

# FY15 Preliminary Budget Information

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Board of Selectmen

February 4, 2014



*Choose*  
**FRAMINGHAM**

# Introduction

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- 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

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- 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

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- Limit increases in the property tax levy to less than the maximum allowed
- 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

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- 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

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- Local Receipts Estimate \$19.4 million
  - Overall growth of 2.2% or \$410,000 from FY14 base
  - Individual 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
- Miscellaneous \$65,000

# FY15 Revenue Sources

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- Enterprise Indirect Est. \$2.9 million (3%)
  - Water and Sewer overhead charge
  - Affects rates
- Free Cash Certified for FY13 \$9.1 million
  - FY15 base revenue \$1.1 million
  - Stabilization fund \$2,009,194 (25%)
  - Capital budget \$1,607,355 (20%)!
  - OPEB Trust \$1,205,516 (15%)
  - Remaining balance \$3.2 million
  - We have flexibility with Stabilization allocation

# FY15 Revenue Sources

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- Property Tax Levy - plan over 3 years
  - Raise the levy for FY15 in sync w/FY16 & FY17
  - Estimate impact of average residential bill over the same period
  - 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
- New growth: \$942,209 (+8%)

# FY15 Revenue Decisions Impact Future Revenue

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

# FY15 Level Service Spending

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- 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 \$32,717 (2%)
- Elections increase \$70,384 (44%)

# FY15 Level Service Spending

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- 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 Request Highlights

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- 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 Request Highlights

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- Add seasonal laborers for dedicated assignment to Bowditch and Cushing Park
  - Specially trained for these locations
- Assistant Library Director for Shared Services
- Establish a seasonal conservation trails crew
  - to better manage conservation properties
- Enhanced Cemetery repairs
- Add resources for Benefits management and Workers Compensation oversight
- Add P/T Admin support for Planning Board

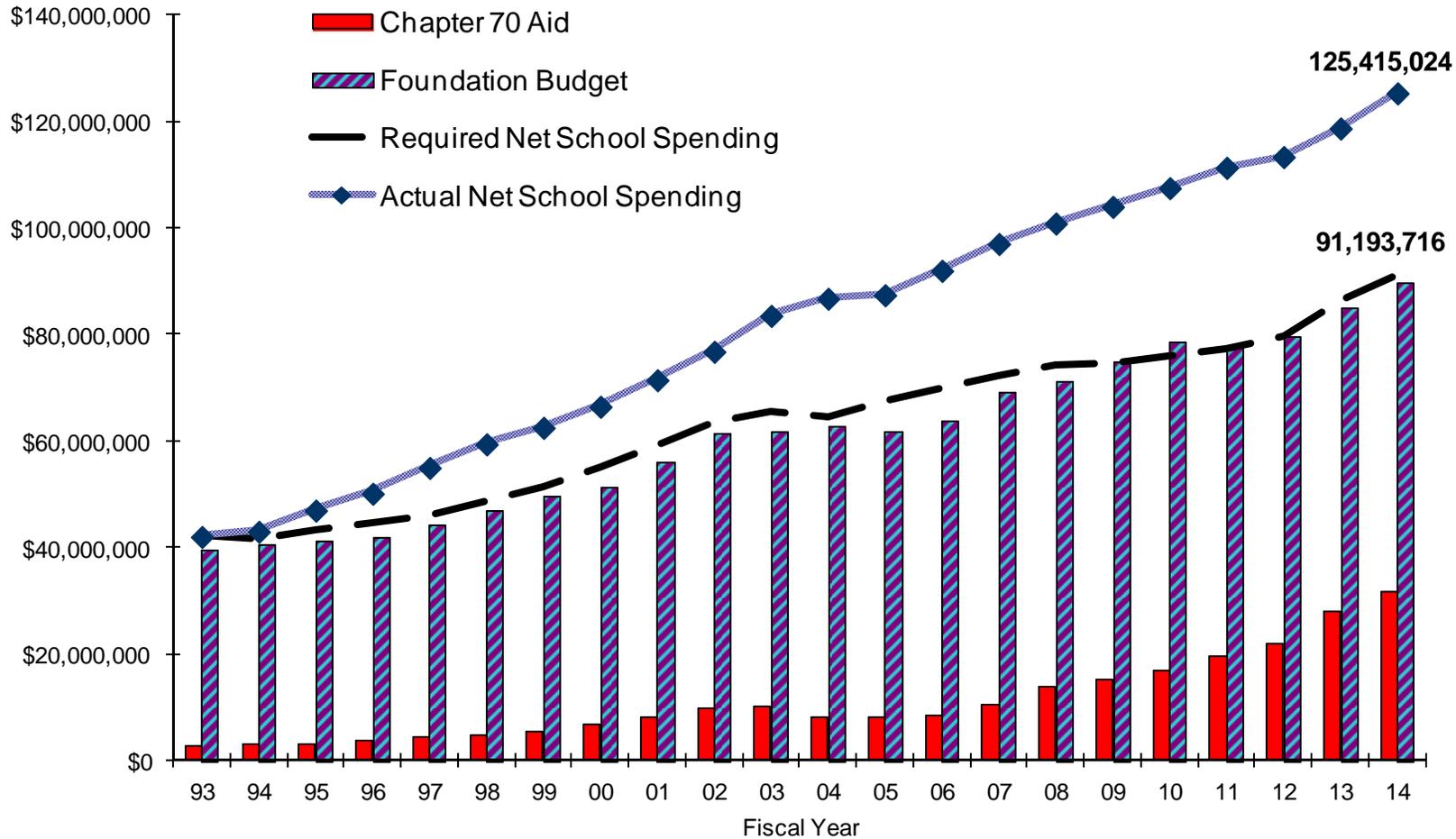
# #1 Priority Request Highlights

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- Specialty Alzheimer Support Program at Council on Aging
- Historic & Historic District Commission initiatives
  - Including historic place designation for Clayes house
- 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 Priority Request Highlights

## Continue Financial Commitment to Framingham Schools



## #2 Priority Highlights

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- Economic Development Plan for Golden Triangle
- Add Plumbing and HVAC staff 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
- Information Security and Compliance Officer
- Assistant Director for Highway and Sanitation