

Town of Yarmouth

FY 20 Budget Overview

Updated February 26, 2019



OPERATING BUDGET



OPERATING BUDGET - AT A GLANCE - REVENUES

REVENUE ESTIMATES

Tax Levy 2.5% Increase	\$1,475,808
New Growth	\$350,000
Local Receipts	\$1,068,000
Total Growth Estimate	\$2,893,808

LOCAL RECEIPTS ESTIMATE

- FY 20 estimate is \$1,068,000 more than budgeted for in FY 19;
- FY 20 estimate is 95% of actual receipts collected in FY 18;
- Estimate is based on a line-by-line assessment of potential growth / decline. Estimate will be refined as more FY 19 information becomes available.

OPERATING BUDGET - AT A GLANCE - EXPENDITURES

MAJOR COST INCREASES

DY School @ 2.5%	\$849,337
Town Wages COLA, steps, longevity, buybacks)	\$613,543
Pension	\$281,008
Insurance (health, property / liability)	\$276,030
Total Cost Increase	\$2,019,918

ADDITIONAL COST INCREASES

IT Needs	\$94,792
OSHA / Employee Safety	\$22,800
Fall Town Meeting (Anticipated)	\$6,750
All other budget increases	\$611,003
Total Cost Increase	\$735,345

ASSESSMENT UPDATE

- Health insurance: 0% YoY
- Pension: + 3.4% YoY
- Cape Tech: (\$48,677) YoY

OPERATING BUDGET - BALANCED & IN-LINE WITH BUDGET POLICY

Total Growth Estimate	\$2,893,808
Total Cost Increase	\$2,755,263
Estimated Levy Capacity	\$138,545

- ✓ Provides for essential town services;
- ✓ Increase up to 2 ½% for education;
- ✓ Fully funds contractual obligations: utilities, pension, health & liability insurance;
- ✓ Includes 1.5M in routine capital spending;
- ✓ Includes 1.2M + 2 ½% for road maintenance

OPERATING BUDGET HIGHLIGHTS

- Continued conservative approach to budgeting:
 - Level-funded expense budgets
 - Zero-based expense budget exercises to identify efficiencies
 - Established non-levy funding source reports to support operations outside of operating budget
- Moved recurring police & fire medical expenses from free cash to operating budget;
- Developed a four year plan to provide libraries a path out of waiver status;
- Created a reserve account for public safety LOD injuries, resulting in improved oversight of overtime expenses;
- Analyzed local revenue streams to ensure alignment with services;
- Fully-funded OPEB annual required contribution;
- \$1M to stabilization

OPERATING BUDGET - SCHOOLS

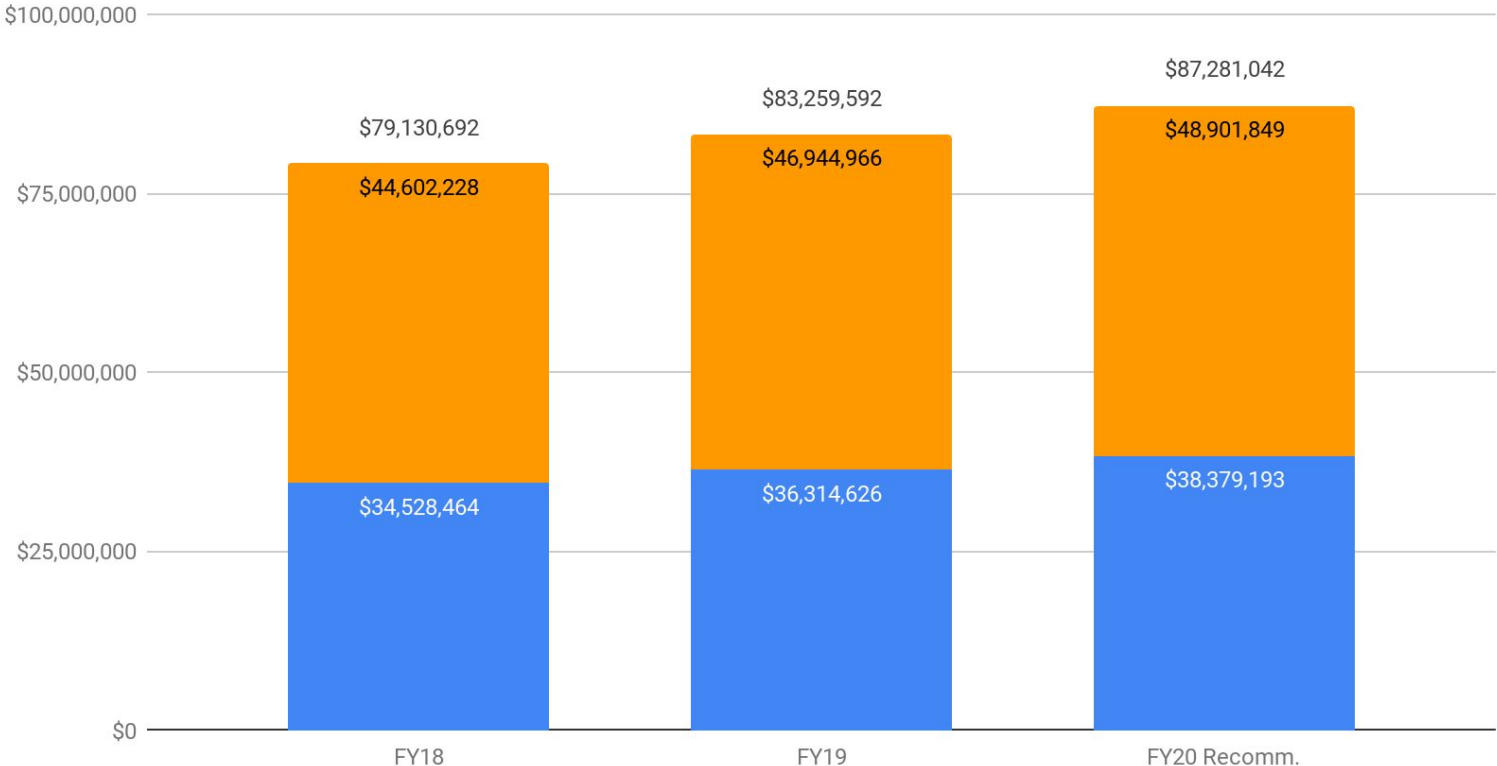
DY Assessment

- DY budget as voted by the School Committee on February 11 increases our assessment by an additional \$1,263,907 beyond the \$849,337 initially provided for in the town budget. This cannot be covered within our budget as presented.
- **The total DY increase as voted by the School Committee is \$2,113,244 or 6.3% year over year.**

How to fund?

- We anticipate the School Committee will re-vote the budget at 2.53% given this year's health insurance assessment. This would result in an approximate savings of \$203,959.
- With this savings, our additional assessment beyond 2 ½% would be \$1,059,948. In the past, Yarmouth has absorbed the cost of Yarmouth students within our budget, which is approximately \$663,000, representative of the addition of 39 Yarmouth students.
- **Options to fund without cutting town services:**
 - Override full amount of overage
 - Eliminate \$1.5 capital appropriation in levy and fund capital projects with free cash.
 - Shift shared expenses to enterprise funds. For example, HR salaries across Golf & Water. Could free upwards of \$250K, though this would compound budget issues in Golf.

OPERATING BUDGET - THREE YEAR OVERVIEW



*FY20 Schools' amount represents DY appropriation as voted by school committee

Municipal Schools

FREE CASH



FREE CASH - AT A GLANCE

2018 Certified Free Cash: **\$3,251,701**

Suggested Uses	Amount
General Stabilization	\$1,000,000
OPEB (to fully fund ARC)	\$200,000
Dredging Permitting	\$110,000
LOD Funding Pilot	\$225,000
Other one-time projects / initiatives	\$1,162,900
Project Sum	\$2,697,900

FREE CASH - CONTRIBUTING TO RESERVES

Description	Amount	Current Stabilization %	Stabilization % with \$1M Appr.	GFOA Suggestion
General Fund Operating Expenditures (non-school)	\$48,901,849	9.14%	11.19%	N/A
General Fund Operating Expenditures (incl. school)	\$85,216,475	5.24%	6.42%	16.67%
Current Stabilization Balance	\$4,472,912			

* Stabilization fund balance should be between 5-17% of operating expenditures (non-school).

** GFOA suggests 2 months of reserves or 16.67%.

FREE CASH - ESTIMATED RECEIPTS SAVINGS

Category	Budget	Actual	Savings	% of Line	% of Total
Motor Vehicle Excise	\$3,165,000	\$3,896,721	\$731,721	23.12	34.57
Solid Waste Fees	\$3,250,000	\$3,675,157	\$425,157	13.08	20.09
License & Permits	\$1,100,000	\$1,287,143	\$187,143	17.01	8.84
Investments	\$70,000	\$228,564	\$158,564	226.52	7.49
Hotel / Motel	\$2,735,000	\$2,885,029	\$150,029	5.49	7.09
Fees	\$1,100,000	\$1,200,177	\$100,177	9.11	4.73
Penalties & Interest	\$140,000	\$216,066	\$76,066	43.33	3.59
Meals Tax	\$555,000	\$628,343	\$73,343	13.21	3.47
Cable Fees	\$500,000	\$546,515	\$46,515	9.30	2.20
Rentals	\$410,100	\$431,484	\$21,484	5.24	1.01
<u>All other local</u>	\$1,199,206	\$1,365,445	\$166,239	12.01	6.92
Total	\$14,224,206	\$16,360,643	2,116,437	14.86	100.00

FREE CASH - APPROPRIATIONS SAVINGS

Category	Budget	Actual	Savings	% of Line	% of Total
Health Insurance	\$2,705,520	\$2,339,622	\$365,628	13.52	31.78
Energy Expense	\$823,000	\$670,552	\$152,447	18.52	13.25
Highway Wages	\$746,108	\$666,050	\$80,058	10.73	6.96
Veterans Benefits	\$207,926	\$152,323	\$55,603	26.74	4.83
Cemetery Wages	\$144,121	\$93,121	\$51,000	35.39	4.43
Fire Wages	\$6,499,332	\$6,460,252	\$39,080	0.60	3.40
Election & Reg.	\$70,750	\$39,911	\$30,839	43.59	2.68
Sanitation	\$2,610,284	\$2,583,098	\$27,186	1.04	2.36
Library Wages	\$570,021	\$546,243	\$23,778	4.17	2.07
Debt Service	\$516,380	\$493,372	\$23,008	4.46	2.00
<u>All other</u>	\$63,323,544	\$63,036,908	\$286,636	0.48	26.23
Total	\$78,216,716	\$77,081,452	\$1,135,264	1.54	100.00