

Middleborough FY18 Operating Budget



February 6, 2017

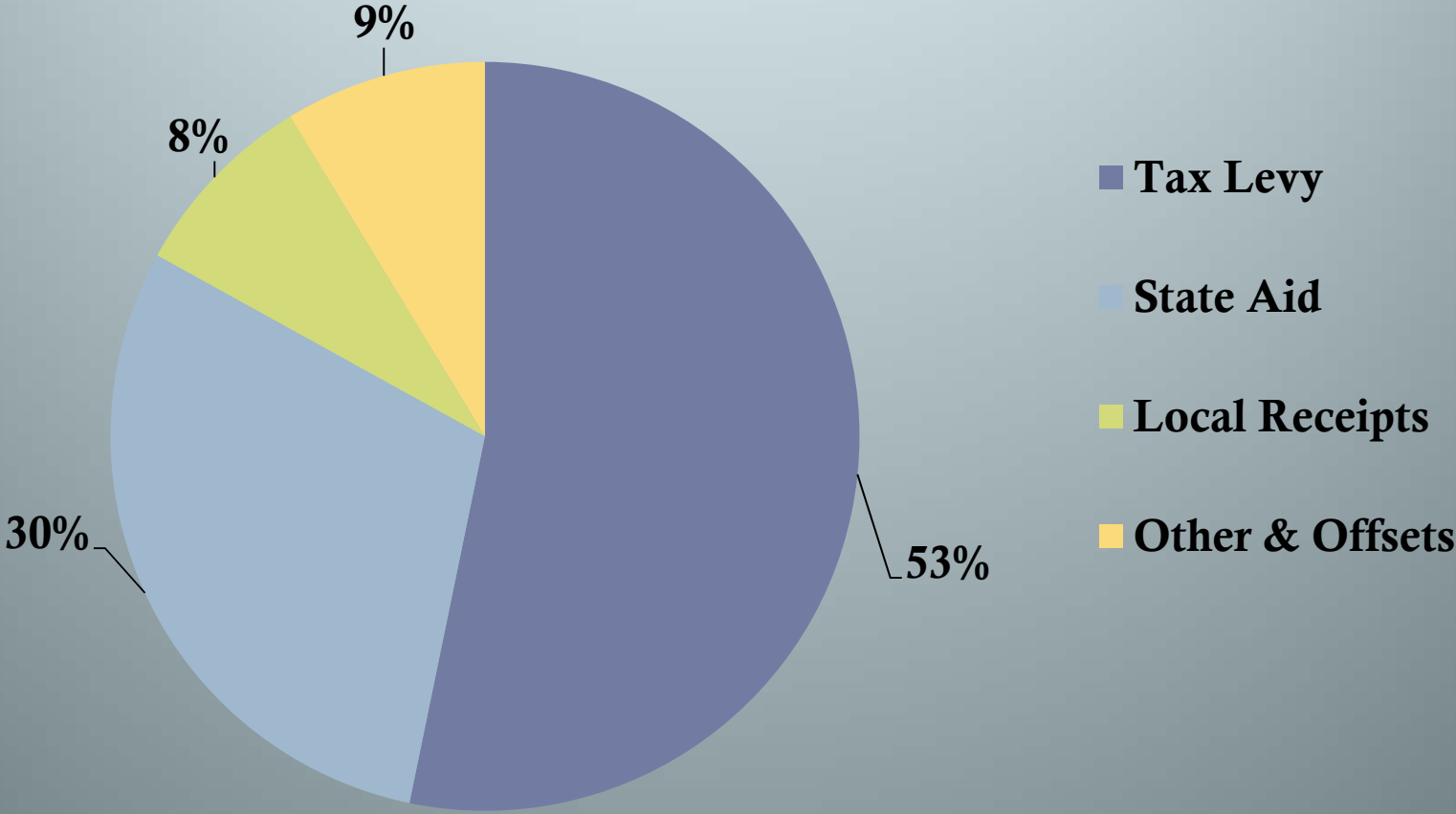
Robert G. Nunes
Town Manager

FY18 Highlights

- Strong financial policies and procedures
- Maintains AA stable bond rating
- Monthly review of revenues and expenditures
- Non-use of one time reserves on recurring expenses
- No structural deficit in FY19
- No personnel upgrades
- Exceeds state requirements for education spending
- Funds debt payments for capital projects
- Increase funding for manning at South Middleborough Fire Station

Revenues by Source

\$75,502,955.18



Revenues

Projected Revenues

➤ Levy	38,749,307.00
➤ 2.5% Increase	968,733.00
➤ New Growth	450,000.00
➤ Debt Exclusions	22,517.00

Total Tax Levy **40,190,557.00**

➤ State Aid	21,185,364.00
➤ SBAB Reimbursement	1,313,437.00
➤ Local Receipts	6,242,324.27
➤ High Point Pilot	140,956.00
➤ Debt Stabilization	115,801.91

Total Other Revenue **28,997,883.18**

Total Offsets **6,314,515.00**

Property Tax Levy

The property tax is:

- A statutory mechanism to fund local government operations
- Administered by local government
- Largest source of local government revenue

The average single family FY17 tax bill is \$4,398

The average FY17 single family residential value is \$278,903

Total tax levy for FY18 is \$40,190,557.00*

*Includes levy, 2.5% increase, new growth and debt exclusions

New Growth

- FY18 Projection: \$450,000
- FY17 Certified: 821,258
- FY16 Certified: 528,156
- FY15 Certified: 452,079

State Aid

The two largest forms of state aid are **Chapter 70** and **Unrestricted General Aid**

FY18:	\$21,185,364*
➤ Chapter 70:	17,767,389
➤ Unrestricted Aid:	2,463,012

*Net increase of \$57,400 over FY17

Cherry Sheet Assessments are charges assessed by the Commonwealth and County

FY18 State Assessments:	\$1,133,217**
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**An increase of \$36,969 over FY17

School Building Reimbursement on the Nichols Middle School \$1,313,437*

*Reimbursement until 2020

Revenues

Offsets from Enterprise Funds

➤ Health and Life	\$1,375,419.00
➤ Retirement	1,585,505.00
➤ FICA	90,100.00
➤ Workers Comp	66,540.00
➤ Debt	1,319,323.00
➤ Unclassified	125,058.00
➤ Administration	<u>600,893.00</u>
	\$5,162,838.00

Other Revenue

➤ G&E Pilot	\$720,000.00
➤ Council on Aging	300,000.00
➤ WPAT Reserve	<u>131,677.00</u>
	\$1,151,677.00

Local Receipts

Examples of local receipts include motor vehicle excise, meals and rooms excises, penalties, medicaid reimbursements, fees, licenses & permits, fines, investment income, charge for service

➤ FY18 Projection:	\$6,242,324
➤ FY17 Projection:	5,765,000
➤ FY16 Actual:	6,945,702
➤ FY15 Actual:	6,584,732
➤ FY14 Actual:	6,197,492

Motor Vehicle Excise:

➤ FY17 Projection:	\$2,850,000
➤ FY16 Collected:	3,001,775*
➤ FY15 Collected:	2,889,591*
➤ FY14 Collected:	2,850,057*

* Includes prior years

Local Receipts

Local Option on Meals and Rooms

Rooms: Local communities may levy a tax up to 6%

- FY17 Projection: \$375,000
- FY16 Collected: 424,359
- FY15 Collected: 411,925
- FY14 Collected: 305,352
- FY13 Collected: 331,850

Meals: Communities may impose a levy on restaurant meals on the gross bill

- FY17 Projection: \$340,000
- FY16 Collected: 363,852
- FY15 Collected: 348,072
- FY14 Collected: 325,191
- FY13 Collected: 300,647

Free Cash

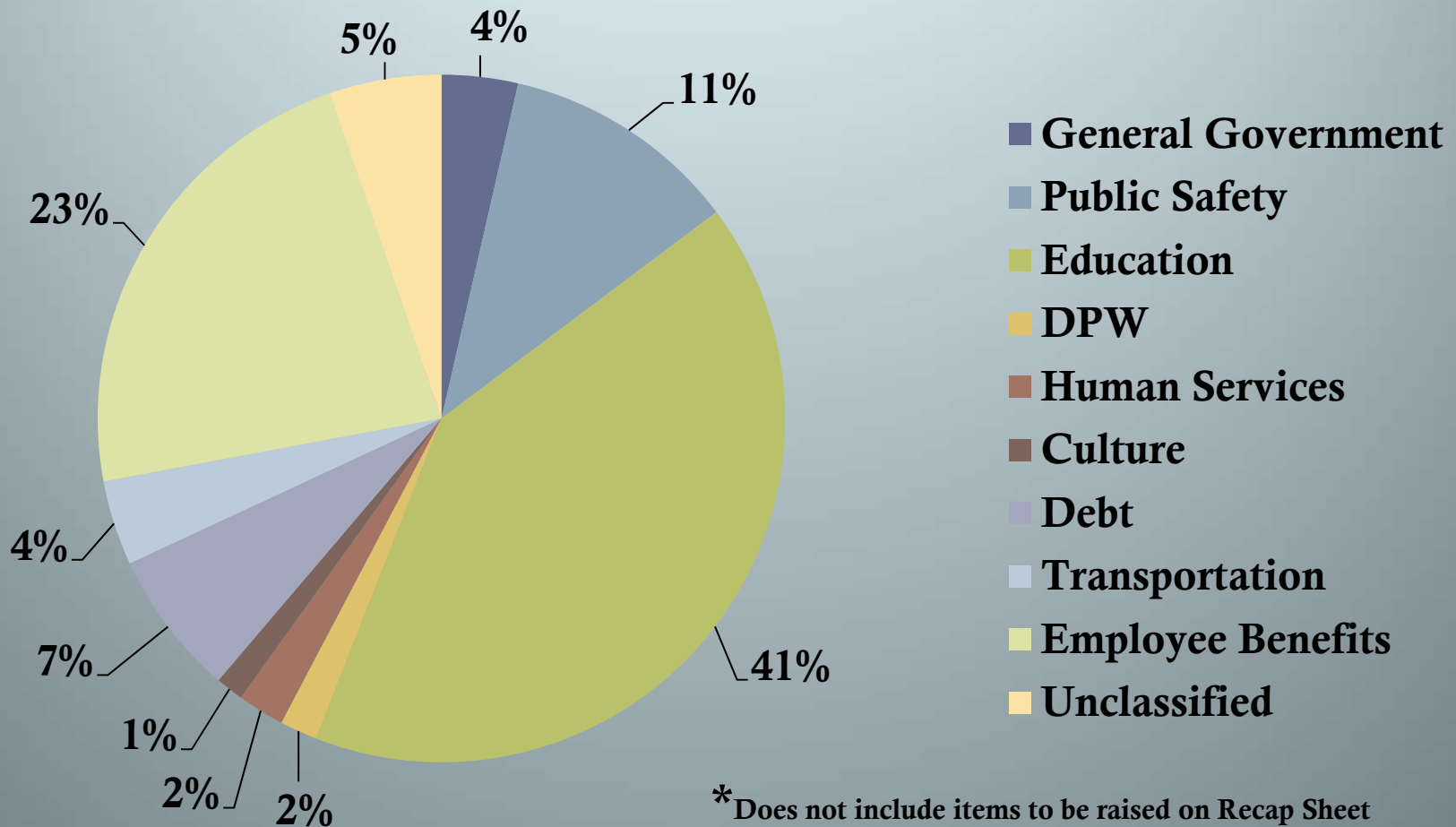
- Free cash is defined as unrestricted and available funds for appropriation by Town Meeting
 - Certified as of July 1 based on the June 30th balance sheet which reflects results from the prior year
 - Should be considered as non recurring revenue
 - In October, Town Meeting voted several free cash transfers to the general and stabilization funds
 - 7/1/2017 free cash will be certified in the fall of 2017 and will be used for non recurring expenses in FY18 and to be voted at Special Town Meeting
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- 7/1/2016 Free Cash: \$3,149,219
 - Free Cash Balance: 2,242,584
 - 7/1/2015 Free Cash: 2,176,651
 - 7/1/2014 Free Cash: 1,728,727
 - 7/1/2013 Free Cash: 690,623
 - 7/1/2012 Free Cash: 1,741,758

Stabilization Fund

- A stabilization “rainy day” fund is a special reserve fund into which monies may be appropriated and reserved for a later appropriation
- Stabilization Fund balances carry forward from one fiscal year to another
- Interest earned on investment of the balance in this fund remains with the fund
- A two-thirds vote of town meeting is required to appropriate into or out of the fund, and to amend the purpose of the fund
- Current balance in the stabilization fund is **\$2,758,754.27** or 3.6 % of the FY18 General Fund Operating Budget

FY18 General Fund Appropriation

\$73,922,695.18*



Percentage of FY18 General Fund Appropriation

• General Government	\$2,655,780.21	4%
• Public Safety	8,254,237.76	11%
• Education	30,444,643.00	41%
• DPW	1,302,795.00	2%
• Human Services	1,635,279.46	2%
• Culture	963,496.75	1%
• Debt Service	5,056,972.00	7%
• Transportation	2,949,001.00	4%
• Employee Fringe Benefits	16,767,741.00	23%
• Unclassified	3,892,749.00	5%
• Total Operating Expenditures	\$73,922,695.18	

Expenditures

FY18 Budget Requests Totaled \$75,850,231.76

- \$1,927,536.89 in cuts were made to balance the budget

Fixed Costs

- Health Insurance
- Retirement
- Debt

Health Insurance

Group Insurance Commission (GIC)

- Middleborough joined in July of 2014
- FY17 is the last year of a 3 year contract
- GIC offers health insurance to all state employees and 62 cities, towns, regional school districts, charter schools and planning councils
- GIC commission members will vote in early March on FY18 rates
- The FY18 health insurance appropriation will be fully funded to provide health insurance to employees in the Town's health program
- The FY17 health insurance appropriation is **\$9,447,990 (an increase of \$231,786 over FY17)**

Expenditures

Retirement

Middleborough is a member of the Plymouth County Retirement Association

- 23 communities
- Housing Authorities
- Special Districts

FY18 Appropriation: \$6,193,391

FY17 Appropriation: 5,976,786

Increase: 216,605

- The retirement appropriation is fully funded in FY18
- A \$200,000 transfer will be made at the Fall Special Town Meeting to the Other Post-Employment Benefits Stabilization Fund (OPEB)
 - Current balance: \$1,004,901.56

Expenditures

Debt Service

The FY18 Appropriation is \$5,056,972.00*

- *A decrease of \$382,461 over FY17
- Paydown (STM 10/16): \$609,038
- The Capital Planning Committee (CPC) received more than \$3.6m in capital requests for FY18
- The CPC will present a capital plan to Annual Town Meeting for approval

Collective Bargaining

- Collective Bargaining agreements are fully funded

Expenditures

Highway

Funded an additional laborer's position to comply with mandated Municipal Separate Storm Sewer System (MS4) regulations as listed below:

- Assist in dry and wet weather outfall sampling as required by MS4 permit
- Input and management of data points required by MS4 permit
- Locate and track illicit discharges to municipal storm water system
- Assist in public education and outreach of town's MS4 program

Road Projects

- Town invested in excess of \$1.3m in road improvements in FYs 16 and 17
- Resurfaced Pearl Street, Town Hall and Jackson Street Parking Lots
- Calendar Year 17: Road Resurfacing Projects funded by Free Cash and Chapter 90:
 - South Main Street
 - Center Street and Sidewalks
 - Street List to be released shortly

Expenditures

Snow and Ice:

- An increase in the FY18 appropriation from \$115,000 to \$155,000
 - Goal: Less reliance on reserves to eliminate yearly appropriation deficits
 - Gradual appropriation increases each year

 - FY17 appropriation: \$115,000
 - Expended: 196,634
 - FY17 appropriation deficit: 81,634 (as of 2/1/17)
 - Prior Years Expended:
 - FY16: \$432,000
 - FY15: 707,247
 - FY14: 587,323

Expenditures

Fire Department

- Funded two additional firefighter positions
- First time since 2005 that firefighters were added to the ranks
- Increased manning hours for South Station

Ambulance

- Current contract with Brewster Ambulance expires on June 30th
- Contract cost is \$177,500 per year
- Currently in negotiations with Brewster Ambulance

Education

- Fully funds Bristol Plymouth High School Assessment
- \$850,000 increase to School District's Budget

Expenditures

Online Permitting

Building Permits:

	Total users	Contractors	HomeOwner
Oct	35	27	8
Nov	72	27	10
Dec	101	23	6
Jan	142	34	7

Month	Inspections	Total
Oct	184	184
Nov	239	423
Dec	254	677
Jan	273	950

Days	> 10	5-10	2-5	1-2	0
Oct	6.05%	7.44%	10.23%	22.33%	53.95%
Nov	0.96%	4.81%	6.73%	28.85%	58.65%
Dec	1.16%	0.00%	2.91%	5.23%	90.70%
Jan	0.49%	1.46%	1.46%	11.65%	84.95%

Online permitting in the Building Department went live in October 2016

Online permitting will go live in the Health Department in FY18

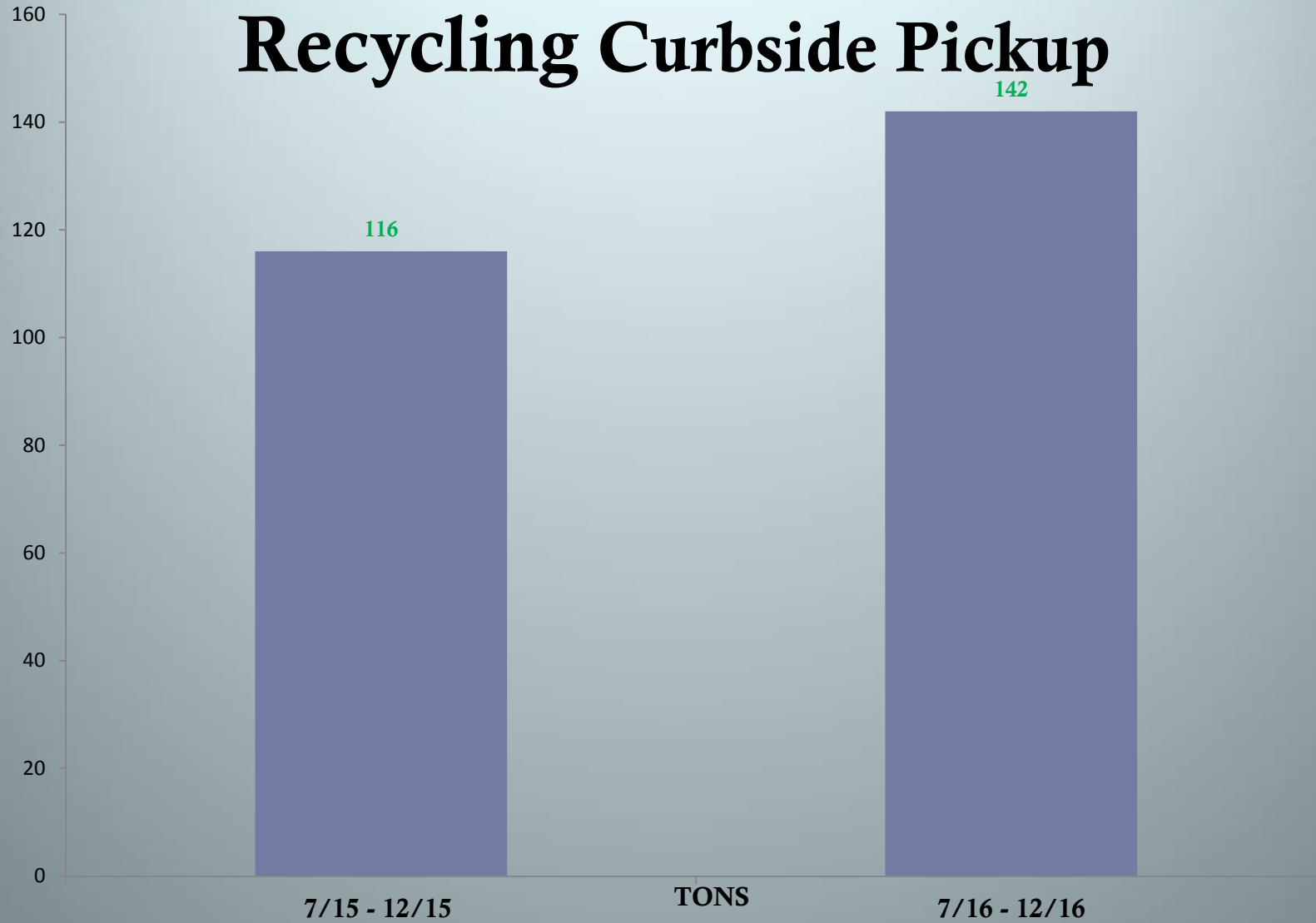
Enterprise Funds

- Enterprise accounting allows for a separate accounting and financial reporting mechanism for municipal services for which a fee is charged
- Enterprise Funds:
 - Sanitation
 - Wastewater
 - Water
- Retained earnings stay with the fund and are certified similar to free cash
- Indirect costs/offsets are costs for various administrative overhead:
 - Water: \$1,509,515
 - Sanitation: 633,136
 - Wastewater: 704,661

Sanitation Division

- FY18 Appropriation: **\$1,085,246**
- No transfer from retained earnings to balance the fund
- Current balance in retained earnings: \$407,167
 - Automated trash pickup started July 2015
 - Significant increase in recycling
 - Savings in disposal costs
 - Contract with Waste Zero
 - Town trash bags are sold in retail stores

Recycling Curbside Pickup



Sewer/Wastewater Division

- FY18 appropriation: **\$2,082,015**
- Current balance in retained earnings: \$3,745,692
- No transfer from retained earnings to balance the fund
- \$25m upgrade at the Water Pollution Control Facility
 - 0% interest free loan
 - Substantial completion July 2017
 - Final completion October 2017
 - The new plant will satisfy all DEP and EPA requirements

Water Division

- FY18 Appropriation: **\$3,659,095**
- Current balance in retained earnings is \$4,670,734
- No transfer from retained earnings to balance the fund

Future projects:

- Design and construction of water treatment plant at East Main Street wells
- Fire tower water elevated storage tank
- Water main replacement program

Contact

- The presentation and budget will be posted on middleborough.com

- For additional information, contact:

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