

FY2014 Recommended Budget

A Strategic Investment in Framingham's Future

Board of Selectmen Meeting
March 5, 2013

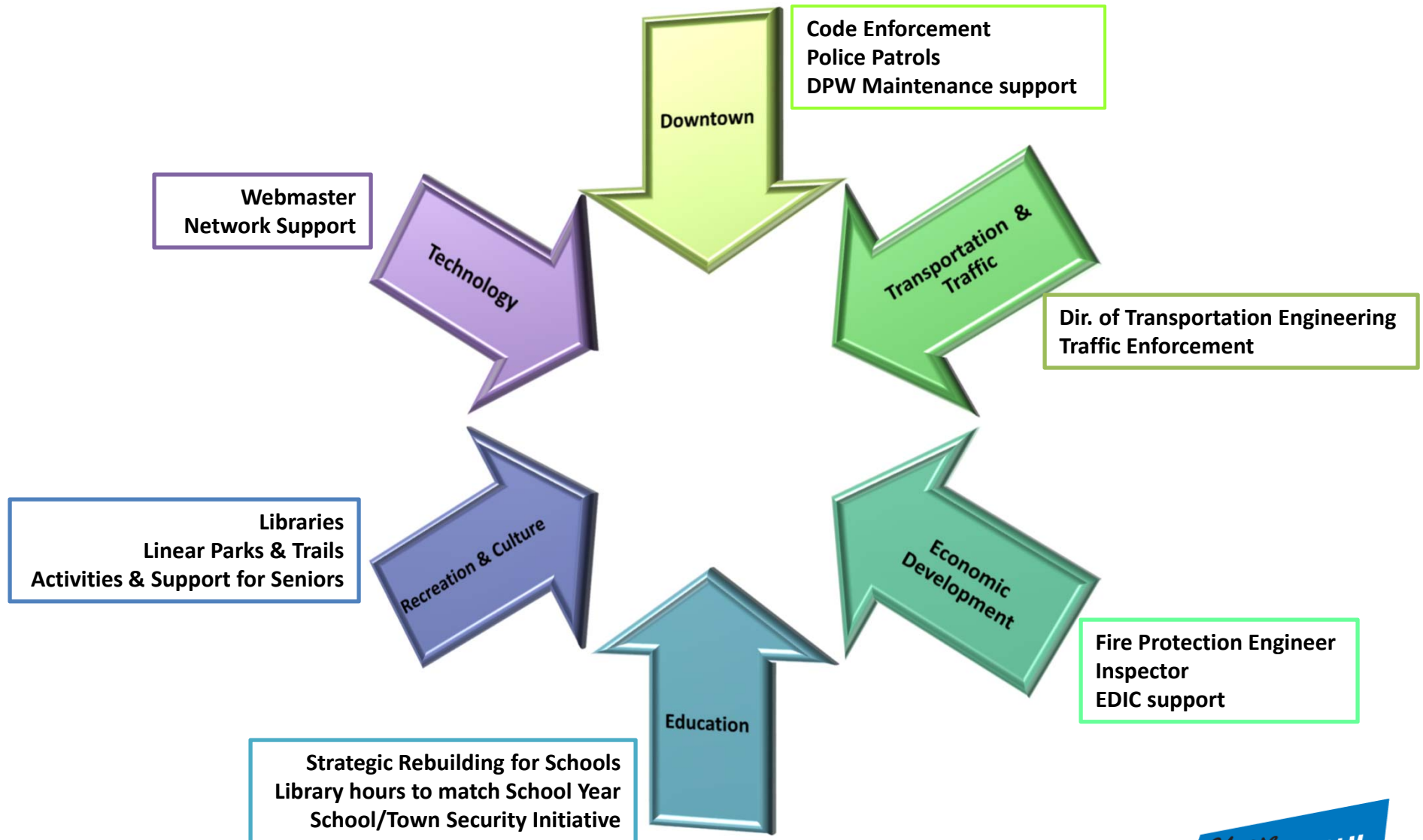


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Global Strategy

- Realistic revenue estimate
 - Careful not to overestimate State Aid
- Fund Level Service budget for all departments
 - In some cases this is a reduction in spending
 - There are Departments that are still operating at FY2009 reduced service levels
- Make strategic investments in core services that will provide measurable improvement in six broad areas:

Invest in Framingham



Budget Process

Departments presented level funded, level service and top three priority needs



Total revenue determined to assess capacity improvements/investments



Department requests reviewed for effectiveness and need



Total requests evaluated for impact and sustainability



Final recommendations chosen to live within revenue estimate

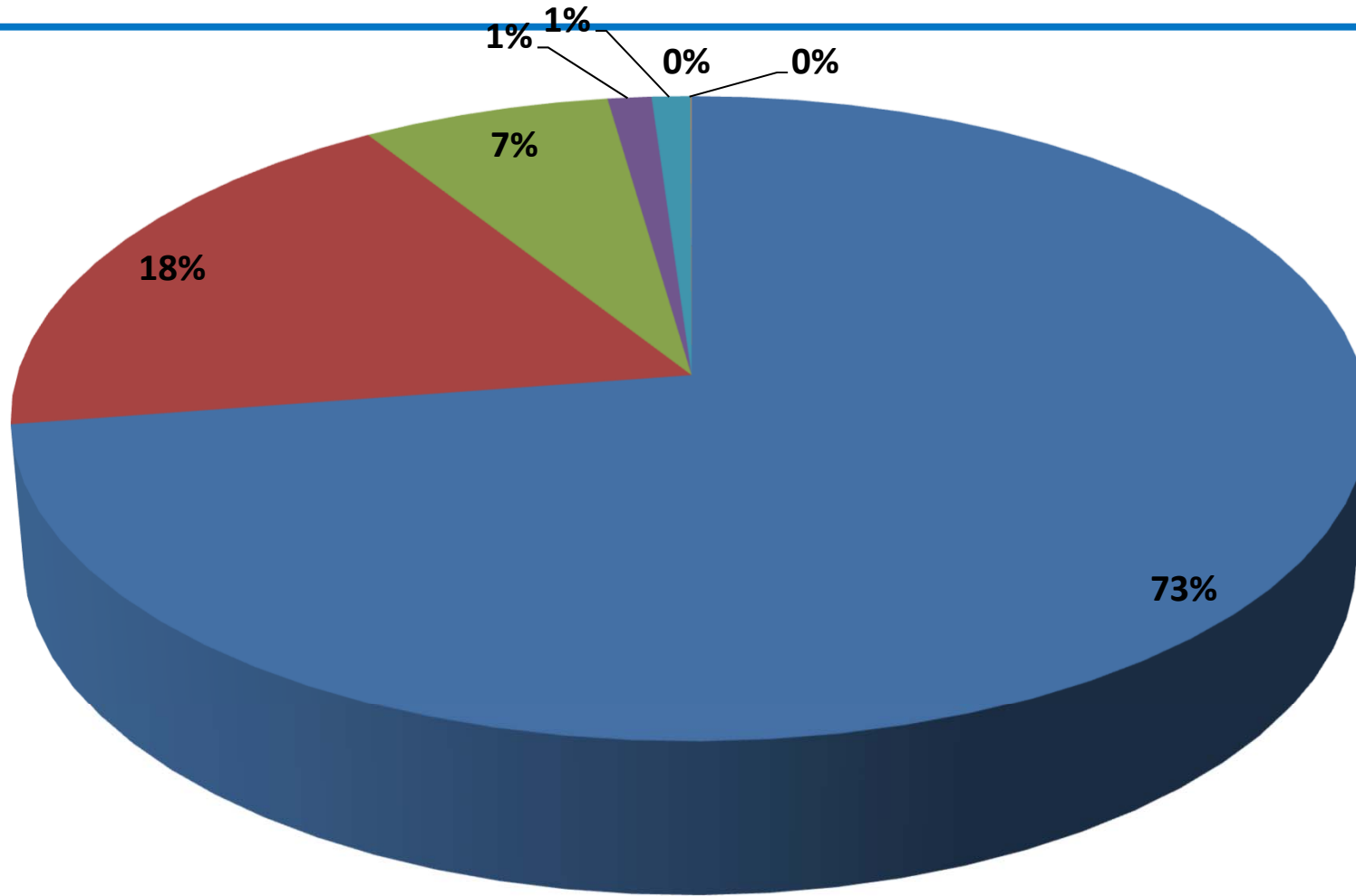
Revenue Estimate

- Total Revenue: \$236,548,526
 - Overall revenue increase of \$8.4 million
- Assumptions:
 - 2.5% tax levy (\$4.16 million)
 - Modest new development tax growth (\$884,000)
 - 11.9% (\$3.3M) increase in Ch. 70 aid
 - 2.1% increase in local receipts (\$334,788)
 - 3% increase in Enterprise Indirect charges
 - \$1.3M in Free Cash (\$200,000 reduction)

Revenue Estimate

- Weakness:
 - Chapter 70 aid increased by \$3.3 million has moderate risk
 - If Ch 70 formula not changed estimate has about 10% risk of reduction
 - If legislature tampers with formula criteria estimate has about 30% risk of reduction
 - Would require the Legislature add \$125M to state-wide Chapter 70 Budget
 - Legislature nervous of impacts of sequester
 - Governor's budget added \$226 million to Chapter 70 total budget, supported by a portion of \$1.9 Billion in increased taxes

Revenue Estimate



- Property Tax
- State Aid
- Local Receipts
- Enterprise Indirects
- Free Cash
- Parking Revenue
- Miscellaneous

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Recommended Spending

- For most Departments and centralized costs Level Service budgets are recommended
 - Adds or subtracts funds to provide the same quantity and quality of service to residents and taxpayers
 - Does not add new programs or staff
 - Level Service funding for FY14 is a total increase of \$4.46 million
 - An increase of just under 2%

Recommended Spending

- Strategic Investments to improve and/or increase effective, quality services
 - Adds just under \$3 million to the total FY14 budget
 - Places 16.8 added FTEs in critical functions
- Additional Requested Priority Investments which total \$2.4 million were deferred
 - Requests for 13 FTEs were declined

Strategic Investment Highlights

- Framingham Schools:
 - \$4.5 million from FY13 increased budget
 - \$3.3 million increase to Level Service
 - \$1.2 million for district improvements
- Police Department:
 - 7 additional patrolmen: \$382,396
 - increase traffic enforcement,
 - adds School resource officer
 - Step 1 toward staffing Police Department to national standards for Town demographics

Strategic Investment Highlights

- Building Inspection
 - Code Enforcement Task Force dedicated Inspector: \$61,392
 - Joint HOME Rehab program/Code Enforcement Inspector: \$42,676
- Fire Department
 - Fire Protection Engineer: \$72,520
 - Inspector: \$70,515
 - Expedite permitting and allocate resources more effectively

Strategic Investment Highlights

- Public Works Division

- DPW- Engineering Dept.

- Director of Transportation Engineering: \$79,964

- DPW - Highway Dept.

- Dedicated Medium Equipment Operator for Downtown Maintenance and Support: \$38,731

- DPW - Sanitation

- Add Hazardous Waste Collection Event: \$30,000

Strategic Investment Highlights

- Community & Economic Development
 - EDIC Project development funding: \$110,000
 - Funds are an allocation of 9.2% of Room and Meals Tax revenue
- Libraries
 - Add Sunday hours to match School year: \$15,146
 - Collection HQ software program: \$17,500
 - RFID tagging of Collection: \$42,779

Strategic Investment Highlights

- Park & Recreation Division
 - Council on Aging
 - Increase in Activities Manager hours
 - Park & Recreation
 - Create Deputy Director position: \$87,753
 - Downgrade Operations Manager position: (\$16,463)
 - Engineering Consulting: \$30,000
 - Administrative resource increase: \$13,892

Strategic Investment Highlights

- Technology Services
 - Reorganize department to more effectively manage town wide networks and resources: (\$67,644)
 - Hire a Webmaster to manage expanding web services and access: \$74,000
 - Add a Network Technician to provide addition support for increasingly intricate town wide fiber and wireless networks: \$57,800
 - Part Administrative Assistant: \$15,864 (.3 FTE)

Strategic Investment Highlights

- School/Town Security Initiative: \$250,000
 - Provide equipment, materials, and training for enhanced security in Schools and Town buildings
 - Proposed as a separate appropriation
 - Special purpose account means funds do not expire at the end of the fiscal year or close out to free cash

Centralized Cost Changes

- Health Insurance: \$35.2 million
 - Increase \$2.1 million, 6.3%
- Retirement: \$11.2 million
 - Increased \$517,252, 4.8%
- Debt Service: \$10.9 million
 - Bond costs increased \$381,758 (3.9%)
 - Short term interest increased \$83,315
 - Abatement interest level funded
- Liability Insurance: \$1.3 million
 - Increased \$135,622 (12%)

Centralized Cost Changes

- Stabilization Fund: \$589,965
 - Decreased \$1.6 million
 - Free cash allocation only
 - Maintains 5% policy minimum
- OPEB Trust: \$700,565
 - Decreased \$799,535
- Salary Reserve: \$878,000
 - Includes estimated cost of class and comp grade changes and funding for COLA for collective bargaining costs in FY14
- Snow and Ice Removal: \$1,532,717
 - Increase in salt and contractor costs

Estimated Impact on Taxes

- Increase in average single family tax bill is \$148
 - Assuming no change in values
 - No change in shift between commercial and residential tax burden
 - Elimination of tax increase would require a \$3.4 million budget cut
 - The budget would need to be cut by \$288,680 to reduce the tax impact by \$10
 - Estimated residential and commercial valuations for estimated FY14 tax rates will be available for Town Meeting