



FY20 Town Budget

Proposed by Angus Jennings, Town Manager

February 19, 2019



Selectmen FY20 Budget Policy Direction

- Proposed operating budget to limit average single-family tax increase to no more than 2%
- Take into account proposed Capital Planning and Projects
- Update Chart of Accounts (FY20)
- Clear, Transparent Budget Process
- Community Compact policies (FY19)
- Estimated impacts of new regulatory mandates
- Specify Authorization to Expend Funds
- Build 3 Years of Revenue and Expense Projections
- Police/Dispatch Budgets
- DLS Financial Policies (FY19)



FY20 Proposed Budget

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TOWN OF WEST NEWBURY
FY20 BUDGET
PROPOSED BY TOWN MANAGER
FEBRUARY 19, 2019

| | | | | | | FY20 Change | |
|-----------------------------------|-------------|-------------|-------------|-------------------------|---------------------|-------------|--------|
| Name | FY17 Actual | FY18 Actual | FY19 Budget | FY20 DH/BCC Proposed | FY20 TM Proposed | \$ | % |
| General Government | | | | | | | |
| MODERATOR | 0 | 220 | 260 | 260 | 260 | 0 | 0.0% |
| SELECTMEN | 73,373 | 78,418 | 15,000 | 86,840 | 15,600 | 600 | 4.0% |
| TOWN MANAGER | 0 | 0 | 331,029 | 206,500 | 288,470 | (42,559) | -12.9% |
| FINANCE DEPARTMENT | 368,397 | 403,547 | 204,142 | 316,769 | 251,190 | 47,048 | 23.0% |
| FINANCE COMMITTEE | 16,701 | 8,400 | 62,800 | 62,800 | 61,000 | (1,800) | -2.9% |
| BOARD OF ASSESSORS | 150,003 | 159,413 | 165,244 | 172,661 | 175,983 | 10,739 | 6.5% |
| SPECIAL COUNSEL | 0 | 0 | 0 | 15,000 | 12,000 | 12,000 | |
| TOWN CLERK/TOWN COUNSEL | 115,857 | 118,358 | 126,899 | 127,049 | 127,110 | 211 | 0.2% |
| BOARD OF REGISTRARS/ELECTIONS | 9,972 | 7,635 | 14,575 | 12,050 | 12,050 | (2,525) | -17.3% |
| CONSERVATION COMMISSION | 28,328 | 31,024 | 32,197 | 32,197 | 32,450 | 253 | 0.8% |
| PLANNING BOARD | 45,535 | 49,938 | 52,818 | 63,213 | 63,613 | 10,795 | 20.4% |
| BOARD OF APPEALS | 1,169 | 1,410 | 1,500 | 1,500 | 1,400 | (100) | -6.7% |
| OPEN SPACE COMMITTEE | 836 | 121 | 750 | 750 | 750 | 0 | 0.0% |
| CABLE ADVISORY COMMITTEE | 0 | 0 | 0 | 0 | 0 | 0 | |
| Public Safety | | | | | | | |
| POLICE DEPARTMENT | 885,950 | 943,632 | 1,104,551 | 1,169,149 | 1,175,149 | 70,598 | 6.4% |
| FIRE DEPARTMENT | 265,123 | 278,252 | 287,804 | 303,014 | 305,221 | 17,417 | 6.1% |
| AMBULANCE SERVICE | 0 | 0 | 0 | 0 | 0 | 0 | |
| INSPECTION DEPARTMENT | 123,860 | 126,238 | 137,160 | 142,568 | 142,890 | 5,730 | 4.2% |
| EMERGENCY MANAGEMENT | 9,850 | 11,011 | 11,166 | 11,011 | 11,324 | 158 | 1.4% |
| ANIMAL CONTROL OFFICER | 20,000 | 21,500 | 23,460 | 27,175 | 24,050 | 590 | 2.5% |
| HARBORMASTER | 0 | 0 | 6,000 | 0 | 2,000 | (4,000) | -66.7% |
| PUBLIC SAFETY DISPATCH | 247,752 | 249,405 | 308,508 | 317,605 | 317,605 | 9,097 | 2.9% |
| EDUCATION | 7,537,407 | 7,777,197 | 8,074,422 | 8,289,712 | 8,342,005 | 267,583 | 3.3% |
| Department of Public Works | | | | | | | |
| DPW | 1,200,766 | 1,206,266 | 1,109,847 | 1,154,179 | 1,151,826 | 41,979 | 3.8% |
| Human Services | | | | | | | |
| BOARD OF HEALTH | 421,427 | 444,536 | 533,328 | 528,966 | 537,186 | 3,858 | 0.7% |
| COUNCIL ON AGING | 74,400 | 80,942 | 82,796 | 94,549 | 92,450 | 9,654 | 11.7% |
| COMMUNITY CENTER | 0 | 6,000 | 6,000 | 0 | 0 | (6,000) | -100% |
| VETERANS | 25,560 | 25,449 | 35,238 | 33,558 | 33,557 | (1,681) | -4.8% |
| LIBRARY | 337,478 | 346,506 | 354,018 | 357,751 | 361,267 | 7,249 | 2.0% |
| RECREATION | 13,231 | 12,942 | 22,794 | 25,100 | 20,500 | (2,294) | -10.1% |
| CULTURAL COUNCIL | 70 | 76 | 100 | 100 | 100 | 0 | 0.0% |
| HISTORICAL COMMISSION | 0 | 302 | 500 | 500 | 500 | 0 | 0.0% |
| Debt Service | | | | | | | |
| DEBT SERVICE | 737,350 | 511,000 | 369,000 | 372,814 | 372,814 | 3,814 | 1.0% |
| Benefits | | | | | | | |
| ESSEX COUNTY RETIREMENT FUND | 533,246 | 555,396 | 641,424 | 666,959 | 666,959 | 25,535 | 4.0% |
| UNEMPLOYMENT COMPENSATION | 0 | 0 | 1 | 1 | 1 | 0 | 0.0% |
| EMPLOYEES' HEALTH INSURANCE | 297,635 | 378,958 | 422,570 | 439,473 | 469,397 | 46,827 | 11.1% |
| MEDICARE INSURANCE (FICA) | 41,979 | 43,774 | 45,525 | 50,000 | 48,279 | 2,754 | 6.0% |
| INSURANCE AND BONDS | 155,602 | 161,365 | 170,000 | 174,250 | 172,832 | 2,832 | 1.7% |
| TRANSFERS OUT - STABILIZATION | 107,216 | 779,122 | 615,000 | 821,800 | 760,800 | 145,800 | 23.7% |
| EXPENSE BUDGET TOTAL | 13,846,074 | 14,818,351 | 15,368,426 | 16,077,823 | 16,050,588 | 682,162 | 4.4% |



FY20 Budget: Sample Detail Sheet

TOWN OF WEST NEWBURY **Town Manager Proposed FY20 Expense Budget**

YTD exp
as of:
2/12/19

| 1000 - Accou | FY17 | FY18 | FY19 | YTD | | FY20 | Proposed Change | | 2019 - 2020 | Proposed Change | |
|---|------------------|------------------|------------------|------------------|--------------|------------------|-----------------|-------------|------------------|-----------------|-------------|
| | Expended | Expended | Final Budget | \$ | % | DH/BCC | \$ | % | Town Manager | \$ | % |
| EDUCATION | | | | | | | | | | | |
| Pentucket Regional Sch Assessment | 6,607,435 | 6,794,510 | 7,176,348 | 4,784,232 | 66.7% | 7,391,638 | 215,290 | | 7,452,394 | 276,046 | 3.8% |
| Pentucket Capital Assessment | 55,585 | 57,860 | 64,162 | 39,009 | 60.8% | 64,162 | 0 | | 58,149 | (6,013) | -9.4% |
| Pentucket Assessment Page Phase II | 531,729 | 526,060 | 511,988 | 345,091 | 67.4% | 511,988 | 0 | | 509,538 | (2,450) | -0.5% |
| 304 Total Pentucket | 7,194,749 | 7,378,430 | 7,752,498 | 5,168,332 | 66.7% | 7,967,788 | 215,290 | 2.8% | 8,020,081 | 267,583 | 3.5% |
| Whittier Minimum Contribution | 298,031 | 305,615 | 232,543 | 197,664 | 85.0% | 232,543 | 0 | | 232,543 | 0 | 0.0% |
| Whittier Other Assessments | 31,377 | 60,891 | 49,486 | 47,141 | 95.3% | 49,486 | 0 | | 49,486 | 0 | 0.0% |
| Whittier Debt/Capital Assess | 13,250 | 15,056 | 20,320 | 12,191 | 60.0% | 20,320 | 0 | | 20,320 | 0 | 0.0% |
| 305 Total Whittier | 342,658 | 381,562 | 302,349 | 256,996 | 85.0% | 302,349 | 0 | 0% | 302,349 | 0 | 0.0% |
| ESSEX NORTH SHORE AGRICULTURAL | - | 17,205 | 19,575 | | 0.0% | 19,575 | 0 | | 19,575 | 0 | 0.0% |
| 310 Total ESSEX NORTH SHORE AGRICULTURAL | - | 17,205 | 19,575 | | 0.0% | 19,575 | 0 | 0% | 19,575 | 0 | 0.0% |
| TOTAL EDUCATION: | | | | | | | | | | | |
| | 7,537,407 | 7,777,197 | 8,074,422 | 5,425,328 | 67.2% | 8,289,712 | 215,290 | 2.7% | 8,342,005 | 267,583 | 3.3% |

Notes

Pentucket initial DH request amount based on proposed PRSD budget.

Pentucket budget process is underway, and subject to change. TM recommended numbers based on updated info received 2/14/19.

Pentucket is also considering two scenarios which would decrease the amount of the proposed increase; these would reduce costs by ~\$70-115k.

Whittier has not yet proposed an FY20 budget amount, but verbally advised that we carry the same numbers as FY19 for now. This is subject to change.

Essex North Shore Ag. has not yet proposed an FY20 budget amount. Costs will depend on actual number of students enrolled at Whittier who may attend Essex North Shore Ag.

FY19 budgeted expenses included as placeholder for FY20. This is subject to change.



Estimated Taxpayer Impact

- Board of Selectmen called for budget with taxpayer impact not greater than 2%
 - 2% of FY19 Budget: \$307,369
 - Projected New Growth: \$164,473
 - Est. FY20 add'l local receipts (non-property tax revenues): \$210,968
- **Total: \$628,810**
- Target was therefore to limit expense growth to \$628,810
- Proposed budget would increase expenses by \$682,182
- About 65% (\$447k) of proposed increases driven by known or fixed cost increases, such as education, employee benefits, contractual obligations etc.



Projected New Revenues

| | <u>FY20</u> |
|--|------------------------------|
| Projected <u>New</u> Non-Tax Revenues | 210,968 |
| Projected New Growth Revenues ¹ | <u>164,473</u> |
| Total Projected New Revenues | <u><u>375,441</u></u> |

Estimated Taxpayer Impact Summary

| | |
|---|--------------------------|
| 2% of FY19 expense budget: | \$ 307,369 |
| + Est. FY20 New Growth: | \$ 164,473 |
| + Est. FY20 Add'l Local Receipts (non property tax revenues): | <u>\$ 210,968</u> |
| Amount FY20 Expense Budget can increase w est. 2% taxpayer impact: | <u>\$ 682,810</u> |

Proposed increase (TM budget): 682,162

Proposed over/under: \$ (647)

¹ *New Growth revenue projection based on avg. FY15-FY19.*



Capital Planning / Transfers to Stabilization

- CIC (Capital Improvements Committee) met twice in 2019; next meeting next Wednesday February 27th at 7:30 PM
- Most recent CIC Stabilization Table called for \$500k transfer to Stabilization in FY20 Budget.
- Town Manager proposed budget carries transfer of \$439k. Reduced to meet bottom line.
- Capital planning process will go forward in parallel with FinCom reviews, including review of specific FY20 capital expenditures, and overall 10-year Capital Program
- Stabilization balance: \$1.4M
- Community Compact recommends 15% of operating budget, or approx. \$2.4M



Personnel / Organizational Structure

- FY20 has 52.4 weeks; FY19 was budgeted based on 52.2 weeks. Across the organization, this adds to FY20 personnel costs.
- Proposed budget carries 2% COLA. This can be adjusted as process moves forward. Cost impact of non-contractual COLA, across the organization, is approximately \$29,000
- For likely new hires (incl. Police Chief, Library Director). Budget assumed family health insurance plan. Costs may not be incurred.
- Potential for reclassifications/ changes to some non-union positions, with BoS approval.
- Highway Union Contract negotiations underway. FY20 costs not yet known.



Impact of New Policies and Mandates

- OSHA Compliance – impact on training and clothing budgets
- Stormwater Management (EPA MS4 permit): \$10,000
- DEP compliance (budgeted additional for testing and disposal of materials from catch basin cleaning): \$10,000
- New DCR mandate to create Emergency Action Plan for Mill Pond Dam by 12/31/19. Removed from expense budget; proposed as Warrant Article.
- Adoption of Community Compact policies will affect personnel responsibilities, but not total personnel hours.



Where Could We Cut to Save \$100k, \$200k?

- PRSD budget ~may~ go down
- FinCom has asked whether Board of Health has considered transitioning to PAYT
 - BOH reviewed in 2004; at that time public survey showed 91% approval to “leave as is”
 - With changes in recycling market and costs, this may be discussed for future (post FY20)
 - Matter under BOH jurisdiction
- Some areas where relatively small amounts of money could be saved:
 - Restore fees charged to WNYL
 - Review of non-union personnel vehicle stipends v. reimbursement for actual mileage
 - Bring BoS minutes back in-house
- To achieve larger savings, changes to personnel / LOS would be needed



Estimated Fund Balances

DRAFT based on Proposed Town Meeting Warrant Articles

DRAFT for 2019 Annual Town Meeting

[illegible]



Next Steps: Finance Committee Calendar

- Finance Committee meetings:
 - Tuesday, Feb. 26th
 - Tuesday, March 5th
 - Tuesday, March 12th
 - Tuesday, March 19th
- Review of each section of budget. Schedule has been posted and circulated.
- Town Manager proposed budget; initial budgets proposed by Department Heads/Chairs of Boards / Commissions / Committees also reported.
- FinCom will make its recommendations at (or prior to) a joint meeting with the Board of Selectmen, Moderator, Town Counsel on March 25th.



Questions and Discussion