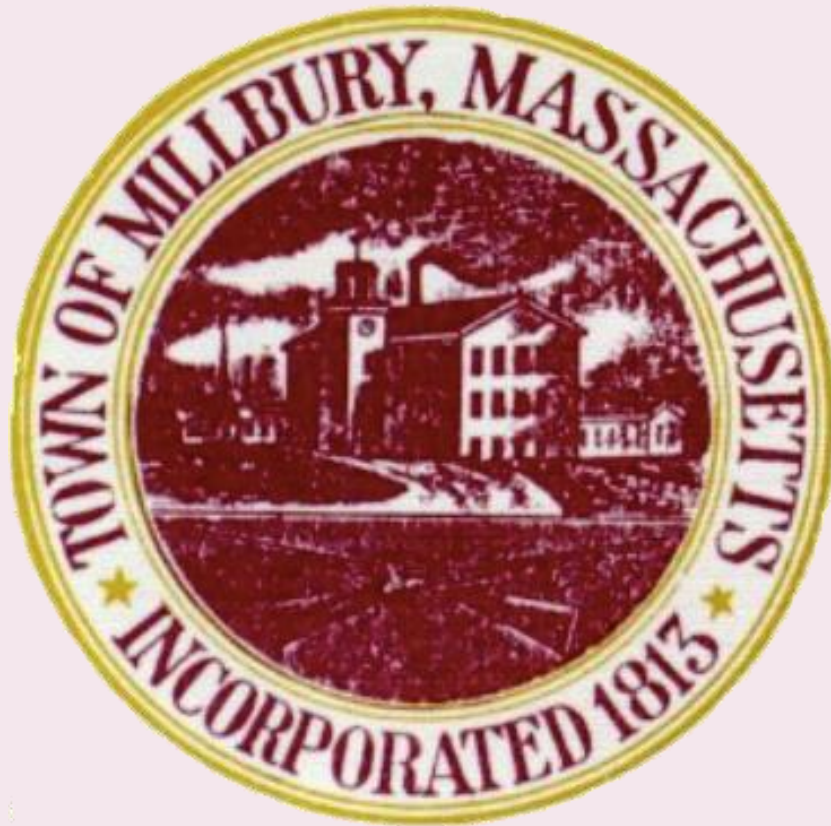


# **FY 2019 OPERATIONAL AND CAPITAL BUDGET**

**FEBRUARY 27, 2018**



# School Budget Allocation

\$185,000

Levy limit allocation

\$150,000

1 time new growth

– from Overlay Abatement Account

\$100,000

1 time stabilization reallocation of free cash

\$100,000

Insurance premium savings

\$535,000

**2.51% increase**

REVENUES			Expenses ( The "BUDGET" )	Comments	Sub Total / Remaining
			\$42,336,122	Beginning Budget	
2018's Levy Limit	\$24,012,723		State Charges \$524,971	i.e. CMRPC, Charter Schools, etc	\$41,811,151
FY 2019 Prop 2 1/2	\$600,318		Snow and Ice Deficit \$220,000	We are over budget, estimated cost of snow deficit	\$41,591,151
New Growth Estimate	\$300,000		Public Safety \$3,386,306		\$38,204,845
Existing Debt Exclusions	\$1,091,916		DPW Operating \$1,754,147		\$36,450,698
2019 Levy - MAXIMUM ALLOWABLE	\$26,004,957				
			General Government \$1,896,647		\$34,554,051
			Culture and Recreation \$503,019		\$34,051,032
Add the following:			Employee Benefits \$8,308,126		\$25,742,906
• State Aid - per Governor -	\$9,369,342		General Insurance \$460,000		\$25,282,906
			Debt Service (including Sewer Debt carried by Town) \$2,056,972	Includes sewer debt carried by the Town	\$23,225,934
• Local Receipts	\$5,665,753				
• Indirect Sewer Cost -offsets-	\$345,074		Public Health \$487,789		\$22,738,145
			BVT and Norfolk Aggi \$885,720		\$21,852,425
• Sewer Enterprise Debt Payments	\$950,996		Allowance R/E Tax Abatements \$195,185		\$21,657,240
					\$21,657,240
			School Budget \$21,880,773	2.51% increase (\$535,000) includes Medicaid	-\$223,533
TOTAL REVENUE for FY 2019	\$42,336,122				
				2019 Budget: -\$223,533	
				Negative \$223,533	
				\$150,000	One Time New Growth of \$150,000
				\$100,000	\$100,000 free cash into School Operational Budget
				\$26,467	excess levy capacity

This budget requires that I:

- direct large portions of the capital pie to:
  - roads,
  - the TIP project (which is a 10 million dollar federal/state road project in Town)
  - our infrastructure

And

- federal/ state MS4 - stormwater mandates
- And it also calls for the reorganization and reallocation of portions of the support operations to operationalize these projects.

# Doing this requires us to:

- Look at both positive and negative externalities that fall outside of our control but yet still affect our bottom line,
- Then we must make predictions and educated guesses as to where these forces could most likely end up in future years.

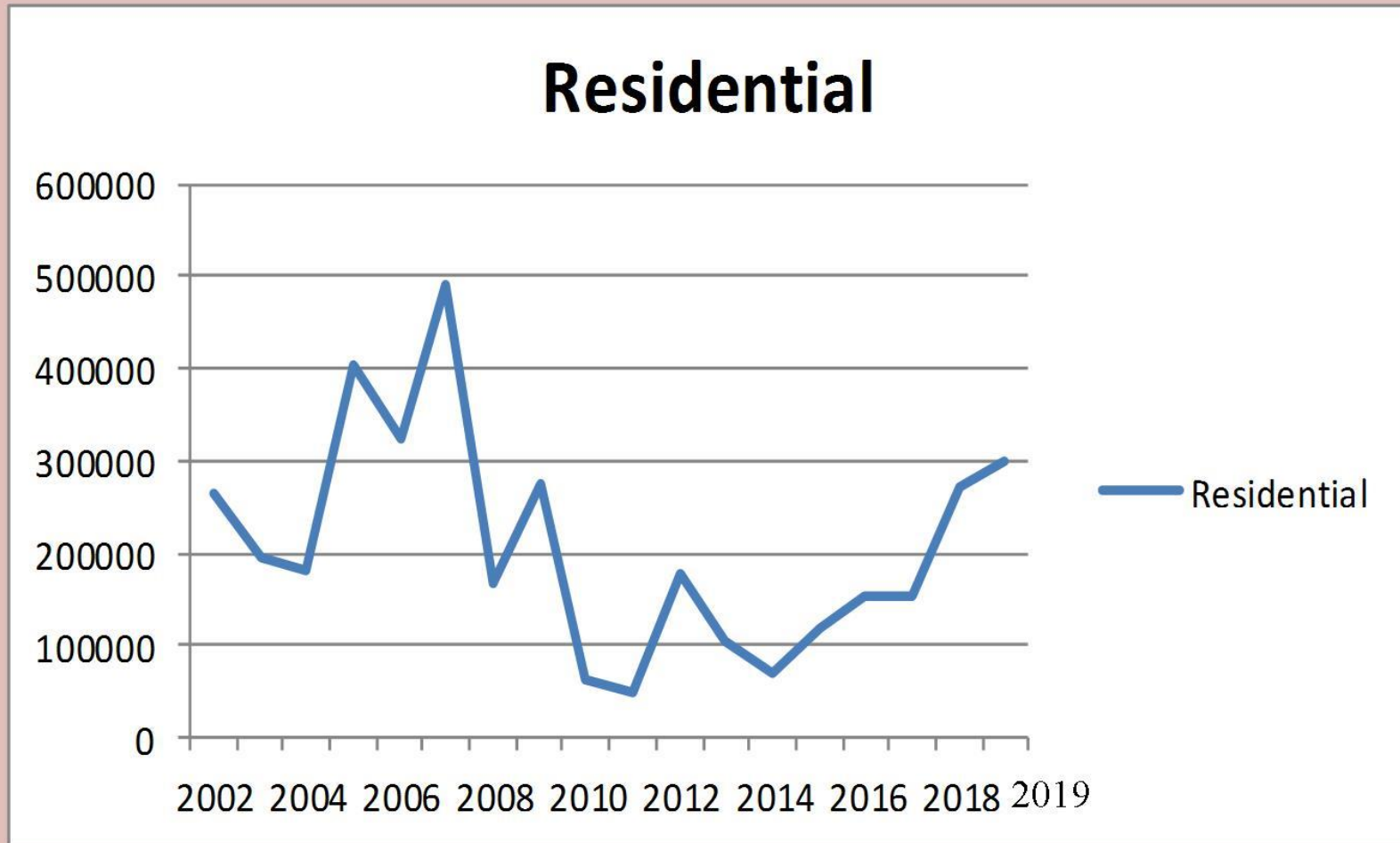
## Examples of outside influences and externalities that affect our bottom line are:

- The expanding costs of healthcare,
- New residential, commercial and industrial growth,
- The cost of the hiring market,
- Trickle down effects of economic development,

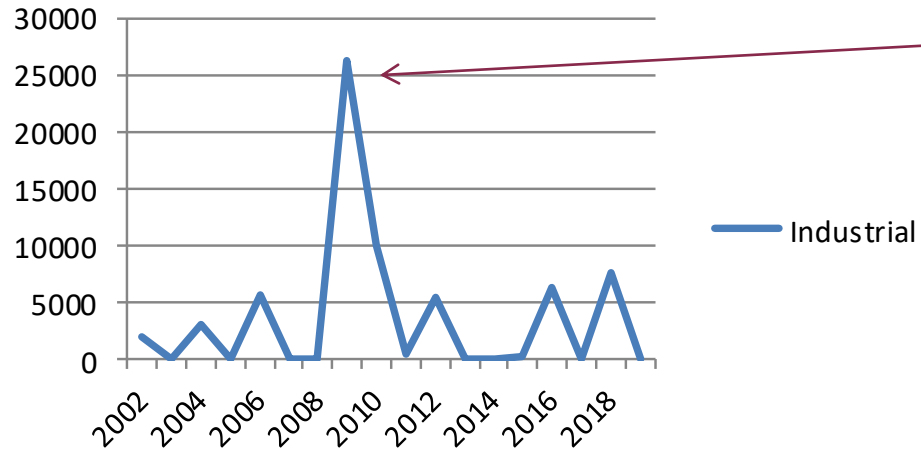
And

- Grant opportunities.

## Residential Growth FY '02- FY '19



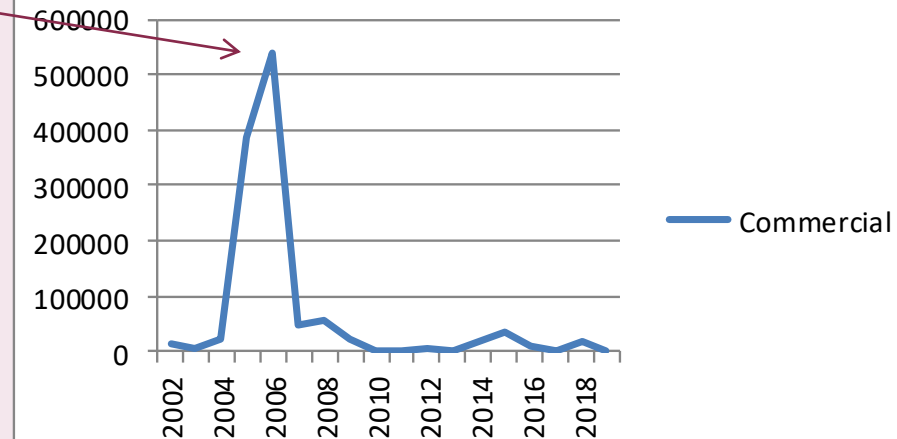
## Industrial



Telegram and Gazette Addition and a Cyclical year  
Caused this blip. 2020 should have a similar blip

SHOPPES AT BLACKSTONE 2005

## Commercial





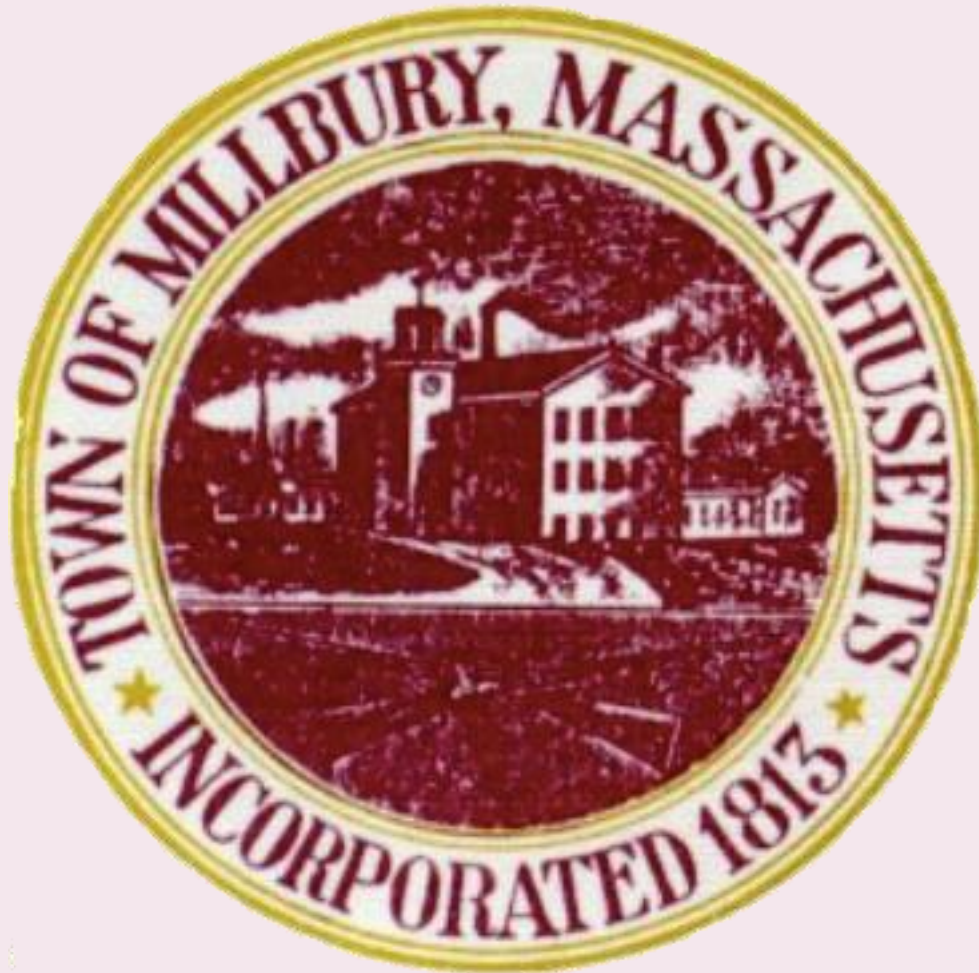
- There is a rehab with 40 employees being constructed
- There is a new / expanded daycare being constructed,

And

- A medical and recreational marijuana dispensary is slated to open in the beginning of FY19.
- There is a negative offset of \$20,000 for the loss of YOU Inc. rent.

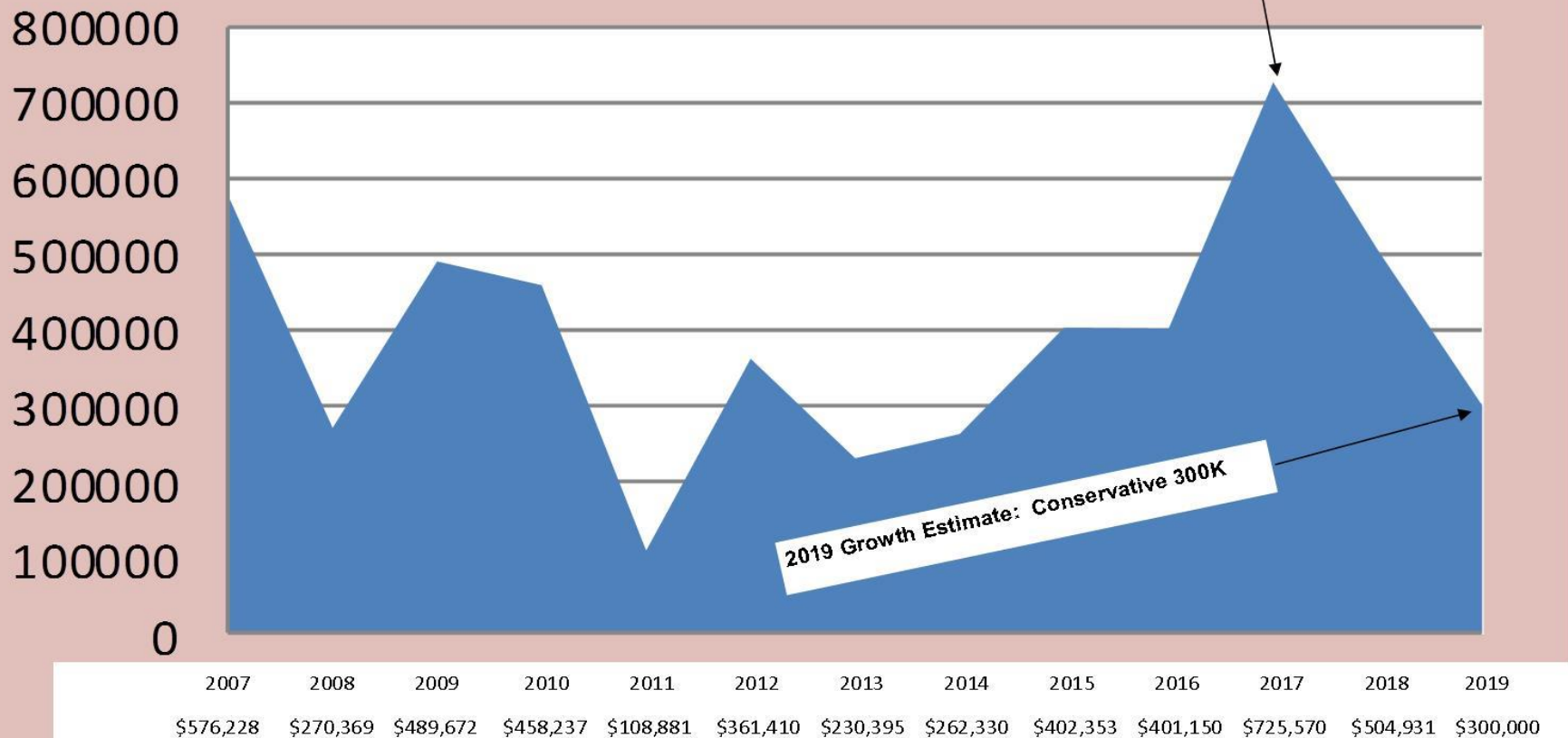
# **FY 2019 OPERATIONAL AND CAPITAL BUDGET**

**FEBRUARY 27, 2018**

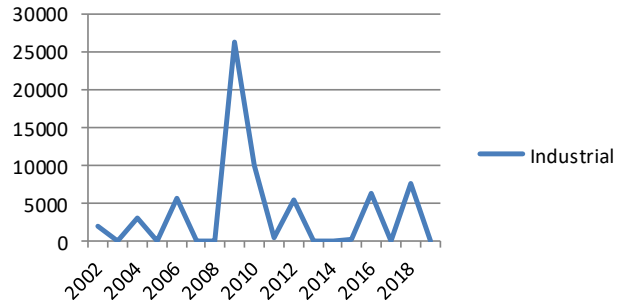


Solar Field — Personal Property — Gave us a 1 Time Bump

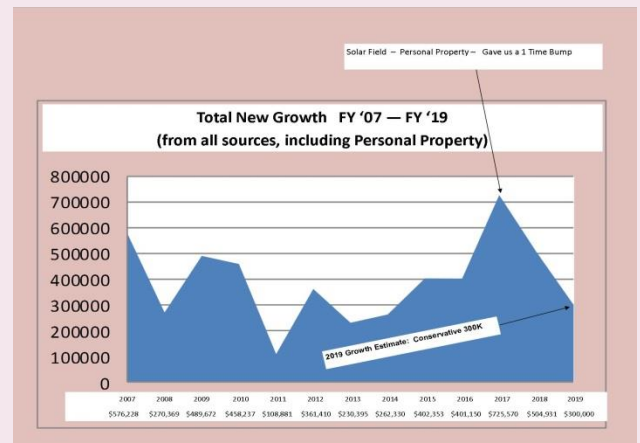
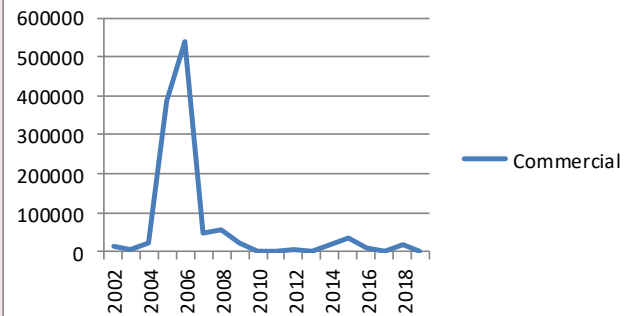
## Total New Growth FY '07 — FY '19 (from all sources, including Personal Property)

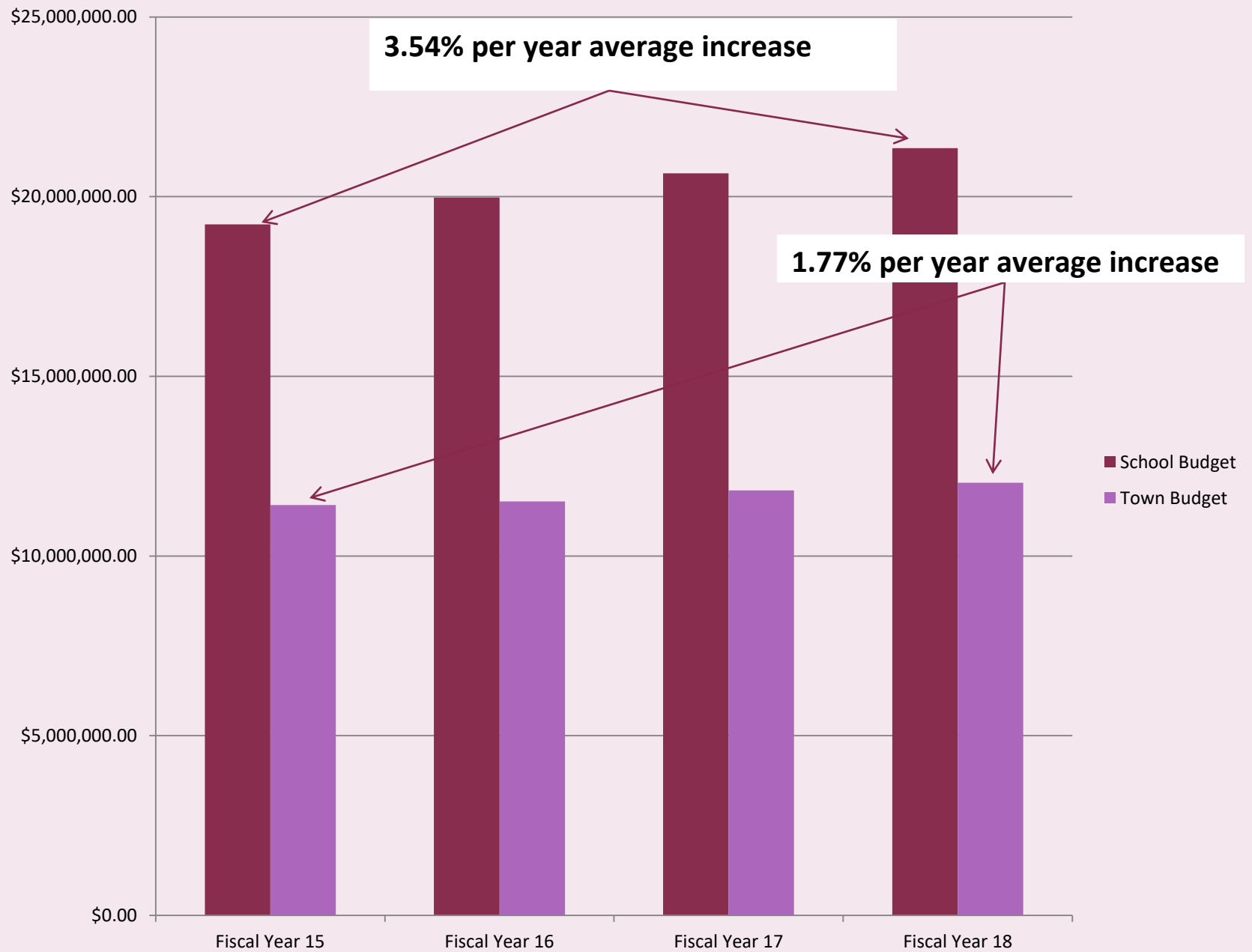


## Industrial



## Commercial

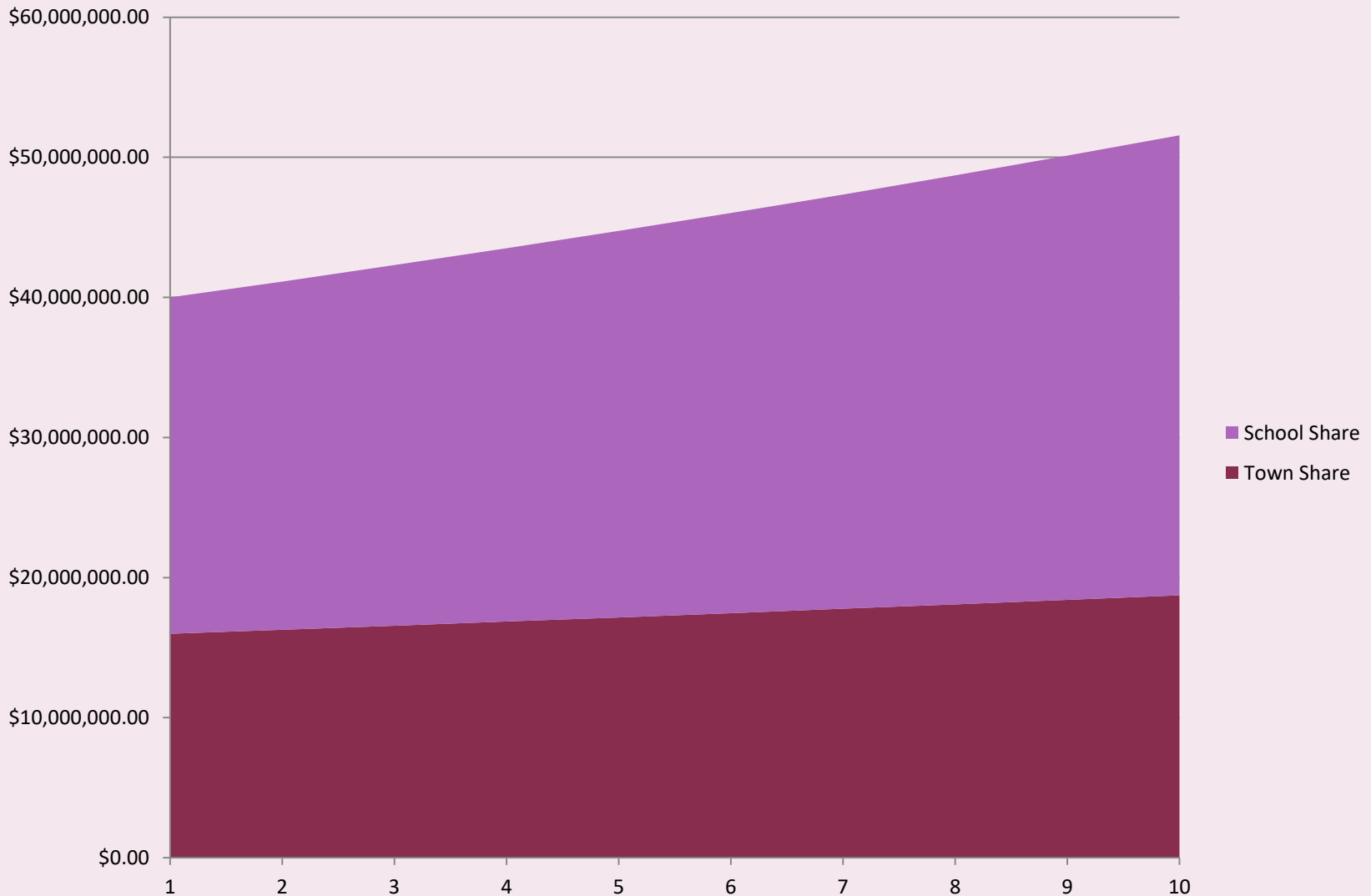




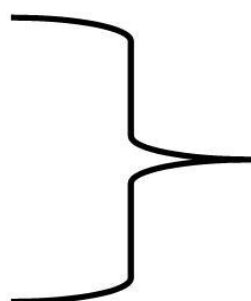
Yr	School Share	Town Share	% increase when you add Medicaid to Base	Medicaid Reimbursement \$\$ figuring 3% increase each year	\$\$ increase to the Schools when you include Medicaid Added to base	Amount increased to the last year's School budget	Amount added to the Town's last year's budget	Total Pie	Growth 3.5%	= Total Budget	School Share	Town Share	Town % increase	School % increase
1	60%	40%	Base Year	\$93,000	Base Year	Base Year	Base Year	100%	Base Year	\$40,000,000	\$24,000,000	\$16,000,000	1.77%	3.54%
2	60.20%	39.80%	60.43%	\$95,790	\$1,019,790	\$924,000	\$476,000	100%	\$1,400,000	\$41,400,000	\$24,924,000	\$16,476,000	1.77%	3.54%
3	60.40%	39.60%	60.63%	\$98,663	\$1,055,003	\$956,340	\$492,660	100%	\$1,449,000	\$42,849,000	\$25,880,340	\$16,968,660	1.77%	3.54%
4	60.59%	39.41%	60.82%	\$101,623	\$1,091,435	\$989,811	\$509,903	100%	\$1,499,715	\$44,348,715	\$26,870,152	\$17,478,563	1.77%	3.54%
5	60.77%	39.23%	61.00%	\$104,672	\$1,129,127	\$1,024,455	\$527,749	100%	\$1,552,205	\$45,900,920	\$27,894,607	\$18,006,313	1.77%	3.54%
6	60.95%	39.05%	61.18%	\$107,812	\$1,168,123	\$1,060,311	\$546,220	100%	\$1,606,532	\$47,507,452	\$28,954,918	\$18,552,534	1.77%	3.54%
7	61.12%	38.88%	61.34%	\$111,046	\$1,208,469	\$1,097,422	\$565,338	100%	\$1,662,761	\$49,170,213	\$30,052,341	\$19,117,872	1.77%	3.54%
8	61.28%	38.72%	61.51%	\$114,378	\$1,250,210	\$1,135,831	\$585,125	100%	\$1,720,957	\$50,891,171	\$31,188,173	\$19,702,998	1.77%	3.54%
9	61.44%	38.56%	61.67%	\$117,809	\$1,293,395	\$1,175,586	\$605,604	100%	\$1,781,191	\$52,672,361	\$32,363,759	\$20,308,603	1.77%	3.54%
10	61.60%	38.40%	61.82%	\$121,343	\$1,338,075	\$1,216,731	\$626,801	100%	\$1,843,533	\$54,515,894	\$33,580,490	\$20,935,404	1.77%	3.54%
11	61.75%	38.25%	61.97%	\$124,984	\$1,384,301	\$1,259,317	\$648,739	100%	\$1,908,056	\$56,423,950	\$34,839,807	\$21,584,143	1.77%	3.54%
12	61.89%	38.11%	62.11%	\$128,733	\$1,432,127	\$1,303,393	\$671,445	100%	\$1,974,838	\$58,398,789	\$36,143,201	\$22,255,588	1.77%	3.54%
13	62.03%	37.97%	62.25%	\$132,595	\$1,481,607	\$1,349,012	\$694,945	100%	\$2,043,958	\$60,442,746	\$37,492,213	\$22,950,534	1.77%	3.54%
14	62.16%	37.84%	62.38%	\$136,573	\$1,532,801	\$1,396,227	\$719,268	100%	\$2,115,496	\$62,558,242	\$38,888,440	\$23,669,802	1.77%	3.54%
15	62.29%	37.71%	62.51%	\$140,670	\$1,585,766	\$1,445,095	\$744,443	100%	\$2,189,538	\$64,747,781	\$40,333,535	\$24,414,246	1.77%	3.54%

Over 15 Years    60/40    ➔    62.51 / \$37.49    And each and every year,    Warrant Article #5 adds \$100,000 from Free Cash into the School Budget to hire a Medicaid consultant. This amount gets added into their base budget request for the next year.

# The effects of a larger budget getting 3.54% increases and a smaller budget getting 1.77% increases over a 10 year period



## School Department Increases over the past 4 years

FY 2016	\$748,891	3.89%		<b>3.63%</b> increase over 4 years when the 2019 Amended budget figure is used
FY 2017	\$669,114	3.34%		
FY 2018	\$698,573	3.38%		
FY 2019	\$832,485	3.90%		

**This is a *GREATER* average increase than the 5.4% seen during the FY 15-FY 18 period:**

**FY 15-18 the School Department grew at a *TWICE* the rate of growth for**

***ALL other Town Departments combined* over the same period**

**This proposed amended budget *WIDENS* that gap even further!**



## Op Code 420 – Highway Department

2018 Budget \$356,000

2019 Budget **\$272,200**

A reduction of \$73,800 or 21.33%

- How can that be???
- How can you be *REDUCING* the Highway line and say you're increasing the Roadway program??

**Operational Costs** are going down while **Capital Costs** are going up- giving us a net reduction in this line

## Highway Department 420

### Minus Capital Costs: - Shifted to Free Cash

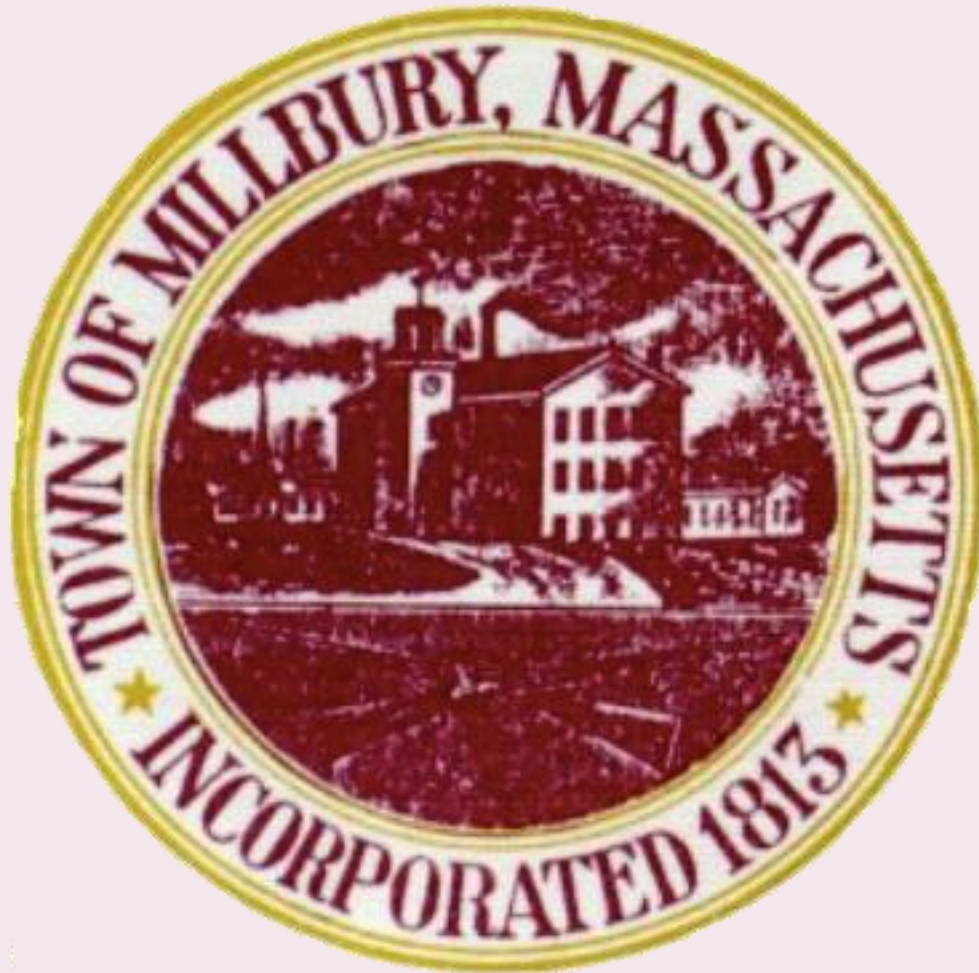
- \$124,000 in truck leases that are being shifted out of operational budget and into capital budget

### Plus Operational Costs: Into Operational Budget

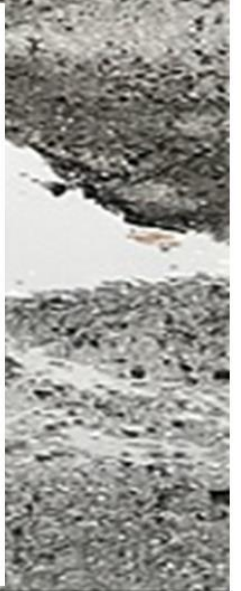
- + \$15,000 in professional services: for the road projects
  - for guard rails,
  - traffic lights,
  - line striping,
  - police details
- + \$15,000 supplies and maintenance
  - Equipment repairs
  - Redi-Rocks
  - Catch Basins
  - Construction Supplies

# **FY 2019 OPERATIONAL AND CAPITAL BUDGET**

**FEBRUARY 27, 2018**



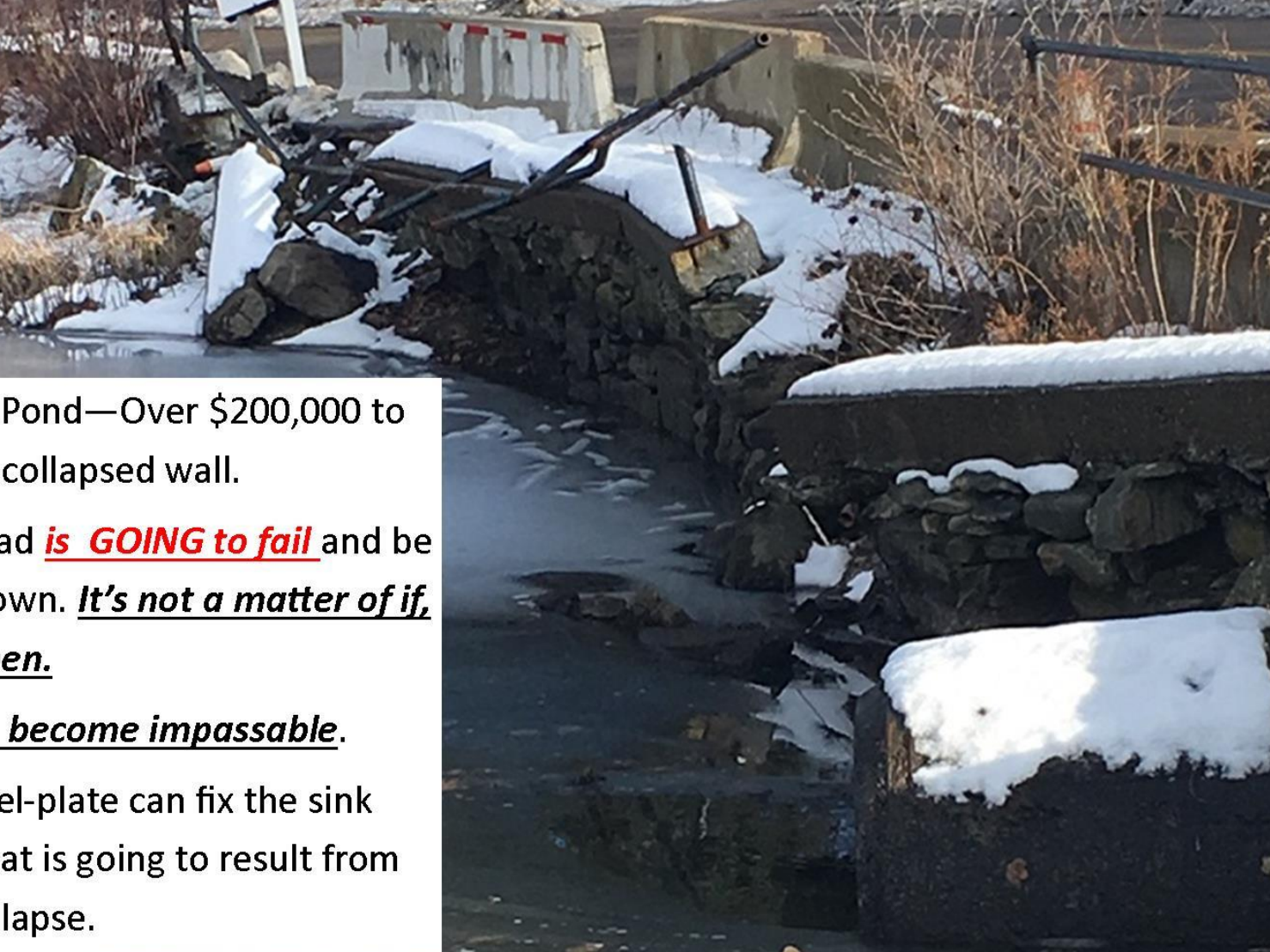
# The Infrastructure



## Our Roads are Abysmal:

- Many have failed or are failing.
- And, the worst part about it is, **you can't even see** the worst part of it. We're not even talking about making the roads smooth; we're talking about the stuff underneath the surface: We're talking about work that needs to be done **even before we asphalt.**
- We have a **MULTI-MILLION** dollar problem which isn't going to fix itself.... The time has come to pay for the roads. We simply cannot wait another year.



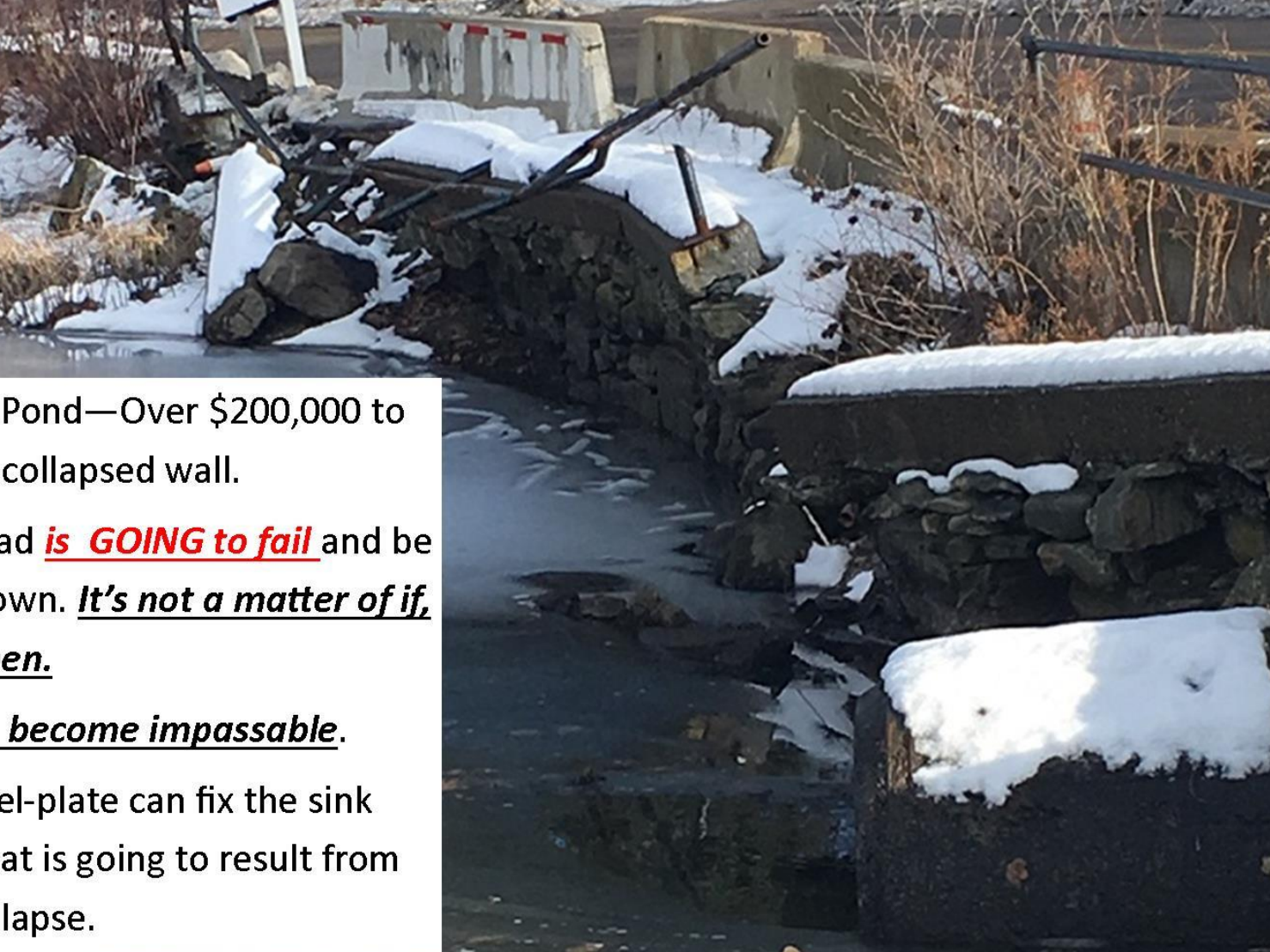


Round Pond—Over \$200,000 to fix this collapsed wall.

This road **is GOING to fail** and be shut down. **It's not a matter of if, but when.**

It **WILL become impassable.**

NO steel-plate can fix the sink hole that is going to result from this collapse.

[illegible]

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This road **is GOING to fail** and be shut down. **It's not a matter of if, but when.**

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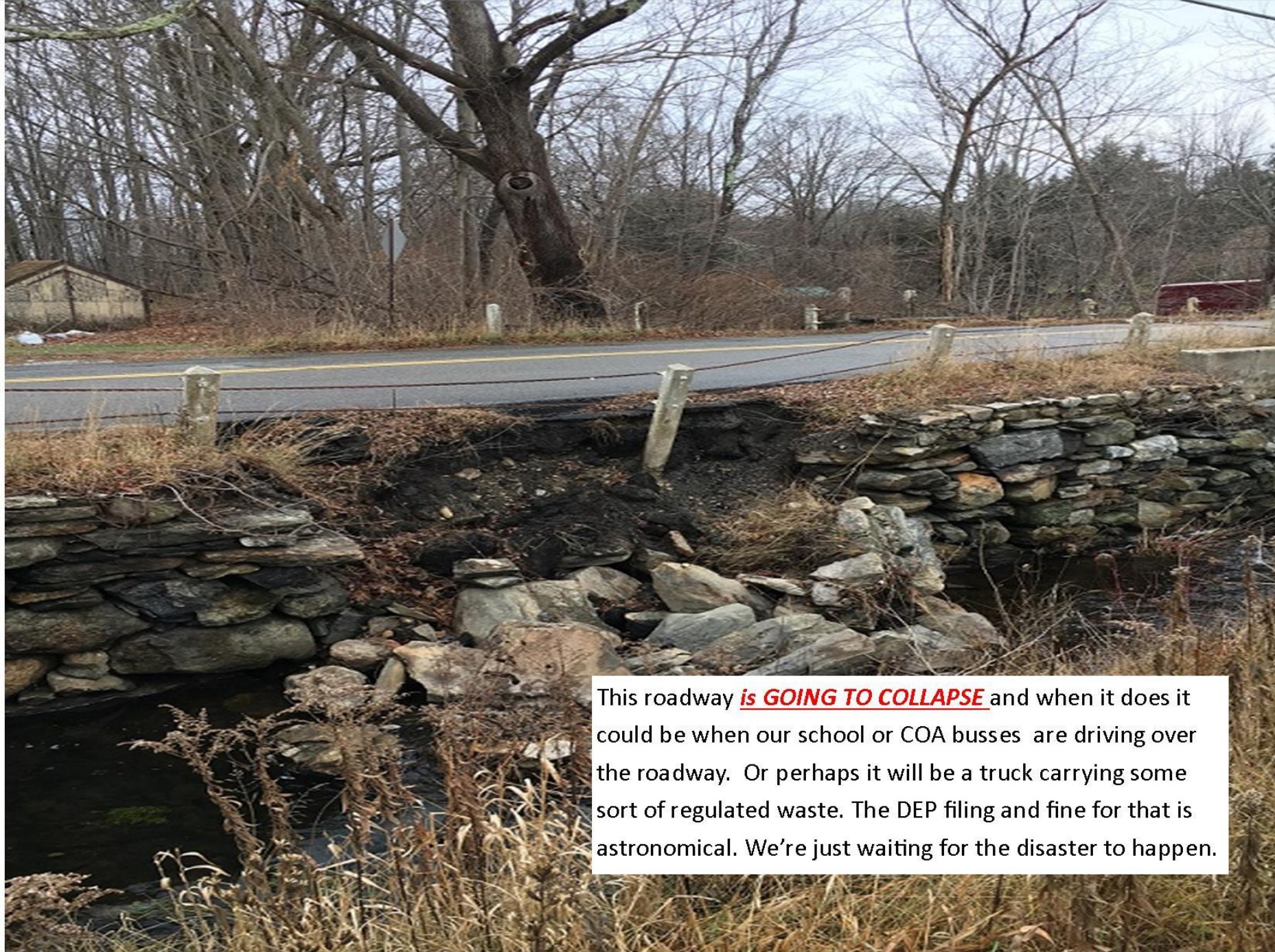
[illegible]





South Main Street Bridge: One Lane, no pedestrian sidewalks, a cost of \$250,000 to complete. And, the quotes are getting more expensive as we wait for the project to be started.





This roadway **is GOING TO COLLAPSE** and when it does it could be when our school or COA busses are driving over the roadway. Or perhaps it will be a truck carrying some sort of regulated waste. The DEP filing and fine for that is astronomical. We're just waiting for the disaster to happen.



- . The next two slides are estimated at **\$550,000** to repair.
- . If we do not take action soon, we risk losing not only the walls and the roadway, **but multiple homes as well.**
- . This could end up as a serious catastrophe if one or more homes collapse into the roadway.



If left unrepaired, this wall **WILL** end up on West Main St. taking the house with it; essentially closing West Main for months and displacing multiple families.



West Main Street near the Village Knoll. There are 2 separate houses immediately above this wall, merely 4 or 5 feet away from the headwall. They stand perched precariously awaiting the wall's collapse.

When it fails it will take at least 1 house with it, perhaps both; displacing multiple families. This will shut down West Main Street for an extended period of time while excavation is undertaken.





West Main Street culvert and wall... partial collapse this past fall. DPW made a temporary emergency repair. The cost of the project is estimated at **\$550,000- \$700,000.**

A collapse *WILL* shut down West Main Street for months. There is no way to put a steel plate over the sink hole or to safely drive around it.



This shows the under ground location of the West Main St culvert. It is a **\$550,000-\$700,000** project and it involves multiple state agencies to get permitting.

Notice how the roadway is badly depressed and sinking—evidence of the broken and collapsing culvert. This culvert is approximately 5 feet in diameter. When it collapses, the roadway will disintegrate completely leaving nothing but 5-7 foot wide void spanning the entire roadway. There is no way to traverse that span. The roadway will be shutdown for months prior to any construction even being undertaken while DEP and other permits are obtained.





**Collapsed**  
**This WILL become a sink hole**

**Pipes**



**Collapsed Catch basins:**

**This section of roadway requires completely re-  
construction not just resurfaced**





**Collapsed catch basins and sunken pipe:**

**This section of roadway needs to be completely reconstructed**



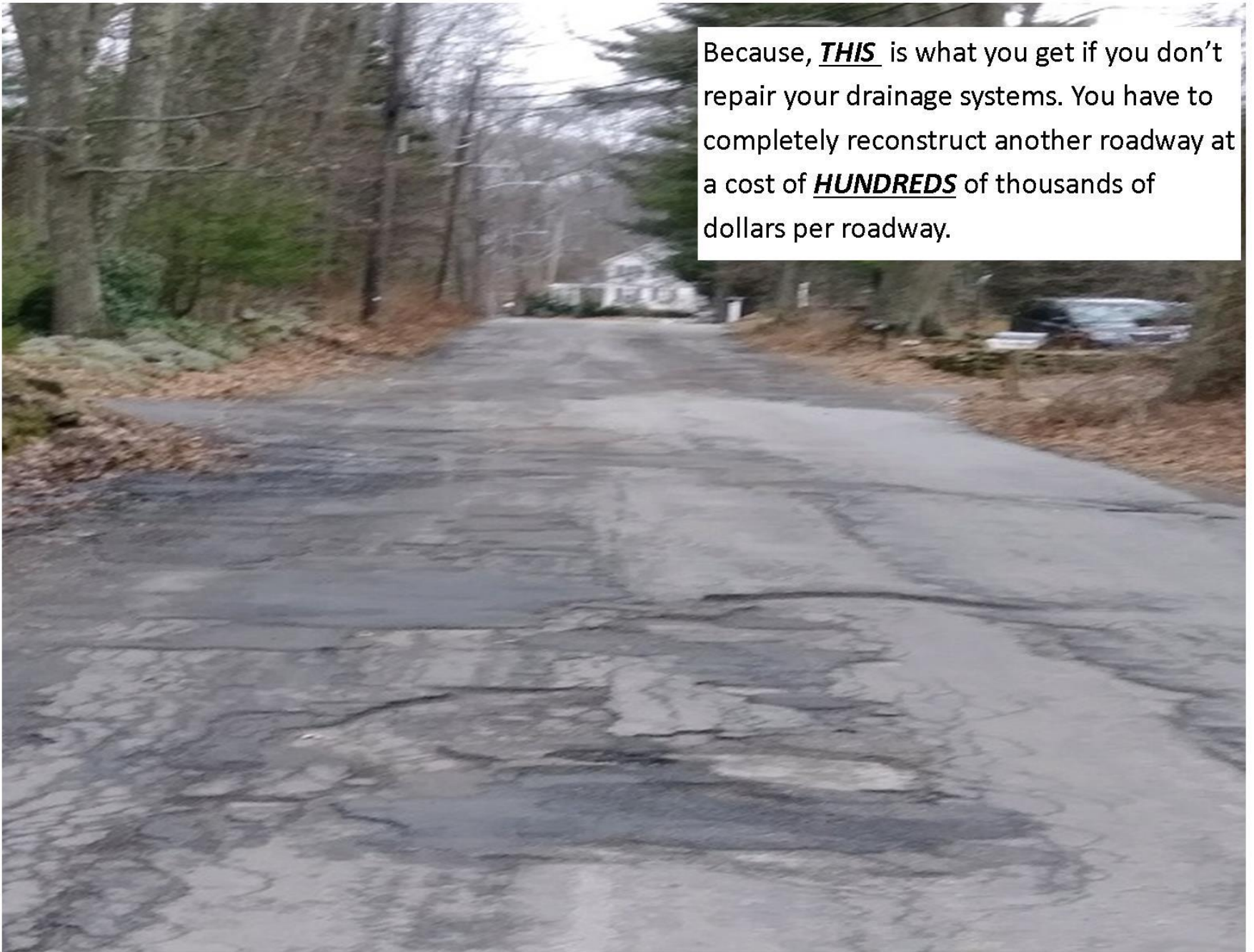


Potholes filled with water that is supposed to drain off of the street.

This roadway is a complete reconstruction from beginning to end: It will cost hundreds of thousands of dollars **for this one roadway, alone.**



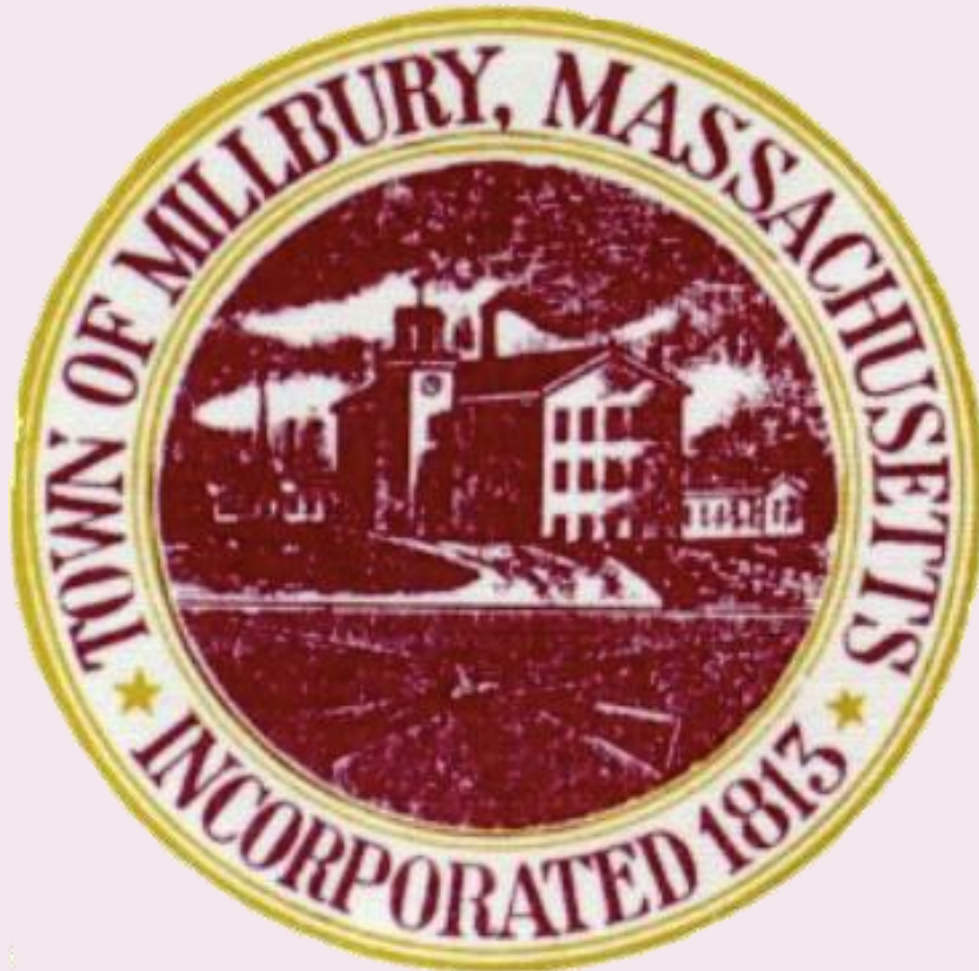
Because, **THIS** is what you get if you don't repair your drainage systems. You have to completely reconstruct another roadway at a cost of **HUNDREDS** of thousands of dollars per roadway.



- What you just saw was some examples of infrastructure under the streets.
- But that isn't the whole story. Many streets require repaving while many other streets require COMPLETE RECONSTRUCTION.
- Repaving is expensive, but reconstruction costs HUNDREDS OF THOUSANDS OF DOLLARS PER STREET.... And we've got a lot of them!
- We have a multimillion dollar problem and it isn't going to get fixed without \$\$

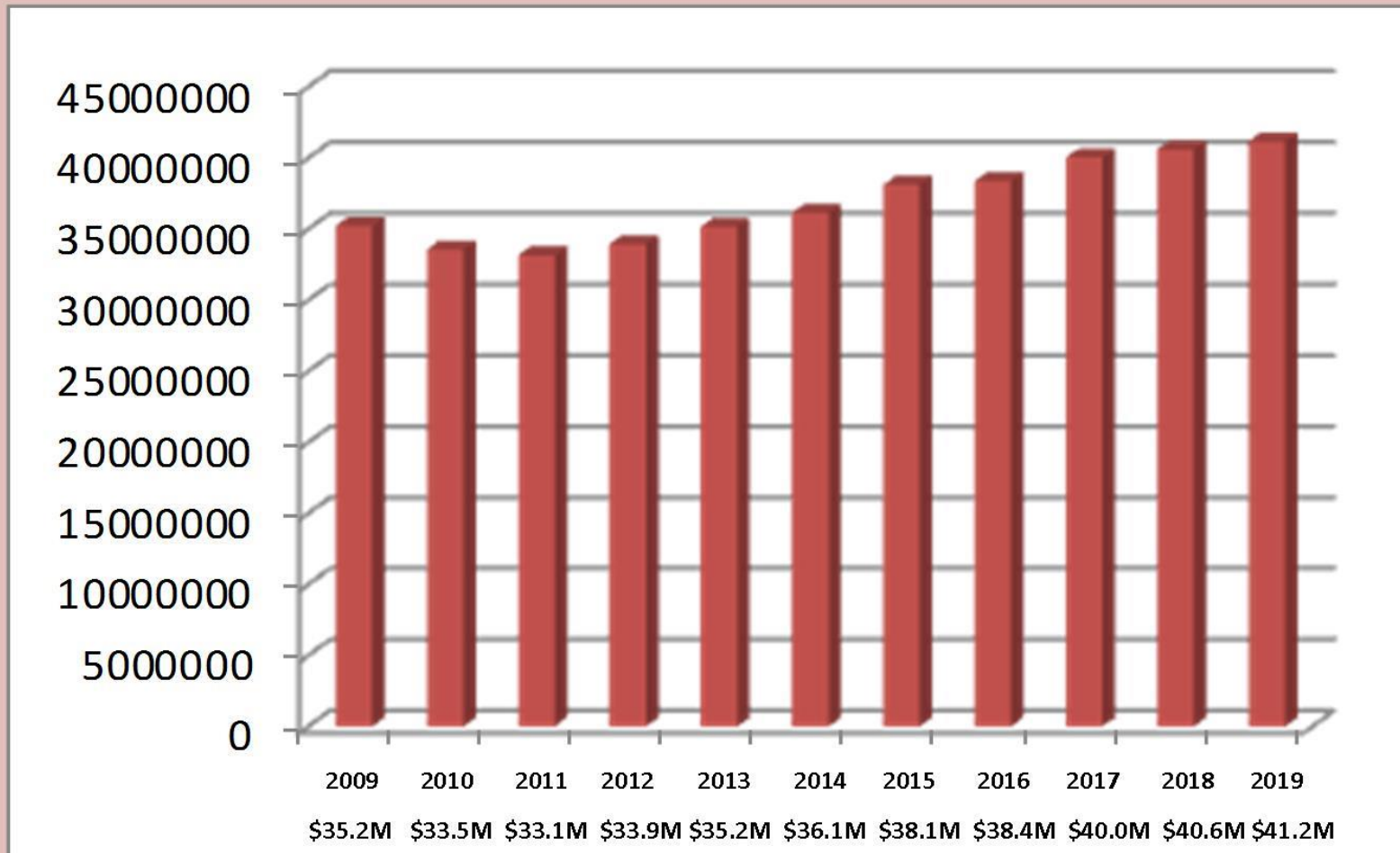
# **FY 2019 OPERATIONAL AND CAPITAL BUDGET**

**FEBRUARY 27, 2018**





Total General Fund **NOT** Including **ANY** Sewer Operational or Sewer Capital **BUT DOES Include Sewer Debt**



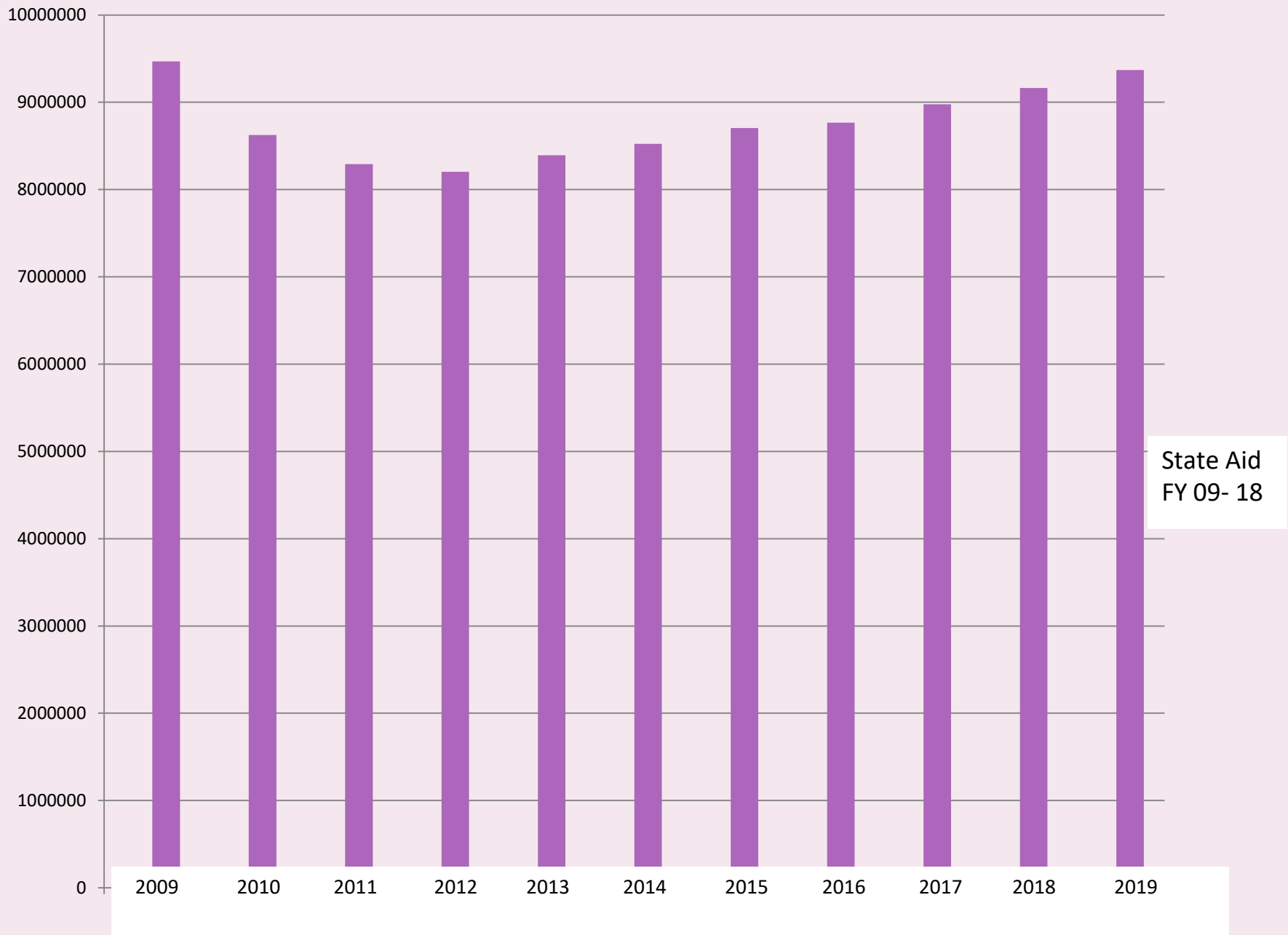
- This is really what we are talking about when we talk about: **"The Town Budget"**
  - ~ This is what the Town spends when taking the sewer out of the equation
  - ~ We include Sewer Debt because we pay for a portion of that debt in our operating budget

# Sewer Systems Operations and Maintenance

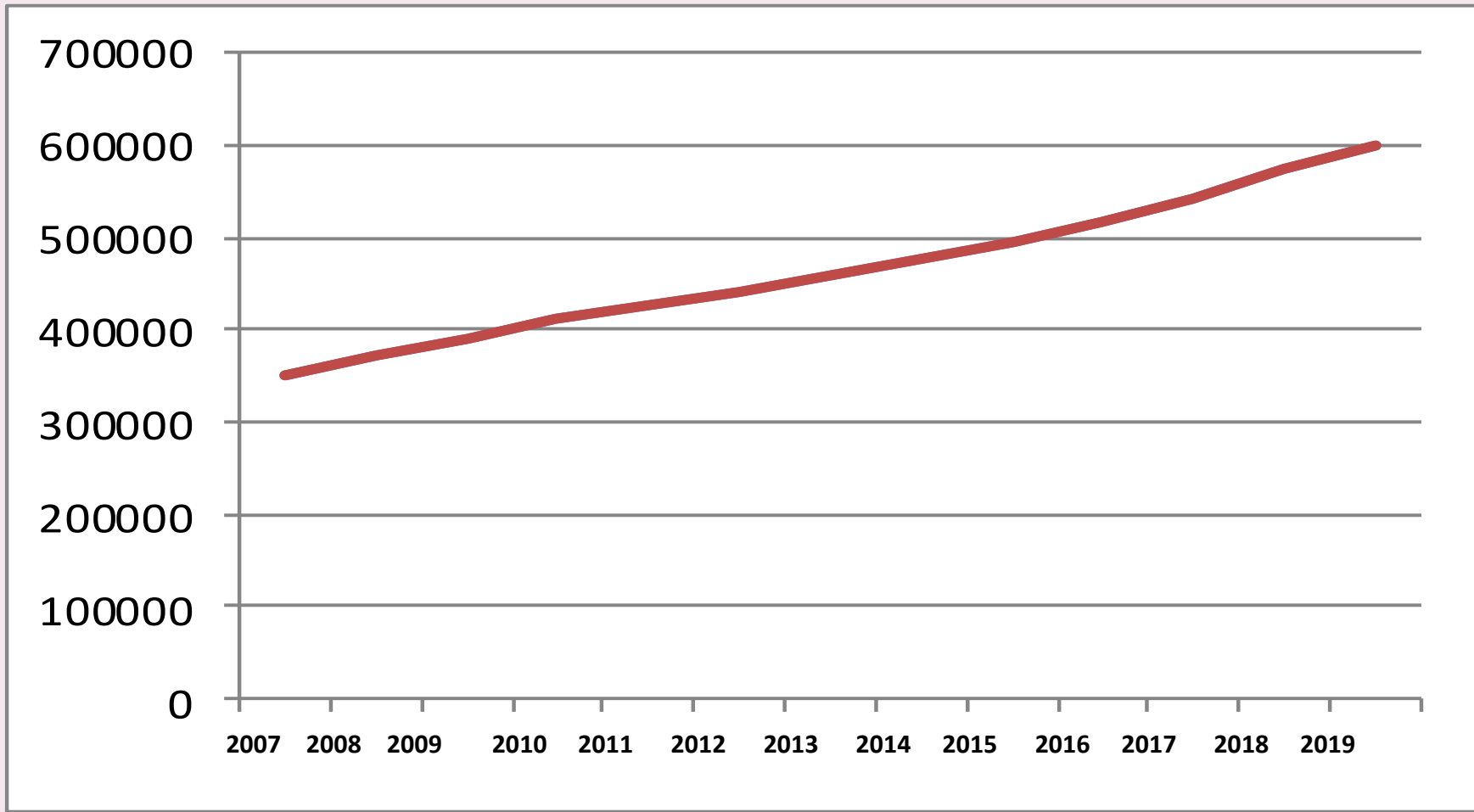
Salaries and Wages (all)	\$ 272,477
General Expenses	\$ 355,839
UBWPAD Assessment	\$ 986,217
Sewer Expansion Project – Debt Service	\$ 52,000
Capital Outlay	<u>\$1,066,000</u>
<b>Total Sewer Enterprise Fund</b>	<b>\$2,712,533</b>
<b>O &amp; M Costs and Charges</b>	



Increase of **44.59%** ← It is reflective of the capital outlay this year – replacing pumping stations

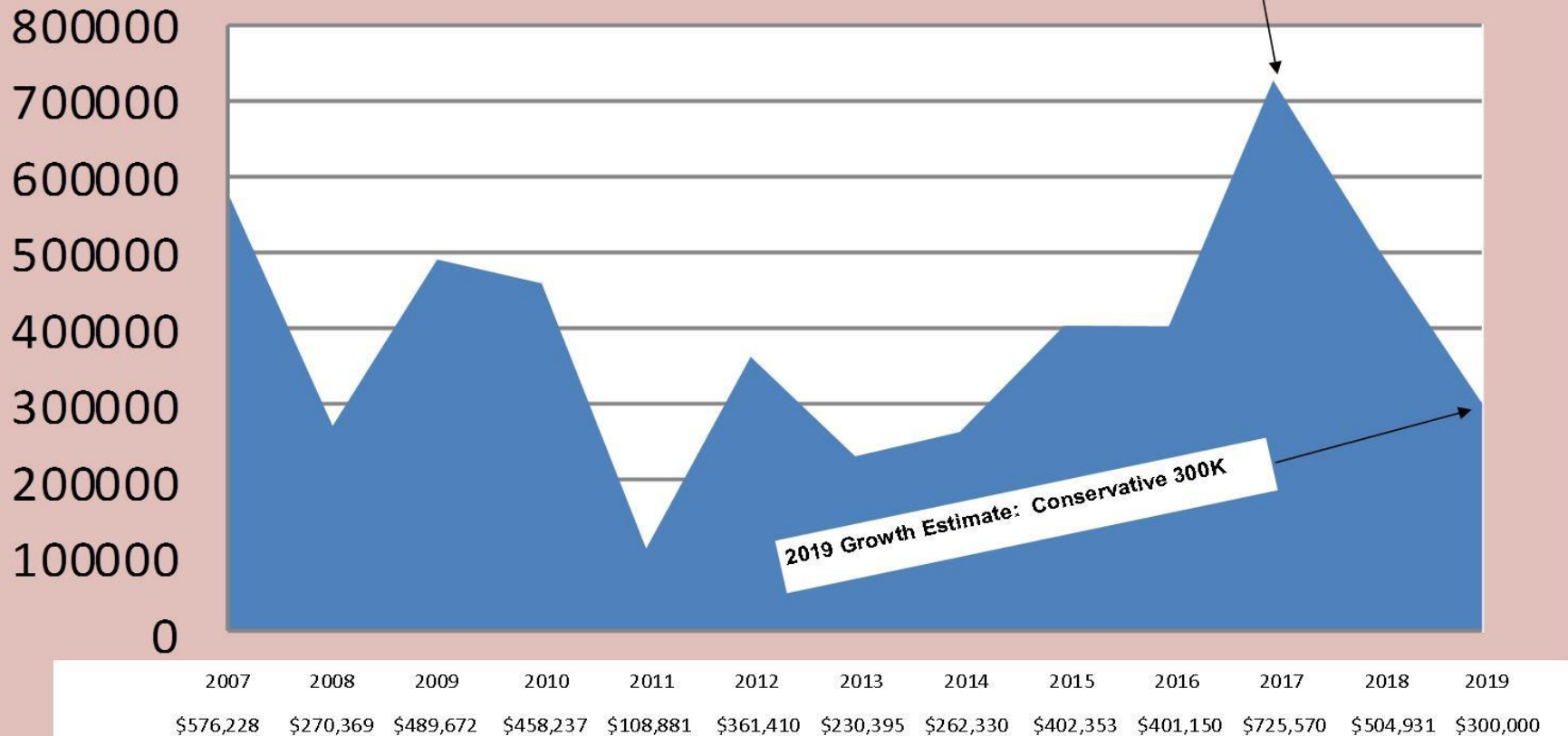


Prop 2 ½ A steady line of basically 2.5% increases from year to year



Solar Field — Personal Property — Gave us a 1 Time Bump

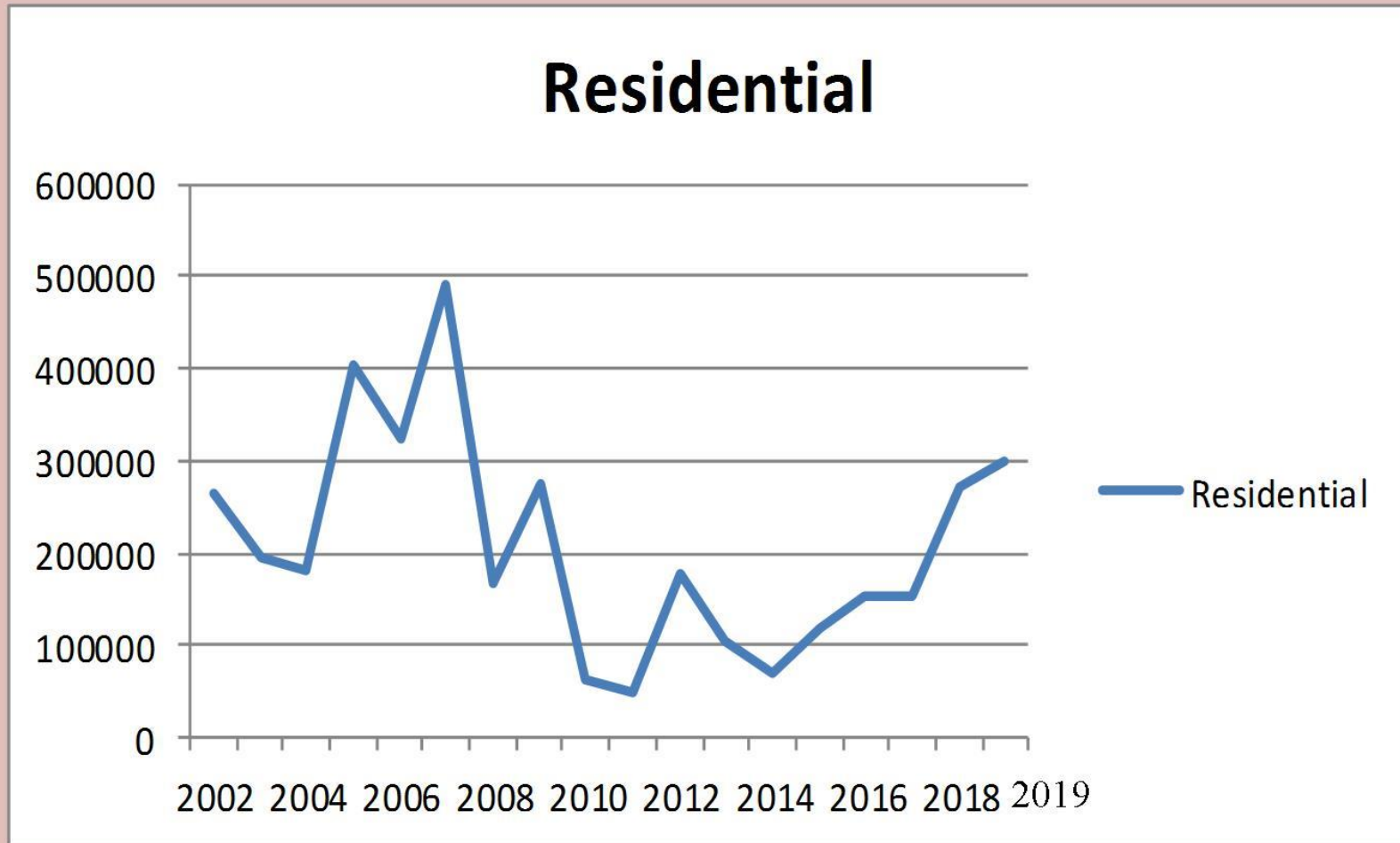
## Total New Growth FY '07 — FY '19 (from all sources, including Personal Property)





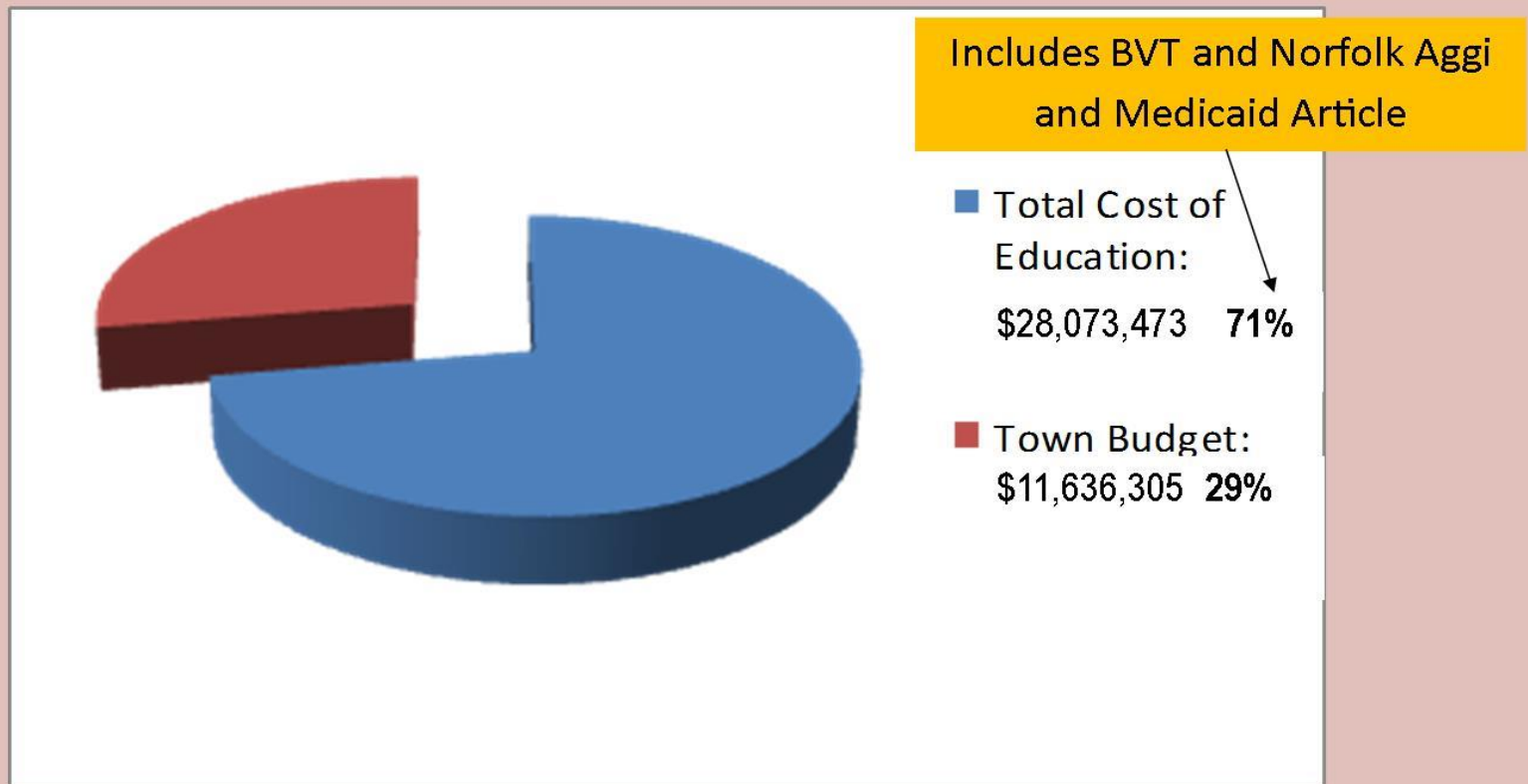


## Residential Growth FY '02- FY '19





Millbury has a 3.44 % combined GF / EF FY2019 growth



Comparison of *Total EDUCATION* Costs vs General Town Budget

Current Year — **Fiscal Year 2018**

# FISCAL YEAR 2018

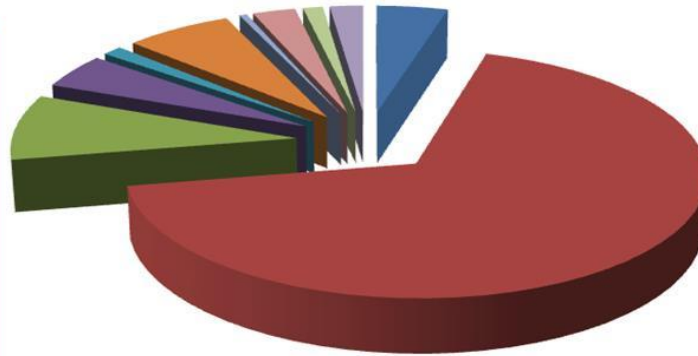
## CURRENT YEAR BUDGET

Total Town Fiscal Year 2018  
Budget: (current year)

**NOT including**

Enterprise Capital, Debt or  
Enterprise Operational

**\$39,709,778.00**



General Gvt	4%
Millbury Schools	69%
Public Safety	8.6%
DPW	4.5%
Culture and Rec	1%
Employee Benefits	6.3%
General Insurance	.5%
Debt Service	3%
Public Health	1%
BVT & Norfolk Agg	2%

	Town Gvt all Departments: (NO Education)	Millbury Schools w/ Town contributions
General Government	\$1,717,015.00	\$21,345,773.00 Base FY 2018 Millbury School Dept Budget
Public Safety	\$3,399,068.00	\$0.00 Public Safety attributed to schools
DPW	\$1,796,034.00	\$10,000.00 DPW attributed to schools
Culture and Recreation	\$492,508.00	\$0.00 Culture and Recreation attributed to schools
Employee Benefits	\$2,522,670.00	\$5,186,400.00 Employee Benefits attributed to schools
General Insurance	\$184,000.00	\$276,000.00 General Insurance attributed to schools
Debt Service	\$1,043,069.00	\$410,200.00 Debt Service attributed to schools
Public Health	\$481,941.00	\$0.00 Public Health attributed to schools
TOTALS	\$11,636,305.00 <b>29%</b> (NO school- No BVT)	\$27,228,373.00 <b>69%</b> (including all costs attributed to Millbury School Department NOT BVT)

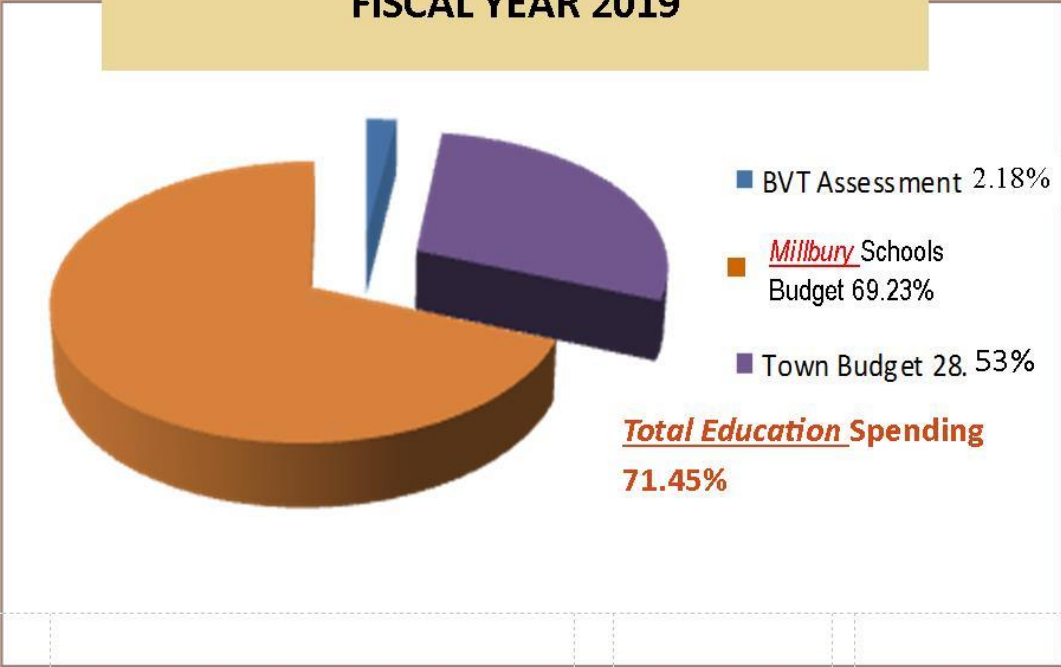
77% / 23% Health care

20% / 80% Retirement





**Manager's Recommended  
FISCAL YEAR 2019**

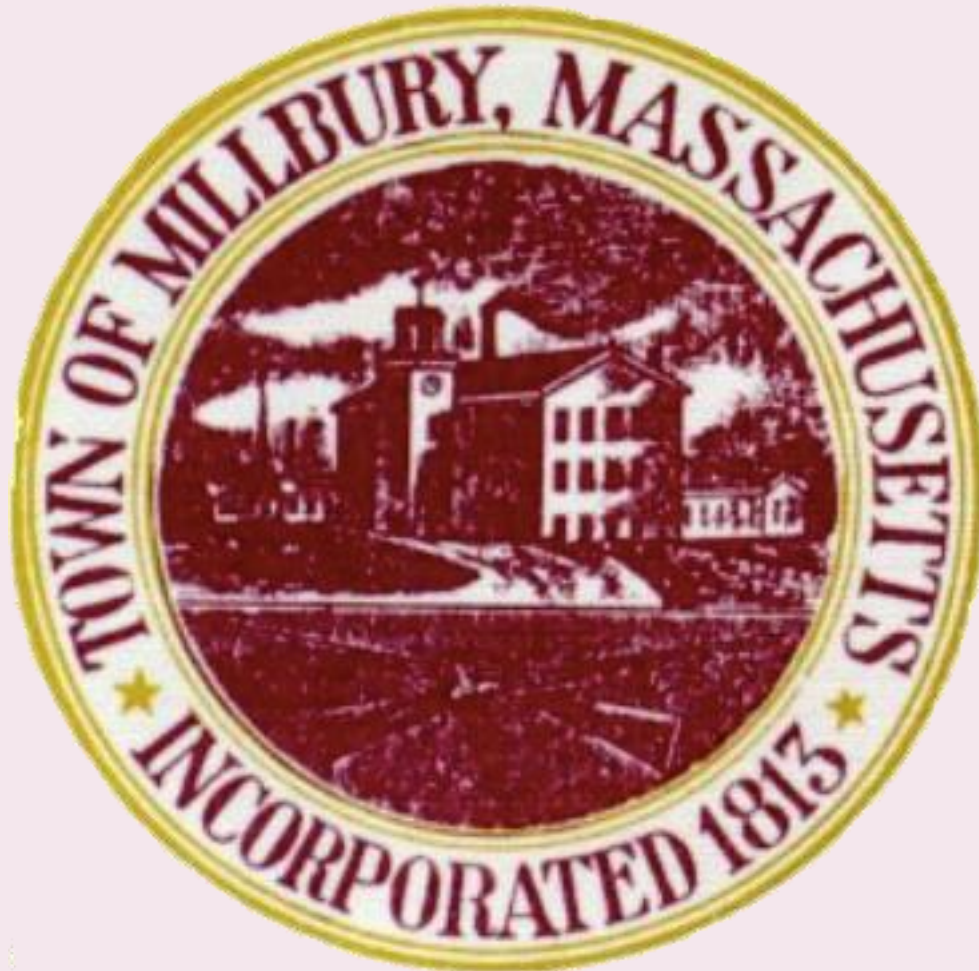


**\$40,695,892**

	Town	School		
Town Budget (gen gvt)	\$1,896,647.00	\$21,880,773.00	<— Includes Medicaid	Reimbursement
Public Safety	Police Cars Warrant Art \$3,338,630.00	\$0.00		
DPW	Department Reorganization \$1,744,147.00	\$10,000.00		
Culture and Recreation	\$503,019.00	\$0.00		
Employee Benefits	\$2,699,209.00	\$5,608,917.00		
General Insurance	\$184,000.00	\$276,000.00		
Debt Service	Town Debt Down 335K \$707,673.00	\$398,300.00	School Debt Down 11K	
Public Health	\$487,789.00	\$0.00		
Totals	\$11,608,790.00	\$28,173,690		
	BVT Assessment 2.2%	Town Budget 28.79%	School Budget 69.22%	Total Budget w/o enterprise operational / capital or debt
	\$885,720.00	\$11,608,790.00	\$28,173,690	\$40,695,892.00
	2.22%	28.53%	69.23%	

# **FY 2019 OPERATIONAL AND CAPITAL BUDGET**

**FEBRUARY 27, 2018**









	FY 2019 Capital Plan		
DEPT	REQUEST	AMOUNT	Remaining
		Starting Free Cash →	<b>\$1,521,136.00</b>
Manager	Town Hall Roof / Repair & Maintenance	\$20,000.00	\$1,501,136.00
Manager	Municipal Office Building / Library Phones	\$18,000.00	\$1,483,136.00
Schools	Operational budget – (Part of the \$535,000 / 2.51% increase)	\$100,000.00	\$1,383,136.00
Schools	Athletic bus or Maint truck (Capital Budget item)	\$55,000.00	\$1,328,136.00
DPW	Road Program (no debt excl: Project completed within Levy Limit) \$1M B.A.N.- 10 year pay off schedule can be paid off early	\$180,000.00	\$1,148,136.00
DPW	Road Projects	\$260,000.00	\$888,136.00
DPW	TIP Project	\$250,000.00	\$638,136.00
DPW	Roll Off Trailer	\$100,000.00	\$538,136.00
DPW	Lease of Vehicles	\$158,000.00	\$380,136.00
DPW	Highway Garage Generator - Gas Pumps	\$50,000.00	\$330,136.00
DPW	Slope Mower - Ramshorn Dam and Transfer Station	\$10,000.00	\$320,136.00
Fire Dept	Gear Washer and Dryer	\$28,000.00	\$292,136.00
Police	Radio Repeater	\$20,000.00	\$272,136.00
Police	Cruiser - (1) fully equipped cruiser	\$40,000.00	\$232,136.00
Clerk	Kings' System - Year two of the project	\$31,000.00	\$201,136.00
Library	HVAC	\$21,000.00	\$180,136.00
Library	Roof	\$10,000.00	\$170,136.00
Planner	Wollie World - Repair and Renovation	\$30,000.00	\$140,136.00
Assessor	Assessing Software Upgrade - Vision v8	\$20,000.00	\$120,136.00
			\$120,136.00
	Special Articles		\$120,136.00
			\$120,136.00
Manager	Stabilization	\$100,000.00	\$20,136.00
COA	Senior work-Off Program	\$20,000.00	\$136.00
		Total Expenditure	Balance Remaining
		<b>\$1,521,000.00</b>	<b>\$136.00</b>

*Questions??*