

Town of East Longmeadow

FY 19 TOWN COUNCIL BUDGET HEARING

MAY 22, 2018



Town Council Budget Process

As in the past, this year's Annual Town Budget was completed with collaboration with the School Committee, Superintendent, and all Department Heads. Departments were asked to stay within a 2% increase over last year's budget. The departments were also tasked with submitting supplemental budget requests for additional spending over the 2% increase. These requests were accompanied by justifications for the additional spending. The Town Council convened a budget sub-committee to examine the annual budget and supplemental requests in order to examine closely the department budget and requests for any additional funding.

The sub-committee considered the budget in accordance with the council priorities:

Increase in Public Safety

Continued commitment to high quality education

Fiscal responsibility to the taxpayers

Maintaining services

This was an extremely taxing process that required thorough discussion and at times difficult decisions, however, the overall process went smoothly and without significant issues. I would like to take the time to recognize everyone involved in the process for their dedication, hard work and commitment.

As a result of this process, the council has prepared the annual town budget for presentation to the public. We feel that this is a fair and equitable budget that represents the best interests of the community as a whole. We all need to keep in mind that we are in the second year of the new form of government and some expenditures reflect changes in departments and personnel that were necessary and required. We have seen cost savings in some areas and increases in other areas in order to address the town's needs in the most effective and efficient manner. Another challenge for both the current budget and the 2019 budget has been the plan to move into a partnership with the Town of Hampden for Emergency Dispatch Services. Additionally this budget reflects increases to the Fire Department as a result of a continuation of the plan to expand operations to 24 hours and provide town based emergency medical services.

The following presentation reflects the Council's Operating Budget for Fiscal Year 2019.



General Fund Sources and Uses Summary

General Fund Sources	FY 2018 Budget	FY 2019 Recommended	Increase (Decrease)	Percent Inc (Dec)
Taxes	41,744,466	43,142,369	1,397,903	3.35%
Local	3,679,000	4,165,000	486,000	13.21%
State	12,851,693	13,571,457	719,764	5.60%
Transfers	117,980	109,680	(8,300)	-7.04%
Total General Fund Sources	58,393,139	60,988,506	2,595,367	4.44%
General Fund Uses				
General Government	2,874,603	2,939,815	65,212	2.27%
Public Safety	4,012,791	4,814,609	801,818	19.98%
Public Health	252,745	267,927	15,182	6.01%
Public Works	4,859,559	4,968,267	108,708	2.24%
Education	29,201,951	30,314,438	1,112,487	3.81%
Culture and Recreation	945,946	991,457	45,511	4.81%
Human Services	405,134	451,833	46,699	11.53%
Insurance	9,512,929	10,021,938	509,009	5.35%
Debt Service	2,628,796	2,614,977	(13,819)	-0.53%
Total General Fund Budget	54,694,454	57,385,262	2,690,808	4.92%
Capital Projects	1,216,117	744,494	(471,623)	-38.78%
Stabilization Fund	100,000	100,000	-	0.00%
OPEB Trust Fund	100,000	100,000	-	0.00%
Compensated Absences Fund	50,000	75,000	25,000	50.00%
Other Charges	1,014,452	901,760	(112,692)	-11.11%
Total Other Uses	2,480,569	1,921,254	(559,315)	-22.55%
Total General Fund Uses	57,175,023	59,306,516	2,131,493	3.73%
Sources Less Uses	1,218,116	1,681,991	463,875	38.08%



General Fund Sources

General Fund Sources	FY 2018 Budget	FY 2019 Recommended	Increase (Decrease)	Percent Inc (Dec)
Prior Year Property Tax Levy	39,748,268	41,170,794	1,422,526	3.58%
Add: 2.5% Increase	993,707	1,029,270	35,563	3.58%
Add: Projected New Growth	250,000	250,000	-	0.00%
Projected Tax Levy Limit	40,991,975	42,450,064	1,458,089	3.56%
Add: Voted Debt Exclusions	752,491	692,306	(60,186)	-8.00%
Projected Maximum Allowable Property Tax Levy	41,744,466	43,142,369	1,397,903	3.35%
Chapter 70, Education Aid	10,598,614	11,253,729	655,115	6.18%
Lottery Aid	1,446,023	1,496,634	50,611	3.50%
Other State Aid	138,249	152,287	14,038	10.15%
Total Projected State Aid	12,182,886	12,809,939	719,764	5.91%
State School Construction Reimbursement	668,807	668,807	-	0.00%
Motor Vehicle Excise	2,100,000	2,400,000	300,000	14.29%
Other Projected Revenues	1,144,000	1,275,000	131,000	11.45%
Licenses & Permits	380,000	430,000	50,000	13.16%
Bank Interest	55,000	60,000	5,000	9.09%
Total Projected Local Receipts	3,679,000	4,165,000	486,000	13.21%
From Community Preservation Fund for P&I payments	117,980	109,680	(8,300)	-7.04%
Total from Transfers	117,980	109,680	(8,300)	-7.04%
Total General Fund Sources	58,393,139	60,988,506	2,595,367	4.44%



General Fund Uses

General Fund Operating Budget	FY 2018 Budget	FY 2019 Recommended	Increase (Decrease)	Percent Inc (Dec)
<i>General Government</i>				
111 Town Council	48,000	48,000	-	0.00%
122 Town Manager	206,692	207,832	1,140	0.55%
132 Reserve Fund	112,000	112,000	-	0.00%
135 Town Accountant	308,805	308,271	(534)	-0.17%
141 Assessor	269,394	277,508	8,114	3.01%
145 Collector/Treasurer	326,806	320,696	(6,110)	-1.87%
241 Building Commissioner	185,378	198,817	13,439	7.25%
151 Legal Services	93,000	133,000	40,000	43.01%
152 Human Resources	229,665	211,311	(18,354)	-7.99%
155 Information Technology	714,574	731,734	17,160	2.40%
160 Town/Council Clerk	222,953	243,982	21,029	9.43%
175 Planning, Zoning, Conservation	154,861	144,127	(10,734)	-6.93%
947 PVPC Assessment	2,475	2,537	62	2.51%
<i>Total General Government</i>	<u>2,874,603</u>	<u>2,939,815</u>	<u>65,212</u>	<u>2.27%</u>
<i>Public Safety</i>				
210 Police	2,953,824	3,176,384	222,560	7.53%
220 Fire	1,058,967	1,638,225	579,258	54.70%
<i>Total Public Safety</i>	<u>4,012,791</u>	<u>4,814,609</u>	<u>801,818</u>	<u>19.98%</u>
<i>Public Health</i>				
519 Health	252,745	267,927	15,182	6.01%
<i>Total Public Health</i>	<u>252,745</u>	<u>267,927</u>	<u>15,182</u>	<u>6.01%</u>
<i>Public Works</i>				
421 Administration & Highway	1,700,734	1,767,376	66,642	3.92%
422 Building Maintenance	869,493	849,501	(19,992)	-2.30%
423 Snow & Ice	148,172	148,172	-	0.00%



429 Utilities (Gas, Electric, Oil)	1,118,000	1,118,000	-	0.00%
430 Trash Collection	956,273	1,017,130	60,857	6.36%
433 Waste Collections	66,887	68,088	1,201	1.80%
<i>Total Public Works</i>	<i>4,859,559</i>	<i>4,968,267</i>	<i>108,708</i>	<i>2.24%</i>
Education				
300 Education	29,195,201	30,307,688	1,112,487	3.81%
399 School Committee	6,750	6,750	-	0.00%
<i>Total Education</i>	<i>29,201,951</i>	<i>30,314,438</i>	<i>1,112,487</i>	<i>3.81%</i>
Culture and Recreation				
610 Library	722,318	736,323	14,005	1.94%
630 Recreation	198,127	228,159	30,032	15.16%
693 Celebrations, Cultural, Historical	25,501	26,975	1,474	5.78%
<i>Total Culture and Recreation</i>	<i>945,946</i>	<i>991,457</i>	<i>45,511</i>	<i>4.81%</i>
Human Services				
541 Council On Aging	299,727	304,914	5,187	1.73%
543 Veteran Services	105,407	146,919	41,512	39.38%
<i>Total Human Services</i>	<i>405,134</i>	<i>451,833</i>	<i>46,699</i>	<i>11.53%</i>
Insurance				
910 Payroll Taxes	493,253	493,253	-	0.00%
912 Workers' Compensation	236,261	254,606	18,345	7.76%
914 Health & Life Insurance	5,603,743	5,848,033	244,290	4.36%
945 Liability Insurance	325,020	335,059	10,039	3.09%
946 Retirement Assessment	2,854,652	3,090,987	236,335	8.28%
<i>Total Insurance</i>	<i>9,512,929</i>	<i>10,021,938</i>	<i>509,009</i>	<i>5.35%</i>
Debt Service				
710 General Fund - Principal	2,078,000	2,098,589	20,589	0.99%
710 Community Preservation - Principal	85,000	80,000	(5,000)	-5.88%
751 General Fund - Interest	432,816	356,708	(76,108)	-17.58%
751 Community Preservation - Interest	32,980	29,680	(3,300)	-10.01%
752 BAN Costs	-	50,000	50,000	100.00%



<i>Total Debt Service</i>	2,628,796	2,614,977	(13,819)	-0.53%
Total General Fund Budget	54,694,454	57,385,262	2,690,808	4.92%
Capital Projects	1,216,117	744,494	(471,623)	-38.78%
Stabilization Fund	100,000	100,000	-	0.00%
OPEB Trust Fund	100,000	100,000	-	0.00%
Compensated Absences Fund	50,000	75,000	25,000	50.00%
Other Charges				
S&I Deficit	-	-	-	0.00%
Community Preservation Fund	247,364	251,651	4,287	1.73%
R.E. Abatement	343,054	227,946	(115,108)	-33.55%
State Charges	392,824	391,280	(1,544)	-0.39%
State Offset	31,210	30,883	(327)	-1.05%
Prior Year Bills	-	-	-	0.00%
<i>Total Other Charges</i>	1,014,452	901,760	(112,692)	-11.11%
Total Other Uses	2,480,569	1,921,254	(559,315)	-22.55%
Total General Fund Uses	57,175,023	59,306,516	2,131,493	3.73%

General Notes:

The above does not include any expenses related to water or sewer or ELCAT as those are enterprise funds.
 Balance of Compensated Absences Fund as of 6/30/17 was \$50,000. Balance as of today is \$100,000.
 Balance of OPEB Trust as of 6/30/17 was \$2,334,082. Balance as of today is \$4,621,434.
 Balance of Stabilization Fund at 6/30/17 was \$2,385,162. Balance as of today is \$2,493,685.
 Free Cash was certified at \$4,570,217 at 6/30/17. Balance as of today is \$2,570,217.



Department Specific Notes:

151 - Legal - Increase is due to proper use and current caseload.

155 - IT - FY18 budget was increased by \$31,985 as the General Fund funded 1/2 of the GIS salary was moved from Highway to IT and increased \$1,953 as phones were moved from Highway to IT. FY18 budget was decreased \$21,316 for Recreation's share of the bookkeeper's salary which had previously been budgeted by IT.

220 - Fire - Increase is due to the second phase in of a full-time fire department with Basic Life Support ambulance service. Approximately \$550k.

300 - School - Increase is primarily due to outsourcing transportation. Approximately \$507,487 is in other areas of the General Fund that will now be out of the School. Without outsourcing transportation, the budget has a 1.82% increase.

421 - Highway - FY18 budget was decreased by \$31,985 as the General Fund funded 1/2 of the GIS salary was moved from Highway to IT and decreased \$1,953 as phones were moved from Highway to IT.

543 - Veterans - Increase is due to more veteran services currently being provided.

630 - Recreation - FY18 budget was increased \$21,316 for Recreation's share of the bookkeeper's salary which had previously been budgeted by IT.

CHAPTER 90

To see if the Town will vote to raise and/or appropriate a sum of money by borrowing or otherwise for highway construction and/or reconstruction or maintenance purposes which is to be reimbursed by the Commonwealth of Massachusetts; and pass any vote or take any other action relative thereto.

\$580,792.00



2019 Capital Planning Projects

Dept.	Name	Amount	Priority	Total	Notes
DPW-Equip	Replace Truck #28 with F550 Dump Truck with Lift Gate	\$91,588	1	\$91,588	Ongoing Public Works fleet management - part of cyclical replacement plan
Finance/IT	Time, Labor & Accrual Management Software - Purchase & Implement	\$140,000	1	\$231,588	Ongoing concern of Tn Council, Mgr & Accountant - will create accurate, timely employee time and attendance records, create efficiencies by eliminating redundancies which are more prone to error, streamline complex HR functions
Fire Dept	Ladder Truck Lease Payment, 2 of 5	\$214,787	1	\$446,375	Committed to fund
Fire Dept	Ambulance Lease Payment, 2 of 3	\$91,948	1	\$538,323	Committed to fund
IT Dept	Server Host Replacement with Hyper-converged Solution	\$85,761	1	\$624,084	Current hosts at end of life - failure of this equipment would mean business interruption - major issue
DPW-Bldgs	Town Hall - Renovations Phase 3 (Yr 1 - Bathroom/Breakroom)	\$35,000	1.5	\$659,084	Continuation from previous year due to expense of asbestos issues that needed to be addressed in Phase 2
School/IT	Teacher Device Replacement at Meadowbrook & High School	\$85,410	2	\$744,494	Ongoing IT/School computer aging management - part of cyclical replacement plan

This recommendation represents 1.3% of FY 18 budget

RECOMMENDED BONDING - TOWN PROJECTS

School - MS	Interior & Exterior Door Replacement - Purchase and Install (Phase 2 of 2)	\$62,000	1	\$62,000
School - MB	Replacement of Doors & Windows - Accelerated Repair Program	\$2,796,805	1	\$2,858,805



School - MB	Modular Classroom Replacement (4 Classrooms & 2 Group Bathrooms)	\$2,085,498	1	\$4,944,303
School - MS	Replace Steam Piping & Insulation	\$622,392	1	\$5,566,695

SEWER AND WATER ENTERPRISE FUND PROJECTS RECOMMENDED BY THE PUBLIC WORKS SUPERINTENDENT AND BOARD

SEWER ENTERPRISE FUND

Sewer	Replace Truck #9 with MACK GU712 Dump Truck	\$220,000	1	\$220,000	
Sewer	Replace Truck #45 with F550 with Crane (75% Sewer)(Total Cost \$86,763)	\$65,072	1	\$285,072	
Sewer	Inflow & Infiltration Evaluation/Sewer Rehabilitation	\$100,000	1	\$385,072	Recommended Bonding

WATER ENTERPRISE FUND

Water	Upgrade Meter Reading Equipment & Software	\$50,000	1	\$50,000
Water	Replace Truck #45 with F550 with Crane (25% Water)(Total Cost \$86,763)	\$21,691	1	\$71,691
Water	Replace Water Main-Michael Street (1,000' of 8")	\$164,000	1	\$235,691
Water	Replace Water Main-Wendover Lane (280' of 8")	\$35,000	1	\$270,691



ELCAT ENTERPRISE FUND

Moved that \$ 229,400 be appropriated for the ELCAT Enterprise Fund and that zero be included in appropriations from the general fund for indirect costs and be allocated to the ELCAT Enterprise Fund for funding; and that \$229,400 be raised as follows:

	2019	2018
CABLE LICENSE (CHARTER)	\$ 212,000	206,800
SCHOOL DEPARTMENT	\$ 10,000	10,000
DVD/VHS INCOME	\$ 2,400	400
SPONSORS	\$ 5,000	6,500
FY19 ELCAT Enterprise Fund Expenses		
Personal Services	\$ 189,942	204,813
Operating Expenses	\$ 17,715	15,172
Debt Service:		
Principal	\$ -	-
Interest	\$ -	-
Capital Outlay	\$ -	-
Budget Surplus	\$ 21,743	3,716
Total FY19 ELCAT Enterprise Fund Expenses	\$ 229,400	223,700
FY19 ELCAT Enterprise Fund Revenues		
CABLE LICENSE (CHARTER)	\$ 212,000	206,800
SCHOOL DEPARTMENT	\$ 10,000	10,000
DVD/VHS INCOME	\$ 2,400	400
SPONSORS	\$ 5,000	6,500
Retained Earnings		-
Total FY19 ELCAT Enterprise Fund Revenues	\$ 229,400	223,700



SEWER ENTERPRISE FUND

Moved
 that \$ 2,318,436 be appropriated for the Sewer Enterprise Fund and that zero

be included in appropriations from the general fund for indirect costs and be allocated to the sewer enterprise fund for funding; and that \$2,318,436 be raised as follows:

	2019	2018
Usage Charges	\$ 1,971,352	1,709,191
Interest Earned	\$ 16,062	16,923
Betterments	\$ 18,400	18,400
Connection Fees	\$ 48,186	50,768
 FY19 Sewer Enterprise Fund Expenses		
Personal Services	\$ 524,655	489,260
Operating Expenses	\$ 844,903	816,856
Debt Service:		
Principal	\$ 403,762	432,645
Interest	\$ 110,044	94,829
Capital	\$ 385,072	90,777
Vehicle Replacement Reserve	\$ 50,000	38,588
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Total FY19 Sewer Enterprise Fund Expenses	\$ 2,318,436	1,962,955
 FY19 Sewer Enterprise Fund Revenues		
Usage Charges	\$ 1,971,352	1,709,191
Interest Earned	\$ 16,062	16,923
Betterments	\$ 18,400	18,400
Connection Fees	\$ 48,186	50,768
Retained Earnings	\$ 264,436	167,673
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Total FY19 Sewer Enterprise Fund Revenues	\$ 2,318,436	1,962,955



WATER ENTERPRISE FUND

Moved
 that \$ 2,845,933 be appropriated for the Water Enterprise Fund and that zero
 be included in appropriations from the general fund for indirect costs and be allocated to the water
 enterprise fund for funding; and that \$2,845,933 be raised as follows:

	2019	2018
Usage Charges	\$ 2,426,580	2,414,914
Betterments	\$ 1,661	-
Interest Earned	\$ 23,333	23,333
Connection Fees	\$ 46,665	46,665
FY19 Water Enterprise Fund Expenses		
Personal Services	\$ 563,521	523,675
Operating Expenses	\$ 1,444,611	1,396,564
Debt Service:		
Principal	\$ 379,610	441,000
Interest	\$ 137,500	141,154
Capital Outlay	\$ 270,691	234,819
Vehicle Replacement Reserve	\$ 50,000	38,588
Budget Surplus	\$ -	-
Total FY19 Water Enterprise Fund Expenses	\$ 2,794,799	2,775,799
FY19 Water Enterprise Fund Revenues		
Usage Charges	\$ 2,414,914	2,414,914
Betterments	\$ -	-
Interest Earned	\$ 23,333	23,333
Connection Fees	\$ 46,665	46,665
Retained Earnings	\$ 290,887	290,886
Total FY18 Water Enterprise Fund Revenues	\$ 2,775,799	2,775,798



Revolving Funds Under MGL Chapter 44 Section 53E1/2

<u>Revolving Fund</u>	<u>Authorized to Spend Fund</u>	<u>Revenue Source</u>	<u>Use of Funds</u>	<u>FY 2019 Spending Limit</u>
Solid Waste Disposal (#2805)	Health Department	Trash bag receipts, recycling rebates	Salaries, expenses, supplies and contractual services to operate the solid waste disposal and recycling program	93,060
Council on Aging (#2809)	Council on Aging	General Council on Aging programs and events, such as: Fitness room memberships, exercise class fees, event fees, facility/room rental	Salaries, expenses, and contractual expenses to operate these programs at the Council on Aging	12,195
Health Department (#2812)	Health Department	Users of the sharps recycling program.	Expenses, such as containers and advertisements to provide a sharps recycling program in the community	500



Community Preservation Fund

To see if the Town will vote to appropriate from the Community Preservation Fund annual revenues, estimated at \$250,000, a sum or sums of money as recommended by the Community Preservation Committee for administrative expenses, community preservation projects and other permissible expenses in Fiscal Year 2019 as follows:

Appropriations:

From FY 2019 revenues for Committee Administrative Expenses 5%

Reserves:

From FY 2019 revenues for Historic Resources Reserve:

10%

From FY 2019 revenues for Community Housing Reserve:

10%

From FY 2019 revenues for Open Space Reserve:

10%

From FY 2019 revenues for the Legally Undesignated Community Preservation Fund General Reserve:

65%;

Appropriations:

From FY 2019 revenues to be transferred to the General Fund for reimbursement of:

\$52,000 for the Pool Bond payment of principal and interest

\$57,680 for the Brown Property Bond payment of principal and interest;

and pass any vote or take any other action relative thereto.

