



## TOWN OF WINCHENDON MASSACHUSETTS

109 Front Street, Dept. 1 Winchendon, MA 01475

(978) 297-0085

OFFICE OF THE TOWN MANAGER

*Keith R. Hickey*

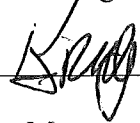
*Town Manager*

# MEMO

**DATE:** April 25, 2016

**TO:** Board of Selectmen

**FROM:** Keith R. Hickey  
Town Manager



**RE:** Town Manager Recommended Amendments to FY17 Proposed Budget

---

After further review of my proposed FY17 budget I am recommending amendments for the Board's consideration. I have summarized my proposed changes by fund to simplify your review.

### General Fund

On the following page is a table summarizing the budget adjustments I am proposing for FY17. As you can see the major change is the reduction in the FY17 health insurance appropriation. After comments at the March 22nd Finance Committee meeting I reviewed what I recommended for a health insurance appropriation. As the Board is aware I based the health appropriation on the five year plan developed by Bernie Lynch. What Bernie couldn't predict was any changes in the number of employees on the Town's health insurance. Over the past year 24 employees have dropped off of the Town's insurance. Based on that reduction I am proposing to reduce the health insurance appropriation by \$130,120. I am using the health insurance appropriation decrease to partially offset the reductions to the water, wastewater and transfer station indirect costs. And I have moved the monitoring of the landfill from the Transfer Station Fund back into the General Fund. Lastly, to be more conservative with estimating revenues, I have proposed to reduce the Motor Vehicle Excise Tax estimated revenue by \$43,755.

	<b><u>Original Proposal</u></b>	<b><u>Revised Proposal</u></b>	<b><u>Change</u></b>
<b><u>Appropriations</u></b>			
Health Insurance Appropriation	\$1,776,589	\$1,646,469	(\$130,120)
Landfill Monitoring Fees	\$0	\$16,500	\$16,500
<b>Total Proposed Appropriation Adj.</b>			<b>(\$113,620)</b>
<b><u>Revenue</u></b>			
Indirect Cost-Water	\$243,350	\$212,854	(\$30,496)
Indirect Cost-Wastewater	\$265,295	\$230,435	(\$34,860)
Indirect Cost-Transfer Station	\$31,249	\$26,740	(\$4,509)
Motor Vehicle Excise Tax	\$1,140,548	\$1,096,793	(\$43,755)
<b>Total Revenue Adjustments</b>			<b>(\$113,620)</b>

### **Water and Wastewater**

I am proposing to reduce the indirect costs in the water and wastewater funds by removing two of the line items previously included. I have removed the indirect costs for the Town Manager's department along with the charge for postage. The Finance Committee voiced some concern with the inclusion of the Town Manager's department so I am addressing that concern by eliminating the charge. The postage has historically been included in the indirect cost calculation but the FY17 water and wastewater budgets include postage so that cost was eliminated from the calculation. The table below reflects the changes to the water and wastewater indirect costs.

	<b><u>Original Proposal</u></b>	<b><u>Revised Proposal</u></b>
<b>Water</b>	\$243,350	\$212,854
<b>Wastewater</b>	\$265,295	\$230,435

With the reductions in the Water, Wastewater and Transfer Station indirect costs the rates supporting those funds can also be reduced. The table below outlines the current, original and revised water and sewer rates needed to support my proposed budget.

	<b><u>Current Rate</u></b>	<b><u>Original Proposal</u></b>	<b><u>Revised Proposal</u></b>
<b>Water</b>	\$5.06	\$6.19	\$5.79
<b>Wastewater</b>	\$8.03	\$9.11	\$8.79

### **Transfer Station**

The indirect costs to the General Fund have also been reduced in the Transfer Station Fund. Additionally, the landfill monitoring costs have been shifted back to the General Fund. Based on the overall budget reductions, I am proposing to modify the funding needed to operate the Transfer Station. Rather than increasing the costs of the small and large trash bags, I am proposing to have those fees remain the same and instead am proposing to increase the per ton demolition material tipping fee from \$150 to \$160. This change will impact far fewer people and still allow the fund to break even.

**Town of Winchendon**  
**FY17 Transfer Station Budget**  
**Estimated Revenues**

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	68,000
Trash Bag Sales-Small	\$ 15,244	\$ 15,760	15,600	15,600
Landfill Decals	\$ 41,975	\$ 46,166	\$ 45,000	45,000
Demolition Materials	\$ 30,946	\$ 36,217	\$ 34,000	36,320
Recycling	\$ 12,413	\$ 9,943	\$ 11,000	11,000
Total Actual/Anticipated Revenue	\$172,934	\$ 175,171	\$ 173,600	\$ 175,920
Approved/Proposed Budget	\$185,083	\$ 185,083	\$ 176,517	\$ 174,389
<b>Budget Surplus(Deficit)</b>	<b>\$ (12,149)</b>	<b>\$ (9,912)</b>	<b>\$ (2,917)</b>	<b>\$ 1,531</b>
<b><u>Fee Schedule</u></b>				
			<b><u>Current</u></b>	<b><u>Proposed</u></b>
Trash Bag Sales-Large			\$ 4.00	\$ 4.00
Trash Bag Sales-Small			\$ 2.00	\$ 2.00
Landfill Decals			\$ 50.00	\$ 50.00
Demolition Materials (per ton)			\$ 150.00	\$ 160.00