



# **Town of Scituate**

## **FY 14 Operating and Capital Budget Overview**

# FY 12 Recap



- FY 12 certified free cash of \$2,123,316
- General Fund receipts and New Growth up over projections ( about \$342,000)
- Health care plan design changes negotiated
- Stronger investment in capital including roads, foreshore protection, water and sewer infrastructure, vehicle and equipment replacements

# FY 13 YTD + (-)



- + Town's bond rating increased to AA+
- + Building activity is up
- + Wind turbine revenue coming in
- + Financial policies adopted
- + Four awards for leading Commonwealth in clean energy
- + Creation of full-time Veterans Department
- + Employment of Town's first Facilities Director
- + Feasibility Study for Scituate Schools underway
- + Expanded work on foreshore protection (\$2.6 since FY 11), roads, water & sewer infrastructure
  
- (-) Local aid reduced 1%; school circuit breaker and veterans benefit reimbursements reduced/potential for 9C cuts
- (-) Veterans costs and claims up (\$63,000 estimated )
- (-) Fire overtime up as a result of weather, fires and new mandated contractual obligations
- (-) Increased staff demands in compliance and employment matters
- (-) Turbine litigation

# April 2013 Special Town Meeting



Need significant funds appropriated at STM to address current needs:

- Fire OT (+\$100,000)
- Special Senate primary and election (+\$15,000)
- Accelerated school security measures (+\$245,000)

Free Cash will be used to fund these items thus reducing amount available for FY 14 pay-as-you go capital

# FY 14 Operating Budget Focal Points



- In accordance with financial policies, balanced FY 14 operating budget without using Free Cash
- Local receipts and new growth projected to increase (over \$140,000)
- Savings from general liability and health insurances, unemployment (\$399,000)
- Local aid projection reduced \$170,000/state numbers rec'd in February
- South Shore Voc Tech enrollment down, budget up 4.92%
- Union contracts expiring/ FY 14 up \$110,000 for steps/longevity. Each 1% COLA is \$101,000.
- Veterans claims cost up significantly (total budget up \$183,893 from FY 11)
- Fire P/S up over \$282,000 since FY 12

# Budgeted Fixed Costs FY 13-FY 14



• Item	FY 13 Budget	FY 14 Rec.	Variance
• Employee Pension	\$3,444,211	\$3,584,859	\$ 140,648
• Health Insurance	\$5,508,907	\$5,210,000(	(\$298,907)
• FICA	\$ 528,423	\$ 574,459	\$ 46,036
• OPEB	\$ 68,884	\$ 71,740	\$ 2,856
• Workers' Compensation	\$ 257,000	\$ 257,000	-----
• Unemployment	\$ 100,000	\$ 64,000	(\$ 36,000)
• Liability Insurance	\$ 495,000	\$ 430,000	(\$ 65,000)
• Debt Service	\$2,035,082	\$2,362,633	\$ 327,551
• South Shore Voc. Tec.	\$ 508,016	\$ 533,417	\$ 25,401

# FY 14 Initiatives



## **Must set priorities as all needs cannot be met**

Continues commitment and allocation of resources to two overarching goals: Technology & Public Facilities

- Harbor Wi-Fi, new town website, on-line services, new GIS
- Collaboration with School Department on creation of Joint Facilities Department
- Recognizes Public Facilities Master Plan needs and financial implications



- Maintains third consecutive year of \$500,000 override allocation (town-side) for roads, seawalls and public buildings in operating, not capital budget
- Provides allocation for contract settlements, turbine litigation, economic development and staffing analyses, adds part-time inspector to assist with residential development



# 2013 Annual Town Meeting



- 40 warrant articles:
  - including all operating, enterprise and capital budgets, Meals Tax article, changes in mooring regulations, takings and easements
  - Six zoning articles
  - Four petition articles

# FY 14 Recommended CIP and five year rolling capital plan



FY 14 capital requests in excess of **\$70 million**

\$1,345,750 total recommended for General Fund with \$650,000 of GF borrowing

Moderates borrowing in recognition of Public Facilities Master Plan and continuing projects

Using Free Cash and \$100,000 of general tax revenue (\$), makes important allocations to newly created Capital Stabilization Fund for big cost items/projects (ladder truck, foreshore protection, voting machines)

## On the Horizon for FY 15



- Potential 20% increase in retirement assessment (\$75,000 to Stabilization)
- Public Facilities Master Plan implementation
- Increasing capital needs \$15,233,450 already identified in five-year rolling plan

# QUESTIONS?

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