

FY15 Budget Recommendation and FY16-17 Budget Plan

Finance Committee
February 26, 2014



Choose
FRAMINGHAM

Introduction

- The next 3 - 5 budget years present unusual opportunities and challenges
- Favorable 'Fund Balance - Free Cash'
- Projected health insurance savings
- Development proposals in the permit pipeline
- Major school building project in 2016
- A desire to manage this opportunities in a financially sustainable manner

Interactive Budget Planning Tool

- Refining an improved 3 - 5 year financial planning tool to improve budget planning
- Manage budget decisions with a view towards achieving and sustaining multiple financial goals over 3 years
- Permits 'what if' analysis of variables we control and sensitivity analysis of variable we do not control

Approach to Fiscal Year 2015

- Limit increases in the property tax levy to 1.25%
- Sustain that reduced tax levy over multiple fiscal years
- Avoid shifting shares of tax levy beyond the current 60-40 split to protect taxpayers
- Hit our highest muni and school operating budget priorities
- Prepare for major capital outlay for new school - capital reserve fund plus excess levy capacity

FY15 Revenue Sources

- How do we build revenue? In order:
 - Local Receipts estimate
 - State Aid Estimate
 - Enterprise Indirect Estimate
 - Miscellaneous
 - Free Cash
 - Property Tax Levy
 - New Growth Tax revenue

FY15 Revenue Sources

- Local Receipts Estimate \$19.4 million
 - Overall growth of 2.2% or \$410,000 from FY14 base- receipts grow from 1-4%
- State Aid Estimate \$46.88 million
 - Ch 70 growth of 7%; H1: \$434,920 less
 - UGGA growth of 1.5%; H1: \$129,209 less
 - Minimal risk to current estimate
- Enterprise Indirect Est. \$2.9 million (3%)
 - Water and Sewer overhead charge
 - Affects rates
- Miscellaneous \$65,000

FY15 Revenue Sources

- Free Cash Certified for FY13 \$9.1 million
 - FY15 policy revenue \$1.1 million
 - Recommended revenue \$0
 - Stabilization fund \$2,009,194 (25%)
 - Recommended \$639,574 (8%)
 - Capital budget \$1,607,355 (20%)!
 - Recommended \$2,284,194 (25%) into a formal stabilization fund
 - OPEB Trust \$1,205,516 (15%)
 - Recommended \$913,678 (10%)

FY15 Revenue Sources

- Property Tax Levy-1.25% plan over 3 years
 - Raise the levy for FY15 in sync w/FY16 & FY17
 - Impact of average residential bill over the same period
 - estimate \$100 or less increase per year
 - Manage the tax burden share so it does not swing wildly toward residential or commercial
 - Use free cash and manage spending to reach levy target goals
 - \$1.69 million tax burden reserve
- New growth: \$942,209 (+8%)
 - 9% and 8% growth in FY16 and FY17

FY15 Revenue Decisions Impact Future Revenue

- Targeting all financial cost reductions in the first year will mean higher incremental tax increases in subsequent years
 - We parse the savings over three years in order to moderate tax increases over three years
 - This create financial flexibility and create revenue capacity to accommodate the Schools building projects

FY15 Level Service Spending

- Overall increase in Municipal Department Budgets: \$1.5 million (2.8%)
- Increase in Framingham Schools \$4.5 million (4.4%)
- Anticipated increase in Keefe Tech \$539,717 (7%); Includes new roof
- Increase in Snow & ice budget \$100,000 (7%)
- Elections increase \$70,384 (44%)

FY15 Level Service Spending

- Fire Dept decrease \$240,560 (-2%)
- Health Insurance reduction \$4.7-\$5 million
- Debt Service increase \$1.3 million less than Long Range forecast

#1 Priority Recommendations Highlights

- 7 Police officers
 - Continue phased staffing increase
- Board of Health reorganization
 - Increase effectiveness and efficiency
- Facilities Management Reorganization
 - Adequately staff for implementation of building capital and maintenance plan
- Secondary Internet Connection
 - Technology Services - Gov't wide
- F/T Admin Assistant for Permitting, Logistics and Construction in Fire Dept
 - Continue improved permitting services

#1 Priority Recommendations Highlights

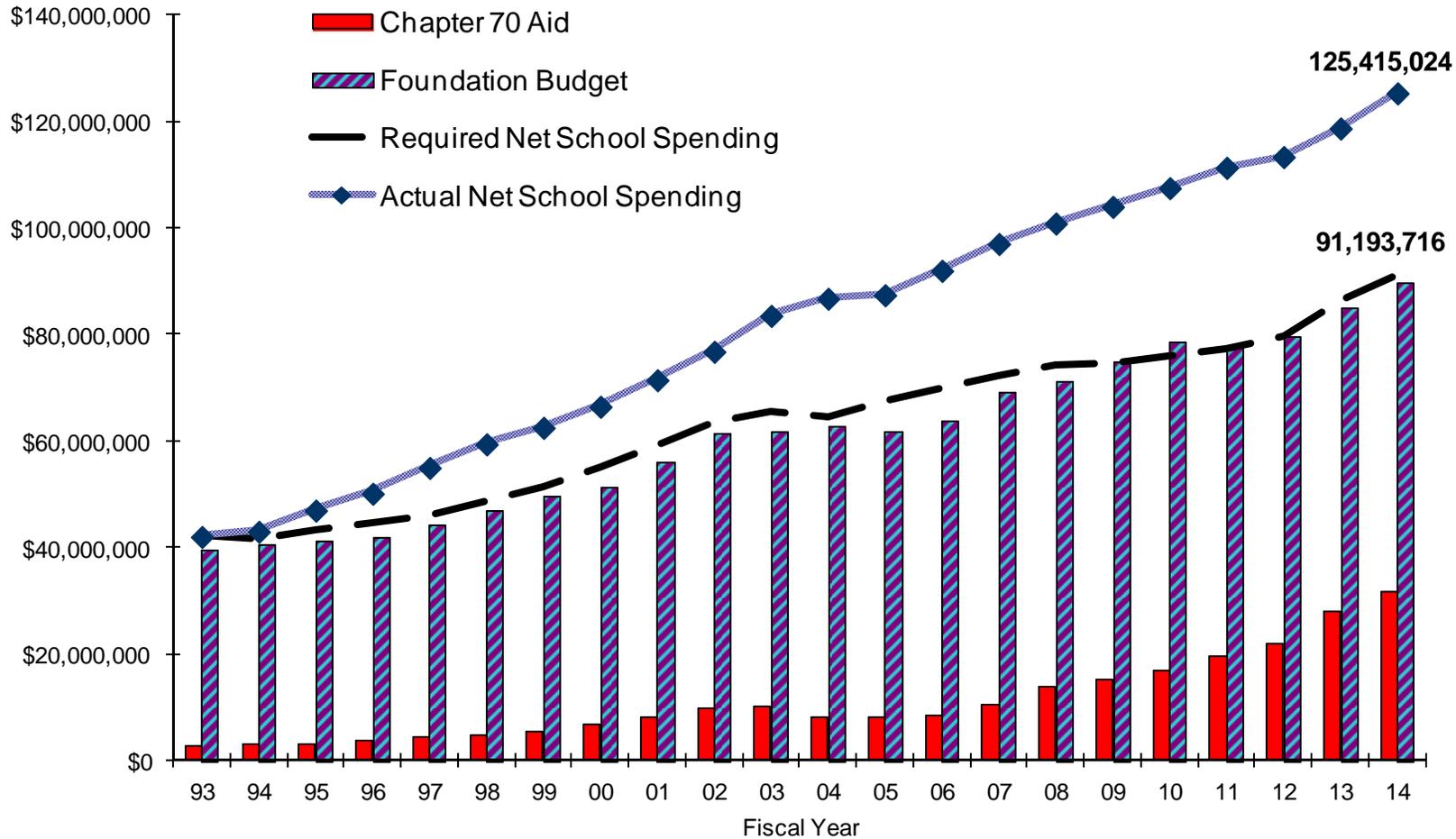
- Establish a seasonal conservation trails crew
 - to better manage conservation properties
- Enhanced Cemetery repairs
- Add resources for Benefits management and Workers Compensation oversight
- Specialty Alzheimer Support Program at Council on Aging
- Historic & Historic District Commission initiatives
 - Including historic place designation for Clayes house

#1 Priority Recommendation Highlights

- Procurement bid/document management software
 - Take advantage of technology to make information more accessible by both bidders, contractors and staff
- Capital and Operating Budget Management and Reporting software
 - Modernize current systems to be more robust and interactive
- \$1.2 million to support School rebuilding
 - Continue that commitment in FY16 will \$1.1 million above level service funding

#1 Priority Recommendation Highlights

Continue Financial Commitment to Framingham Schools



#2 Priority Recommendation Highlights

- Economic Development Plan for Golden Triangle folded into Base EDIC budget
- Add Plumbing to Facilities Management
- Expand hours for Asst Supervisor of Branch Library Services and expand summer Library hours
- Restore two seasonal Camp Director positions in Park and Rec
- COPLINK enhanced crime analysis software
- Assistant Director for Highway and Sanitation