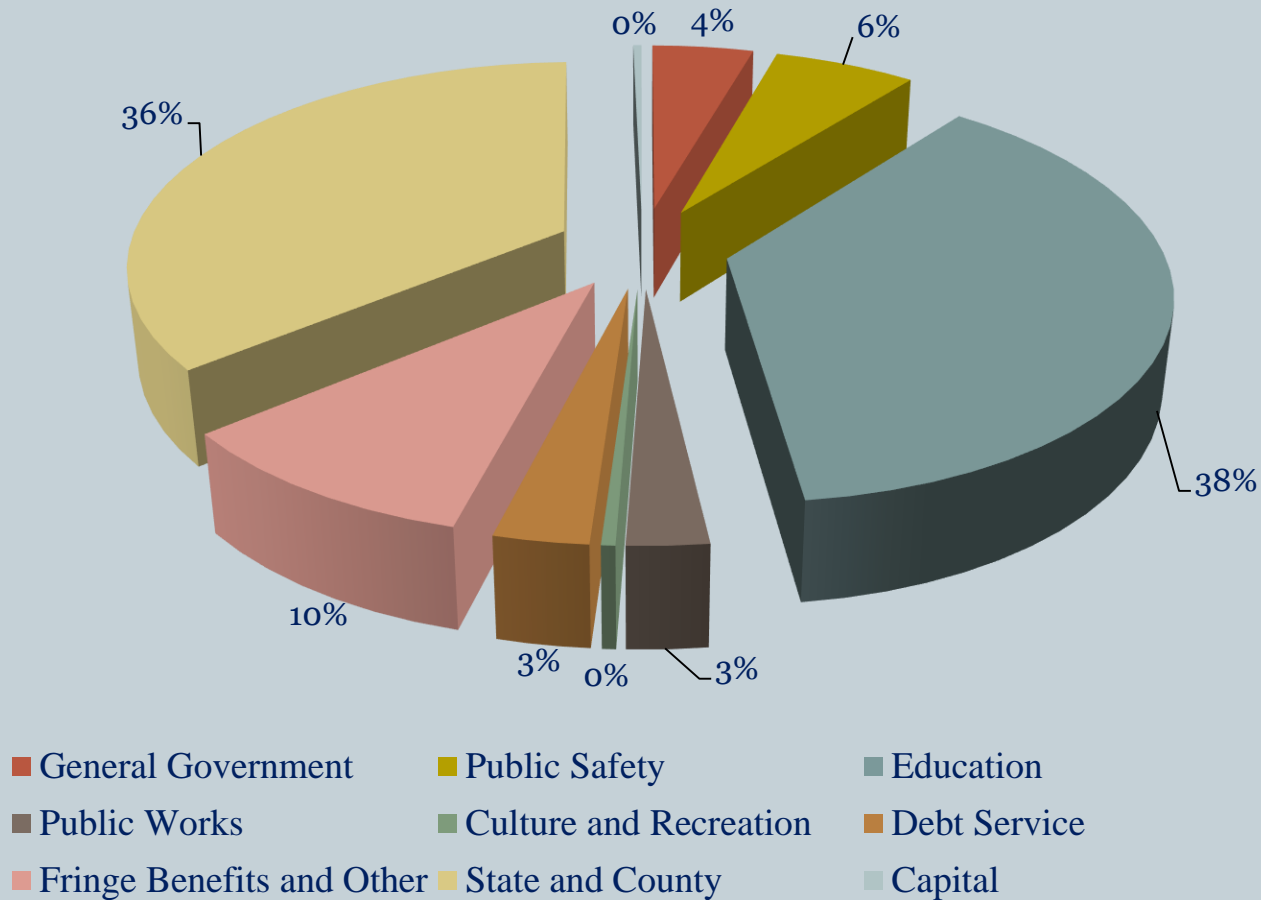
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## Annual Budget (millions)



# Summary of Budget Uses by Function

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- ❑ General Government represents the Town's administrative, executive and legislative activities. The function also includes property liability insurance.
- ❑ Objectives are to establish and enforce policy; collect all Town monies, account for all Town transactions and process all Town information.
- ❑ The Town Manager proposes increases to the General Government budgets in the amount of \$100,687, or 5.95% over the prior year. The majority of this increase is due to union negotiations and non union raises, installation of tax title software, additional elections, an increase in technology staff hours and additional staff in the community development office which will be offset by grant revenue. Budget levels approximate fiscal year 2015.



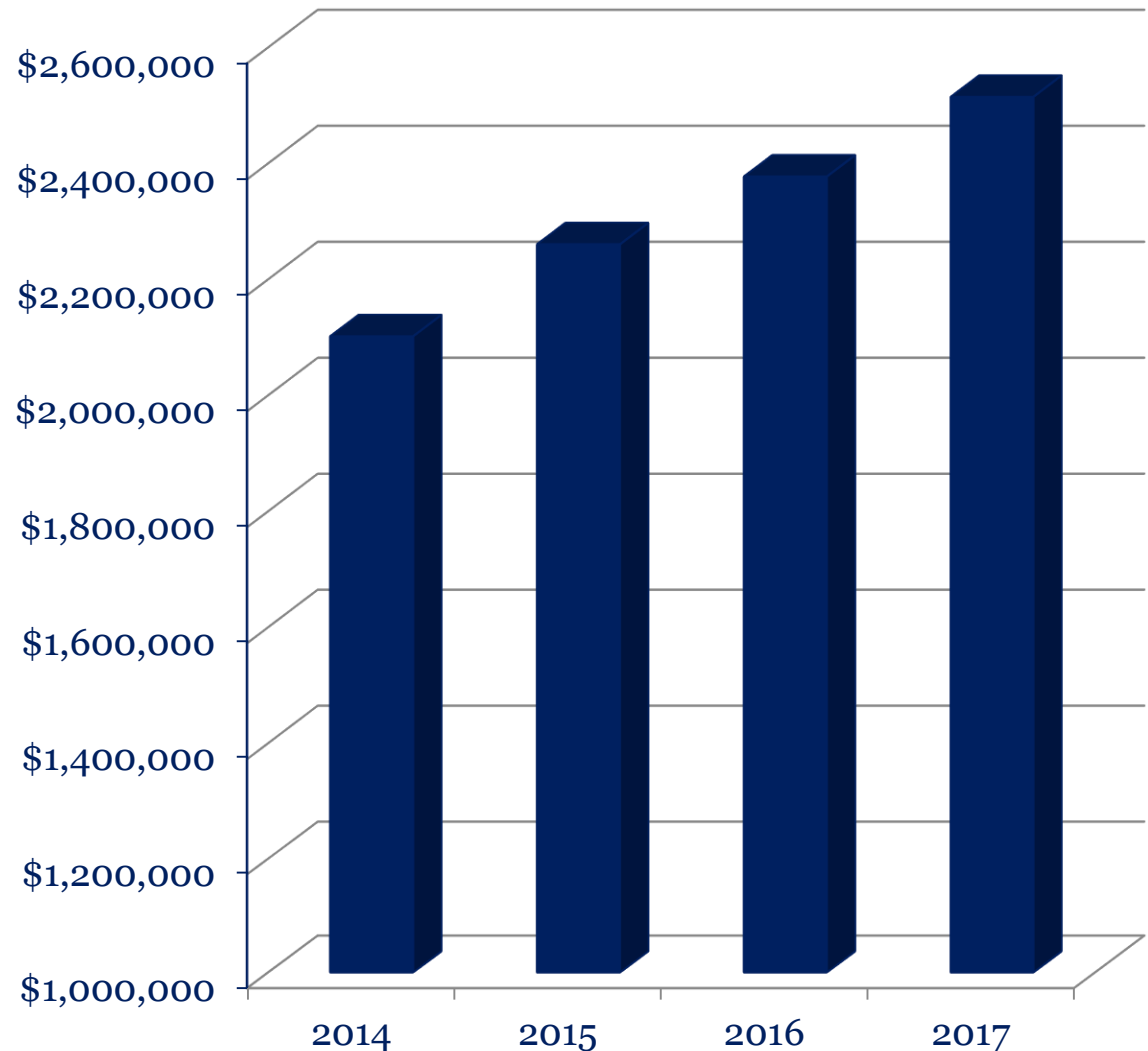
# General Government Detail

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	2014		2015		2016	2017	
Description	Budget	Actual	Budget	Actual	Budget	Proposed Budget	Change
General Government							
Selectmen	\$ 33,683	\$ 31,508	\$ 17,000	16,293	\$ 23,054	\$ 14,654	\$ (8,400)
Town Manager	277,671	280,110	604,710	602,083	221,888	279,828	57,940
Finance Committee	2,860	1,747	1,960	1,930	160,660	124,485	(36,175)
General Government Special Articles	80,790	74,756	60,000	60,000	25,500	35,500	10,000
Accountant	86,469	98,867	128,482	126,206	143,061	143,615	554
Assessors	77,889	82,636	78,658	78,564	85,712	87,398	1,686
Treasurer	167,781	167,781	168,851	168,831	196,792	209,467	12,675
Audit	39,135	39,135	34,000	33,959	45,100	45,000	(100)
Legal	36,232	47,468	48,966	54,088	60,000	40,000	(20,000)
Data Processing	37,270	37,270	50,300	48,115	54,300	54,600	300
Technology	17,904	7,288	31,415	28,417	41,517	62,475	20,958
Communications Committee	33,500	18,241	25,000	22,592	32,900	29,800	(3,100)
Town Clerk	89,043	85,473	87,404	87,022	90,248	92,905	2,657
Registrar of Voters	18,610	18,610	24,725	24,679	23,190	33,505	10,315
Conservation Commission	15,515	15,515	15,611	14,701	15,988	15,189	(799)
Planning Board	6,000	3,532	4,300	3,863	5,000	4,730	(270)
Zoning Board of Appeals	1,918	716	318	270	1,918	1,918	-
Community Development	53,073	49,191	54,451	53,039	92,790	131,915	39,125
Town Hall	115,268	114,396	117,898	109,950	120,798	116,125	(4,673)
Property and Liability Insurance	177,905	193,365	224,130	204,147	250,666	268,660	17,994
Other - balance deficit warrant	-	-	-	21,530	-	-	-
Total	\$ 1,368,516	\$ 1,367,605	\$ 1,778,179	\$ 1,760,279	\$ 1,691,082	\$ 1,791,769	\$ 100,687



- ❑ Public Safety represents the activities of Police, Fire, Ambulance services and Animal control.
- ❑ Objectives are to dedicate efforts to provide for the safety and welfare of the public through preservation of life, property and the environment; as well as provide community oriented law enforcement to protect life, property and maintain order.
- ❑ The Town Manager proposes increases of \$137,420, or 5.78% to the Public Safety budgets over the prior year. This is a result of contractual wage increases and the addition of part-time staff in the amount of \$71,568 for the Fire Department; Ambulance equipment of \$28,050; and operational expenses associated with the new Police Station of \$33,427. In addition police and fire diesel fuel and vehicle maintenance is now being charged to the police and fire budgets. An offsetting reduction will be seen in DPW.

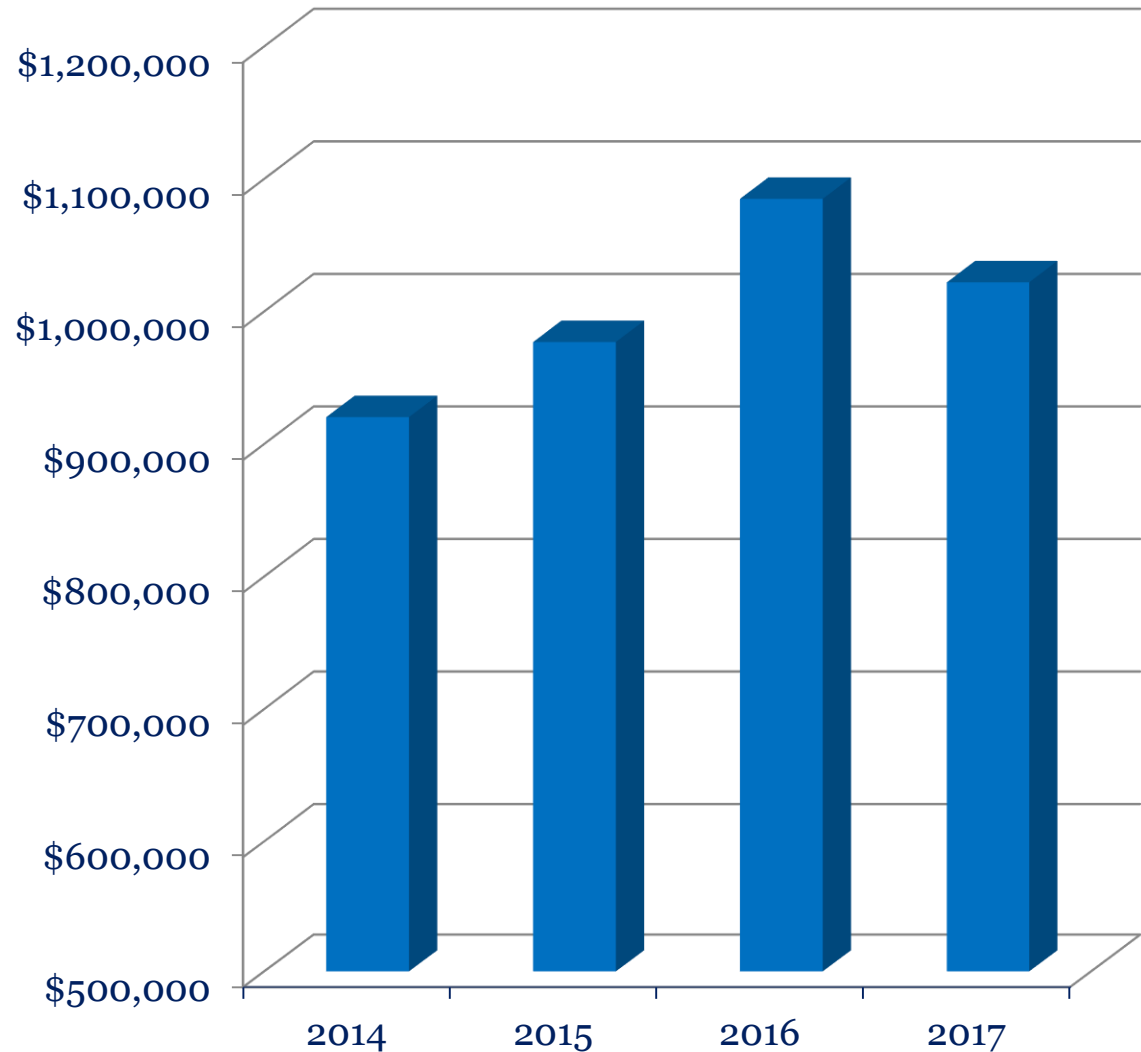


# Public Safety Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
<b>Public Safety</b>							
Police Department	\$ 1,088,339	\$ 1,146,534	\$ 1,075,441	\$ 1,076,902	\$ 1,194,646	\$ 1,228,073	\$ 33,427
Dispatch	199,586	209,941	222,085	221,848	217,051	220,551	3,500
Fire Department	618,707	682,273	761,815	759,380	742,709	814,277	71,568
Ambulance	57,550	58,296	63,100	54,294	73,200	101,250	28,050
Land Use	93,472	90,882	92,851	91,786	95,106	96,191	1,085
Emergency Management	4,877	1,952	4,943	3,470	4,952	4,952	-
Animal Control	39,000	39,527	40,000	39,650	49,170	49,170	-
Prior year bills	-	-	-	-	210	-	(210)
<b>Total</b>	<b>\$ 2,101,531</b>	<b>\$ 2,229,405</b>	<b>\$ 2,260,235</b>	<b>\$ 2,247,330</b>	<b>\$ 2,377,044</b>	<b>\$ 2,514,464</b>	<b>\$ 137,420</b>

- ❑ Public Works represents the activities of the DPW including; highway, engineering, forestry, cemetery, solid waste/recycling, street lighting, and snow and ice removal.
- ❑ The Town Manager proposes decreases of \$79,463 or 7.9% to the Public Works budgets over the prior year. This is primarily a shift of vehicle maintenance costs and diesel fuel to police, fire and COA along with the cost of shared employees being budgeted to the correct account.
- ❑ The Town receives approximately \$500,000 - \$700,000 annually from the State for roadwork through the Chapter 90 program, which helps keep capital costs in the budget at a reasonable level.

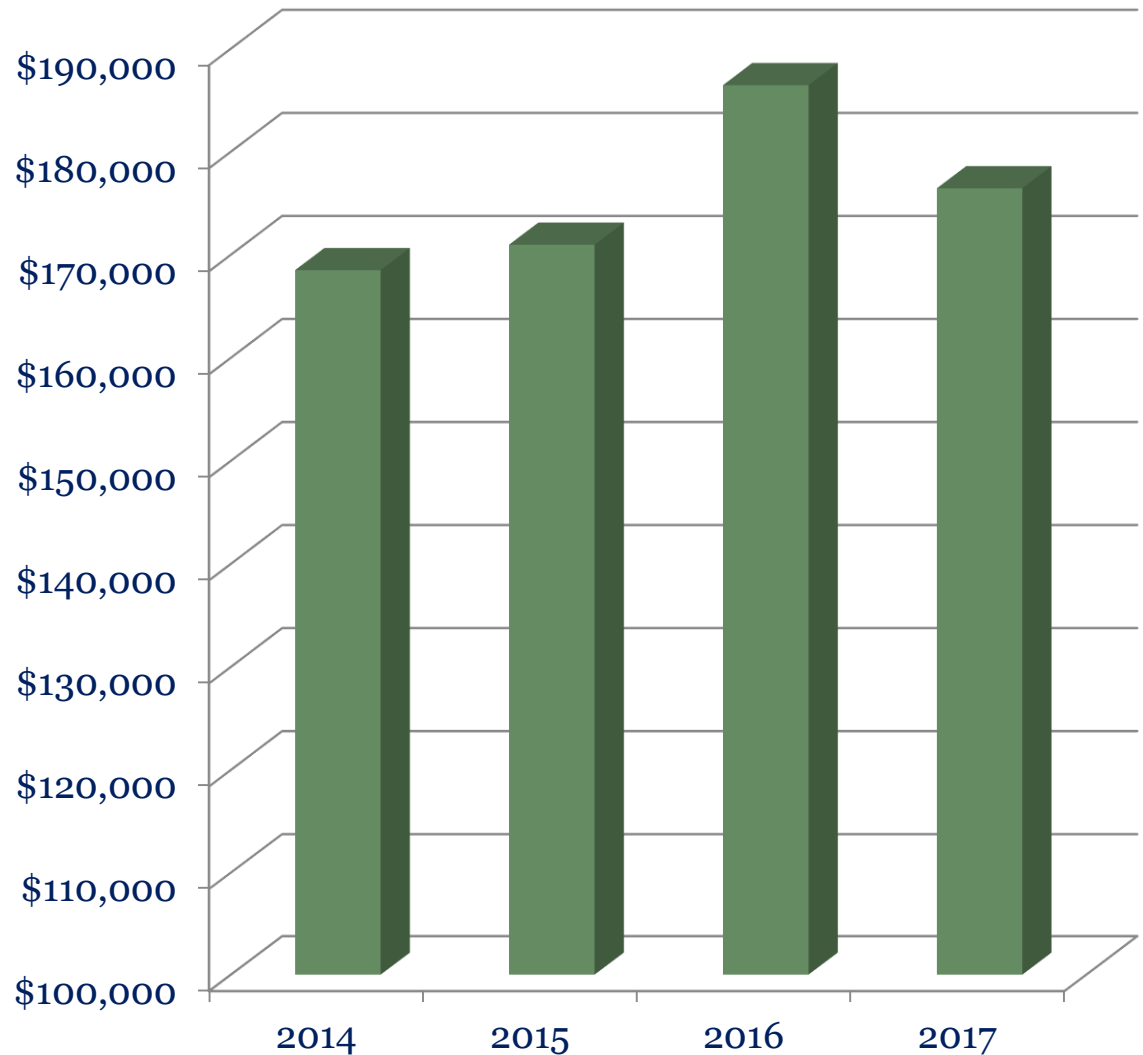


# Public Works Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
<b>Public Works</b>							
DPW	\$ 115,528	\$ 115,651	\$ 60,091	\$ 57,796	\$ 144,176	\$ 141,400	\$ (2,776)
Highway Department	354,309	337,010	267,788	264,656	349,504	308,729	(40,775)
Fleet	172,941	283,037	225,537	223,361	246,675	209,173	(37,502)
Snow & Ice Removal	101,000	292,527	257,500	284,943	159,000	184,000	25,000
Street Lighting	58,500	48,983	62,000	56,912	65,000	58,000	(7,000)
Landfill	23,000	24,598	23,000	21,726	23,000	17,500	(5,500)
Cemetery	89,962	97,806	80,479	79,244	92,574	97,164	4,590
Tree Trimming	5,000	5,000	500	500	5,000	6,000	1,000
<b>Total</b>	<b>\$ 920,240</b>	<b>\$ 1,204,612</b>	<b>\$ 976,895</b>	<b>\$ 989,138</b>	<b>\$ 1,084,929</b>	<b>\$ 1,021,966</b>	<b>\$ (62,963)</b>

- ❑ Culture and recreation relates primarily to the activities of the Town Library.
- ❑ Objectives are to instill a love of reading and learning in children and adults by providing access to a world of ideas and information and in doing so, promote literacy, intellectual freedom, and encourage life-long learning.
- ❑ The Town Manager proposes essentially a level budget for Culture and Recreation as the only decrease relates primarily to a Library article in the prior year for approximately \$14,000 that is not recurring.

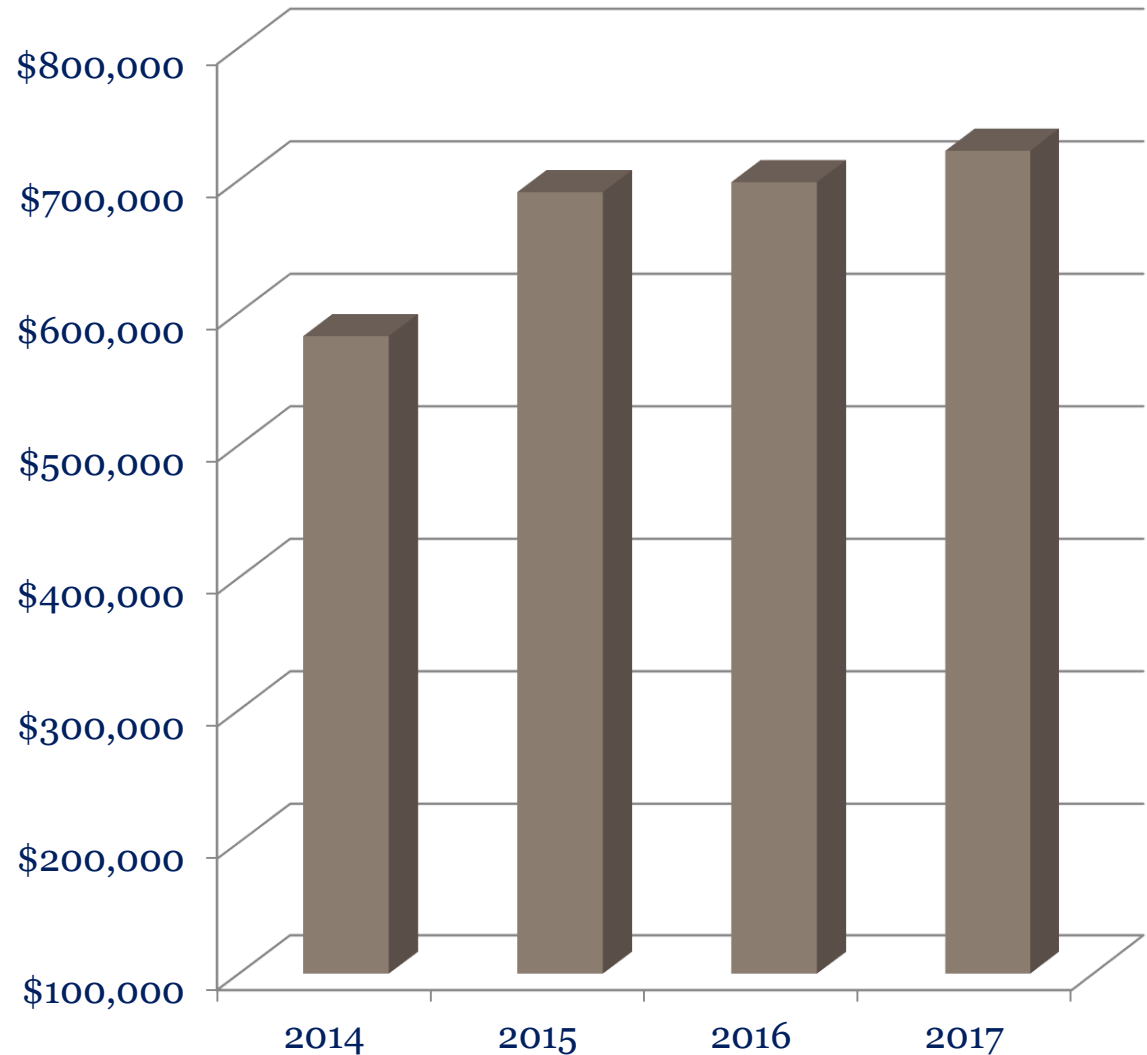


# Culture and Recreation Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
<b>Culture and Recreation</b>							
Public Library	\$ 164,601	\$ 164,601	\$ 168,068	\$ 159,568	\$ 168,556	\$ 173,545	\$ 4,989
Library Special Article	-	-	-	-	13,999	-	(13,999)
Recreation	3,400	1,668	2,400	2,195	3,400	2,400	(1,000)
Historical Commission	500	500	500	415	500	500	-
<b>Total</b>	<b>\$ 168,501</b>	<b>\$ 166,769</b>	<b>\$ 170,968</b>	<b>\$ 162,178</b>	<b>\$ 186,455</b>	<b>\$ 176,445</b>	<b>\$ (10,010)</b>

- ❑ Health and human services consists of the Board of Health, Council on Aging and Veteran's services
- ❑ Objectives are to protect health and provide essential human services to its citizens
- ❑ The Town Manager proposes an increase of \$23,721 or 3.4% over the prior year. This is primarily due to the Council on Aging salaries paid completely by the Town instead of a portion paid by the Robinson and Broadhurst Trust as was done in prior years. All other appropriations within this function are level with the prior year.



# Health and Human Services Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
Health and Human Services							
Health Department	\$ 46,131	\$ 44,385	\$ 48,370	\$ 46,195	\$ 49,337	\$ 49,637	\$ 300
Board of Health	750	40	-	-	750	1,250	500
Visiting Nurse	8,500	6,375	8,500	8,500	8,500	8,500	-
Council on Aging	140,411	137,797	142,348	142,101	148,088	171,009	22,921
Veterans Service	386,390	467,807	491,642	488,517	491,696	491,696	-
Total	\$ 582,182	\$ 656,404	\$ 690,860	\$ 685,313	\$ 698,371	\$ 722,092	\$ 23,721



- ❑ The community continues to view Education as a vital part of municipal services. Contributions, while a challenge, continue to meet net school spending requirements promulgated under the Education Reform Act of 1992. Contributions above this amount would not be sustainable in the current budget climate.
- ❑ The Town Manager proposes \$15.2 million for Winchendon school operations. The proposed amount reflects an increase of \$173,095 or 1.15% over the prior year. The Education cost center includes the Vocational assessment of \$877,890 which is consistent with the prior year and is not under Town control; and transportation costs which make up the majority of the special article of \$1,432,306. Education costs have remained fairly consistent over the past 4 years.



# Education Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
<b>Education</b>							
School Budget	\$ 13,011,316	\$ 13,682,695	13,133,950	\$ 13,128,950	\$ 12,721,380	\$ 12,846,644	\$ 125,264
School Articles	1,254,077	1,206,353	1,285,984	1,285,317	1,387,865	1,432,306	44,441
Regional Assessment	666,218	666,218	779,205	779,205	874,554	877,890	3,336
Other Regional Assessments	3,033	3,033	3,108	3,108	3,200	3,266	66
<b>Total</b>	<b>\$ 14,934,644</b>	<b>\$ 15,558,299</b>	<b>\$ 15,202,247</b>	<b>\$ 15,196,580</b>	<b>\$ 14,986,999</b>	<b>\$ 15,160,106</b>	<b>\$ 173,107</b>

# Education Ratios

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## TOTAL Educational Related Costs

### Total School Costs

Town Manager proposed operating	\$ 12,846,644
Vocational Assessment	877,878
Indirect costs	3,688,556
School Retiree Health Insurance	359,869
School Choice	785,601
Charter School	585,960
Special Articles	1,432,306
Other regional assessments	3,266

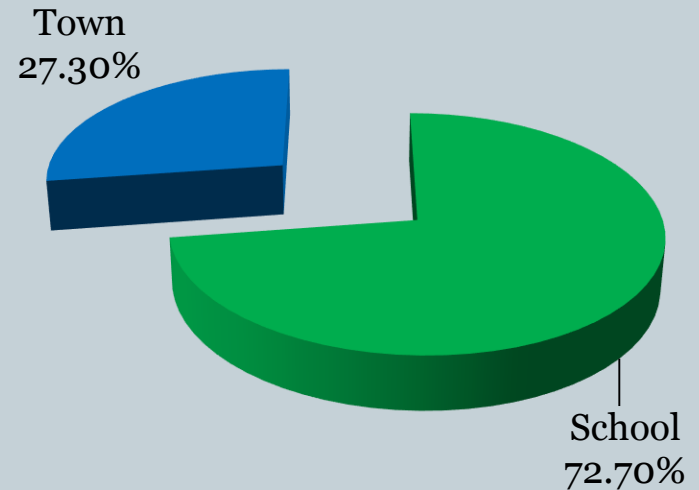
Total School Costs	<u>\$ 20,580,080</u>
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### Funded from

Chapter 70	\$ 11,316,915
Taxation	<u>9,263,165</u>
	<u>\$ 20,580,080</u>

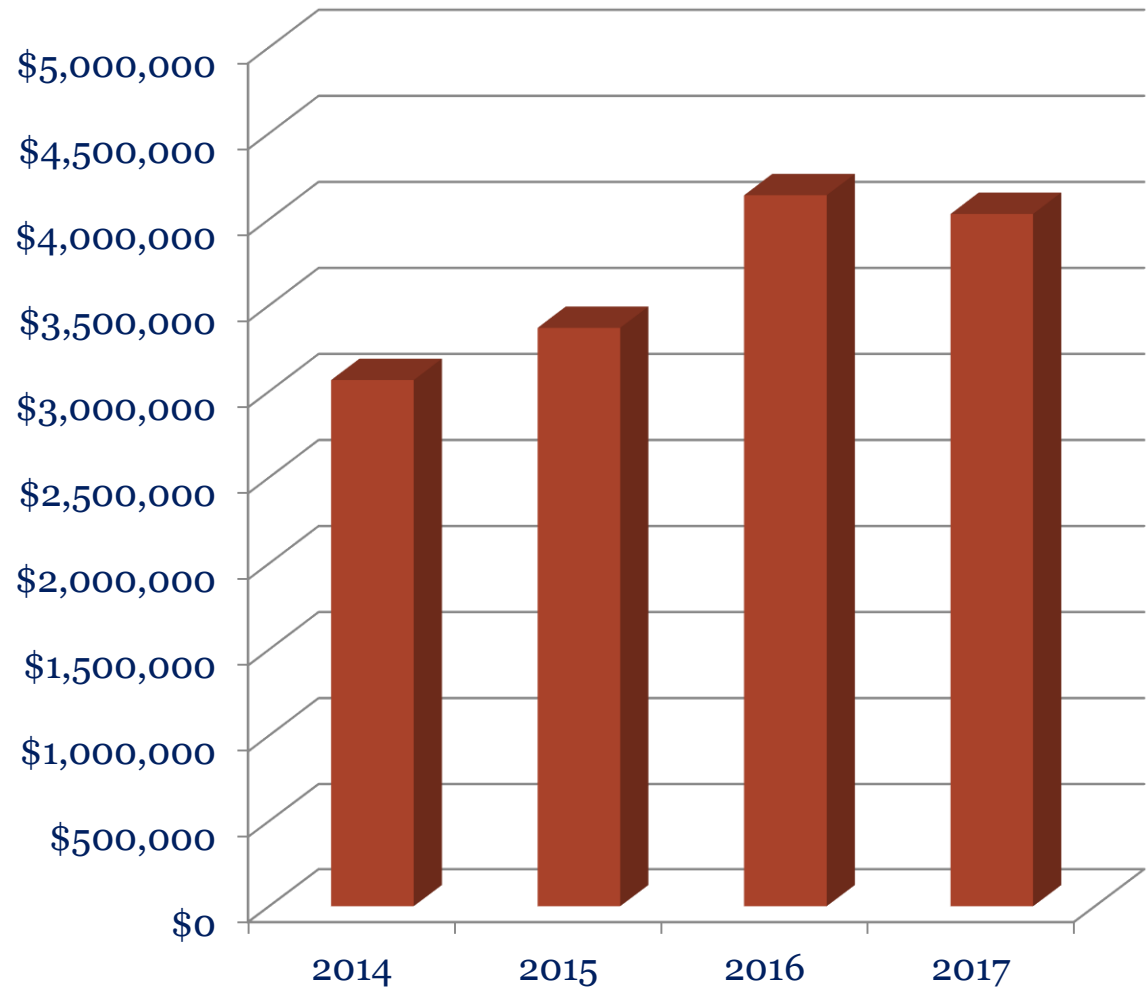
## TOTAL EXPENDITURE COMPARISON

### General Fund Expenditures



# Employee Benefits

- Employee benefits include fixed costs related to payroll that consist of pensions, health insurance, medicare, unemployment and life insurance.
- The Town Manager proposes a level budget as reductions in unemployment offset increases in the statutory pension assessment which is out of the Town's control. Fiscal 2016 was the first full year the Town was premium based. Thus the increase in general fund appropriation from 2015 to 2016; however in 2014 and 2015 the Town was required to raise deficits incurred in the self-insurance trust that are not reflected in these amounts.



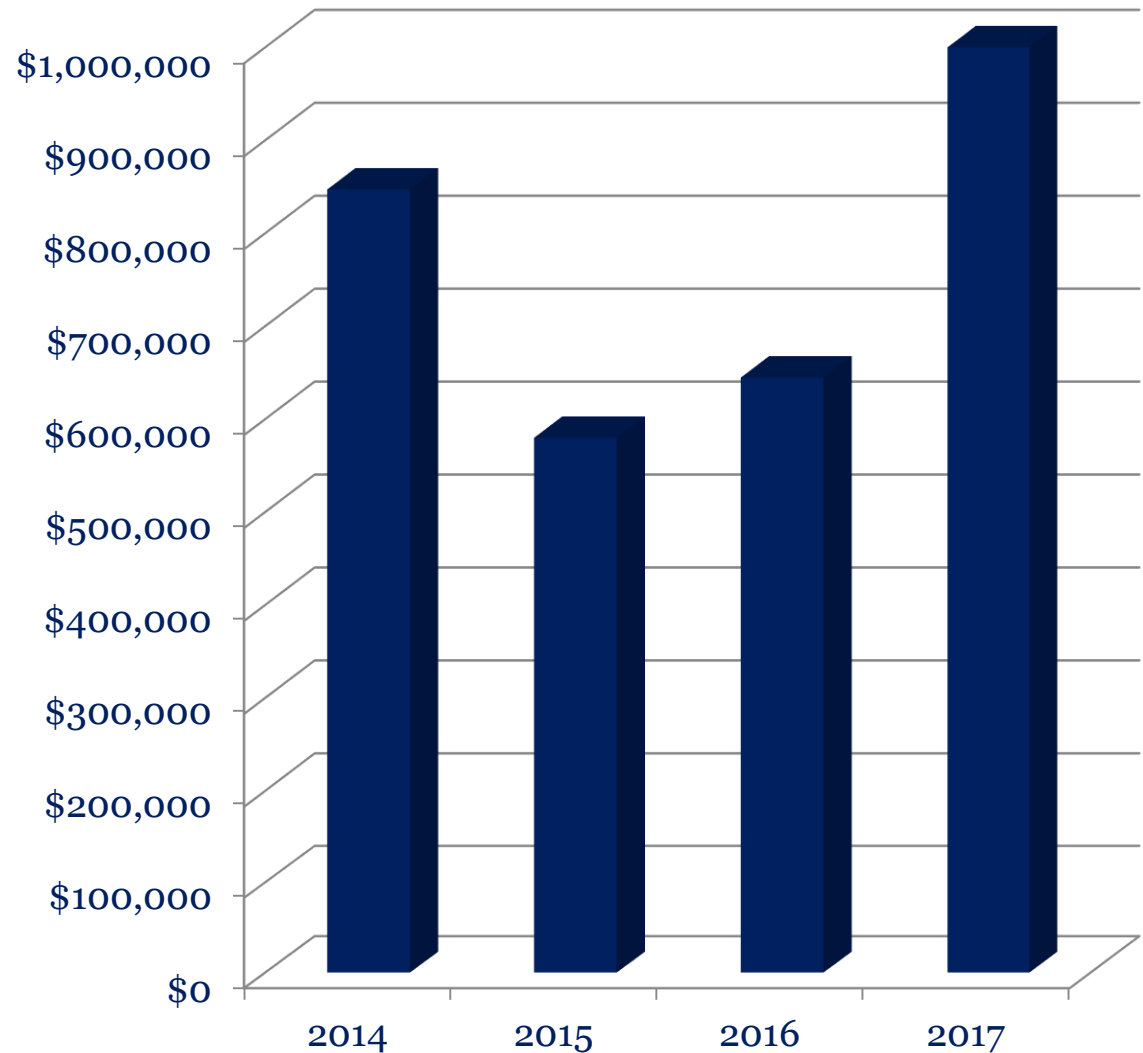
# Employee Benefits Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
Pension and Fringe Benefits							
Retirement	\$ 958,573	\$ 979,582	\$ 1,125,350	\$ 1,125,127	\$ 1,237,027	\$ 1,328,215	\$ 91,188
Workers' Compensation	98,372	170,453	175,339	175,339	187,386	177,000	(10,386)
Unemployment	33,000	63,629	121,250	121,242	200,000	125,000	(75,000)
Health Insurance	1,731,594	1,917,792	1,705,843	1,840,430	2,268,168	2,145,197	(122,971)
Life Insurance	25,300	23,893	25,300	22,326	25,300	25,806	506
Medicare	196,050	228,150	216,063	216,062	222,000	230,000	8,000
Separation Benefits	22,625	22,625	-	-	-	-	-
Total	\$ 3,065,514	\$ 3,406,124	\$ 3,369,145	\$ 3,500,526	\$ 4,139,881	\$ 4,031,218	\$ (108,663)

## Debt Service

- ❑ Debt service represents the principal payback and interest costs associated with the Town's bond issuances.
- ❑ As discussed in a prior slide, 39.1% of these costs are debt excluded and outside of the normal operating budget.
- ❑ The Town Manager proposes an increase of \$544,882 which is in line with the fixed amortization schedules provided by the Town's debt advisors and reflects new debt issued for the police station, fire truck, library and generator.



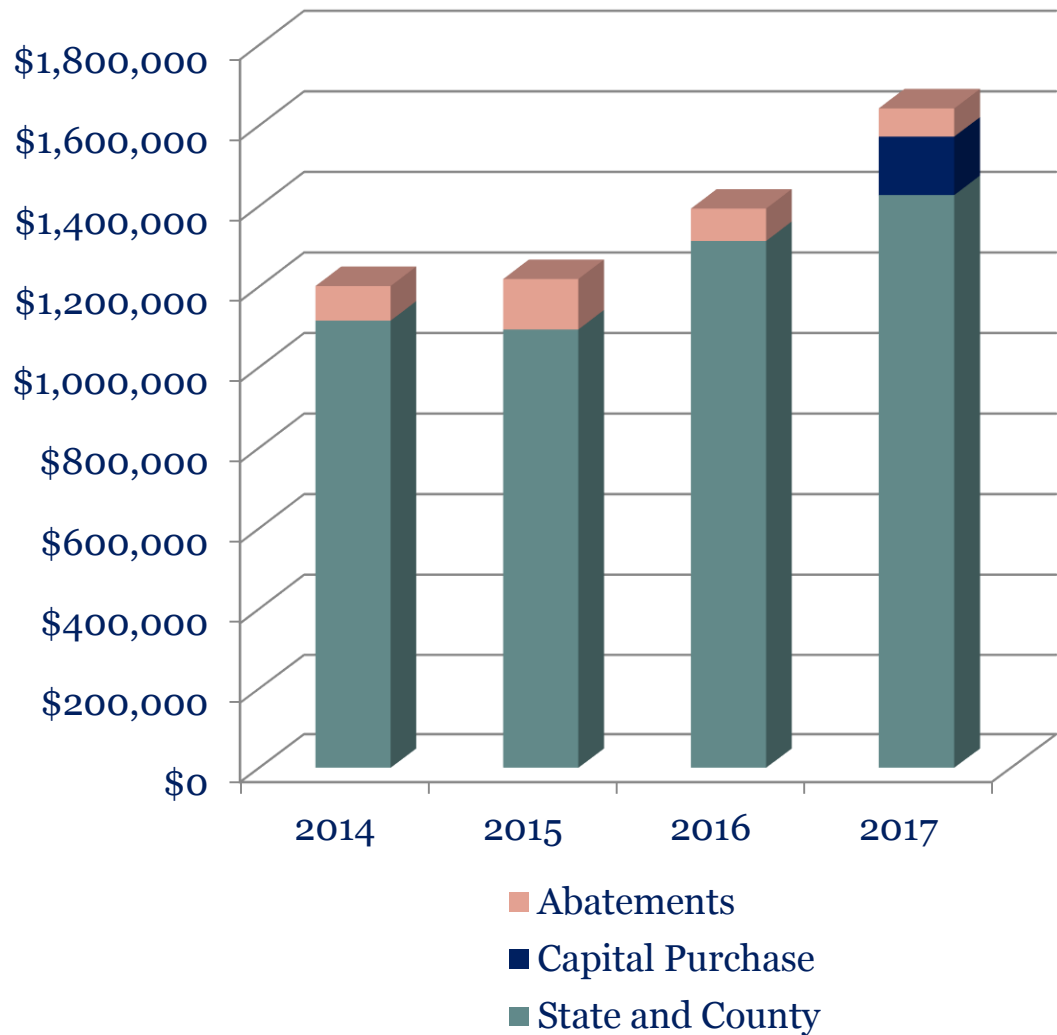
# Debt Service Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
<b>Debt Service</b>							
Debt Service Principal	\$ 751,213	\$ 751,213	\$ 500,414	\$ 500,413	\$ 555,017	\$ 946,199	\$ 391,182
Debt Service Interest	95,861	87,850	79,393	79,355	89,630	243,330	153,700
<b>Total</b>	<b>\$ 847,074</b>	<b>\$ 839,063</b>	<b>\$ 579,807</b>	<b>\$ 579,768</b>	<b>\$ 644,647</b>	<b>\$ 1,189,529</b>	<b>\$ 544,882</b>

## Other Budget Uses

- ❑ Reserve For Abatements are amounts raised on the tax recap to account for abatements that will be filed by the taxpayers. This is not included in the Town Meeting vote and is established at the discretion of the Assessors. For fiscal 2017 it has been estimated at \$70,000 which is consistent with fiscal 2016.
- ❑ State and County Assessments are beyond the control of the Town Manager and assessed annually by the State. The amount included (\$1,427,292) is from the Governor's initial budget proposal.
- ❑ Capital purchases represent capital items purchased within the operating budget. The Town Manager is proposing to upgrade vehicles and equipment costing \$145,500 and these include school security system upgrades, replacement of electronic voting machines as well as purchasing new cardiac monitors and defibrillators for the ambulances.





# Other Budget Uses Detail

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Description	2014		2015		2016	2017	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
<b>State Assessments</b>							
State and County Assessments	\$ 1,115,467	\$ 1,051,178	\$ 1,093,478	\$ 1,183,716	\$ 1,313,170	\$ 1,441,214	\$ 128,044
Capital Purchases	-	-	-	-	-	145,500	145,500
Allowance for Abatements	85,882	73,758	125,322	80,411	77,599	70,000	(7,599)
<b>Total</b>	<b>\$ 1,201,349</b>	<b>\$ 1,124,936</b>	<b>\$ 1,218,800</b>	<b>\$ 1,264,127</b>	<b>\$ 1,390,769</b>	<b>\$ 1,656,714</b>	<b>\$ 265,945</b>

# Proposed Water Fund Budget

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- Even with the 6% water rate increase, the Water Fund revenues have not supported the approved budget over the past few years.
- Wages for a portion of the water employees have been historically budgeted for incorrectly in the General Fund. The FY17 budget properly accounts for Water payroll expenses.
- A recent inspection of the two water tanks revealed the inside lining of the tanks have been damaged due to ice forming in the tanks. The estimated repair for both tanks total \$180,000. I am recommending long term debt be issued for this repair.
- Also included in the Water Fund budget is \$60,000 for Winchendon's share of the capital expenses to maintain the water plant. This budget amount is an ongoing cost for the next 8-10 years.

# Proposed Water Fund Budget

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- To support the recommended budget the rate will need to increase to \$6.19 per hundred cubic feet

FY17 Funding Request	\$	1,168,492
Water Retained Earnings	\$	(50,000)
Amount to be Raised by Water Rate	\$	1,118,492
Annual Water Usage to Calculate Water Bill		18,070,940
Proposed Water Rate to Fund FY17 Budget per 100 Cubic Ft.	\$	6.19
Existing Water Rate	\$	5.06
Proposed Increase	\$	1.13

# Proposed Sewer Fund Budget

53

- Wages for a portion of the sewer employees have been historically budgeted for incorrectly in the General Fund. The FY17 budget properly accounts for Sewer payroll expenses.
- The Sewer budget includes the replacement of an existing truck that is no longer roadworthy. The estimated cost of a new truck is \$55,000.

# Proposed Sewer Fund Budget

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To support the recommended budget the rate will need to increase to \$9.11 per hundred cubic feet

FY17 Funding Request	\$ 1,352,500
Sewer Retained Earnings	\$ (100,000)
Fund Balance Betterment	\$ (270,000)
Amount to be Raised by Wastewater Rate	\$ 982,500
Annual Water Usage to Calculate Sewer Bill	10,782,000
Proposed Wastewater Rate to Fund FY17 Budget per 100 Cubic Ft.	\$ 9.11
Existing Wastewater Rate	\$ 8.03
Proposed Increase	\$ 1.08

# Proposed Transfer Station Budget

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- The Transfer Station Fund was established as a self supporting fund, similar to the Water and Sewer Funds. This fund also has run in a deficit over the past few years. In fact the Transfer Station fund received \$29,964 from the recent deficit borrowing to eliminate the deficit the fund had generated.
- The proposed Transfer Station budget is based on moving to single stream recycling in an effort to reduce costs and improve recycling rates. The Transfer Station staffing would be reduced from two to one employees and eliminate trucking costs to dispose of demolition and recycling materials.

# Proposed Transfer Station Revenues

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Revenue Sources	Actual		Anticipated	
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Trash Bag Sales-Large	\$ 72,356	\$ 67,085	\$ 68,000	85,000
Trash Bag Sales-Small	\$ 15,244	\$ 15,760	15,600	23,400
Landfill Decals	\$ 41,975	\$ 46,166	\$ 45,000	45,000
Demolition Materials	\$ 30,946	\$ 36,217	\$ 34,000	34,000
Recycling	\$ 12,413	\$ 9,943	\$ 11,000	11,000
Total Actual/Anticipated Revenue	<u>\$172,934</u>	<u>\$ 175,171</u>	<u>\$ 173,600</u>	<u>\$ 198,400</u>
Approved/Proposed Budget	\$185,083	\$ 185,083	\$ 176,517	\$ 195,398
<b>Budget Surplus(Deficit)</b>	<b><u>\$ (12,149)</u></b>	<b><u>\$ (9,912)</u></b>	<b><u>\$ (2,917)</u></b>	<b><u>\$ 3,002</u></b>
<b><u>Fee Schedule</u></b>				
			<b><u>Current</u></b>	<b><u>Proposed</u></b>
	Trash Bag Sales-Large		\$ 4.00	\$ 5.00
	Trash Bag Sales-Small		\$ 2.00	\$ 3.00
	Landfill Decals		\$ 50.00	\$ 50.00
	Demolition Materials (per ton)		\$ 150.00	\$ 150.00

# Assumptions Used for Proposed Transfer Station Fees

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## Assumptions Used in Revenue Assumptions

		Actual		Anticipated	
		<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Number of Bags Sold/Estimated - Large		18,089	16,771	17,000	17,000
Number of Bags Sold/Estimated - Small		7,622	7,880	7,800	7,800
Landfill Decals		840	923	900	900
Demolition Materials (per ton)		206	241	227	227



# Conclusions

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- Moving forward in an affordable and sustainable manner
- Responsible spending plan; maintaining quality services
- Continue collaborative efforts between Town and School; exploring additional opportunities
- Pursue regional opportunities
- Developing long-range facilities plan
- Consider centralizing services/contracting services where it makes sense

# Questions

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