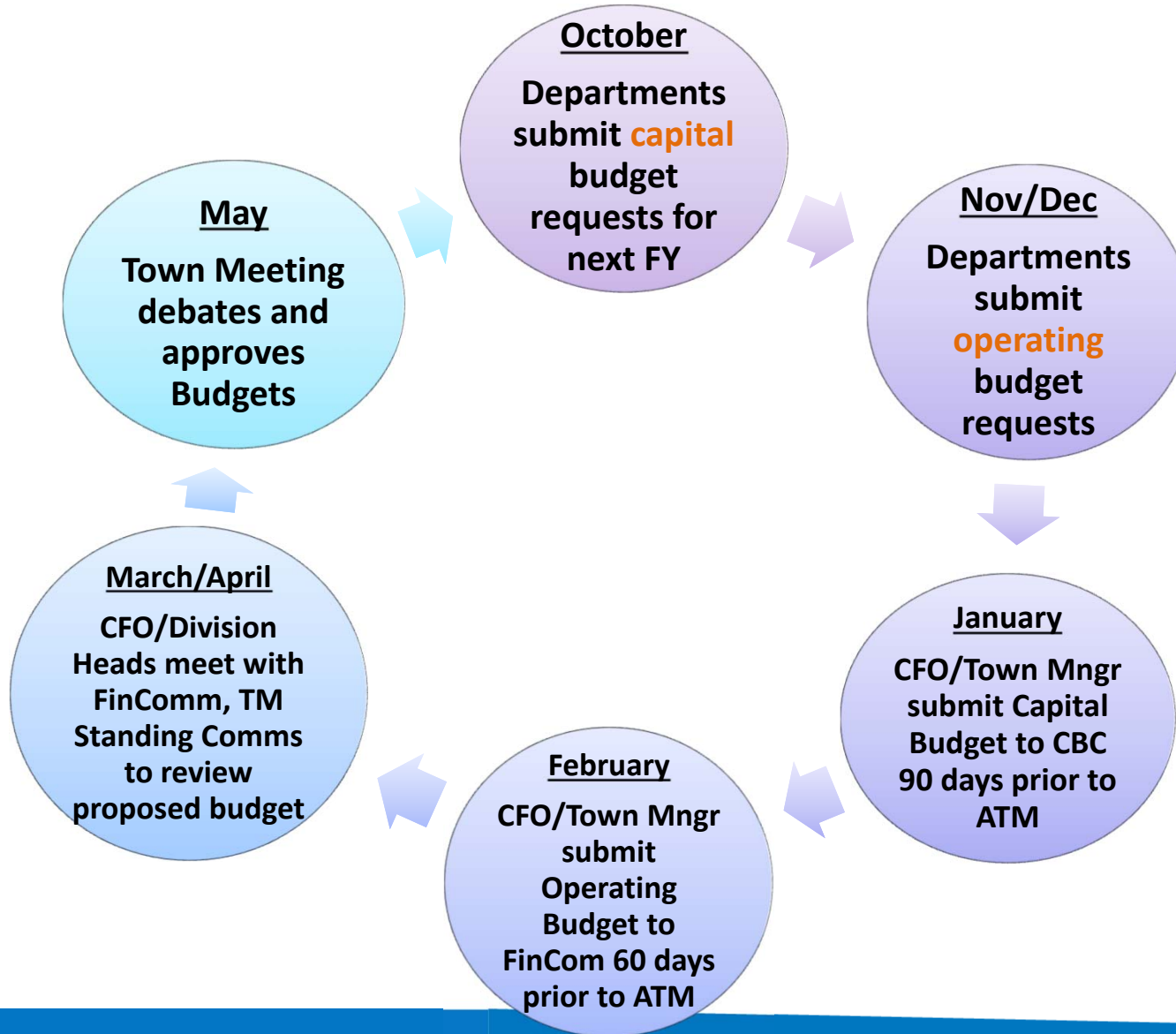


FY16 Operating Budget Preparation

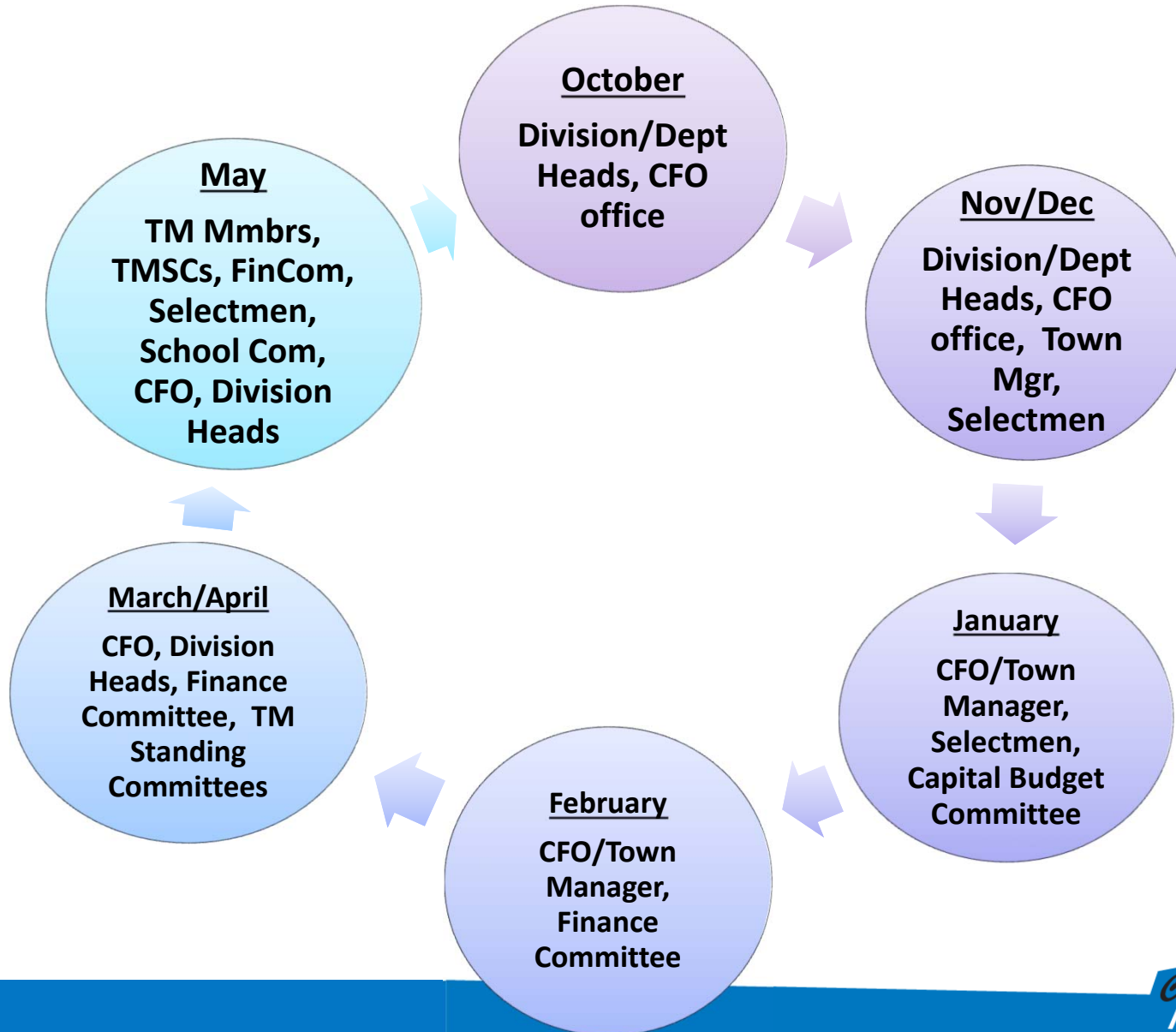
Presentation to School Committee
January 20, 2015

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Budget Process Overview



The Budget Process: Who does it



Three Year Budget Plan

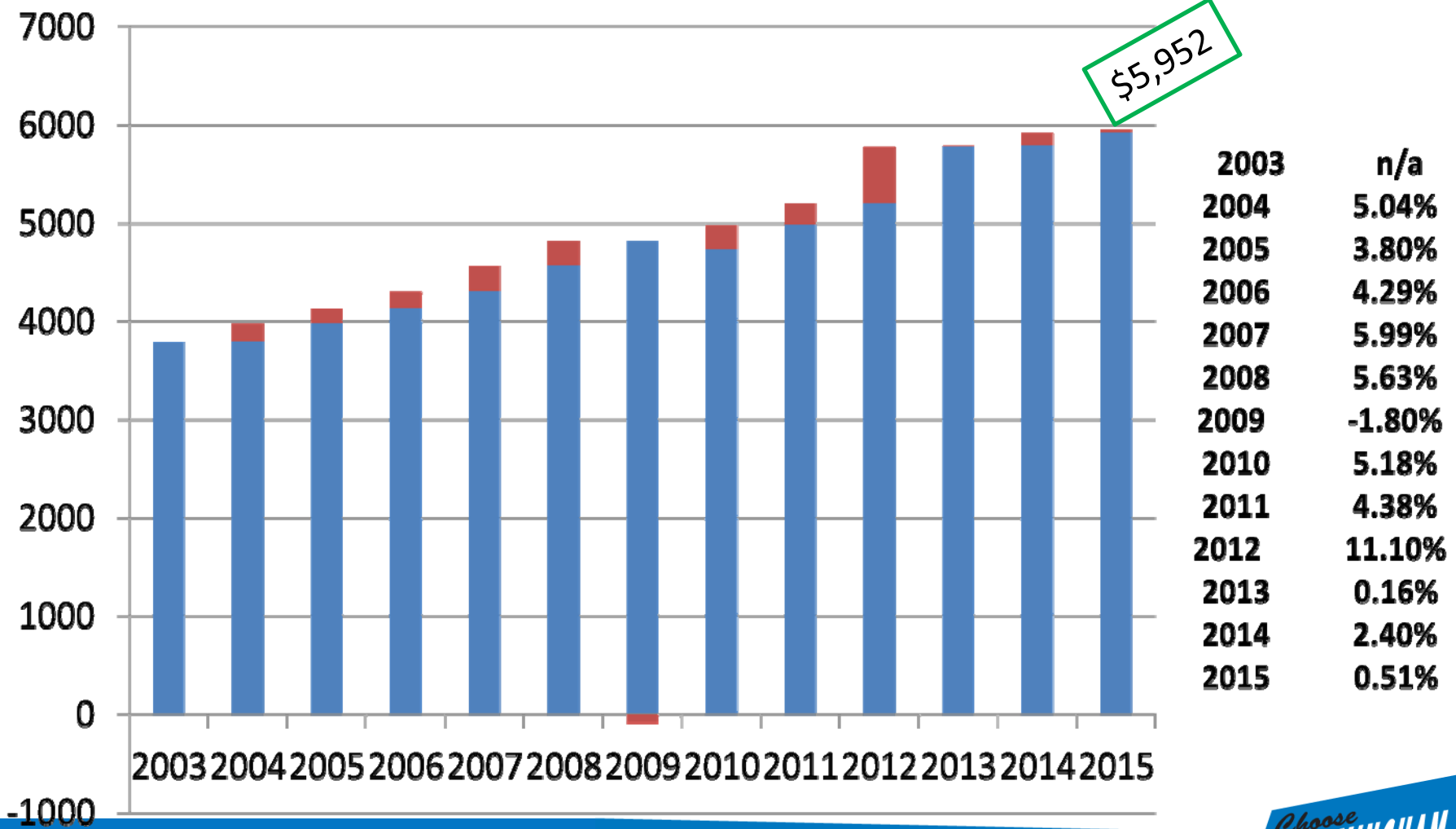
Tax Revenue

Tax Levy Increase		1.250%	1.25%	1.25%	2.5%	2.5%	2.5%
New Growth Estimate		8%	10%	9%	7%	6%	5%
	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Property Tax Levy	\$169,030,389	\$172,026,590	\$175,130,909	\$178,369,431	\$183,986,619	\$189,825,292	\$195,884,274
New Growth Estimate	\$872,416	\$942,209	\$1,036,430	\$1,129,709	\$1,208,789	\$1,281,316	\$1,345,382
Total Taxes	\$169,902,805	\$172,968,799	\$176,167,340	\$179,499,140	\$185,195,407	\$191,106,608	\$197,229,655

Total Revenue

	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast	FY20 Forecast
Revenue					
Property Taxes	\$176,167,340	\$179,499,140	\$185,195,407	\$191,106,608	\$197,229,655
State Aid	\$48,725,405	\$51,555,661	\$54,664,572	\$57,982,807	\$60,926,835
Local Receipts	\$20,522,980	\$21,028,797	\$20,624,434	\$20,982,669	\$21,381,352
Enterprise Indirect Trnsfr	\$2,975,145	\$3,064,399	\$3,186,975	\$3,314,454	\$3,447,033
Free Cash	\$5,350,933	\$3,972,676	\$2,249,036	\$1,771,409	\$2,173,763
Miscellaneous	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Total Revenue	\$253,806,803	\$259,185,674	\$265,985,425	\$275,222,948	\$285,223,638
<i>Revenue Growth Rate</i>	3.1%	2.1%	2.6%	3.5%	3.6%

Changes to Average SFR Tax Bill 2003 - 2015



Level Service Budget

- A level service budget: the budget required to maintain your department's current level of service.
 - Salaries should include the cost of step raises according to the current salary charts. Only positions funded for FY15 should be included in your projections, not positions that were cut and/or "frozen" in prior fiscal years. Make sure you are using current salary charts; please contact the CFO's Office or Payroll if you need copies of current charts.
 - Any service contract that covers all or part of the fiscal year should be included.
 - Natural gas spending and electricity spending should be increased by 3%.
 - Small capital requests will be evaluated based on immediate need.

Level Service Spending Estimates

Expenditures	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast	FY20 Forecast
Municipal Departments	\$58,792,673	\$60,827,845	\$62,615,114	\$64,974,322	\$66,879,622
Framingham School District	\$114,931,953	\$119,529,231	\$124,310,400	\$129,282,816	\$134,454,129
Keefe Technical Assessmnt	\$8,941,210	\$9,209,446	\$9,531,777	\$9,865,389	\$10,210,678
Group Health Insurance	\$29,751,864	\$30,346,901	\$31,409,043	\$32,633,996	\$33,939,356
Other Insurances	\$4,691,900	\$4,904,990	\$5,149,369	\$5,413,058	\$5,697,805
Retirement	\$12,371,471	\$12,989,500	\$13,637,840	\$14,250,921	\$14,399,077
OPEB Trust	\$659,900	\$428,935	\$546,574	\$473,630	\$740,630
Debt Service	\$13,061,678	\$13,835,112	\$14,276,448	\$14,488,995	\$14,551,879
Stabilization/Reserves	\$1,516,649	\$1,470,412	\$1,629,133	\$1,425,559	\$1,760,912
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Non Appropriations	\$9,087,730	\$9,501,448	\$9,127,035	\$9,544,138	\$9,980,073
Total Expenditures	\$253,807,027	\$263,043,820	\$272,232,733	\$282,352,824	\$292,614,160
Expenditure Growth Rate	3.2%	3.6%	3.5%	3.7%	3.6%

The only non-level service estimate is Framingham School District, which includes 4% level service increase over the FY15 base plus \$1.1 million for improvements.

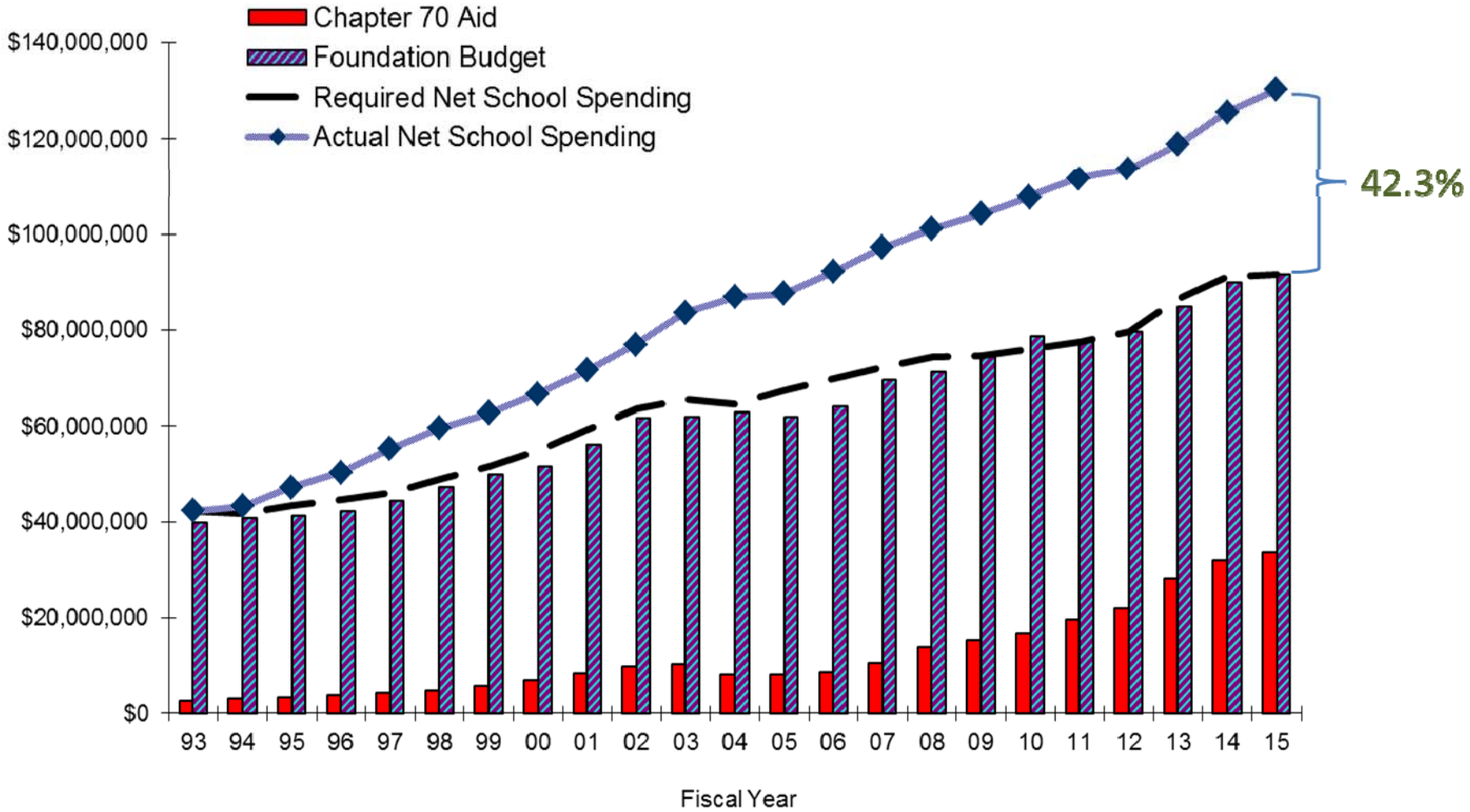
Additional Requirements

- If your level service budget proposes the reclassification of positions, that information must be submitted to the Human Resources Department for review and approval.
- If your level service budget requires upgrades to technology, additions or changes must be submitted to the Technology Services Department for review and approval.
- Approval from either department means sign off by the HR Director and/or Technology Services Director.
- We encourage you to submit proposals in these disciplines prior to the final submission of your budget.

Areas of Concern for FY16

- Chapter 70 Aid estimated revenue is at risk
 - FY15 deficit will have impact on next year's state aid (all categories)
 - This budget is based on a 7% increase in Chapter 70 aid
 - FY15 budget was also based on 7% increase but received 6% increase
 - Shortfall was closed with local fee revenue

Chapter 70 Trends FY93 to FY15



Areas of Concern (cont.)

- Health insurance cost increase potentially more than current estimate
 - Will be monitoring GIC decisions and estimates over next several months
 - Overall estimates still within multi-year savings target
- Capital budget recommendation will be narrowly focused to reduce the debt service impact on the operating budget

Capital Budget Requests

FY2016-2021 General Fund Debt Service Impact

General Fund	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund Estimated Revenue	\$ 253,806,803	\$ 259,185,674	\$ 265,985,425	\$ 275,222,948	\$ 285,223,638	\$ 295,206,465
Debt Service Policy Limit of 5%	\$ 12,690,340	\$ 12,959,284	\$ 13,299,271	\$ 13,761,147	\$ 14,261,182	\$ 14,760,323
Existing General Fund Debt Service Total	\$ 10,238,054	\$ 9,267,754	\$ 8,145,599	\$ 6,783,891	\$ 5,234,462	\$ 4,050,791
Authorized but Unissued Total	\$ 1,274,026	\$ 3,525,508	\$ 3,325,162	\$ 3,227,143	\$ 3,129,130	\$ 3,031,111
Total Debt Service on Existing General Fund Debt	\$ 11,512,080	\$12,793,262	\$11,470,761	\$ 10,011,034	\$ 8,363,592	\$ 7,081,902
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Available Debt Service	\$ 9,001,085	\$10,282,267	\$ 9,341,090	\$ 7,881,363	\$ 6,233,921	\$ 4,952,235
Debt Service for FY2016 Capital Plan Projects*	\$ 633,467	\$ 3,832,792	\$ 4,173,128	\$ 4,471,103	\$ 4,346,968	\$ 4,233,942
Debt Service for FY2017 Capital Plan Projects*		\$ 776,365	\$ 4,915,130	\$ 4,659,590	\$ 4,531,817	\$ 4,404,045
Debt Service for FY2018 Capital Plan Projects*			\$ 1,127,597	\$ 5,951,259	\$ 5,670,360	\$ 5,529,905
Debt Service for FY2019 Capital Plan Projects*				\$ 823,233	\$ 4,182,326	\$ 4,557,830
Debt Service for FY2020 Capital Plan Projects*					\$ 381,141	\$ 2,351,206
Debt Service for FY2021 Capital Plan Projects*						\$ 348,189
Subtotal Future Debt Service:	\$ 633,467	\$ 4,609,157	\$10,215,855	\$ 15,905,115	\$ 19,112,612	\$ 21,076,918
New (Gross) Debt Service	\$ 12,145,547	\$17,402,419	\$21,686,616	\$ 25,916,219	\$ 27,476,204	\$ 28,158,830
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Debt Service Calculation for Policy Limit	\$ 9,634,552	\$14,891,424	\$19,556,945	\$ 23,786,548	\$ 25,346,533	\$ 26,029,163
Percentage of Operating Budget	3.8%	5.7%	7.4%	8.6%	8.9%	8.8%

*Assumes all projects requested in FY17 to FY21 are authorized and debt service is calculated. Each year is evaluated as they are authorized and reduced by vote of Town Meeting to not exceed available budget. Assumes MA School Building Authority funding for FY17 only.

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Reduced Capital Budget

FY2016-2021 General Fund Debt Service Impact

General Fund	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund Estimated Revenue	\$ 253,806,803	\$ 259,185,674	\$ 265,985,425	\$ 275,222,948	\$ 285,223,638	\$ 295,206,465
Debt Service Policy Limit of 5%	\$ 12,690,340	\$ 12,959,284	\$ 13,299,271	\$ 13,761,147	\$ 14,261,182	\$ 14,760,323
Existing General Fund Debt Service Total	\$ 10,238,054	\$ 9,267,754	\$ 8,145,599	\$ 6,783,891	\$ 5,234,462	\$ 4,050,791
Authorized but Unissued Total	\$ 1,274,026	\$ 3,525,508	\$ 3,325,162	\$ 3,227,143	\$ 3,129,130	\$ 3,031,111
Total Debt Service on Existing General Fund Debt	\$ 11,512,080	\$12,793,262	\$11,470,761	\$ 10,011,034	\$ 8,363,592	\$ 7,081,902
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Available Debt Service	\$ 9,001,085	\$10,282,267	\$ 9,341,090	\$ 7,881,363	\$ 6,233,921	\$ 4,952,235
Debt Service for FY2016 Capital Plan Projects*	\$ 341,128	\$ 2,171,362	\$ 2,061,166	\$ 2,006,072	\$ 1,950,973	\$ 1,895,878
Debt Service for FY2017 Capital Plan Projects*		\$ 776,365	\$ 4,915,130	\$ 4,659,590	\$ 4,531,817	\$ 4,404,045
Debt Service for FY2018 Capital Plan Projects*			\$ 1,127,597	\$ 5,951,259	\$ 5,670,360	\$ 5,529,905
Debt Service for FY2019 Capital Plan Projects*				\$ 823,233	\$ 4,182,326	\$ 4,557,830
Debt Service for FY2020 Capital Plan Projects*					\$ 381,141	\$ 2,351,206
Debt Service for FY2021 Capital Plan Projects*						\$ 348,189
Subtotal Future Debt Service:	\$ 341,128	\$ 2,947,727	\$ 8,103,893	\$ 13,440,154	\$ 16,716,617	\$ 18,738,854
New (Gross) Debt Service	\$ 11,853,208	\$15,740,989	\$19,574,654	\$ 23,451,188	\$ 25,080,209	\$ 25,820,766
LESS State Debt Service Reimbursements	\$ (2,510,995)	\$ (2,510,995)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,671)	\$ (2,129,667)
Net Debt Service Calculation for Policy Limit	\$ 9,342,213	\$13,229,994	\$17,444,983	\$ 21,321,517	\$ 22,950,538	\$ 23,691,099
Percentage of Operating Budget	3.7%	5.1%	6.6%	7.7%	8.0%	8.0%

*Assumes all projects requested in FY17 to FY21 are authorized and debt service is calculated. Each year is evaluated as they are authorized and reduced by vote of Town Meeting to not exceed available budget. Assumes MA School Building Authority funding for FY17 only.



Decision-making

- Even though this is a level service budget, which essentially is keeping everything the same, we encourage you to continue the process of analyzing your services and staff for efficiencies and cost savings.
 - Is there a better way to provide the same service?
 - Are the services you provide even relevant anymore?
- Please contact our office if you have any cost reduction proposals for FY16.