



Town of Winchester

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TO: Town Meeting Members
FROM: Richard Howard, Town Manager
RE: BUDGET PROJECTIONS

As you consider the appropriations contained in the FY 2018 budget plan and other associated appropriations, I am providing for your information a budget projection that covers estimated costs for the next several fiscal years. Please note that these projections are based upon the Manager's budgetary proposal for FY 2018. Therefore, adjustments will be necessary based upon final Town Meeting action.

In general, the outlying fiscal years show a balanced budget but in some cases only limited available resources to address potential cost of living adjustments. Projected school department growth is modest and does not include the impact of adding a full-day kindergarten program. Energy costs, health insurance increase and OPEB contributions are all areas that may need further consideration.

Revenue growth is based upon available resources within the limits allowed by proposition 2½. New Growth is estimated on average yearly trends and does not take into account any potential large development opportunities. Other projected sources such as State Aid and Local Receipts contain modest increase over the base amounts contained in FY 2018 and therefore do not account for a potential rollback in these categories due to any local or national economic downturns. Reserves should remain within policy guidelines under these projections.

I hope this information is useful as you consider expenditures for this Spring Town Meeting.

BUDGET FORECAST

	Approved Budget		FY17 TO FY18		Town Manager		FY18 TO FY19		Forecast		FY19 TO FY20		Forecast					
	Fiscal Year	2017	%	Inc/(Dec)	Fiscal Year	2018	%	Inc/(Dec)	Fiscal Year	2019	%	Inc/(Dec)	Fiscal Year	2020	%	Inc/(Dec)	Fiscal Year	2021
REVENUES																		
Property Tax Revenue																		
Property Tax Revenue	68,263,565.98		2.50%		70,932,557.73		2.50%		73,500,246.68		2.50%		76,132,127.84		2.50%		78,829,806.04	
New Growth Revenue	938,930.00		0.00%		775,000.00		0.00%		775,000.00		0.00%		775,000.00		0.00%		775,000.00	
Property Tax to Capital & Building Stabilization Funds	3,744,393.93		2.50%		3,838,003.78		2.50%		3,933,953.88		2.50%		4,032,302.72		2.50%		4,133,110.29	
Property Tax to Water & Sewer Fund per CH110	4,506,618.00		per d/s (*)		4,816,191.85		per d/s (*)		4,812,734.89		per d/s (*)		4,652,814.66		per d/s (*)		4,399,743.09	
Gross Debt Exclusion Override Revenues/Premiums																		
McCall (net of MSBA reimbursement)	410,298.00		per d/s (*)		365,293.00		per d/s (*)		322,768.00		per d/s (*)		276,218.00		per d/s (*)		230,618.00	
Lincoln	318,333.72		per d/s (*)		309,928.72		per d/s (*)		302,068.72		per d/s (*)		284,348.72		per d/s (*)		270,828.72	
Immediate Repairs	13,960.40		per d/s (*)		12,856.00		per d/s (*)		11,110.00		per d/s (*)		10,200.00		per d/s (*)		9,200.00	
Hamilton/Wright-Locke Farm	282,035.75		per d/s (*)		276,824.12		per d/s (*)		271,612.49		per d/s (*)		266,400.86		per d/s (*)		256,299.69	
Vinson-Owen	1,321,606.67		per d/s (*)		1,295,330.74		per d/s (*)		1,260,875.00		per d/s (*)		1,228,455.00		per d/s (*)		1,205,425.00	
High School	4,670,230.83		per d/s (*)		5,709,526.67		per d/s (*)		5,602,656.26		per d/s (*)		5,497,701.26		per d/s (*)		5,390,706.26	
Aberjona (estimated)	17,133.33		per d/s (*)		184,453.83		per d/s (*)		673,000.00		per d/s (*)		673,000.00		per d/s (*)		673,000.00	
Skillings (estimated)	16,866.67		per d/s (*)		139,204.16		per d/s (*)		360,000.00		per d/s (*)		360,000.00		per d/s (*)		360,000.00	
Reclass from F/B reserve for debt premiums	(99,436.99)																	
Total Debt Exclusions	6,951,028.38		19.31%		8,293,417.24		6.16%		8,804,090.47		-2.36%		8,596,323.84		-2.44%		8,386,877.67	
Total Property Taxes/Tax Levy	84,404,536.29		5.04%		88,655,170.60		3.58%		91,826,025.91		2.57%		94,188,569.07		2.48%		96,524,537.09	
State and Local Receipts																		
Cherry Sheet State Aid	9,456,361.00		per RH		9,609,521.00		inc \$100K/yr		9,709,521.00		inc \$100K/yr		9,809,521.00		inc \$100K/yr		9,909,521.00	
School Building Assistance	672,082.00		0% - fixed		672,082.00		0% - fixed		672,082.00		0% - fixed		672,082.00		0% - fixed		672,082.00	
Local Receipts (net of Myopia Betterment)	9,600,809.00		per RH		8,821,102.00		1.00%		8,909,313.02		1.00%		8,998,406.15		1.00%		9,088,390.21	
Local Receipts - Myopia Betterment	-		n/a		-		n/a		-		n/a		-		n/a		-	
Total Other Recurring Revenue	19,729,251.00		-3.18%		19,102,705.00		0.99%		19,290,916.02		0.98%		19,480,009.15		0.98%		19,669,993.21	
Building Stabilization & Capital Stabilization Fund Transfers In																		
Building Stabilization (covers debt service)	2,611,946.52		per d/s (*)		2,525,645.52		per d/s (*)		2,440,083.52		per d/s (*)		2,361,470.02		per d/s (*)		2,291,460.02	
Capital Stabilization (covers debt service)	544,931.26		per d/s (*)		533,581.26		per d/s (*)		513,181.26		per d/s (*)		499,781.26		per d/s (*)		488,256.26	
Non-GF BSF direct capital	495,000.00		0.00%		-		0.00%		-		0.00%		-		0.00%		-	
Non-GF CSF direct capital	986,187.00		0.00%		-		0.00%		-		0.00%		-		0.00%		-	
Total BSF/CSF Transfers In	4,638,064.78		-34.04%		3,059,226.78		-3.46%		2,953,264.78		-3.12%		2,861,251.28		-2.85%		2,779,716.28	
Other Transfers In																		
Indirects from Water/Sewer & Recreation Enterprise Funds	1,545,274.00		per draft		1,635,998.00		3.00%		1,685,077.94		3.00%		1,735,630.28		3.00%		1,787,699.19	
Transfer from Parking Meter Fund	157,000.00		0.00%		102,000.00		0.00%		102,000.00		0.00%		102,000.00		0.00%		102,000.00	
Transfer from Cemetery Perpetual Care	70,000.00		0.00%		70,000.00		0.00%		70,000.00		0.00%		70,000.00		0.00%		70,000.00	
Transfer from Other Funds	-		0.00%		-		0.00%		-		0.00%		-		0.00%		-	
Transfer from PY article funds	51,023.00		0.00%		51,023.00		0.00%		51,023.00		0.00%		51,023.00		0.00%		51,023.00	
Total Other Transfers In	1,823,297.00		1.96%		1,859,021.00		2.64%		1,908,100.94		2.65%		1,958,653.28		2.66%		2,010,722.19	
Free Cash & Overlay (budgetary only)																		
FC to fund annual budget (capital + retiring debt + def'd maint)	957,938.00		formula		974,120.00		formula		1,083,784.62		formula		1,095,956.36		formula		1,228,632.48	
FC to one-time capital/other uses	505,000.00		0.00%		-		0.00%		-		0.00%		-		0.00%		-	
FB Reserve for Debt Service	4,281,006.00		0.00%		-		0.00%		-		0.00%		-		0.00%		-	
FB Reserve for Overlay	170,000.00		0.00%		-		0.00%		-		0.00%		-		0.00%		-	
Total Free Cash & Overlay	5,913,944.00		-83.53%		974,120.00		11.26%		1,083,784.62		1.12%		1,095,956.36		12.11%		1,228,632.48	
Total	116,509,094.07		-2.45%		113,650,243.38		3.00%		117,062,092.27		2.15%		119,584,439.13		2.20%		122,213,601.25	

* Amounts per the latest debt service schedules.

BUDGET FORECAST

	Approved Budget Fiscal Year 2017	FY17 TO FY18 % Inc/(Dec)	Town Manager Fiscal Year 2018	FY18 TO FY19 % Inc/(Dec)	Forecast Fiscal Year 2019	FY18 TO FY19 % Inc/(Dec)	Forecast Fiscal Year 2020	FY19 TO FY20 % Inc/(Dec)	Forecast Fiscal Year 2021
EXPENSES									
Municipal & Education									
General Government	4,584,075.00	per Dept	4,566,175.00	2.00%	4,657,498.50	2.00%	4,750,648.47	2.00%	4,845,661.44
Library/Archives	1,924,617.00	per Dept	1,940,300.00	2.00%	1,979,106.00	2.00%	2,018,688.12	2.00%	2,059,061.88
Health/Council on Aging/Veterans	620,241.00	per Dept	673,948.00	2.00%	687,426.96	2.00%	701,175.50	2.00%	715,199.01
Public Safety	9,005,012.00	per Dept	9,160,106.00	2.00%	9,343,308.12	2.00%	9,530,174.28	2.00%	9,720,777.77
Public Works	6,510,718.00	per Dept	6,671,756.00	2.00%	6,805,191.12	2.00%	6,941,294.94	2.00%	7,080,120.84
Total Municipal Departments	22,644,663.00	1.62%	23,012,285.00	2.00%	23,472,530.70	2.00%	23,941,981.31	2.00%	24,420,820.94
Education	38,940,391.00	per RH	41,041,544.91	4.00%	42,683,206.71	4.25%	44,497,242.99	2.50%	45,609,674.07
Salaries	6,314,609.00	1.00%	6,377,755.09	1.00%	6,441,532.64	1.00%	6,505,947.97	1.00%	6,571,007.45
Expenditures	283,606.00	3.00%	291,211.00	3.00%	299,947.33	3.00%	308,945.75	3.00%	318,214.12
Vocational									
Unallocated Wage Availability	284,389.00	per RH	425,000.00	per RH	596,040.77	per RH	400,197.66	per RH	1,302,259.98
Total Municipal & Education	68,467,658.00	3.91%	71,147,796.00	3.30%	73,493,258.15	2.94%	75,654,315.68	3.39%	78,221,976.56
Undistributed									
Energy	2,390,013.00	per Dept	2,436,428.00	2.00%	2,485,156.56	2.00%	2,534,859.69	2.00%	2,585,556.89
Health Insurance	9,618,292.00	per RH	10,059,884.00	3.00%	10,361,680.52	3.00%	10,672,530.94	3.00%	10,992,706.86
Contributory Retirement	4,262,374.00	per actuary	4,472,543.00	per actuary	4,718,057.57	per actuary	4,977,550.83	per actuary	4,977,550.83
Other Personnel Benefits	1,373,000.00	per RH	1,355,000.00	5.00%	1,422,750.00	5.00%	1,493,887.50	5.00%	1,568,581.88
Miscellaneous Undistributed	403,000.00	per RH	423,000.00	2.00%	431,460.00	2.00%	440,089.20	2.00%	448,890.98
Reserve Fund (budgetary only)	420,800.00	0.00%	400,000.00	0.00%	400,000.00	0.00%	400,000.00	0.00%	400,000.00
Special Articles/Other:									
Other Post Employment Benefits (OPEB)	350,000.00	0.00%	125,000.00	0.00%	-	0.00%	-	0.00%	-
Health Insurance Savings Mitigation Article	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Parking Initiatives/DCR (from Piking Meter Fund)	80,000.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Master Plan Article	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Waterfield Lot Development Plan	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Eversource	125,000.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Transfer to High School	4,871,378.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Transfer to Worker's Comp Reserve	180,000.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Undistributed	24,073,857.00	-19.95%	19,271,855.00	2.84%	19,819,104.65	3.53%	20,518,918.16	2.21%	20,973,287.44
Capital Appropriations									
Capital Expenses									
Capital (raise & approp)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Capital (free cash)	220,000.00	0.00%	220,000.00	0.00%	220,000.00	0.00%	220,000.00	0.00%	220,000.00
Capital (Capital & Building Stabilization - direct)	1,481,187.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Capital Other (Includes CPCF and PV articles)	51,023.00	0.00%	51,023.00	0.00%	51,023.00	0.00%	51,023.00	0.00%	51,023.00
Capital (free cash - deferred maintenance article)	-	0.00%	100,000.00	0.00%	100,000.00	0.00%	100,000.00	0.00%	100,000.00
Total	1,752,210.00		371,023.00		371,023.00		371,023.00		371,023.00
Debt Service									
General Fund Debt Exclusion (outside Prop 2 1/2)	7,722,547.37	per d/s (*)	8,965,499.24	per d/s (*)	9,476,172.47	per d/s (*)	9,268,405.84	per d/s (*)	9,058,959.67
Building Stabilization Fund	2,611,946.52	per d/s (*)	2,525,645.52	per d/s (*)	2,440,083.52	per d/s (*)	2,361,470.02	per d/s (*)	2,291,460.02
Capital Stabilization Fund	544,931.26	per d/s (*)	533,581.26	per d/s (*)	513,181.26	per d/s (*)	499,781.26	per d/s (*)	488,256.26
Myopia Road Betterment (local receipt until 2015)	-	per d/s (*)	-	per d/s (*)	-	per d/s (*)	-	per d/s (*)	-
General Fund Debt Non-Excluded (inside Prop 2 1/2)	360,393.21	per d/s (*)	321,181.73	per d/s (*)	211,128.38	per d/s (*)	198,956.64	per d/s (*)	93,312.81
Add'l debt budgeted (orig debt exclusion but didn't borrow)	863,700.64	n/a	-	n/a	-	n/a	-	n/a	-
Total	12,103,519.00		12,345,907.75		12,640,565.63		12,328,613.76		11,931,988.76
Capital Expenses & Debt	13,855,729.00	-8.22%	12,716,930.75	2.32%	13,011,588.63	-2.40%	12,699,636.76	-3.12%	12,303,011.76

* Amounts per the latest debt service schedules.

BUDGET FORECAST

	Approved Budget Fiscal Year 2017	FY17 TO FY18 % Inc/(Dec)	Town Manager Fiscal Year 2018	FY18 TO FY19 % Inc/(Dec)	Forecast Fiscal Year 2019	FY18 TO FY19 % Inc/(Dec)	Forecast Fiscal Year 2020	FY19 TO FY20 % Inc/(Dec)	Forecast Fiscal Year 2021
Transfers									
Transfers to Cap & Bldg Stab Fds (from tax levy)	3,744,393.93	2.50%	3,838,003.78	2.50%	3,933,953.88	2.50%	4,032,302.72	2.50%	4,133,110.29
Retiring debt	614,520.00	per d/s (*)	654,120.00	per d/s (*)	763,784.62	per d/s (*)	775,956.36	per d/s (*)	908,632.48
Energy rebate	30,000.00	0.00%	30,000.00	0.00%	30,000.00	0.00%	30,000.00	0.00%	30,000.00
Capital Transfers	4,388,913.93	3.04%	4,522,123.78	4.55%	4,727,738.50	2.34%	4,838,259.08	4.83%	5,071,742.77
Total Capital Appropriations	18,244,642.93	-5.51%	17,239,054.53	2.90%	17,739,327.13	-1.14%	17,537,895.84	-0.93%	17,374,754.53
Non-Appropriated									
State Charges	584,271.00	per gov budget	568,892.00	2.00%	580,269.84	2.00%	591,875.24	2.00%	603,712.74
Allowance for Abatements/Overlay	401,718.00	per RH	400,000.00	2.50%	410,000.00	2.50%	420,250.00	2.50%	430,756.25
Cherry Sheet Offsets	30,945.00	per gov budget	31,454.00	3.00%	32,397.62	3.00%	33,369.55	3.00%	34,370.64
Total Non-Appropriated	1,016,934.00	-1.63%	1,000,346.00	2.23%	1,022,667.46	2.23%	1,045,494.79	2.23%	1,068,839.63
Other									
Water & Sewer Enterprise CH110 transfer	4,506,618.00	per d/s (*)	4,816,191.85	per d/s (*)	4,812,734.89	per d/s (*)	4,652,814.66	per d/s (*)	4,399,743.09
Water & Sewer transfer for COLA - non CH110	4,937.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Recreation Enterprise subsidy	175,000.00	0.00%	175,000.00	0.00%	175,000.00	0.00%	175,000.00	0.00%	175,000.00
Recreation COLA	19,448.00	0.00%	-	0.00%	-	0.00%	-	0.00%	-
General Stabilization	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total Other	4,706,003.00	6.06%	4,991,191.85	-0.07%	4,987,734.89	-3.21%	4,827,814.66	-5.24%	4,574,743.09
Total	116,509,094.93	-2.45%	113,650,243.38	3.00%	117,062,092.27	2.15%	119,584,439.13	2.20%	122,213,601.24
<i>Surplus/(Deficiency)</i>	(0.86)	0.00	0.00	(0.00)	(0.00)	0.00	0.00	0.00	0.00

* Amounts per the latest debt service schedules.