

# FY16 Operating Budget

---

Board of Selectmen

March 24, 2015

# Three Year Budget Plan

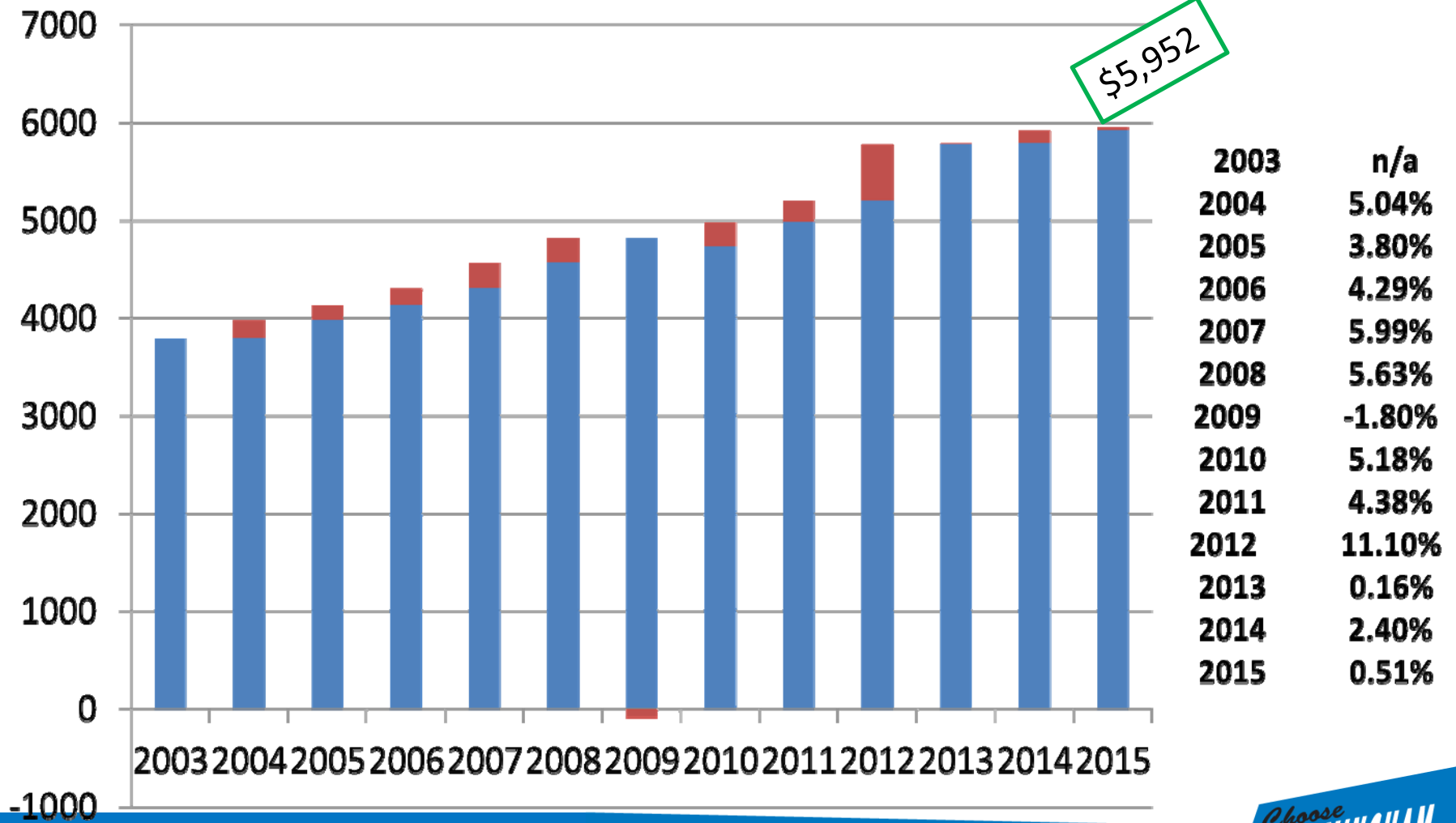
## Tax Revenue

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 Estimate	FY17 Forecast	FY18 Forecast	FY19 Forecast	FY20 Forecast
<b>Revenue</b>					
Property Taxes	\$176,167,340	\$179,499,140	\$185,195,407	\$191,106,608	\$197,229,655
State Aid	\$48,788,405	\$51,621,811	\$54,734,030	\$58,055,737	\$60,999,766
Local Receipts	\$20,584,268	\$21,091,427	\$20,688,021	\$21,047,223	\$21,447,791
Enterprise Indirect Trnsfr	\$2,982,422	\$3,071,894	\$3,194,770	\$3,322,561	\$3,455,463
Free Cash	\$4,949,739	\$4,203,378	\$2,212,598	\$1,626,163	\$2,173,763
Miscellaneous	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Total Revenue	\$253,537,172	\$259,552,651	\$266,089,826	\$275,223,292	\$285,371,438
Revenue Growth Rate	<b>2.95%</b>	2.4%	2.5%	3.4%	3.7%

# Changes to Average SFR Tax Bill 2003 - 2015



# FY16 Tax Bill Increase Estimate

---

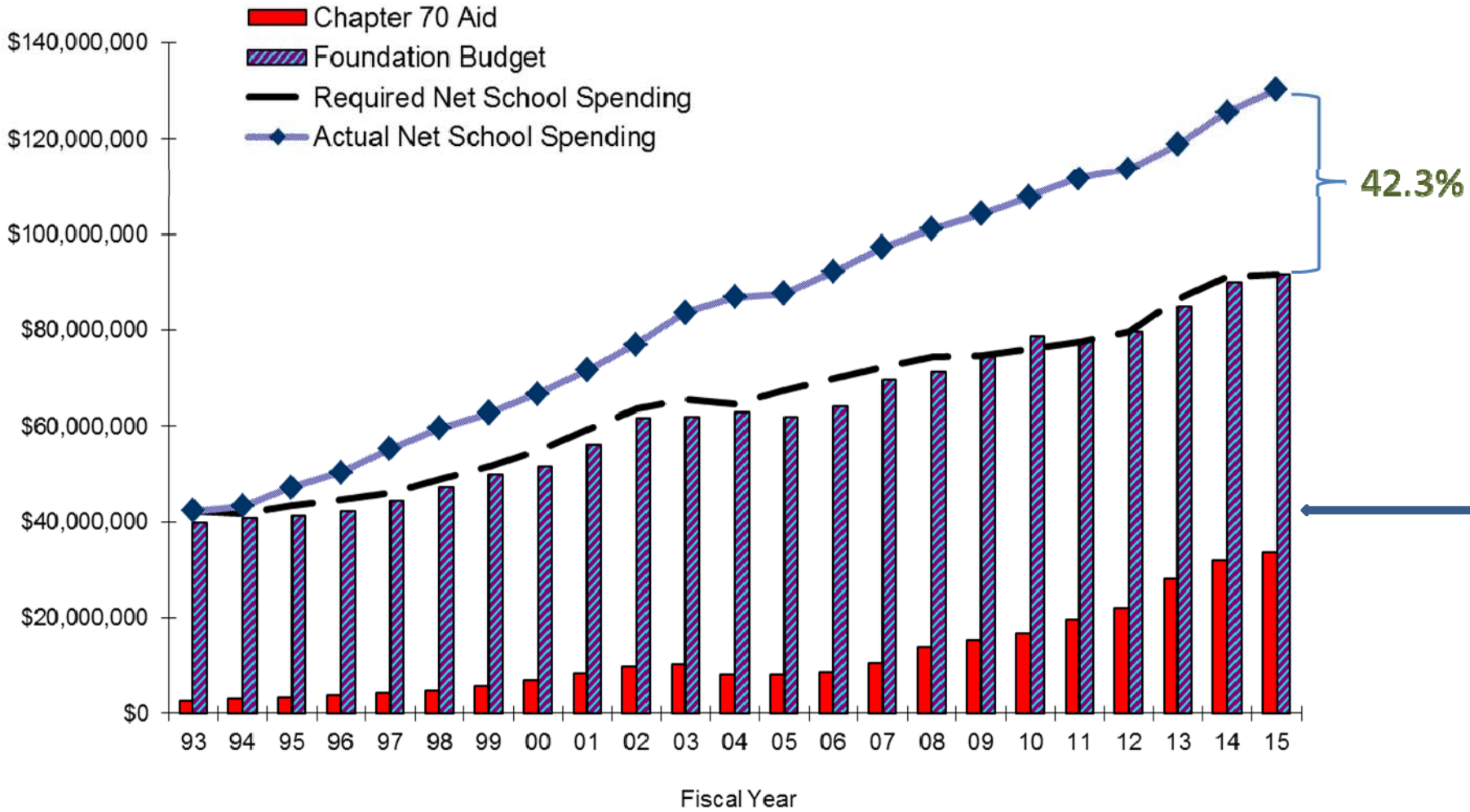
FY 2015		FY2016	FY2017
<i>Average Single Family Tax Bill</i>		<i>Avg S F Tax Bill</i>	<i>Avg S F Tax Bill</i>
<b>Average Assessment</b>	<b>\$334,032</b>	<b>\$335,651</b>	<b>\$337,154</b>
<b>Tax Rate</b>	<b>\$17.82</b>	<b>\$18.00</b>	<b>\$18.21</b>
<b>Tax Bill</b>	<b>\$5,952.02</b>	<b>\$6,043.25</b>	<b>\$6,137.93</b>
<b>Percent Change</b>	<b>0.51%</b>	<b>1.53%</b>	<b>1.57%</b>
<b>Change</b>	<b>\$30.00</b>	<b>\$91.19</b>	<b>\$94.67</b>

# Revenue Areas of Concern for FY16

---

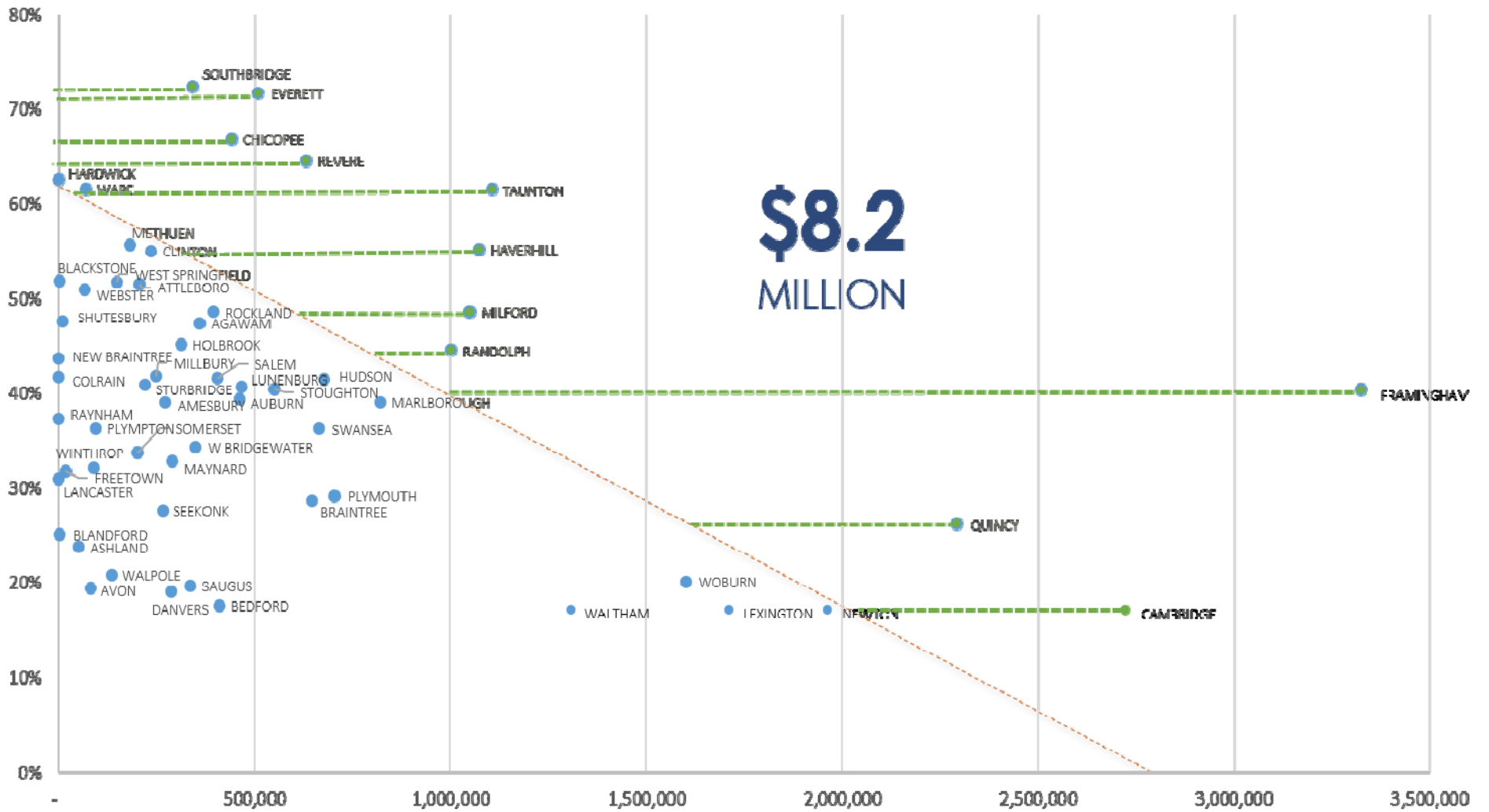
- Net Revenue increase from State Aid about \$650,000
  - Legislature not committing to Governor's cherry sheet numbers
  - Need to watch Cherry sheet charges for increase in transportation, charter school tuition assessments and school choice tuition assessments which are usually different from Governor's budget

# Chapter 70 Trends FY93 to FY15



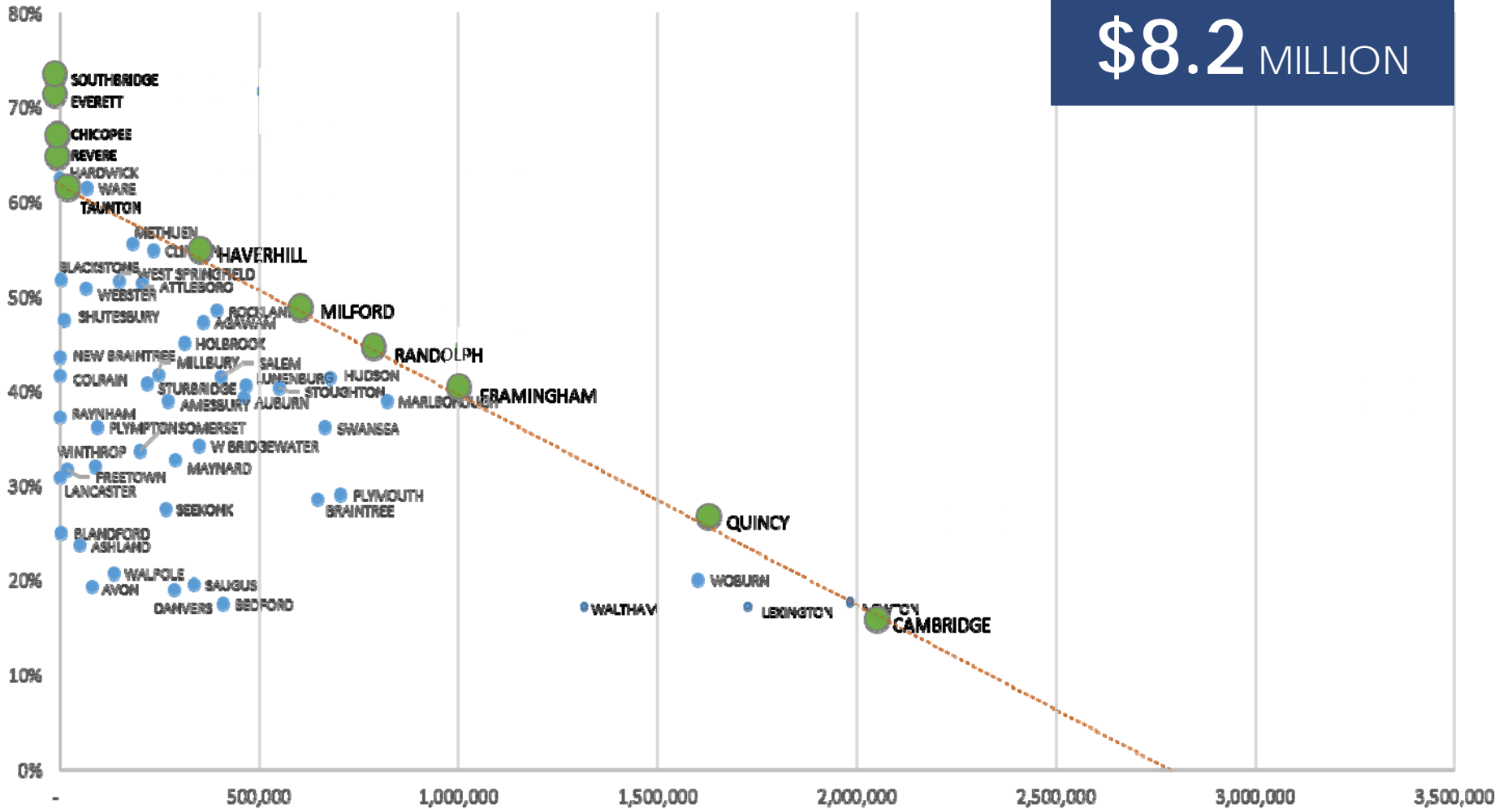
# Introduction

- Ch. 70 Target Aid: A percentage of a Community's Foundation Budget based on need
- Variance: Distance from Target Aid in Dollars
- High Level of Need and Low Variance says one thing
- Low Level of Need but High Variance says another





PROJECTED WITH  
**\$8.2** MILLION



# Summary

- Focus on High Target Need/High Target Variance
- Financial Equity – Move communities to within an acceptable range of Target Aid and Variance
- Eliminate all Variance and all Need over time

# FY16 Recommended Spending

Expenditures	FY16 Recommend	FY17 Forecast	FY18 Forecast	FY19 Forecast	FY20 Forecast
Municipal Departments	\$59,133,033	\$61,323,907	\$63,130,467	\$65,495,815	\$67,370,927
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	\$4,694,549	\$4,935,127	\$5,182,520	\$5,449,525	\$5,737,918
Retirement	\$12,371,188	\$12,989,500	\$13,637,840	\$14,250,921	\$14,399,077
OPEB Trust	\$749,900	\$353,935	\$546,574	\$473,630	\$740,630
Debt Service	\$11,922,904	\$14,204,781	\$14,919,122	\$15,668,746	\$15,731,630
Stabilization/Reserves	\$1,779,454	\$1,276,114	\$1,592,695	\$1,280,312	\$1,760,912
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Non Appropriations	\$9,121,730	\$9,433,468	\$9,057,016	\$9,471,668	\$9,905,066
Total Expenditures	\$253,397,784	\$263,602,410	\$273,317,454	\$283,872,818	\$294,250,322
<i>Expenditure Growth Rate</i>	<b>3.0%</b>	4.0%	3.7%	3.9%	3.7%

\$120,000 economic development fund in separate article total spending increase 3.1%



# Reduced Capital Budget

## FY2016-2021 General Fund Debt Service Impact (exclude FY17 School)

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	\$ 1,067,800	\$ 3,160,212	\$ 3,132,850	\$ 3,246,140	\$ 3,141,870	\$ 3,043,960
<b>Total Debt Service on Existing General Fund Debt</b>	<b>\$ 11,305,854</b>	<b>\$12,427,966</b>	<b>\$11,278,449</b>	<b>\$ 10,030,031</b>	<b>\$ 8,376,332</b>	<b>\$ 7,094,751</b>
<b>LESS State Debt Service Reimbursements</b>	<b>\$ (2,510,995)</b>	<b>\$ (2,510,995)</b>	<b>\$ (2,129,671)</b>	<b>\$ (2,129,671)</b>	<b>\$ (2,129,671)</b>	<b>\$ (2,129,667)</b>
<b>Net Available Debt Service</b>	<b>\$ 8,794,859</b>	<b>\$ 9,916,971</b>	<b>\$ 9,148,778</b>	<b>\$ 7,900,360</b>	<b>\$ 6,246,661</b>	<b>\$ 4,965,084</b>
Debt Service for FY2016 Capital Budget Projects*	\$ 302,050	\$ 2,103,473	\$ 2,229,791	\$ 2,164,079	\$ 2,104,639	\$ 2,045,209
Debt Service for FY2017 Capital Plan Projects*		\$ 775,552	\$ 4,909,225	\$ 4,654,010	\$ 4,526,400	\$ 4,398,790
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
<b>Subtotal Future Debt Service:</b>	<b>\$ 302,050</b>	<b>\$ 2,879,025</b>	<b>\$ 8,266,613</b>	<b>\$ 13,592,581</b>	<b>\$ 16,864,866</b>	<b>\$ 18,882,940</b>
<b>New (Gross) Debt Service</b>	<b>\$ 11,607,904</b>	<b>\$15,306,991</b>	<b>\$19,545,062</b>	<b>\$ 23,622,612</b>	<b>\$ 25,241,198</b>	<b>\$ 25,977,691</b>
<b>LESS State Debt Service Reimbursements</b>	<b>\$ (2,510,995)</b>	<b>\$ (2,510,995)</b>	<b>\$ (2,129,671)</b>	<b>\$ (2,129,671)</b>	<b>\$ (2,129,671)</b>	<b>\$ (2,129,667)</b>
<b>Net Debt Service Calculation for Policy Limit</b>	<b>\$ 9,096,909</b>	<b>\$12,795,996</b>	<b>\$17,415,391</b>	<b>\$ 21,492,941</b>	<b>\$ 23,111,527</b>	<b>\$ 23,848,024</b>
Percentage of Operating Budget	3.6%	4.9%	6.5%	7.8%	8.1%	8.1%

\*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.



# Reducing Impact on Operating Budgets

<b>General Fund</b>	FY16	FY17	FY18	FY19	FY20	FY21
Reduced impact on operating budget	-\$313,656	-\$1,534,799	-\$1,230,368	-\$1,207,032	-\$1,177,413	-\$1,147,793
<b>Water Fund</b>	FY16	FY17	FY18	FY19	FY20	FY21
Reduced impact on operating budget	-\$78,342	-\$554,883	-\$398,661	-\$388,747	-\$375,698	-\$362,647
<b>Sewer Fund</b>	FY16	FY17	FY18	FY19	FY20	FY21
Reduced impact on operating budget	-\$152,515	-\$781,063	-\$286,609	-\$288,816	-\$278,864	-\$268,911

GF Debt is \$166,765 less than FY15 appropriation



# FY16 Spending Details

---

- Level Service total budget increase 2.5%
  - \$6,031,813
  - No new programs or positions
  - Base rate of growth to perform the same level of service as the prior year
  - School Dept base increase 4%: \$4,378,153
  - Municipal Depts. base increase 2.2%: \$1.27M
- Service Improvement increases .7%
  - \$1,579,870

# Recommended Department Spending

---

- School Dept
  - \$1.1 million improvement funds
- Conservation
  - Summer Youth Work program for property clean up and trail
- DPW Admin
  - Systems Integration Project Manger; Funded ½ GF in DPW Admin; ½ Water & Sewer
- Facilities Management
  - Mechanical Tradesperson: In-house HVAC maintenance and repair
- Building Inspection
  - ADA Compliance Officer/ADA Coordinator-Eliminate position for Housing Quality Inspector

# Recommended Department Spending

---

- Sanitation
  - 2 Lead Drivers (¼ year funded)
- DPW Highway
  - 1 Dump Body, 1 Plow Assembly
- Loring Arena
  - Zamboni battery, Perimeter Piping Anchors
- Parks & Rec
  - Leaf Vac and Nite Lite Site Lighting
- Cemeteries
  - Tomb repair (from Cap budget)



# Recommended Department Spending

---

- Library
  - Computers
- Human Resources
  - Financial Coordinator
- Police -
  - Jail Diversion Clinician (.5 FTE); 5 Cruisers & 30 Tasers (from Cap budget)
- Technology Services
  - Programmer/Analyst (1 FTE); PC/laptop/projector replacements, VMWare Software upgrade
- Veterans Benefits -
  - \$84,000 increase based on current caseload and state set COLA

# Deferred requests

---

- Facilities:
  - Admin Asst - Town owned building plan administration
- Fire
  - Vehicle replacement
- DPW Engineering
  - Vehicle Replace #803
- DPW Highway
  - 1 Dump Body
- Library
  - .5 FTE Technology staff
- Park & Rec
  - snow blowers/versa vac

# Centralized Costs

---

- Health Insurance
  - 1.3% increase over FY15
  - Still less than 12% of total spending
- Pension funding
  - Regular schedule 4.5% increase \$525,458
- Cherry sheet charges increased 4%
  - \$236,287 increase could be simply charter school
- Snow and ice deficit
  - Not looking to carry any over, will close in FY15

# Allocations to Reserves

---

- Operating Reserve Fund: \$400,000
- Stabilization Fund: \$199,973
- Capital Stabilization Fund: \$999,866
- OPEB Trust: \$749,900
- Tax Burden Shares: \$700,000

# Water and Sewer Budgets

---

- Water Dept budget: \$20,489,558
  - Decrease of \$15,243
  - MWRA assessment increase \$411,755 (5.3%)
  - Debt service decrease \$641,180 (-10.5%)
  - Personnel cost increase \$142,618 (4.8%)
  - Operating cost increase \$22,834 (1.2%)
- Sewer Dept budget: \$25,701,372
  - Increase of \$628,983 (2.5%)
  - MWRA assessment increase \$736,497 (6.5%)
  - Debt service decrease \$352,476 (-4.4%)
  - Personnel cost increase include reclass 1 FTE to supervisory level
  - Operating cost increase \$33,235 (1.9%)