

**REPORT OF THE FINANCE COMMITTEE  
FOR THE  
TOWN OF WORTHINGTON  
2015 ANNUAL REPORT**

The intent of this report is to provide information on the results of operations on the most recently ended fiscal year, [Fiscal Year 2015], which closed June 30, 2015 and a status report on the current Fiscal Year 2016 budget.

**FISCAL YEAR 2015**

The tax levy for Fiscal Year 2015 was 2,331,271.41 with a resulting tax rate of 13.43. The town taxed under its levy limit (unused taxing capacity) by 241,915.59. The average single family residential value was 233,260.00 and the average single family tax bill was 3,252.00. At year end 112,939.00 in unspent appropriations were closed, actual local receipts exceeded estimates by 130,015.00. As a result of operations the 7/1/15 Free Cash was certified at 217,324. Included in the receipts above was 29,700.00 in rental income received from the Conwell building.

The Reserve Fund is created by an appropriation at Annual Town Meeting pursuant to M.G.L. Ch.40, s.6. Its' purpose is to provide funding for extraordinary or unforeseen expenditures. Transfers by formal requests are approved or disapproved by the Finance Committee. To approve a transfer from the fund to another appropriation, the Finance Committee must find that the request is for either an extraordinary or unforeseen purpose and not just because the appropriation is depleted or overspent. In Fiscal Year 2015, 10,000 was budgeted in the Reserve Fund and eleven transfers were approved that totaled 9,811.66. The following is a list of the approved Fiscal Year 2015 Reserve Fund Transfers:

No. 1	Animal Control Officer Expense	510.00
No. 2	Recording Secretary	400.00
No. 3	Recording Secretary	500.00
No. 4	Animal Control Officer Expense	255.00
No. 5	Town Building Heating	1,000.00
No. 6	Board of Health Agent	450.00
No. 7	Election Expense	113.24
No. 8	Conwell Building	3,500.00
No. 9	Conwell Building	3,023.59
No. 10	Recording Secretary	39.03
No. 11	Street Lights	20.80
	Total:	9,811.66

**FISCAL YEAR 2016**

The Fiscal-Year 2016 Annual Town Meeting and one Special Town Meeting held in September approved a total of 3,650,116.11 in appropriations. The town operating budget totaled 1,497,767.16, the Town school budget totaled 1,011,912.00 and vocational education totaled 265,557.00. As this was the first year where the Town appropriated its' own school budget and not its' share of Gateway's school assessment, the Town also appropriated 99,351.00 to Gateway as the Town's share of Gateway debt. This resulted in a grand total operating budget of 2,874,587.16. This was a 144,422.16 dollar increase and a 5.29 percent increase from the prior year. The school budget represents 35.20 percent of the total town operating budget. If we add the vocational education amount to the town school budget total, the total education budget represents 44.44 percent of the total town operating budget.

It should also be noted that there are other school related costs that are not appropriated in the above mentioned school budget but are contained in other operating appropriations such as the cost of the Conwell building and fringe benefits for school employees. The Conwell building appropriation totals 90,970.00 and fringe benefits such as health insurance etc. total 161,089 which are included the Group Insurance appropriation and other appropriations. In addition, the Town is charged an assessment from the State for the cost of Worthington students that through the School Choice Program attend schools in other towns. This assessment per the FY16 cherry sheet was 370,520.00 and while it is not appropriated at town meeting, it is added to the Town's budget. Previously it was charged to the Gateway District but now that the Town is independent of Gateway it is charged to the Town.

In addition to the operating budget, the Town appropriated a total of 238,000.00 from the General Stabilization Fund. The amount of 150,000.00 was appropriated for a "new" used grader for the Highway Dept. In addition, 30,000.00 was appropriated for the purchase of furniture and equipment for the Conwell Building, and 40,000.00 for a new septic system at the town hall. Also, 7,000.00 for treasurer's software and 1,000.00 for a town bench for the veteran's memorial. The Town voted 213,914.00 from Free Cash into the General Stabilization Fund and the sum of 38,840.00 into the Conwell Stabilization Fund. The 38,840.00 amount represents the amount of rental income that was received from the Conwell building during FY2014. The Town also appropriated the sum of 43,518.00 from a balance in the FY15 Voiced appropriation into the Conwell Stabilization Fund.

The revenue budget projected 668,048.00 in estimated receipts from state and local sources, 2,677,424.00 from property tax revenue, 252,744.00 from Free Cash, 238,000.00 from the General Stabilization Fund, 239,960.00 in "Chapter 90" state highway aid and 49,150.00 from other available funds.

The tax levy for Fiscal Year 2016 was 2,677,424.43 with a resulting tax rate of 16.06. The town taxed under its levy limit (unused taxing capacity) by 17,491.57. The average single family residential value was 235,412.00 and the average single family tax bill was 3,781.00. If you make a comparison to the FY2015 budget above it is easy to see that the FY2016 budget has changed dramatically. This was due primarily by the Town opting to run its' own school system. We expect that the FY2017 budget will continue this trend but as of this writing the FY2017 budget appears to be balanced while maintaining the same level of service.

This past year was certainly not a "normal" year for the Finance Committee. In addition to the challenges of a tightened budget, the proposed broadband initiative that surfaced a few months prior to last year's annual town meeting has kept us busy throughout this past year. As of this writing we are in the process of writing our report on the initiative and we are not sure if we can make the printing deadline for this report. If not, it is our intention to distribute it prior to the FY2017 Annual Town Meeting. The vote for the Town to decide whether or not to authorize the debt for this project was originally agreed by the Selectboard and the Finance Committee to be presented at the FY2017 Annual Town Meeting. That date has now been changed by a vote of the Selectboard to be presented at a Special Town Meeting one week after the Annual Town Meeting. Because of the importance of this vote and the impact on your future taxes it is important that you now attend both meetings.

As always, we would hope that this report will help to inform you of Town budget actions and in closing we also would like to thank all town departments for their help in the budget process and hope to see you all at the Fiscal Year 2017 Annual Town Meeting.

Respectfully submitted:

Joe Boudreau (Chair)  
Paul Dunlevy  
Alex Lak  
Jeff Manley  
Tom Wisnauckas