

Town of Winchendon



FISCAL YEAR 2019 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 detailed budget proposal by fund.
 - Revenue information including cherry sheet revenues, local receipts and other available funds.
 - School, Water, Sewer and Transfer Station Indirect Cost calculations including supporting calculations.
 - Town Manager's Budget presentation.

Budget Priorities

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- Develop a balanced budget that places the community in the best position possible to pay off the deficit borrowing in full during FY19.
- Maintain reasonable consistency in the tax burden to the Winchendon taxpayers
- Deliver an adequate level of critical services
- Properly account for indirect costs to enterprise funds and school department.
- Continue to be transparent with the budget information allowing the residents to regain trust in their community.

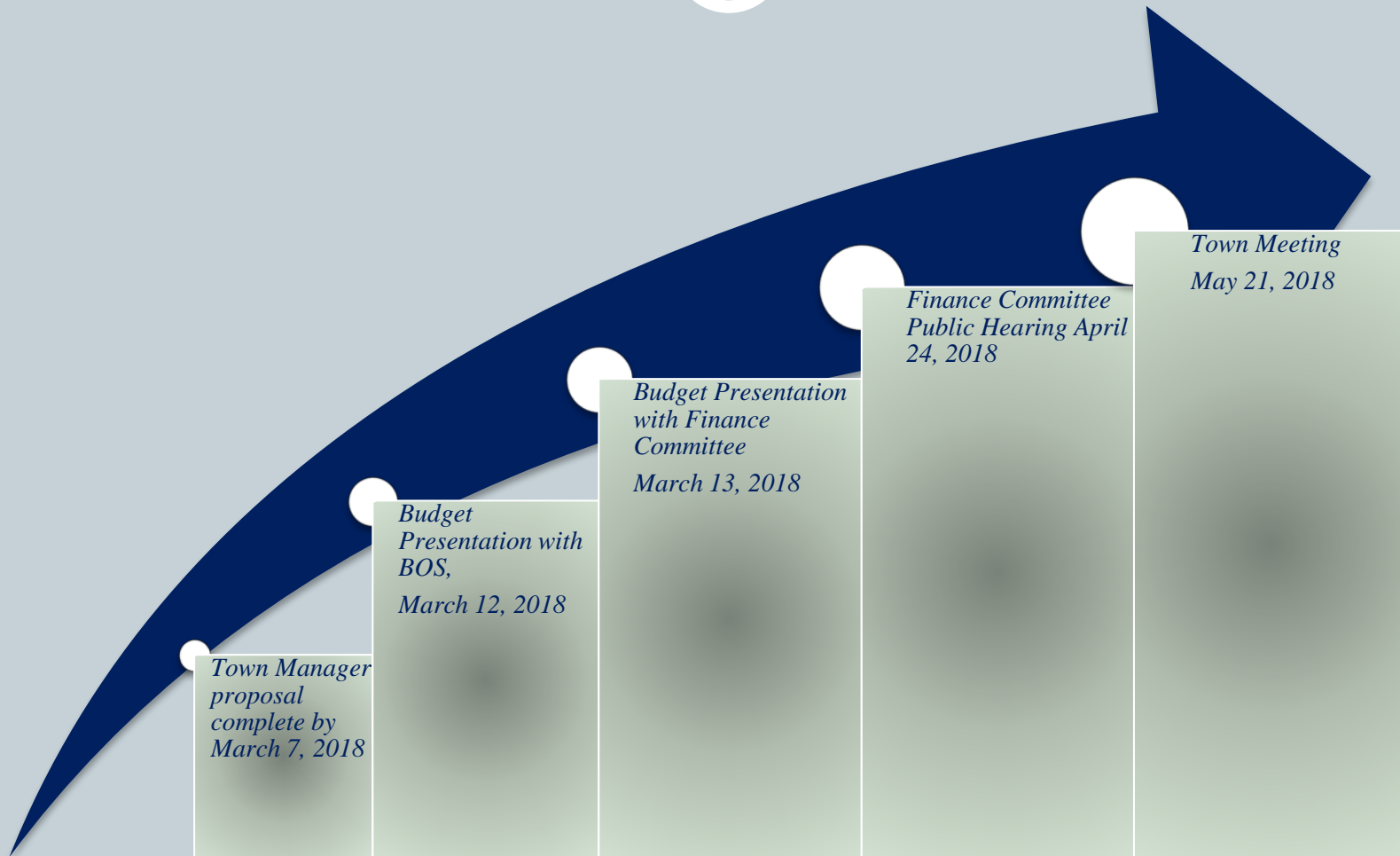
Future Budget Goals

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- Present a 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 3.9%)
- Adhere to financial policies approved by the Board of Selectmen and Finance Committee
- Continue to evaluate performance data to aid in future budgeting decisions
- Explore opportunities to share resources with school, consider regionalizing services where appropriate.

Budget Process

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Anticipated Warrant Articles

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ARTICLE	DESCRIPTION	COST	SOURCE
	SPECIAL TOWN MEETING		
1	Committee Report		
2	Remove Abandoned Water Tank	\$80,000	Use of FY17 Free Cash
3	Remove Lead From School Water	\$70,000	Use of FY17 Free Cash
	ANNUAL TOWN MEETING		
1	Committee Report	N/A	N/A
2	Establish/Discharge Committees	N/A	N/A
3	Revolving Funds Article	\$56,000	N/A
4	Senior Tax Work-Off Program	\$7,500	Raise and Appropriate
5	Community Action Committee Non-Profit Support	\$18,000	Raise and Appropriate
6	FY18 General Government Budget	\$14,718,712.70	Raise/Appropriate and Transfer
7	Water Dept. Enterprise Budget	\$1,149,663.41	User Fees
8	Wastewater Enterprise Budget	\$1,398,748.29	User Fees/Retained Earnings/Betterment Rev.
9	Transfer Station Enterprise Budget	\$177,203.45	User Fees
10	FY18 School Budget	\$13,379,062.10	Raise/Appropriate and/or Transfer
11	FY18 Monty Tech's Assessment	\$929,176	Raise and Appropriate
12	PILOT Agreement for Solar Array on Lincoln Ave. Ext.	N/A	Authorize Board to Enter into PILOT Agreement
13	Sale of Town Property On High Street	N/A	N/A
14	Limit 2 Adult Use retail establishments	N/A	N/A
15	3% Excise Tax	N/A	N/A
16	Marijuana Bylaw	N/A	N/A
17	Amendment to the Official Zoning Map to include the Retail Overlay	N/A	N/A
18	Amendment to Article 5 Use Table to include cultivation	N/A	N/A

Special Town Meeting Articles

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I am proposing two articles for a May Special Town Meeting. Both would be funded by FY17 Free Cash

1. Appropriate \$80,000 to remove the abandoned water tank on High Street.
2. Appropriate \$70,000 to remove lead from the water in the School Department buildings.

Article 2

Abandoned High Street Water Tank

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- The High Street water tank has not been used since 1987. Currently Winchendon public safety radio antennas are attached to the tank. The Town has agreed in principal to swap the property the abandoned tank is on for a piece of property off of High Street owned by Heywood Hospital.

Article 2

Abandoned High Street Water Tank

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Article 3

Lead Removal at School Buildings

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This Free Cash request for \$70,000 would fund a lead abatement project at the School Department. Water testing was completed during the current fiscal year and lead levels were found above the allowable limit. This request would fund the installation of equipment in the schools to remove lead from the water.

Annual Town Meeting Articles

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- Article 1 – Hear and act on the report of the Finance Committee
- Article 2 – Appoint or discharge committees
- Article 3 – Authorize Revolving Funds
 - Agricultural Commission Fees - \$20,000
 - Planning and Development Plotter Fees - \$20,000
 - Library Copy Fees - \$8,000
 - Library Materials - \$8,000
- Article 4 – Raise and appropriate \$7,500 for the Senior Work-off Program

Annual Town Meeting Articles

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- Article 5 – Raise and appropriate \$18,000 for the Community Action Committee
- Article 6 – FY19 Town Operating Budget of \$14,718,712.70

Article 6

Annual Budget Summary

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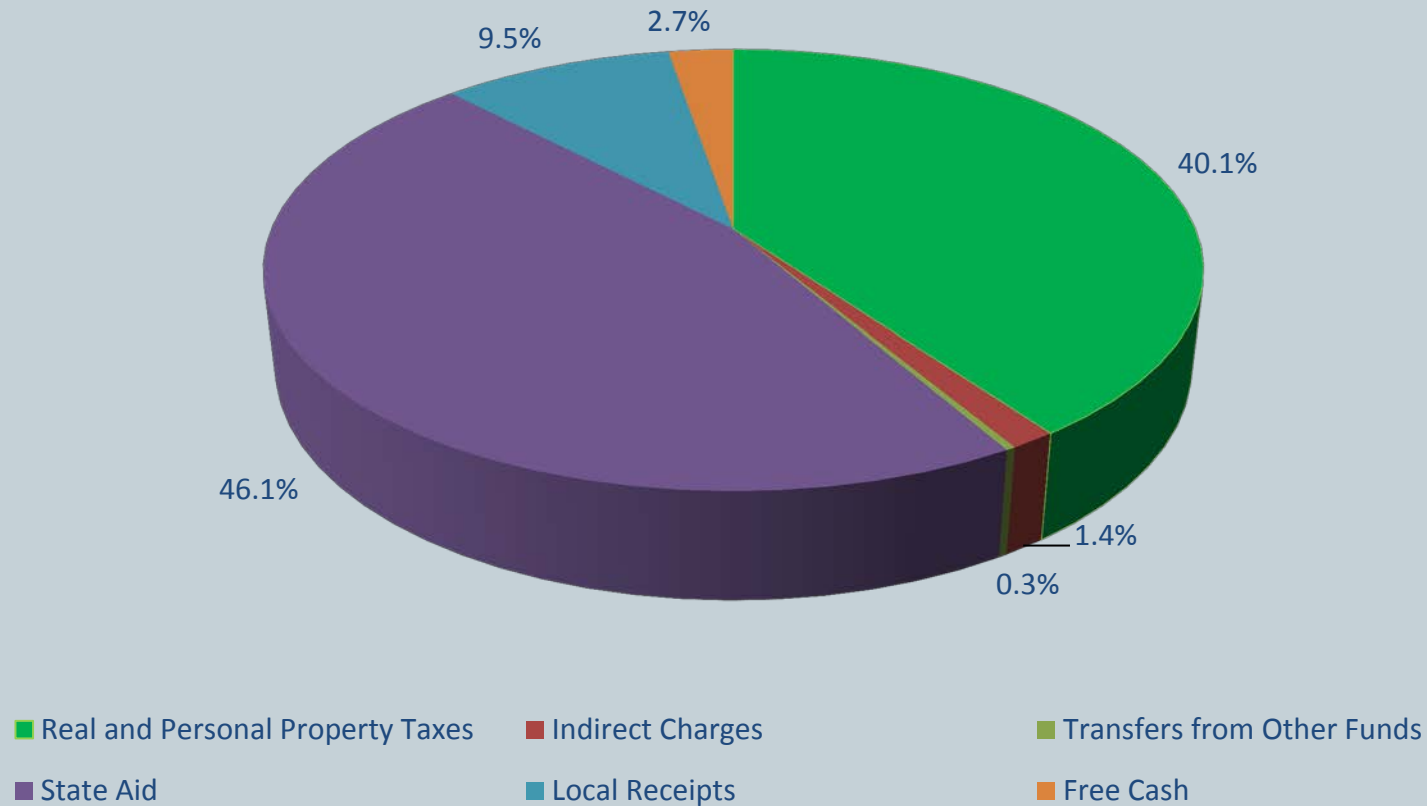
Real and Personal Property Taxes	\$	12,146,014.77
Less: Property Tax Levy Surplus		
State Aid	\$	13,867,892.00
Local Receipts	\$	2,868,666.03
Indirect Charges	\$	332,885.38
Transfers From Other Funds	\$	89,051.55
Free Cash-Capital		
Transfer from Stabilization	\$	94,060.09
Total Budget Sources	\$	<u>29,398,569.81</u>
Total Town Appropriation	\$	16,019,507.70
Total School Appropriation	\$	13,379,062.11
Total Appropriations	\$	<u>29,398,569.81</u>



BUDGET SOURCES (REVENUES)

Summary Budget Sources

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Real and Personal Property Taxes

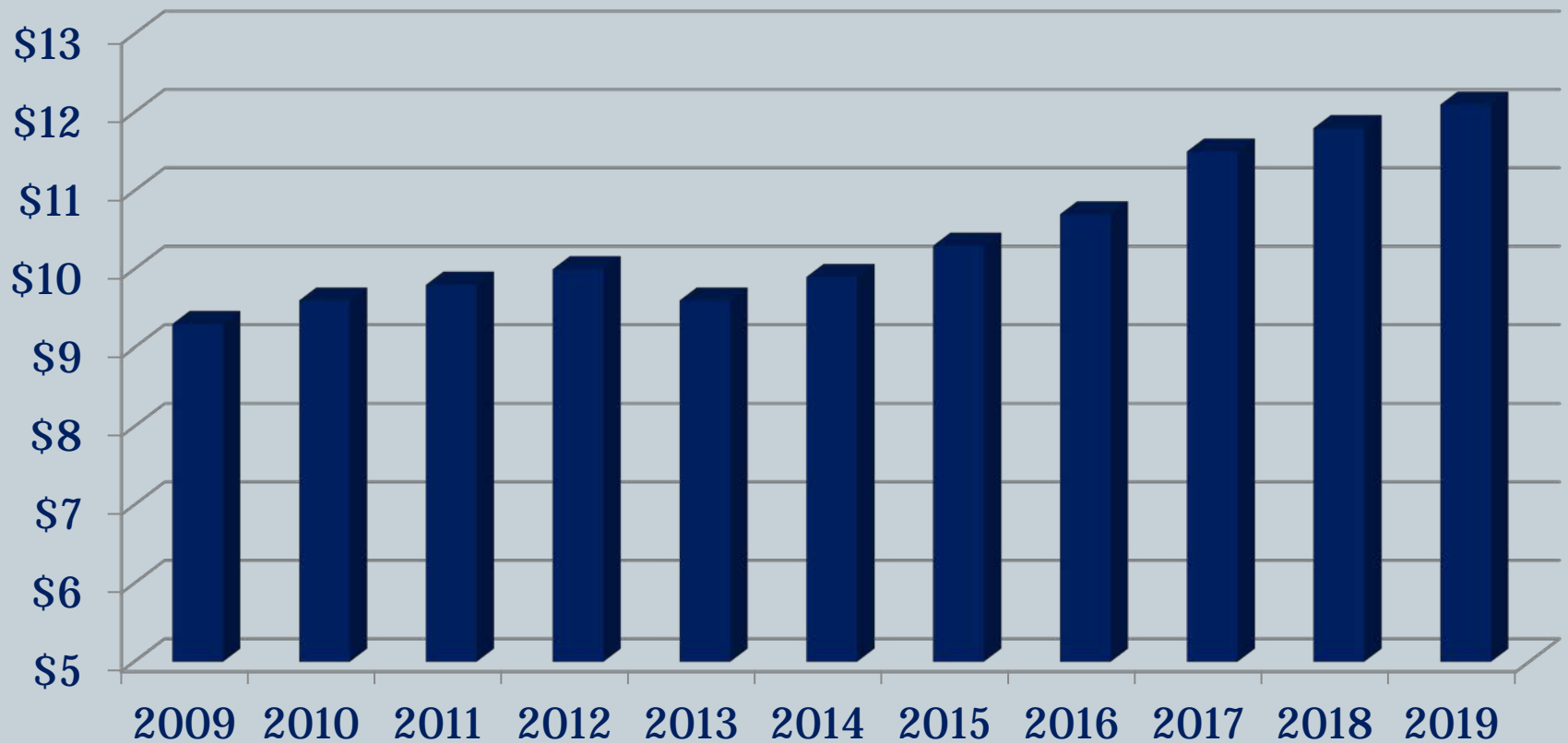
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LEVY COMPONENT	AMOUNT
Levy Limit 2018	\$ 11,441,972
Proposition 2 ½ % increase	286,049
New Growth Estimate	75,000
Debt Exclusions (Police Station, Fire Truck)	<u>342,994</u>
Maximum Allowable Levy 2019	<u>\$12,146,015</u>

Annual Levy Amount

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Levy in millions



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 ½.
- This is accomplished through debt and capital exclusions, which, when approved by the voters, allows the Town to assess taxes above the Proposition 2 ½ limits set by law.
- Debt exclusion amounts for fiscal 2019 equals \$342,994. As mentioned earlier the debt exclusions are for the police station renovations, fire ladder truck, library access renovations and school generator.

State Aid and MSBA

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- Estimated State Revenue Included in Governor's budget:
 - The Governor has included state revenues of \$13,867,892 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.

State Aid

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Distribution Type		2018		2019
Chapter 70		\$11,408,120		\$11,435,980
Charter School Reimbursements		71,834		56,986
Unrestricted Local Aid		1,680,683		1,739,507
Veterans' Benefits		319,186		256,000
Other		<u>136,655</u>		<u>135,524</u>
Total		<u>\$ 13,616,478</u>		<u>\$13,623,997</u>
State and County Assessment		<u>\$ 1,474,400</u>		<u>\$1,334,710</u>

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.

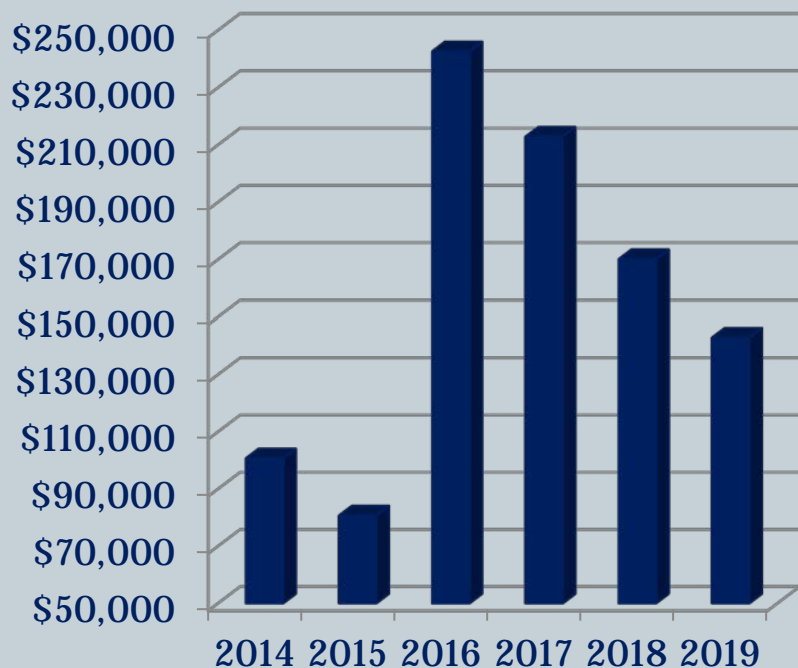
	<u>FY19</u>	<u>FY18</u>
Water	\$142,943	\$170,138
Wastewater	167,948	185,568
Transfer Station	<u>21,995</u>	<u>35,048</u>
Total	<u>\$322,886</u>	\$390,754

Indirect Charges

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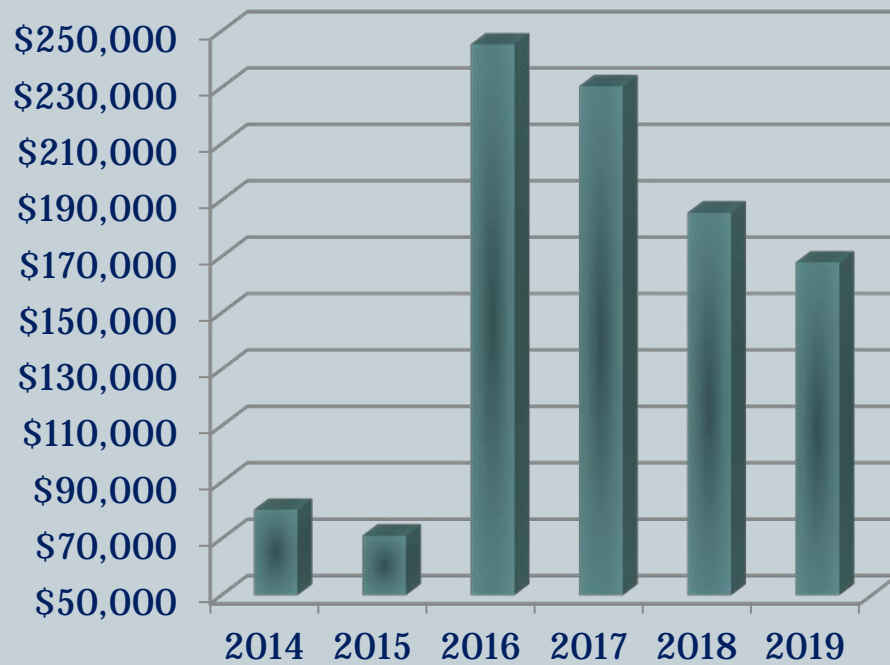
Water indirect Charge history

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 \$69,645 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 \$3,152 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. The FY19 subsidy is \$8,128.



BUDGET USES (APPROPRIATIONS)

Summary Budget Uses

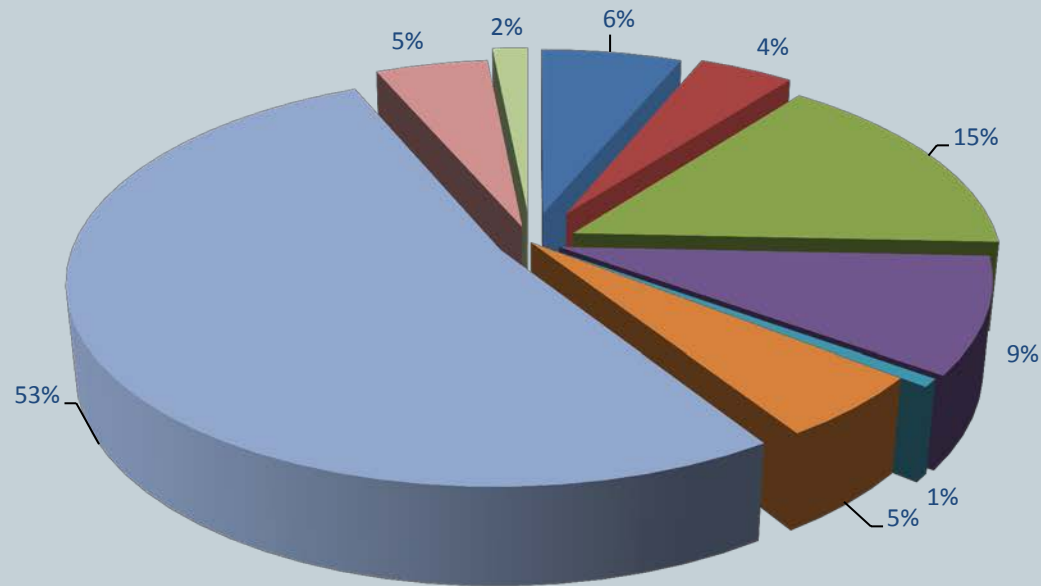
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Description	2016		2017		2018	2019	Change
	Budget	Actual	Budget	Actual	Budget	Proposed Budget	
General Government	\$ 1,721,631	\$ 1,611,208	\$ 1,820,777	\$ 1,624,613	\$ 1,964,455	\$ 1,961,943	\$ (2,512)
Public Safety	\$ 2,437,250	\$ 2,358,268	\$ 2,564,387	\$ 2,507,722	\$ 2,720,154	\$ 2,931,724	\$ 211,570
Education	\$14,986,999	\$14,956,058	\$ 15,160,106	\$ 15,066,893	\$ 15,517,111	\$ 15,762,866	\$ 245,755
Public Works	\$ 1,084,929	\$ 1,056,693	\$ 1,140,107	\$ 1,105,260	\$ 1,165,490	\$ 1,138,948	\$ (26,542)
Health and Human Services	\$ 692,915	\$ 644,402	\$ 710,756	\$ 605,737	\$ 713,549	\$ 706,849	\$ (6,700)
Culture and Recreation	\$ 187,932	\$ 178,614	\$ 318,900	\$ 300,710	\$ 201,388	\$ 206,938	\$ 5,550
Debt Service	\$ 644,647	\$ 636,658	\$ 1,737,981	\$ 1,728,756	\$ 1,441,457	\$ 1,211,249	\$ (230,208)
State Assessments	\$ 1,313,170	\$ 1,399,941	\$ 1,469,748	\$ 1,411,718	\$ 1,572,827	\$ 1,334,126	\$ (238,701)
Pension and Fringe Benefits	\$ 4,072,447	\$ 3,736,256	\$ 3,943,027	\$ 3,595,489	\$ 3,726,300	\$ 3,717,808	\$ (8,492)
Other	\$ 662,773	\$ 658	\$ 145,500	\$ 151,364	\$ 577,287	\$ 80,000	\$ (497,287)
Grand Total Uses	\$27,804,693	\$ 26,578,756	\$ 29,011,288	\$28,098,262	\$ 29,600,019	\$ 29,052,451	\$ (547,568)

Summary does not include allowance for abatements.

Summary of Budget Uses by Function

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General Government	Public Works	Fringe Benefits and Other
Public Safety	Culture and Recreation	State and County
Education	Debt Service	Capital

Article 6 – Town Operating Budget

Items Included in Town Manager Budget of Note

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- **Staffing Proposals**

- Fire

- Fund the local share of three new firefighter positions. The Town was awarded a SAFER Grant funding 75% of the cost for the new positions for years 1 & 2 and funding year 3 at 35%.

- Police

- Adding one new patrolman to increase staffing on the 3:00 pm to 11:00 pm shift. The shift will now consist of one Sergeant and two patrolman.
 - Adding 20 hours of dispatch and administrative support funded for six months (Jan.-June).

- Council on Aging

- Add a 15 hour per week position for program support.

POLICE DEPARTMENT CALL FOR SERVICE AND STAFF COMPARISON

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<u>REQUEST</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	Call Increase From 2015
OUTSIDE AGENCY	780	1,300	1,300	66.67%
ACCIDENTS	506	516	586	15.81%
INCIDENTS	569	657	871	53.08%
CITATIONS	405	388	656	61.98%
DISCOVERIES	<u>202</u>	<u>260</u>	<u>312</u>	54.46%
TOTALS	<u>2,462</u>	<u>3,121</u>	<u>3,725</u>	51.30%

DEPARTMENT	NUMBER OF OFFICERS	POPULATIONS (2016 CENSUS)	OFFICER TO RESIDENT RATIO
WINCHENDON	14	10,727	1/766
GARDNER	31	20,430	1/652
ASHBURNHAM	11	6,206	1/608
WESTMINSTER	13	7,595	1/560
TEMPLETON	9	8,169	1/890
ATHOL	18	11,612	1/645

Article 6 – Town Operating Budget

Items Included in Town Manager Budget of Note

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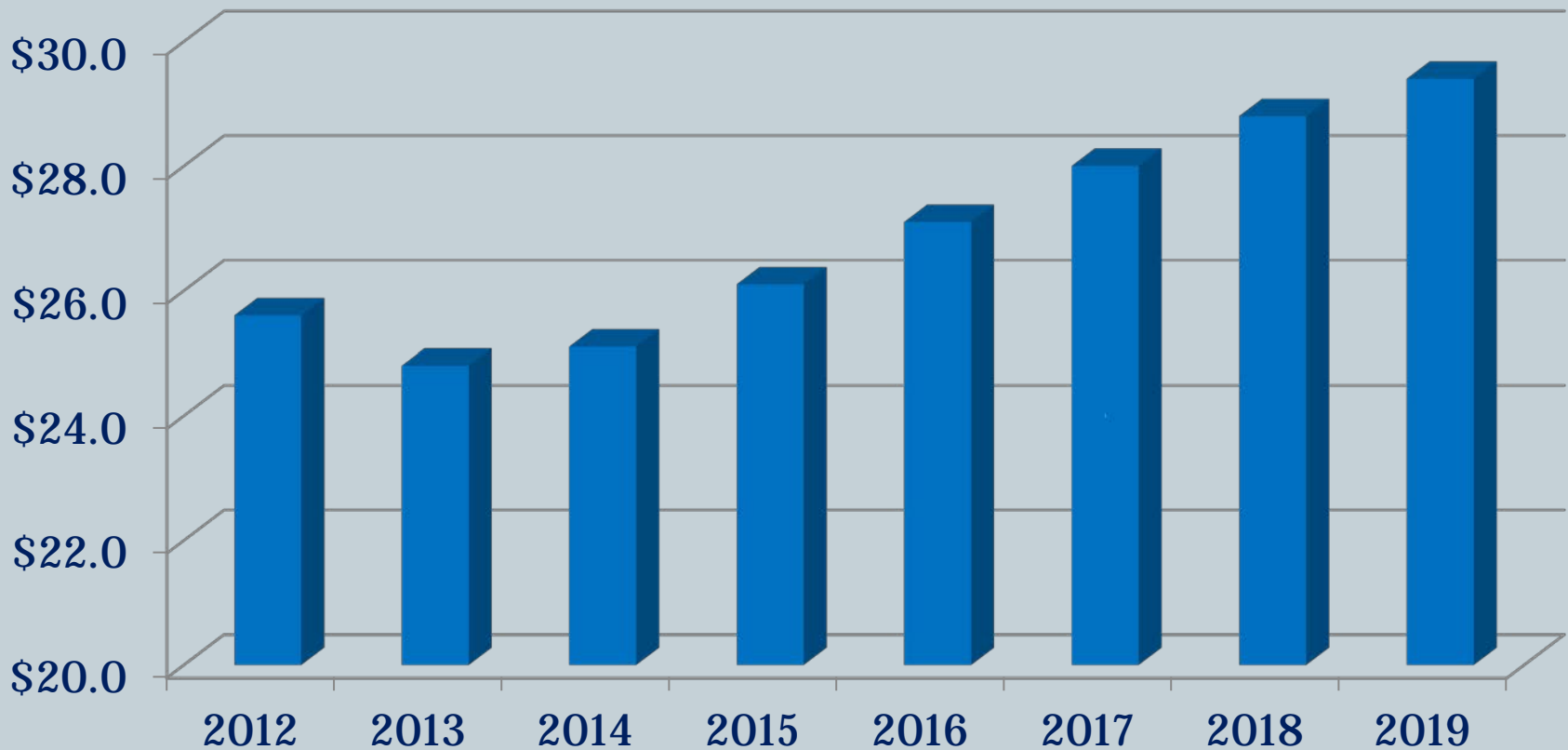
- The replacement of two police cruisers FOR \$80,000 are the only capital expense included in the operating budget. However, funding requests for four additional vehicles have been requested through the Robinson-Broadhurst Foundation.

<u>Capital Item</u>	<u>FY19 Cost</u>
Vehicle for Building Comm., Health and Conservation Agents	\$ 28,951
Council on Aging Transportation Van	\$ 26,590
Public Safety All-Terrain Utility Vehicle	\$ 24,471
Winchendon Fire Command Vehicle	\$ 54,647
Total Robinson-Broadhurst Requests	<u>\$ 134,659</u>

Annual Budget Comparison

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Annual Budget (millions)



Article 7

Proposed Water Fund Budget

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- The recommended water budget does require an increase to the current water rate.
- There is \$80,000 included in the Water Fund budget to repair/replace inoperable fire hydrants. During the current fiscal year the Water Department flushed 223 of the 367 hydrants in town for the first time in many years. As a result 56 hydrants were found inoperable, thirteen remain broken and need to be replaced. In addition, the \$25,000 budgeted for water line cleaning in FY18 was spent on hydrant repairs instead. During FY19 the Water Department will flush the remaining 144 hydrants. It is anticipated there will be as many broken inoperable hydrants found as there was in FY18.

Estimated Water Revenues and Rate for FY19

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	<u>FY19</u>	<u>FY18</u>	<u>FY17</u>	<u>FY16</u>
Funding Request	\$ 1,149,663	\$ 1,117,755	\$ 1,096,518	\$ 1,015,460
Lien Redemptions	(10,000)	(10,000)	\$ (4,830)	\$ (4,830)
Connection Fees	(3,500)	(3,500)	\$ (5,670)	\$ (5,670)
Clean Water Assessment	(1,500)	(1,500)	\$ (1,692)	\$ (1,692)
Lien Revenue	(125,000)	(125,000)	\$ (135,035)	\$ (135,035)
Interest and Penalties	(15,000)	(15,000)	\$ (6,376)	\$ (6,376)
Miscellaneous Revenues	(10,000)	(10,000)	\$ (1,918)	\$ (1,918)
Water Retained Earnings	(102,000)		\$ (50,000)	\$ (50,000)
Amount to be Raised by Water Rate	\$ 882,663	\$ 952,755	\$ 890,997	\$ 809,939
Annual Water Usage to Calculate Water Bill	16,759,006	18,076,195	18,070,940	17,955,365
Proposed Water Rate to Fund FY18 Budget per 100 Cubic Ft.	\$ 5.27	\$ 5.27	\$ 4.93	\$ 4.51
Existing Water Rate	\$ 5.27	\$ 5.06	\$ 5.06	\$ 5.06

Article 8

Proposed Sewer Fund Budget

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	<u>FY19</u>	<u>FY18</u>	<u>FY17</u>	<u>FY16</u>
Funding Request	\$ 1,398,748	\$1,427,519	\$ 1,317,640	\$ 1,298,848
Tax Title Betterment	(2,200)	(2,000)	(2,474)	(2,474)
Connection Fees	(14,000)	(7,500)	(14,985)	(14,985)
Lien Revenue	(165,000)	(250,000)	(163,492)	(163,492)
Interest and Penalties	(5,500)	(14,000)	(5,858)	(5,858)
Sewer Retained Earnings	(100,000)	(18,000)	\$ (100,000)	\$ (100,000)
Fund Balance Betterment	(270,000)	(270,000)	\$ (270,000)	\$ (270,000)
Amount to be Raised by Wastewater Rate	\$ 842,048	\$ 866,019	\$ 760,831	\$ 742,039
Annual Water Usage to Calculate Sewer Bill	10,482,117	10,782,000	10,782,000	10,782,000
Proposed Wastewater Rate to Fund FY18 Budget per 100 Cul	\$ 8.03	\$ 8.03	\$ 7.06	\$ 6.88
Existing Wastewater Rate	8.03	\$ 8.03	\$ 8.03	\$ 8.03

Article 9

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 and has only recently begun covering costs through user charges.
- The proposed Transfer Station budget is based on single stream recycling in an effort to reduce costs and improve recycling rates. The Transfer Station schedule would no longer be open on Wednesday .

Article 9

Proposed Transfer Station Budget

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Revenue Sources		Actual	Anticipated	
		<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Trash Bag Sales-Large		55,262	60,000	65,000
Trash Bag Sales-Small		15,266	15,600	15,300
Landfill Decals		38,195	40,000	40,000
Demolition Materials		30,284	30,800	45,375
DPW Roadside Trash Fees			7,500	7,500
Recycling		4,354	3,000	5,000
Sale of Truck and Roll Off Containers		6,600	8,000	
General Fund Subsidy			27,707	
Total Actual/Anticipated Revenue		\$ 149,961	\$ 192,607	178,175
Approved/Proposed Budget		\$ 182,108	\$ 192,607	\$ 177,203
Difference		\$ (32,147)	\$ (0)	\$ 972

Article 10

Proposed School Budget

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Town of Winchendon

Calculation of Net Local and State School Spending

For Fiscal Year 2019

Chapter 70 Funding	\$	11,435,980.00
Local Contributuion	\$	4,845,328.00
One Time FY18 Funding		
Prior Override w/ Inflation Adjustment	\$	331,144.39
	\$	16,612,452.39
Less: Indirect Costs	\$	(3,233,390.29)
Net Local and State School Spending	\$	13,379,062.11

Article 11

Monty Tech Assessment

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	2016	2016	2017	2017	2018	2019
	BUDGET	YEAR END	BUDGET	YEAR END	BUDGET	TOWN MGR
MONTY TECH ASSESSMENT	\$874,554	\$872,421	\$877,890	\$870,874	\$943,460	\$929,176

Article 13

Sale of Town Owned Property on High Street

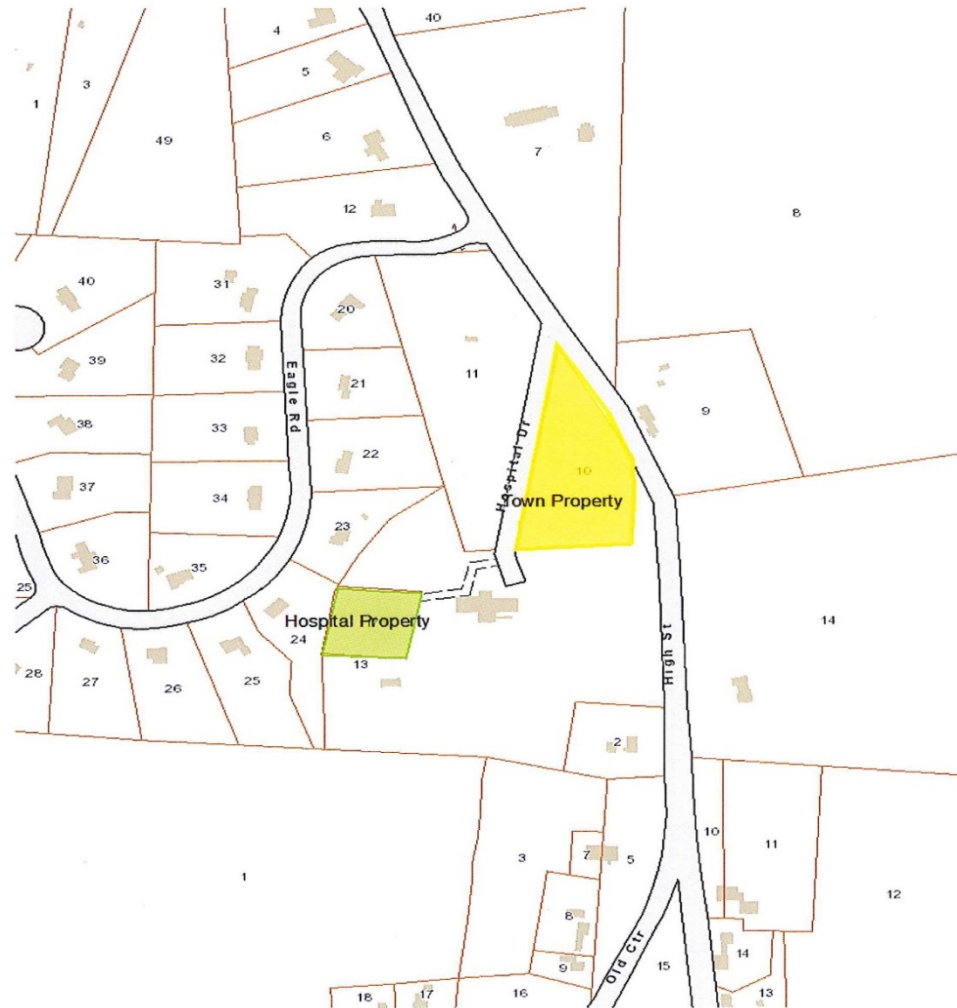


Comcast owns a communication tower, concrete building and backup generator that they originally were seeking approval to remove located on Heywood Hospital property on Hospital Drive. The Town has a much older communication tower on a nearby piece of property that needs to be replaced. Comcast is willing to sell all of their equipment on that site for a nominal amount. Comcast has offered their tower and utility building to the Town for no cost. Heywood Hospital has suggested swapping their parcel for the Town parcel that currently houses the Town's communication tower rather than leasing their property to the Town.

This article is seeking authority to sell or swap the existing Town parcel, similar to the article approved in 2016 to sell or swap the Marvin School.

Article 13

Sale of Town Owned Property on High Street



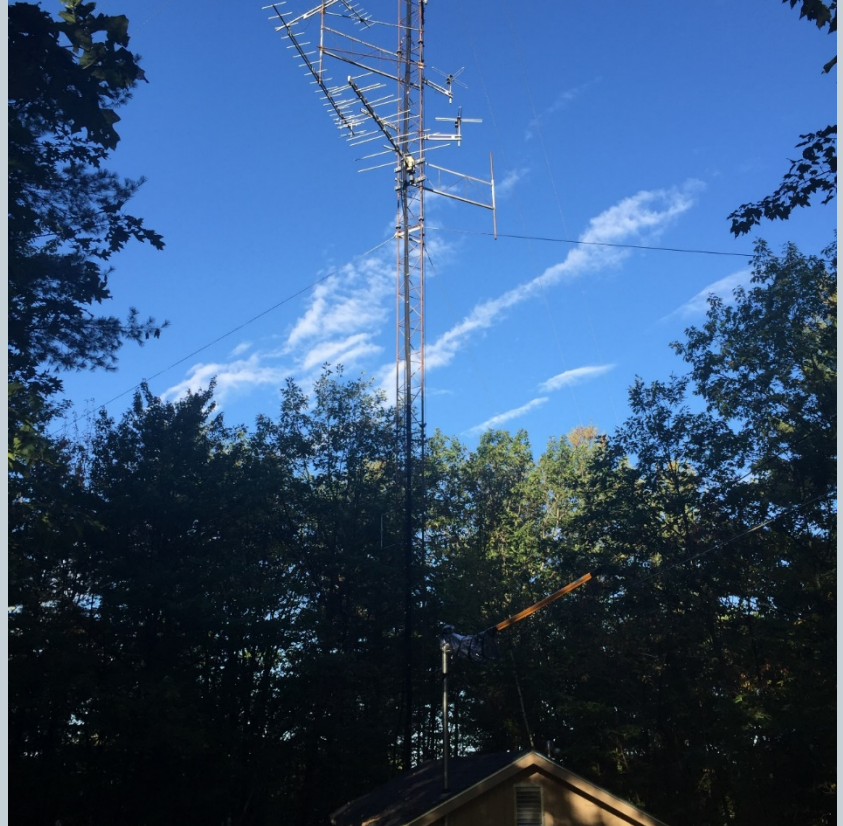
Article 13

Sale of Town Owned Property on High Street



Article 13

Sale of Town Owned Property on High Street



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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