

A scenic sunset over a harbor. The sky is filled with soft, orange and pink clouds, reflecting on the calm water. In the foreground, a sandy beach is visible. In the background, several houses are visible on the left, and several boats are docked in the harbor on the right.

TOWN OF YARMOUTH

Fiscal Year 2021 Operating Budget Overview
June, 2020 Update for Covid-19 Adjustments

December 17, 2019

OPERATING BUDGET – Adjusted for Covid-19 response

- Provides for 33% reduction in local receipts, 20% reduction in state aid.
- Adjusted spending plans (freeze, allocations, etc.) provide for further protections during the fiscal year.
- Maintains reserves to address any additional impacts or losses, or to provide for ongoing revenue issues in subsequent years.
- Conversely, if indicated, reserves could be used to reinstate cuts/deferrals in the fall, or next spring.
 - Any additional receipts in a recovery would default to Free Cash & could be used to replenish the reserves used.
- Meets requirements of S&P to maintain current bond rating.

BUDGET SUMMARY (General Fund Operating Budget Only)

| <u>AMOUNTS TO RAISE</u> | FY 2020 | FY 2021 (Previous) | FY 2021 (Covid Adj.) | Change | |
|--------------------------------|-------------------|-------------------------------|---------------------------------|------------------|------------------|
| Local appropriations | 81,564,885 | 84,786,468 | 80,019,208 | (4,767,260) | |
| State & County assessments | 868,526 | 936,628 | 938,350 | 1,722 | |
| Abatements & exemptions | <u>525,146</u> | <u>500,000</u> | <u>200,000</u> | <u>(300,000)</u> | |
| Total amount to be raised | 82,958,557 | 86,223,096 | 81,157,558 | (5,065,538) | |
| <u>BUDGET FUNDING</u> | | | | | |
| Local receipts | 15,064,312 | 16,753,100 | 11,199,577 | (5,553,523) | 33.15% reduction |
| State receipts | 1,664,160 | 1,701,542 | 1,361,234 | (340,308) | 20% reduction |
| Other available funds | 1,964,139 | 2,154,550 | 2,621,657 | 467,107 | |
| Property tax levy | <u>64,265,946</u> | <u>65,613,904</u> | <u>65,975,090</u> | <u>361,186</u> | |
| Total amount of Funding | 82,958,557 | 86,223,096 | 81,157,558 | (5,065,538) | |

Presents Operating Budget only, which includes items funded from the net tax levy. Other amounts for self-supporting funds, CPA, or articles (funded from Free Cash or other available funds) are not included.

TAX LEVY – LIMIT AND CALCULATION

| ELEMENT | FY 2020 | FY 2021 (Previous) | FY 2021 (Covid Adj.) |
|---|-------------------|-----------------------|-------------------------|
| Prior Year Levy Limit | \$ 59,032,330 | \$ 61,548,558 | 61,548,558 |
| 2.5% increase | 1,475,808 | 1,538,714 | 1,538,714 |
| New Growth | 439,010 | 350,000 | 350,000 |
| Override | <u>601,409</u> | <u>- 0 -</u> | <u>- 0 -</u> |
| Subtotal | 61,548,558 | 63,437,272 | 63,437,272 |
| Exclusions | <u>2,772,148</u> | <u>2,397,782</u> | <u>2,592,757</u> |
| Maximum allowable levy | 64,320,706 | 65,835,054 | 66,030,029 |
| Preliminary Levy | <u>64,265,946</u> | <u>65,813,808</u> | <u>65,975,090</u> |
| Remaining levy | \$ 54,760 | \$ 21,246 | 54,939 |
| Partial funding of cut programs – per BOS direction | | | <u>54,939</u> |
| Excess levy capacity | | | - 0 - |

TAX LEVY, VALUES & TAX BURDEN

| Year | Tax Levy | Total Value | Tax Rate | SFH Avg. Value | Avg. SFH Tax Bill | State Rank ⁽³⁵¹⁾ |
|----------------|------------|---------------|----------|----------------|-------------------|-----------------------------|
| 2021 Estimated | 65,975,090 | 6,426,594,615 | 10.27 | 385,572 | 3,960 | |
| 2020 | 64,265,946 | 6,426,594,615 | 10.00 | 385,572 | 3,856 | |
| 2019 | 60,707,215 | 6,010,615,315 | 10.10 | 359,055 | 3,626 | 71 |
| 2018 | 58,499,650 | 5,685,097,220 | 10.29 | 339,599 | 3,494 | 63 |
| 2017 | 56,230,733 | 5,611,849,600 | 10.02 | 336,907 | 3,376 | 66 |
| 2012 | 48,706,751 | 5,220,444,900 | 9.33 | 310,148 | 2,894 | 64 |
| 2007 | 40,290,462 | 6,840,485,900 | 5.89 | 408,904 | 2,408 | 60 |
| 2002 | 32,070,726 | 2,889,254,600 | 11.10 | 162,459 | 1,803 | 54 |

Average SFH tax burden is lower than 80% of MA communities

Other Available Funds Summary

| AVAILABLE FUND | FY 2020 | FY 2021 (Previous) | FY 2021 (Covid Adj) | Change |
|---------------------------------|----------------|-----------------------|------------------------|----------------|
| Waterways Improvement Fund | \$ 19,000 | \$ 19,000 | 39,000 | 20,000 |
| Ferry Fund | 30,000 | 30,000 | 130,000 | 100,000 |
| Ambulance Fund – salaries | 1,400,000 | 1,400,000 | 1,500,000 | 100,000 |
| Wetlands Protection Fund | 20,000 | 5,000 | 20,000 | 15,000 |
| Cemetery Fund(s) | 33,000 | 33,000 | 85,565 | 52,565 |
| Sale of Real Estate Fund | | | 24,338 | 24,338 |
| Polling Hours State Reimb. Fund | | | 10,000 | 10,000 |
| DNR Spay/Neuter Fund | | | 2,542 | 2,542 |
| Board of Health Fund | | | 1,724 | 1,724 |
| Enterprise indirect charges | <u>467,000</u> | <u>667,550</u> | <u>808,488</u> | <u>140,938</u> |
| Total Other Available Funds | \$ 1,964,139 | \$ 2,154,550 | 2,621,657 | 467,107 |

Expenditure Budget Summary – Net Levy Only

| ELEMENT | FY 2020 | FY 2021 (Previous) | FY 2021 (Covid Adj.) | Change | % |
|----------------------------|------------------|-----------------------|-------------------------|------------------|------------|
| Elected & General | 9,704,979 | 9,879,704 | 9,774,730 | (104,974) | 1.06% |
| Municipal Finance | 1,592,456 | 1,636,550 | 1,609,450 | (27,100) | 1.65% |
| Community Development | 420,404 | 478,940 | 473,440 | (5,500) | 1.15% |
| Public Safety | 14,953,790 | 15,472,315 | 15,341,315 | (131,000) | .85% |
| Municipal Inspections | 1,309,699 | 1,412,706 | 1,200,103 | (212,603) | 15% |
| Municipal Operations | 834,654 | 978,140 | 936,072 | (42,068) | 4.3% |
| Community Services | 2,401,574 | 2,574,713 | 2,465,513 | (109,200) | 4.24% |
| Public Works | 6,286,912 | 6,906,962 | 6,683,062 | (223,900) | 3.24% |
| Debt Service | 953,775 | 616,888 | 860,221 | 243,333 | |
| Education | 39,003,850 | 40,340,610 | 40,021,023 | (319,587) | |
| Capital Budget | 2,977,880 | 3,034,661 | - 0 - | (3,034,661) | 100% |
| Transfers & unallocated | <u>1,124,912</u> | <u>1,454,279</u> | <u>654,279</u> | <u>(800,000)</u> | <u>55%</u> |
| Total local appropriations | 81,564,885 | 84,786,468 | 80,019,208 | (4,767,260) | 5.62% |

Budget Protections if further revenue decline

Modified hiring practices estimated to preserve \$500,000 (target) within these budgeted expenditures, if needed.

Allocate up to \$235,000 of Comm Dev. Budget to TRPF/CPA/CDBG, if needed.

Additional measures could be taken to accommodate further impacts.

Changes unrelated to COVID planning

Articles

Budget Reductions - Program cuts/deferrals

| Wastewater funding plan | 625,000 | |
|-------------------------|-----------|--|
| Stormwater funding | 225,000 | |
| Capital Plan funding | 1,502,105 | |
| Roadway funding | 1,307,556 | |
| | | |

Potential to restore to budget at Fall Town Meeting from one-time sources, depending on outlook/recovery

Budget Reductions – Eliminations & Adjustments

| <u>Amounts previously added to FY 21 budget, now eliminated</u> | | |
|---|--------|---------------------------------------|
| Police Uniforms & Ammo | 21,000 | (Included in Public Safety) |
| Fire vehicle maintenance | 10,000 | (Included in Public Safety) |
| DPW Trees | 50,000 | (Included in Public Works) |
| BOH Human Services increase | 10,000 | (Included in Municipal Inspections) |
| BOH part-time rental inspector | 26,313 | (Included in Municipal Inspections) |
| Senior Services Transportation Program | 50,000 | (Included in Community Services) |
| <u>Amounts previously included in FY 21 budget, but adjusted for new information</u> | | |
| Veterans Benefits | 60,000 | (Included in Municipal Inspections) |
| General Insurance | 23,000 | (Included in Elected & General) |
| Contract settlements | 75,000 | (Included in Transfers & Unallocated) |
| Interest on temporary notes | 25,000 | (Included in Debt Service) |

Budget Reductions – Cuts to existing departmental budgets

| <u>Elected & General</u> | | |
|---|---------------|-----------------|
| Selectmen - Office Supplies, seminars | 1,374 | |
| Selectmen - Dues/membership | 6,150 | |
| Town Admin - Seasonal wages | 12,500 | |
| Town Admin - Seminars, mileage, dues, postage | 5,500 | |
| Town Admin - employee increment | 20,000 | |
| Town Admin - Gas Heat | 26,450 | |
| Town Admin - Training | <u>10,000</u> | |
| Subtotal | 81,974 | |
| Plus Adjustment from insurance (above) | <u>23,000</u> | |
| Total Elected & General reduction | 104,974 | 1.06% reduction |

Budget Reductions – Cuts to existing departmental budgets

| <u>Municipal Finance</u> | | |
|--|--------------|-----------------|
| Accounting – wages | 16,000 | |
| Accounting – overtime | 1,500 | |
| Accounting - seminars/mileage, dues | 600 | |
| Collector/Treasurer – Professional/technical | 5,000 | |
| C/T – dues/membership | 500 | |
| Town Clerk – supplies, mileage, dues, conference | 2,500 | |
| Town Clerk – elections rental | <u>1,000</u> | |
| Municipal Finance reduction | 27,100 | 1.65% reduction |
| <u>Municipal Operations</u> | | |
| IT – wages | 25,000 | |
| IT – part-time wages | 16,068 | |
| IT – office admin, mileage, training | <u>1,000</u> | |
| Municipal Operations reduction | 42,068 | 4.3% reduction |

Budget Reductions – Cuts to existing departmental budgets

| <u>Public Works</u> | | |
|---------------------------------------|---------------|-----------------|
| Facilities – supplies, mileage | 7,500 | |
| DPW – mileage, dues, membership | 3,100 | |
| DPW – computer, furniture, equip. | 3,000 | |
| Street Lights & signals | 30,000 | |
| Gas & Oil | 16,500 | |
| Sanitation - OPEB | 50,000 | |
| Sanitation – professional & technical | 5,000 | |
| Sanitation – C&D | 50,000 | |
| Cemetery – overtime | 3,000 | |
| Cemetery – supplies, tools | 2,800 | |
| Parks – charges, supplies | <u>3,000</u> | |
| Subtotal | 173,900 | |
| Plus Trees from Eliminations above | <u>50,000</u> | |
| Public Works reductions | 223,900 | 3.24% reduction |

Budget Reductions – Cuts to existing departmental budgets

| <u>Municipal Inspections</u> | | |
|---|---------------|--|
| Health – Dues, memberships | 1,000 | |
| Health – animal inspections | 3,200 | |
| Health – Human Service grants | 60,000 | |
| Health – OPEB | 17,150 | |
| Building – overtime | 5,000 | |
| Building – technical/mileage | 1,000 | |
| Building - Weights & measures | 1,500 | |
| Building – OPEB | <u>27,440</u> | |
| Subtotal | 116,290 | |
| Plus BOH new human services & rental insp. eliminated | 36,313 | |
| Plus adjustment for Vets Benefits | <u>60,000</u> | |
| Total Municipal Inspections reductions | 212,603 | 15% reduction – not all operational & includes downward adjustment to arrive at actual cost for Veteran Benefits |

Budget Reductions – Cuts to existing departmental budgets

| <u>Community Services</u> | | |
|---|---------------|--|
| Animal Control – kennel costs | 2,500 | |
| Natural Resources – Seasonal wages | 2,500 | |
| Natural Resources – overtime | 5,000 | |
| Natural Resources – clothing, mileage, conference | 1,700 | |
| Natural Resources – capital equipment | 2,500 | |
| Natural Resources – propagation | 2,500 | |
| Library – technical, mileage, equipment | 4,000 | |
| Library – energy | 3,000 | |
| Library – repairs & maintenance | 3,000 | |
| Recreation – seasonal wages | 25,000 | |
| Recreation – supplies, dues | 2,500 | |
| Senior Services – professional/technical | <u>5,000</u> | |
| Subtotal | 59,200 | |
| Plus elimination of addition for transportation | <u>50,000</u> | |
| Total Community Services reductions | 109,200 | 4.24% reduction. Recreational programming is accounted for in offset account and is considered separately. |

Budget Reductions – Cuts to existing departmental budgets

| <u>Public Safety</u> | | |
|--|---------------|-----------------|
| Police – overtime | 50,000 | |
| Fire – overtime | <u>50,000</u> | |
| Subtotal cuts | 100,000 | |
| PD Uniforms & Ammo added, now eliminated | 21,000 | |
| FD Vehicle Maint. added, now eliminated | <u>10,000</u> | |
| Total Public Safety reductions | 131,000 | .85% reduction |
| | | |
| <u>Community Development</u> | | |
| Professional & technical – Total reduction | 5,500 | 1.15% reduction |
| | | |

Additional Changes from Last Update

| <u>Debt Service</u> | | |
|---|---------------|--------------------------------------|
| Increased due to DPW short-term bond | (268,333) | Not part of COVID adjustments |
| Reduction for original DPW placeholder | <u>25,000</u> | Included as part of budget reduction |
| Total Debt Service increase | (243,333) | |
| | | |
| <u>Education</u> | | |
| DY assessment came in less than provision | 319,587 | Not part of COVID adjustments |
| | | |
| <u>Transfers & Unallocated</u> | | |
| Wastewater funding eliminated | 625,000 | Included as part of budget reduction |
| Stabilization re-payment adjustment | 100,000 | Included as part of budget reduction |
| Contract settlement reduction | <u>75,000</u> | Included as part of budget reduction |
| Total Transfer & Unallocated reduction | 800,000 | |
| | | |

Preliminary/Potential Free Cash Uses – 5/15/20 Update

| Request | Amount | Request | Amount |
|-----------------------------------|---------|---------------------------------------|----------------|
| Amount Spent at STM | 634,509 | Substance Abuse Awareness | |
| FY 20 year-end reserve | | Nursing Program | |
| OPEB Funding | | Media operations improvement | |
| Waste water Capital Reserve | | EV & Charging Station expansion | |
| Capital Stabilization | | Wastewater Planning | |
| Local Compr. Plan Development | | Tagged shark monitoring buoy | |
| PD Trailer | | C.C. Bay Scallop Propagation | |
| Vehicle/Equipment Maintenance | 100,000 | Voting Tabulators | |
| | | FD – Roof Repair | |
| PD – Investigation System | | Voting Booths | |
| PD – Technology, Tablets & Phones | | Flax Pond Boating Program Kayaks | |
| PD – Furniture Replacement | | Historic Property Maintenance | |
| Invasive Species Management | | <u>OSHA Training & Compliance</u> | <u>30,000</u> |
| Grant application – local match | | Subtotal Requests | 764,509 |

| Free Cash Summary | |
|-------------------|------------------|
| Requests | \$ 764,509 |
| Available | <u>3,419,403</u> |
| Balance | \$ 2,654,894 |

Requests deferred to Fall
Town Meeting

Status of Reserves

| Unrestricted Stabilization Fund | 4,334,245 | |
|---|------------------|--|
| Capital Stabilization Fund | 1,279,125 | |
| FY 21 projected ambulance receipts fund | 2,000,000 | |
| Projected Free Cash available for FY 2021 | <u>3,300,000</u> | |
| Subtotal | 10,913,370 | |
| Provision for Abatements & Exemptions | 1,545,752 | Being used in budget plan to back stop additional A&E activity and protect against unpaid property taxes. Otherwise, is available if released by Board of Assessors. |
| Unspent articles/accounts to be closed for Free Cash generation | | |
| <u>Further options:</u> | | |
| CPA Fund; Housing Trust; OPEB Fund; Tourism Fund | | |

Ongoing concerns, considerations

- Level of State Aid reductions
- Local receipt decline larger than 33%
- Assessments from other entities
- Timeliness of payment of property taxes