

# Overview of FY17 Operating Budget Recommendations

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Division Heads  
February 24, 2016

# Building FY17 Budget

- We have to develop two budgets: one with a 1.75% levy increase and one with a 1.25% levy increase
  - \$880,000 revenue difference
- Depts were required to submit level service budget requests and 3% cut scenarios
  - Choices depend upon revenue estimate

# Revenue Estimates

Only base tax levy growth is different

<b>Revenue (1.75% Levy)</b>	
Property Taxes	\$181,650,582
State Aid	\$53,572,475
Local Receipts	\$22,078,049
Enterprise Indirect Trnsfr	\$3,071,894
Free Cash	\$5,514,893
Miscellaneous	\$65,000
<b>Total Revenue</b>	<b>\$265,952,894</b>
<i>Revenue Growth Rate</i>	4.2%

Assumes Governor's state aid: 7% growth in Ch 70 and 4.3% growth in UGG

Uses \$3.5 million in free cash

Assumes \$1.7M in new development taxes

Local revenue growth is 5% or \$1.1 M, includes PEG revenue

\$700,000 overlay surplus for Tax Burden Reserve

	<b>FY17 Forecast</b>
<b>Revenue (1.25% Levy)</b>	
Property Taxes	\$179,986,803
State Aid	\$53,572,475
Local Receipts	\$21,622,127
Enterprise Indirect Trnsfr	\$3,071,894
Free Cash	\$5,514,893
Miscellaneous	\$65,000
<b>Total Revenue</b>	<b>\$263,833,193</b>
<i>Revenue Growth Rate</i>	3.4%

# FY17 Level Service Expenditure Requests

<b>Expenditures</b>	<b>FY17 LS Request</b>
Municipal Departments	\$60,424,888
Framingham School District	\$120,361,231
Keefe Technical Assessmnt	\$9,209,446
Group Health Insurance	\$30,644,420
Other Insurances	\$4,992,377
Retirement	\$12,982,123
OPEB Trust	\$751,710
Debt Service	\$13,871,570
Stabilization/Reserves	\$1,849,432
Miscellaneous (EDIC Article)	\$131,500
Non Appropriations	\$9,320,292
<b>Total Expenditures</b>	<b>\$264,538,990</b>
<i>Expenditure Growth Rate</i>	3.6%

Total Municipal  
Departments increase  
1.7% (\$997,206)

School Department  
increase 4% (\$4.6 million)

# FY17 Budget Balance Estimates - LS

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At 1.75% Levy increase budget balance is  
\$175,040

- Assume cost of Town Technology Capital Lease of \$250,000 changes to a deficit of \$74,960

At 1.25% Levy increase budget balance is  
(\$705,797)

- Again, assume cost of Town Technology Capital Lease of \$250,000 changes to a deficit of (\$955,797)

# FY17 Additional Budget Requests

School Department request: \$7.93 million (6.6%)

- in addition to the \$4.6 million level service increase
- Total increase 10.8% or \$12.5 million over FY16
- They have published materials that describe this request

Municipal Departments request: \$258,980 (.4%)

- 2.5 FTEs = \$125,000
  - .5 FTE in Veteran's Services to make assistant full time
  - 1 FTE, electrician in DPW for transfer of streetlight responsibilities from FPD
  - 1 FTE in Media Services for a Production Technician
- Remaining increases are in small capital budgets for equipment and technology
  - Includes new technology devices in Police, Library & CED
  - Operating equipment in DPW (\$49,755)

# FY17 1.75% Levy Spending Recommended

Expenditures	FY17 1.75% Recomm
Municipal Departments	\$60,548,320
Framingham School District	\$120,731,231
Keefe Technical Assessmnt	\$9,209,446
Group Health Insurance	\$30,763,428
Other Insurances	\$4,867,512
Retirement	\$12,982,123
OPEB Trust	\$751,710
Debt Service	\$13,839,340
Stabilization/Reserves	\$1,849,432
Miscellaneous (EDIC Article)	\$131,500
Non Appropriations	\$9,965,292
Total Expenditures	\$265,639,334
<i>Expenditure Growth Rate</i>	4.0%

**Level Service Budget plus:**

.5 FTE in Veterans Services

1 FTE electrician for Streetlight/  
Traffic Signals in DPW

1 FTE Production Assistant in  
Media Services

School Dept: 4% plus  
\$370,000 PEG Cable Funds

Reduced Unemployment and  
Workers Compensation by \$105,000

# FY17 1.25% Levy Spending Recommended

<b>Expenditures</b>	<b>FY17 Forecast</b>
Municipal Departments	\$59,976,193
Framingham School District	\$120,380,308
Keefe Technical Assessmnt	\$9,209,446
Group Health Insurance	\$30,644,420
Other Insurances	\$4,992,377
Retirement	\$12,982,123
OPEB Trust	\$751,710
Debt Service	\$13,870,090
Stabilization/Reserves	\$1,849,432
Miscellaneous (EDIC Article)	\$131,500
Non Appropriations	\$10,020,292
<b>Total Expenditures</b>	<b>\$264,807,891</b>
<i>Expenditure Growth Rate</i>	<i>3.7%</i>

Reduced Unemployment and Workers Compensation by \$105,000

In most cases level funded operating budgets

Did not add positions

Overall reduced Municipal Dept budgets by \$326,000 from Level Service

Reduced School budget by \$490,000 from 1.75% Levy budget



# Next Steps

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1. Committees and Town Meeting
  - FinComm gets budget end of this week
2. Watch Legislature for changes to state aid