Town of Framingham

Long Range Financial Forecast

FY2013 to FY2017

Fall Special Town Meeting

October 18, 2011

Office of the Chief Financial Officer

Executive Summary

The function of a Long Range Forecast is to provide the Town Administrators, Town Committees, Town Meeting Members, Framingham Taxpayers and citizens with important data regarding the finances of the Town and the outlook for the next five years. This forecast addresses only the General Fund which is funded by property taxes, state aid, local taxes, fees and fines from departments and other miscellaneous revenue. The expenditures included are all Town department operations (including education) and all fixed costs (insurances, retirement, debt service and state assessments). The forecast does not include the Enterprise Funds for Water and Sewer operations nor special programs funded by federal and state grants.

The Long Range Forecast (LRF) assumes growth of existing programs and services and existing revenues. With only one exception (full day kindergarten in the School Department), expenditures are based on the services provided today (FY12) and nothing new. Revenues have no assumptions for any new revenue sources or types; the only "new" revenue being new growth in property taxes due to new development. The new growth estimate is very conservative based on the level of development/redevelopment going on in Town now. Revenues assume no increase in any particular fee. The forecast is a tool to aid in making decisions for future spending on departmental operations, programs, services and investments. It is not the budget; it is something to help make budget choices.

One year ago the Long Range Forecast estimated a deficit for FY12 of $6.9 million. The growth of the deficit was expected to be $27 million by FY16. State aid was expected to be cut by 5% for FY12 in the two major categories and any stimulus funds would disappear. Local receipts, especially permits and vehicle excise tax, were expected to decrease dramatically. In total revenue was estimated to grow less than 1%. On the other side of the ledger, spending was expected to grow almost $9 million or 4.2%. Health insurance was expected to grow by 8.5%, liability insurance by 10%. Debt Service would grow 39% if all the capital requests were approved. In the end, education aid actually grew and General Government aid was not cut much more than anticipated. Revenue increased 2.7%. Spending was reigned in: health insurance bargaining resulted in over $1 million in savings, the capital budget was reduced, municipal departments were cut approximately 1% and the School Department budget was limited to 2.7% growth. Two major spending components grew beyond expectations: snow and ice spending, which was over budget more than during the blizzard of 1978; liability insurance coverage came in

30% higher than FY11. However, the budget was balanced and for the first time in six years, the School Department was funded at its level service request.

For FY13 to FY17, there is still a deficit; however not as overwhelming at last year's forecast. For FY13 a deficit of $2.5 million is projected, peaking in FY17 at $9.6 million. These projections do not take into account any potential reductions in health insurance spending due to health insurance reform. The capital budget projection is not reduced either; it assumes the approval of all requested projects. These two components may have significant impact on the outcome of FY13. Finally, there is no assumption of a snow and ice deficit, something which has crippled spending for the last four years by exceeding the budget by more than $1 million each year. The budget for this cost had been substantially increased the last two years in order to avoid having to roll over the deficit in the future fiscal years. The funding for the School Department includes the transition to full day kindergarten. This requires the addition of $700,000 to work as a "bridge" to state funding. The state aid allocated for full day kindergarten takes a year to catch up and always fund in arrears.

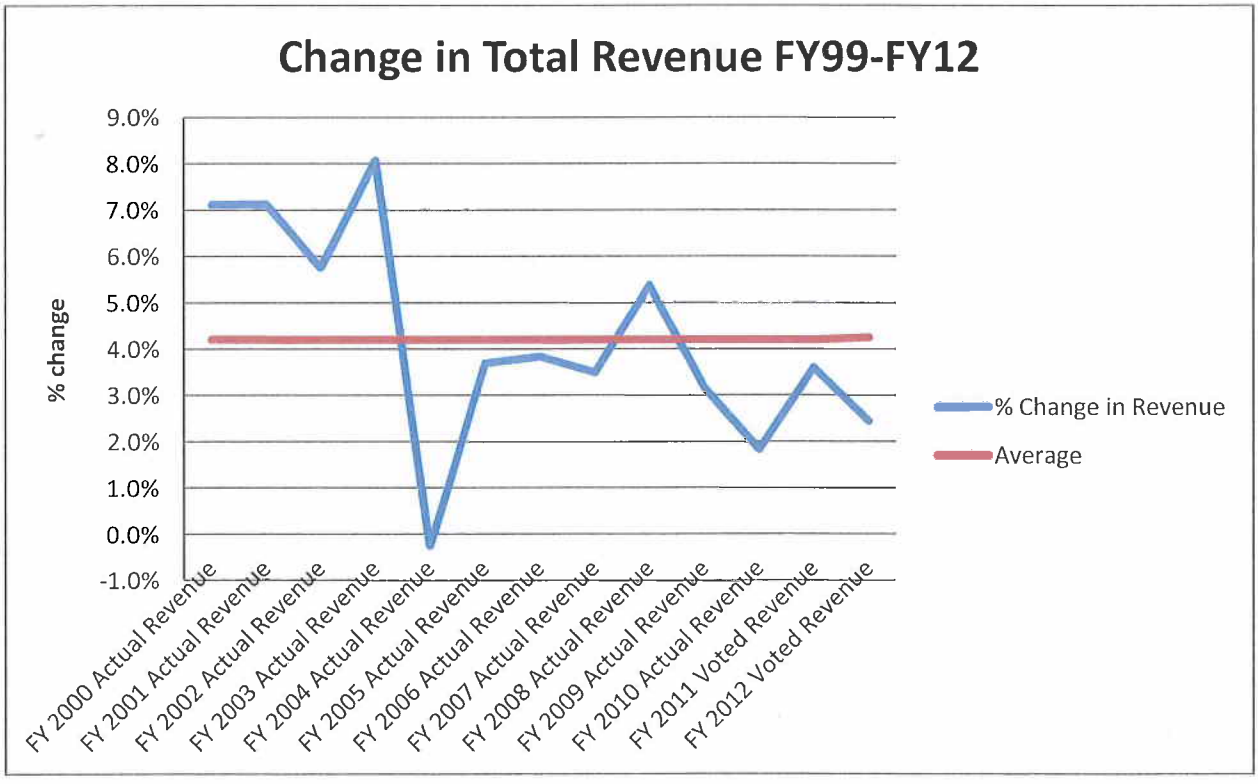
There are still some lingering effects of the initial drop of the Great Recession: the Town's pension fund, which has made some headway in regaining its losses, still has to recognize and record part of the loss that the state allowed to be deferred. This will either increase the contribution required by the Town or add a year to the full funding schedule for the fund; or some combination of the two. There is also the OPEB future benefits liability, which will require annual appropriations in the range of $16 million. However, the privatization of the bus drivers, current change to health insurance, and future changes to health insurance mandated by the state should have a helpful impact on the total unfunded liability.

If the state upholds its obligation to fund Local Aid and its responsibilities for Special Education Circuit Breaker and PILOT payments for state owned land we could increase revenue growth to just over 4% by FY17. On the other side of the ledger, the state cannot continue to pile on unfunded mandates such as stormwater regulations, trench regulations, and special education tuition increases. If these costs can be mitigated, we may be able to control expenditures to match revenue.

Revenue Trends

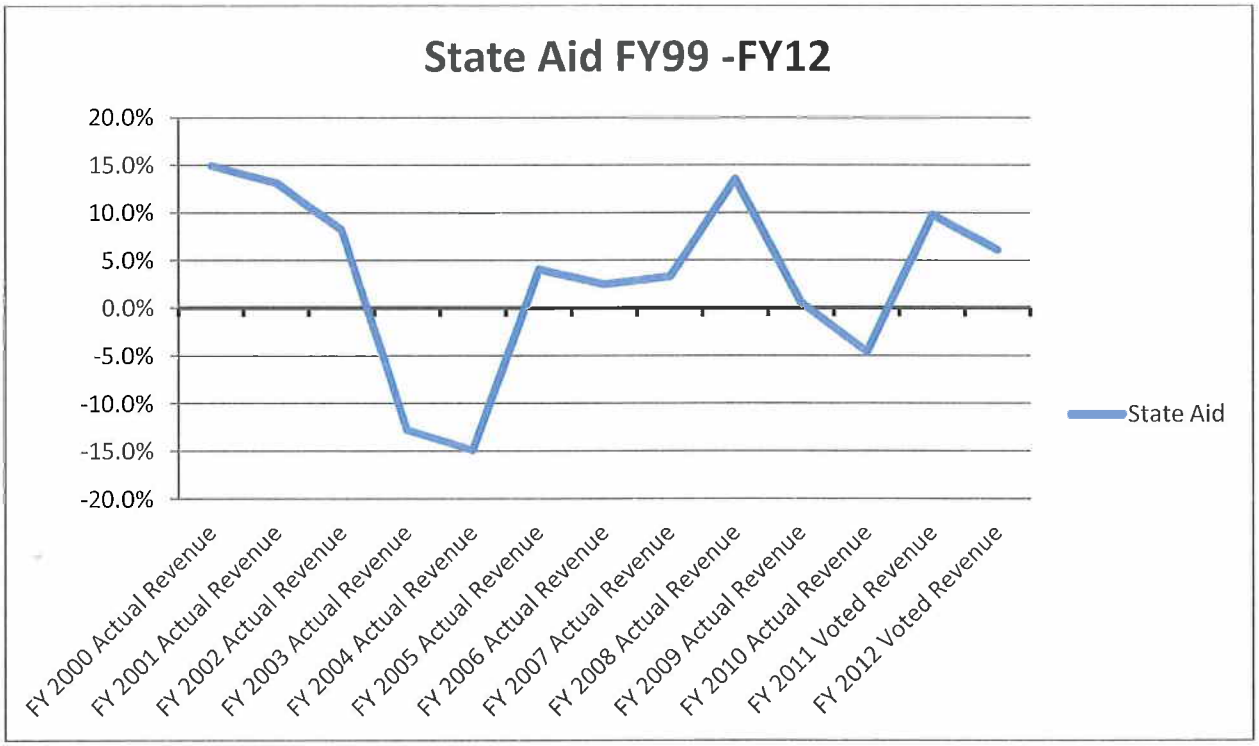
Historical Revenue Data: FY1999 to FY2012 (est)

Thirteen years ago (FY99) the revenue total for the General Fund was $126.7 million. For FY12 the revenue estimate is $217.4 million. The increase is 71% or $90 million. This averages out to 4.2% per year. However if we used this historical number to forecast revenue, the forecast would have grossly over-stated revenues in eight of the 13 years in this analysis. Revenues would be underestimated for five of the 13 years. The graph below illustrates the change in percent growth over time and its relationship to the statistical average rate of growth for the period. The substantial drop on revenue in the graph is the two years of state aid reductions of $3.8 million each year. The pattern of revenue closely matches the giant swings in state aid, indicating that that is the source of the unpredictable revenue change, which in the second graph below you can see that taxes and local receipts are fairly steady in their pattern of change.

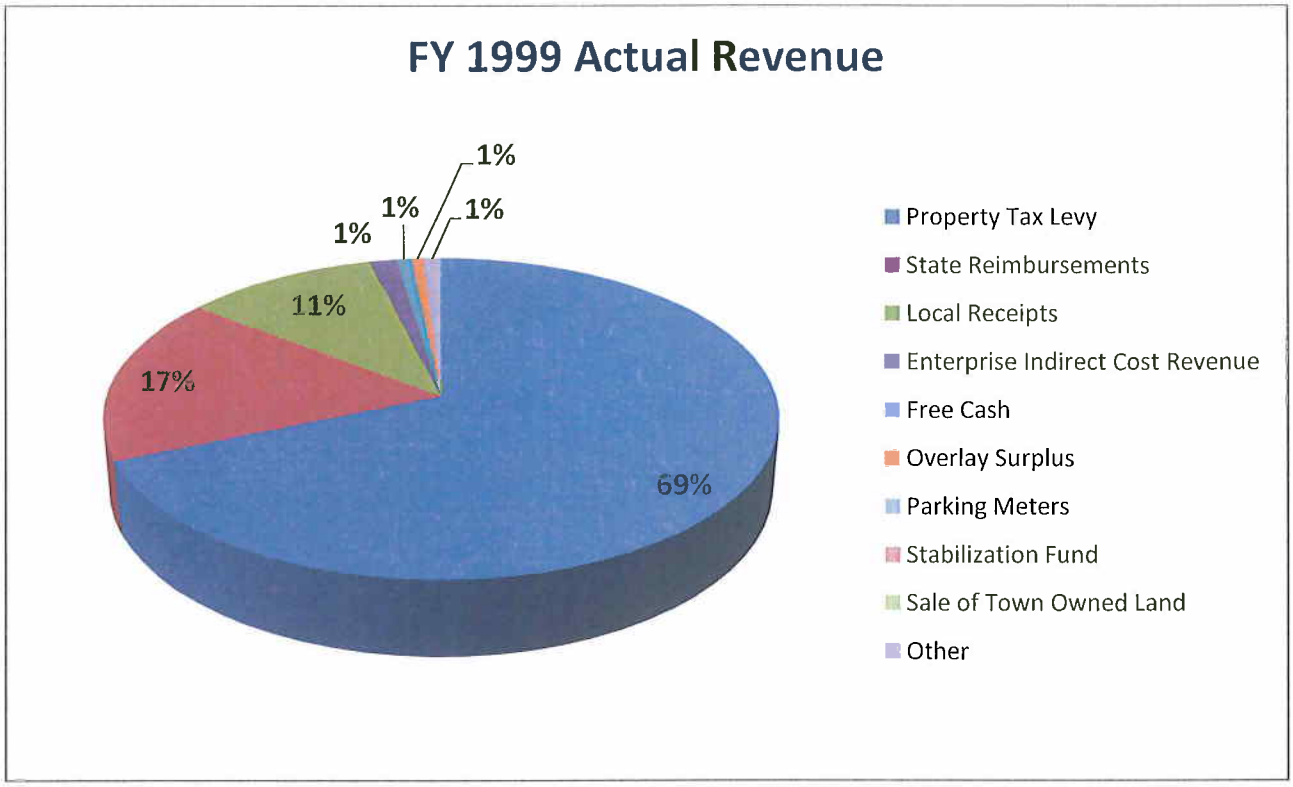


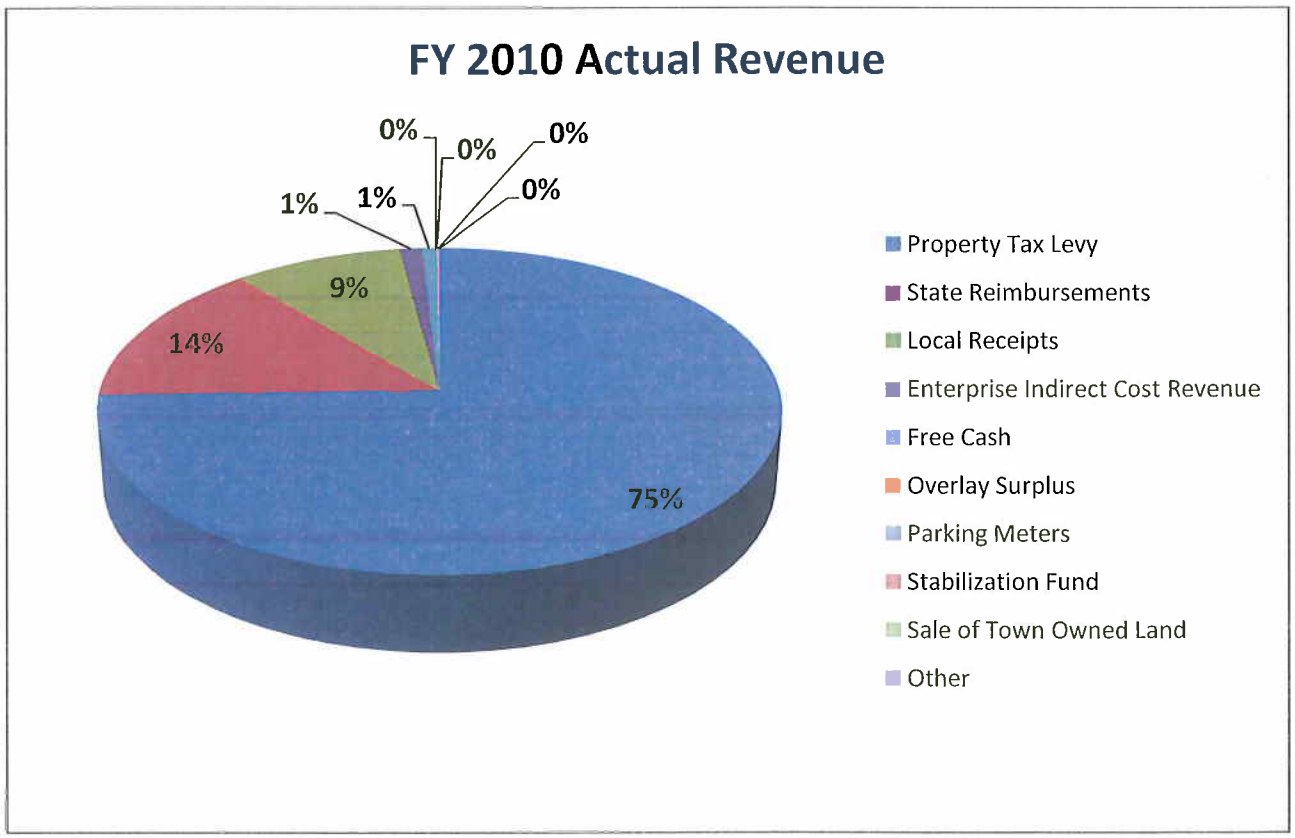
The type of revenue that is most volatile is state aid, with annual changes that swing from a 15% *increase* to a 15% *decrease.* There is NO short term trend with which to forecast let alone a long term trend. In two of the years in this time period state aid was cut mid-year, further exacerbating the ability to predict and budget for this revenue source. The graph below shows the annual percent changes in State Aid

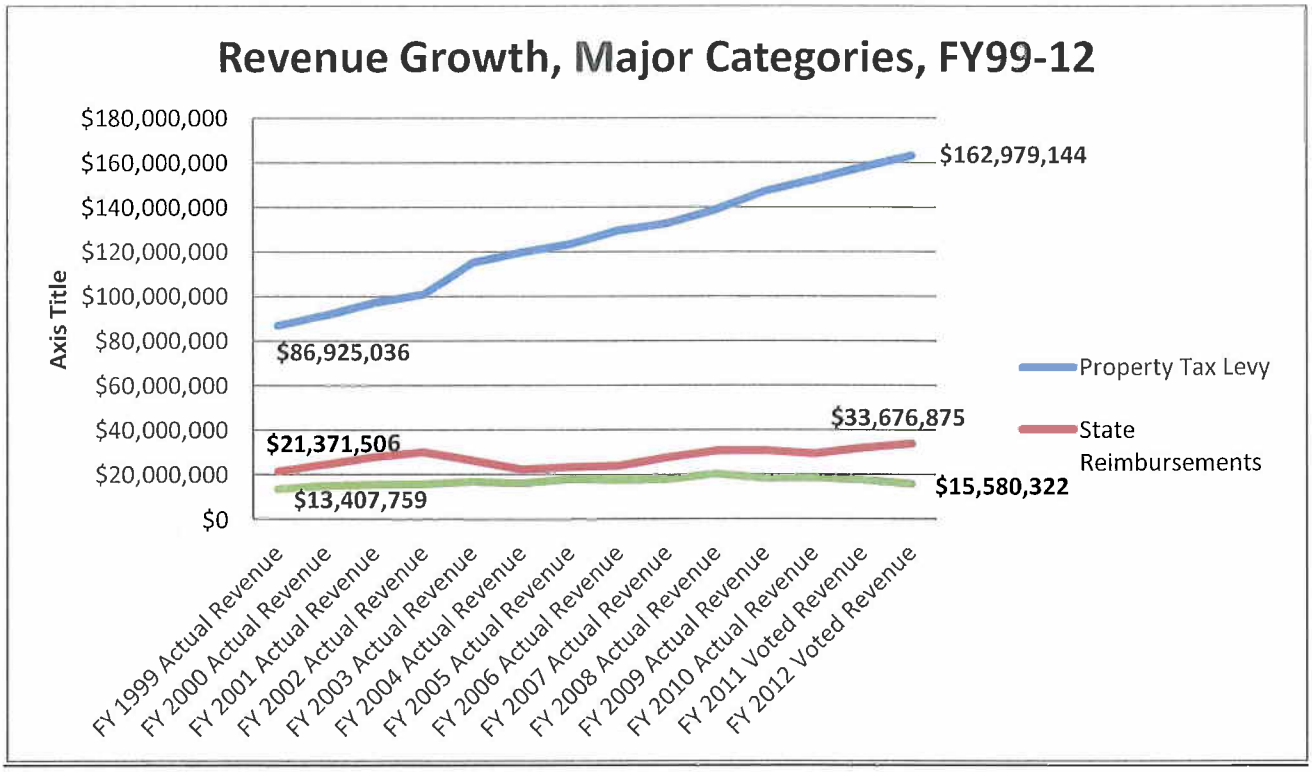
from FY00 to the FY12 amount voted at the 2011 Annual Town Meeting. Note that only the Cherry Sheet State Aid is included. The amount of total state aid counted in the budget includes School Building Assistance (SBA) debt service offsets for three schools (McCarthy, Cameron, and Wilson) which does not come through the Cherry Sheets (it is bond funds and is not subject to the state General Fund issues and political manipulation).



A concerning trend over this time is the make-up of total revenue. In FY1999, property taxes comprised a smaller portion of total revenue, yet by 2012 it is 75% of the total. Since the total pool of revenue from taxes can increase no more than 2.5% without an override; unless we can control costs even going to the maximum levy every single year will not provide enough revenue to balance the budget. The state must uphold its obligation to increase funds to their ever increasing mandates, especially in education. Other sources of revenue must fill in the gap in addition to minimizing growth in spending and the state must give flexibility to cities and towns to create those alternative revenues and not depend on simply increasing fees to residents. The two graphs below illustrate the changing dynamic in revenue sources.


FY 1999 Actual Revenue
1%
1%
1%
1%
11%
17%
69%
Property Tax Levy
State Reimbursements
Local Receipts
Enterprise Indirect Cost Revenue
Free Cash
Overlay Surplus
Parking Meters
Stabilization Fund
Sale of Town Owned Land
Other


FY 2010 Actual Revenue
0%
0%
0%
0%
1%
1%
9%
14%
75%
Property Tax Levy
State Reimbursements
Local Receipts
Enterprise Indirect Cost Revenue
Free Cash
Overlay Surplus
Parking Meters
Stabilization Fund
Sale of Town Owned Land
Other



Future Revenue Projections: 2013 to 2017

A detailed table of the revenue forecast is included on Chart 2, page 18. It lists each revenue source by major category, broken down into subcategories. Each subcategory has a rate of growth listed to the right of the individual source.

Property taxes

Property taxes are projected to increase by 2.5% as restricted by Proposition 2 1/2. The rule is that the total tax levy from the prior year is multiplied by 2.5% to get the maximum next year levy. The total levy of the prior year includes the base tax levy, plus the taxable amount of new growth in value. For the term of the forecast the projected revenue assumes going to the maximum levy *every single year, and we still will have a deficit.* New growth, those taxes generated by new development, is added on top of the tax levy in its initial year and the folded into the base levy in subsequent years. The Town has had some significant redevelopment in the past couple of years. But for the next few years there appears to be growth on in Technology Park. Therefore, new growth is markedly reduced for the term of this forecast, starting at $950,000 and growing by only 2% for the next two years for the forecast and three and four percent for the last two years.

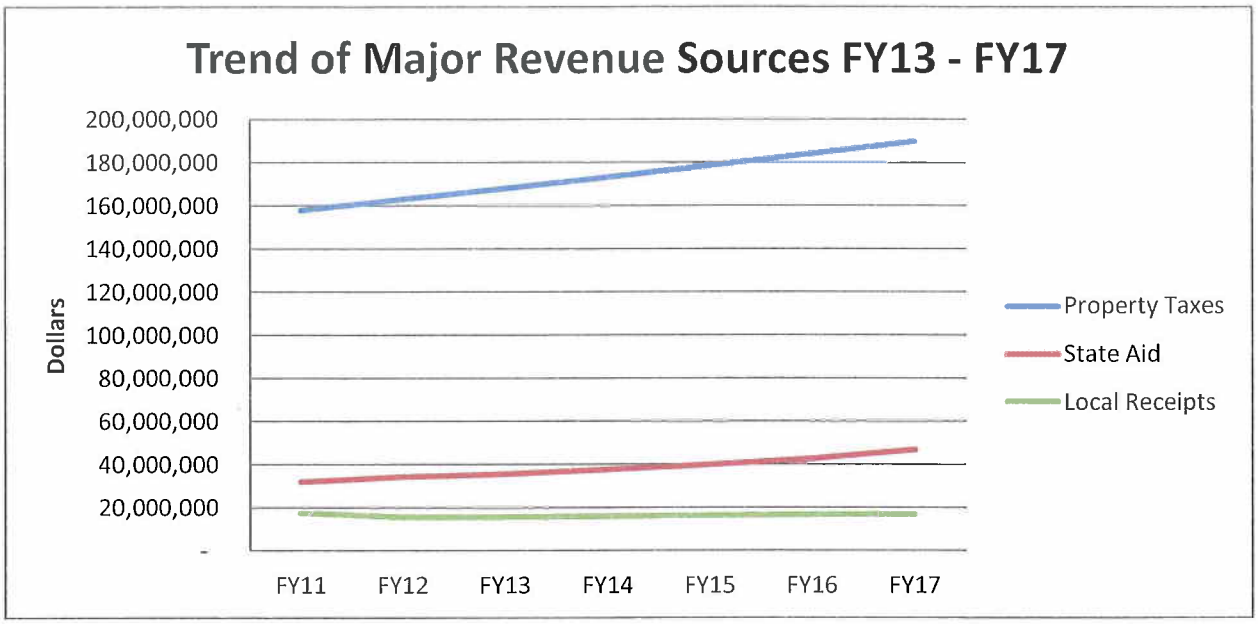
There is no assumption of changes to telecommunication tax exemptions. The state has not closed the loophole for telecommunication equipment. The timeline for that change is uncertain if at all possible in the current economic and political climate. If the loophole was closed, Framingham would gain $1.5 million in personal property taxes.

State Aid

State aid is the least predictable of the revenue sources. As previously described it has varied greatly in the last 13 years. The amount of funding depends upon state revenue amounts and is distributed via complicated state formulas. It is also subject to political manipulation; reallocating funds to politically powerful cities and towns at the expense of less powerful ones. State Aid for Framingham consists of Chapter 70 Education Aid, the largest component; Unrestricted General Government Aid, Charter School Reimbursements, payments for loss of property tax for state owned land, and reimbursements for tax exemptions for Veterans, the elderly and surviving spouses of each. In the case of Framingham, it also includes reimbursement of debt service by the School building Authority in the amount of $2,510,995 for the next five years. The forecast assumes an increase in Chapter 70 aid ranging from 6% in FY13 to 12% in FY17. General Government Aid decreases $300,000 from the recently amended FY12 level in FY13 and increases by little over 1% in FY14-FY16 and 5% in FY17. While language in the law approving the additional Unrestricted General Government Aid allows this to be a recurring payment, a number of state level officials have dubbed this a one-time receipt. This forecast hedges that risk and counts on half the amount in FY13. There is some risk, but the entire amount is not included in the forecast. The remaining components of state aid stay level for the term of the forecast.

Local Receipts

Local receipts are fees, user charges, local taxes, rent, investment income and fines created and/or controlled by the municipality. The Town collects three taxes: motor vehicle excise, 6% room tax and .75% meals tax. The excise tax actually decreases over time. The room and meals tax will hold steady. No growth in this revenue type is projected for FY 13, while growth in the subsequent years is 1%. User fees, penalties and fines and licenses and permits grow at 3%, 2% and 1% respectively. Investment income is projected to increase by 3% this year after a severe reduction last year. The remaining revenue sources within Local Receipts remain steady for FY13 and beyond.



Overhead Charges to Enterprise Funds

State regulation allows a municipality to charge other funds for the overhead costs to manage the programs and the finances of the specific fund. The charges must be proportional to the level of effort spent by staff and managers and the direct costs of overhead expenses. The Town created a computer model that calculates salaries, operating costs, insurances and legal costs that are dedicated to managing the water and sewer departments. This model is reviewed periodically for accuracy and the amounts adjusted for the annual increase in costs. The rate of growth for this forecast is 3%. The indirect charges provide $2.7 million in revenue to the General Fund in FY13 and grow to almost $3.1 million in FY17.

Free Cash

Free cash is the amount of money left over and unrestricted in the General Fund at the end of the fiscal year. The Town's policy for the use of free cash allows the use of up to $1.5 million for the operating budget in the next budget cycle (i.e. FY11 free cash is used in the FY13 budget). The remaining amount of free cash is then allocated to the Stabilization Fund (40%), capital projects (20%) and to remain in General Fund balance (40%). This does not necessarily mean there will be funds available for all of these allocations. In FY09 there was only $1.2 million of free cash available, so no funds were allocated for the stabilization fund or capital projects or to remain in the fund balance, we used it all to fund the budget. In FY12, $1.5 million was used in the operating budget and the allocation for the stabilization fund was $220,000 and $100,000 in the capital budget. In this forecast free cash is estimated at

$2.3 million to $2.4 million; $1.5 million is used for the operating budget and the allocation to the stabilization fund is made according to the Town policy. The allocation to the capital budget is projected at $100,000 starting in FY13 and continuing through FY17.

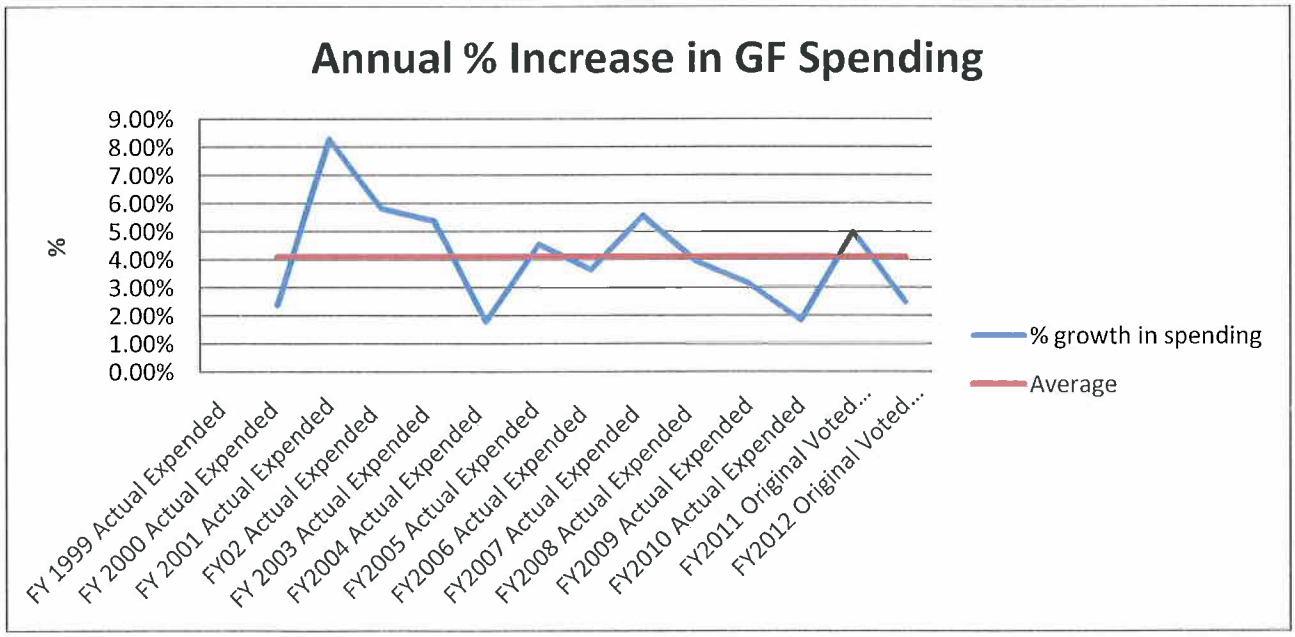
Other Revenue

Miscellaneous revenue includes parking meter revenue and funds allocated from the consumer protection fund. These revenue sources total less than $100,000 per year and are estimated to be level for the term of the forecast.

Expenditure Trends

Historical: 1999 to 2012 (est)

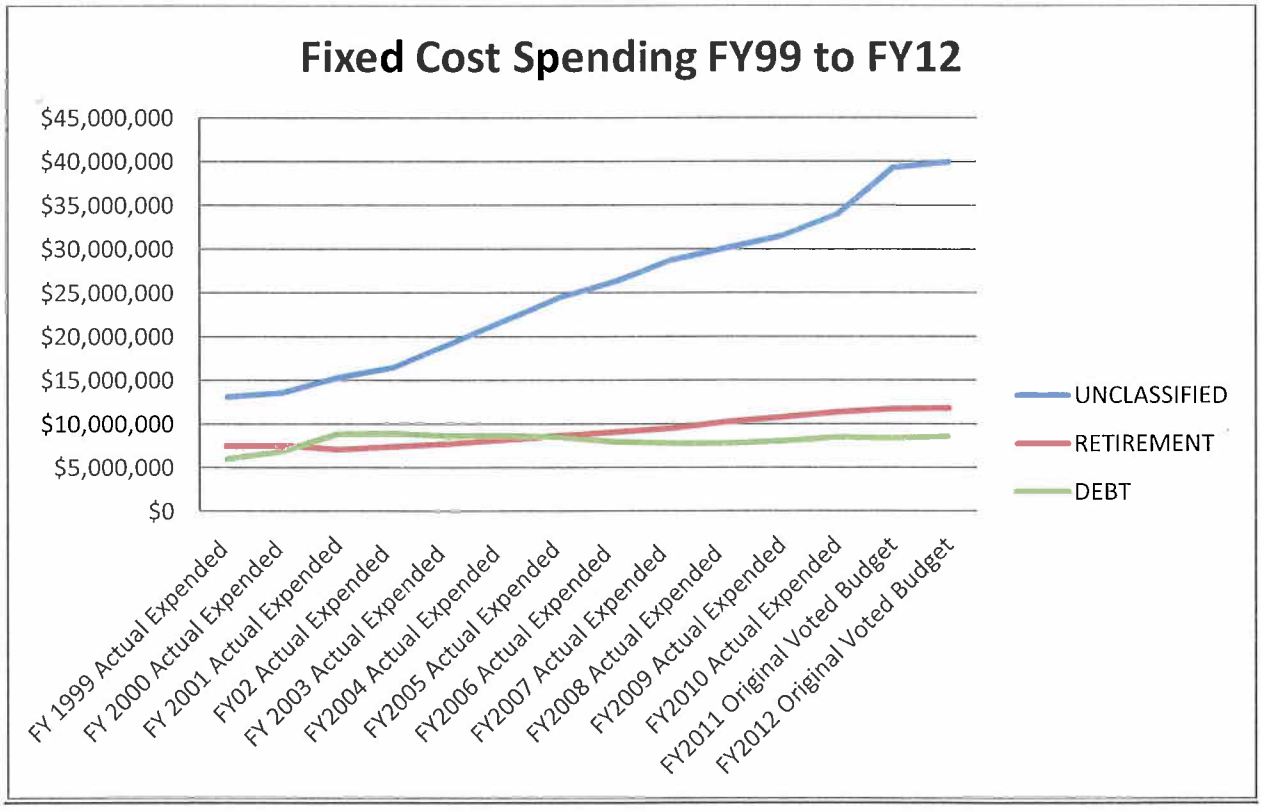
Total General Fund spending from FY99 to the voted FY12 budget is $88.5 million or 69%. This would average to 4.1% per year. However, to use that as a forecast variable over this time would mean spending was drastically underestimated in six of the thirteen years. The graph below depicts the annual change in actual spending through FY2010 and the voted budget in FY11 and FY12. Note that the average annual increase in spending over this time is 4.1% and the average annual revenue increase is 4.2%.



The budget division with the greatest growth us the Unclassified Division which includes health insurance and liability insurance since 1999 the cost has increase

205%, an average of 16% per year. In FY99 spending for health insurance was $12.1 million or 89% of total Unclassified spending. Over the term health insurance grew to 94% of total unclassified spending. The good news is that by FY12 it has dropped down to 88% of total unclassified spending. The bad news is that health insurance is still 16% of the total budget. Liability insurance has also been increasing, by FY11 the cost had tripled. In FY12, the Town Administration changed to a new carrier and saved significant cost which is reflected in this forecast. The blue line in the graph below shows the growth in spending of the unclassified budget from FY99 to the voted FY12 budget.

The cost of funding the Framingham Retirement Fund includes the actual retirement benefits to retirees and the unfunded liability of future and underfunded retirees. Chart 4 on page 22 and the Graph 3 on page 23 depict the current pension funding schedule. The red line in the graph below shows the steady 4.5% annual increase in the funding requirement for Framingham pensions.



Growth in Division spending over this 13 year period varies greatly, ranging from $35.7 million for education (40% of the increase and 56% over the period) to a

decrease of $272,182 in Community and Economic Development. The chart below lists the 13 year spending changes by Division.

Spending Category	$ Change	% Change	Avg per year
UNCLASSIFIED	$26,860,194	205.3%	15.8%
RETIREMENT	$4,356,047	58.3%	4.5%
DEBT	$2,596,703	43.7%	3.4%
EDUCATION	$35,725,198	55.9%	4.3%
FIRE	$3,847,655	46.4%	3.6%
POLICE	$4,127,500	53.3%	4.1%
DEPT OF PUBLIC WORKS*	$2,492,016	39.4%	3.0%
SNOW AND ICE	$500,875	50.1%	3.9%
ELECTED BOARDS	$913,091	40.4%	3.1%
GENERAL GOVERNMENT	$1,044,988	61.0%	4.7%
PARKS AND RECREATION	$1,681,932	113.8%	8.8%
FINANCE	$244,272	16.9%	1.3%
INSPECTIONAL SERVICES	$318,476	30.0%	2.3%
ECONOMIC DEVELOPMENT	-$272,182	-42.4%	-3.3%
TECHNOLOGY SERVICES	$545,848	80.7%	6.2%
HUMAN RESOURCES	-$3,655	-0.6%	0.0%
EXPEND NOT REQ APPROP	$3,547,328	75.8%	5.8%
Total GF Change	$88,526,287	69.0%	5.3%

Future Spending Trend: 2013 to 2017

Basic assumptions for growth in spending are different depending upon the cost category and the specific cost. Health insurance is anticipated to increase a small percentage for FY13, carrying over savings from the last health insurance contract. Future growth in health insurance ranges from 5% to 7% per year, with the rate growing in the out years. This assumes reasonable claims experience. If claims increase dramatically, rates will have to be increased more than anticipated here. The health insurance spending does not assume any changes to future health insurance benefits at this time since this need to be bargained, even with the passage of health insurance reform. If savings are achieved over the next few months this will mitigate the deficit amounts for FY13 and the future. We continue to need to reduce the cost of health insurance as the rate of growth of cost outpaces our ability to raise revenue. Therefore until we find the right mix of plan coverage and employee/employer contribution that won't break the bank, we need to keep negotiating change.

Pensions are increasing 4.5% based on the current funding schedule. However, this could likely increase based on the requirement to absorb the remainder of the 2008

losses in FY13. If the investment returns of the last two years hold, then the increase could be minimal, or the option could exist to extend the date for achieving full funding. Until the actuarial study is done for the next calendar year, the options are not known. This will be determined by an actuary and voted by the Retirement Board.

Salary Expenditures

Salary spending is expected to be $11.3 million in FY13, increasing to $128.8 million by FY17. The projection rate for salaries is different depending upon the department but is either three percent or four percent per year. This also assumes no additional positions, with one exception. The only deviation from a straight percent increase is the addition of $600,000 in FY13 for salaries in the School Department for full day kindergarten. It is anticipated that in FY14 Education Aid will increase to offset the next year increase, but the FY13 funding is there to bridge the additional cost without the corresponding increase in state funds.

In FY12 the appropriation for town-wide salaries totaled $106.6 million. This is 49% of the total budget. By FY17 salaries are expected to decrease as a percent of the total budget to 48%.

Operating Costs

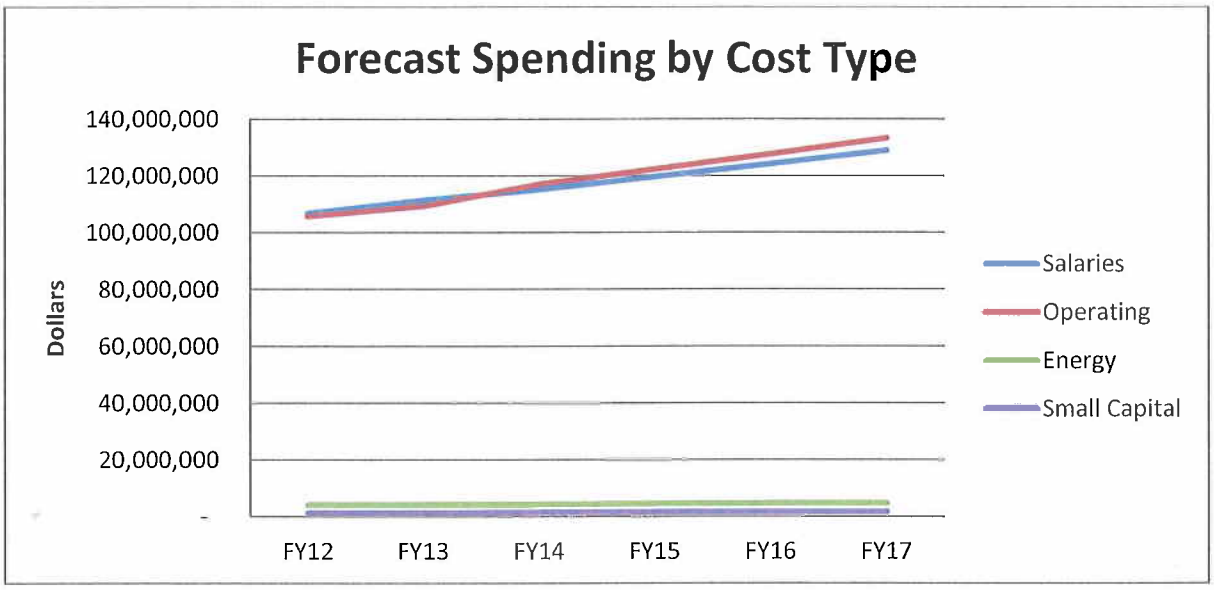
Operating costs for FY13 total $109.3 million or 48% of the total budget. Based on the growth of health insurance and special education out of district tuition, operating costs will overtake salary costs as a percent of the budget in FY14. School operating costs have an estimated annual rate of growth of 7%, matching the last two years of health insurance. This is a cost the state has a responsibility to help fund and they set the tuition rates. Operating spending will increase to $133.2 million by FY17 and take up 50% of the budget.

Energy spending

Town-wide energy costs for FY13 are expected to be $4.1 million or 1.8% of the total budget. The rate of growth is about 4% depending upon the year and the length of the energy usage contracts. By FY17 energy spending is forecast to be $4.5 million, dropping to 1.7% of the total budget. The annual Capital Budget has included a number of energy saving projects for almost all buildings, reducing our carbon footprint. In addition, the Town contracts for electricity and gas on a town-wide basis and has had favorable results in the recent bids.

Small Capital projects and equipment

Repair and maintenance projects that do not rise to the definition of capital project are funded in the operating budget in the category called small capital. Total spending for small capital in FY13 is forecast at $1.4 million or less than 1% of the budget. Spending for this category is expected to be relatively static since they are one-time items. FY17 spending is forecast at $1.48 million. This budget category tends to be the area where budget cuts first hit. Unfortunately that means maintenance on physical assets is delayed and damage results.



Unfunded Liabilities

Pensions

The Framingham Retirement System invests its pension fund with the state PRIT (Public Retirement Investment Trust) Fund. This fund covers pensions for all vested Framingham employees. The Framingham Retirement System (FRS) does not include Framingham teachers who are members of the Massachusetts Teachers Retirement System (MTRS). The FRS also includes as members employees of the Framingham Housing Authority and the MetroWest Regional Transit Authority. Both of those entities are responsible for contributing their own money into the pension fund; the Town is not responsible for any portion of their pension obligation. The average Framingham retiree pension is approximately $20,000. Employees contribute portion of their pay into the pension fund at varying percentages. For those employees contributing 9% of their pay, they are fully funding their own pension. They are not creating any unfunded liability. The unfunded liability is due

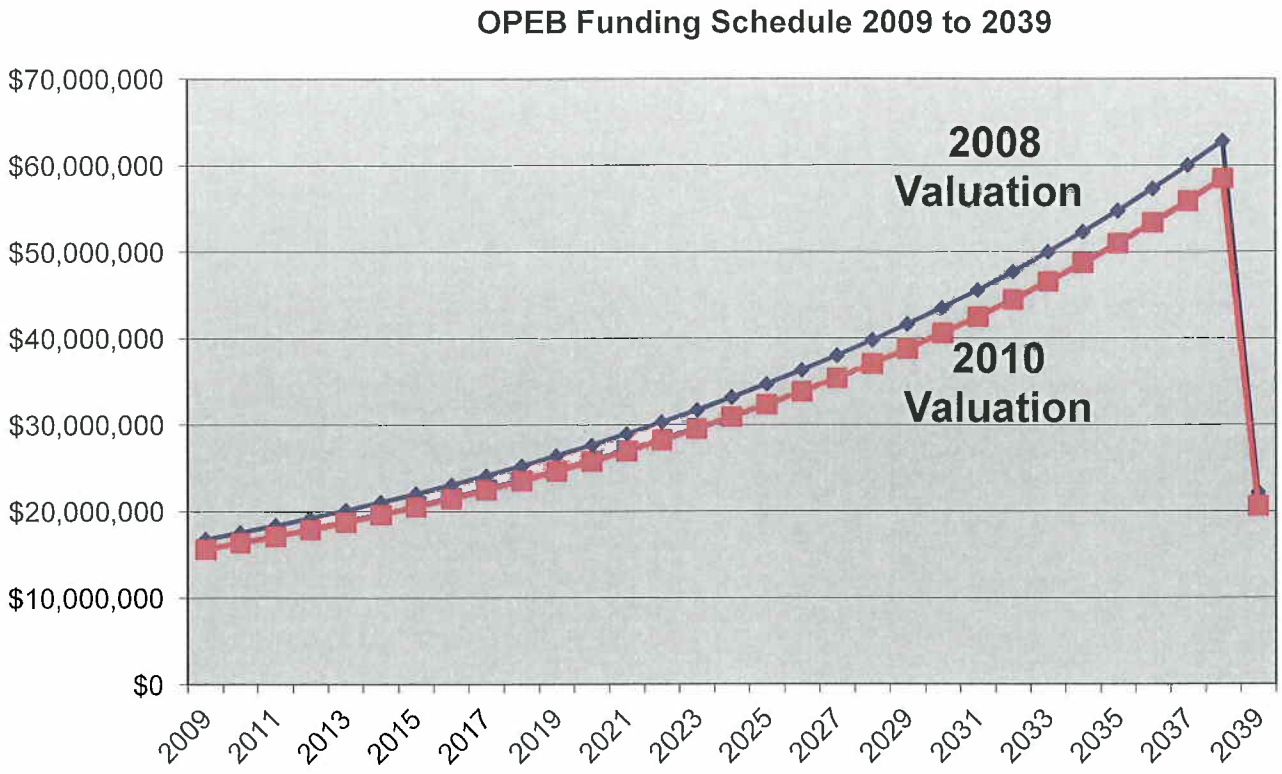
to the inadequate contribution by the employer for many years, many years ago; and the inadequate percentage contributed by employees hired prior to 1991 who contributed as little as 5% of their pay.

The pension fund has recovered significantly from the drop in assets experienced in 2008. An actuarial study will be conducted in 2012 to determine whether addition funds will be need to comply with fully funding the pension liability or whether a delay of the full funding timeline will work. The schedule include in the back of this report is the amended schedule which accommodated a portion of this asset loss. It did not require an increase in funding for the few three years, but extended the deadline for full funding from 2026 to 2030. The state passed a law to allow pension funds to extend their deadline to 2040, but the Board did not vote to go beyond 2030. Graph 3 on page 23 shows the increase in funding and the relative decrease in liability.

Other Post Employment Benefits (OPEB)

OPEB is the current and future benefit cost of current and future retirees. OPEB is currently an unfunded liability, but it is not required by law to be funded. This liability must be recorded on the financial statements of the Town, which it has been for the last couple of years.

The Town pays a portion of health insurance for employees who retire from Framingham either via the Framingham Retirement System, or in the Massachusetts Teachers Retirement System (MTRS). Several years ago the Town adopted the provision that all Medicare eligible retirees must enroll in Medicare Part B and then participate in a Medicare supplement plan. This saves the Town a significant amount of money since hospitalization expenditures are covered without cost to the Town. Every savings measure we take for health insurance also reduces this liability. Since the recording of this liability, the Town has reduced the liability from the 2008 valuation of $216.9 million to $202 million determined by the 2010 valuation. The annual difference is significant as depicted in the graph of the two recommended funding schedules show below. Chart X on page X presents the two recommended funding schedules side by side. The next valuation will be conducted in 2012; it will include the savings achieved by the 2011 changes in health insurance coverage and the reduction of employees in School busing. While we do not have an estimate of what these savings will be, the valuation will have an exact number.



Stabilization Fund

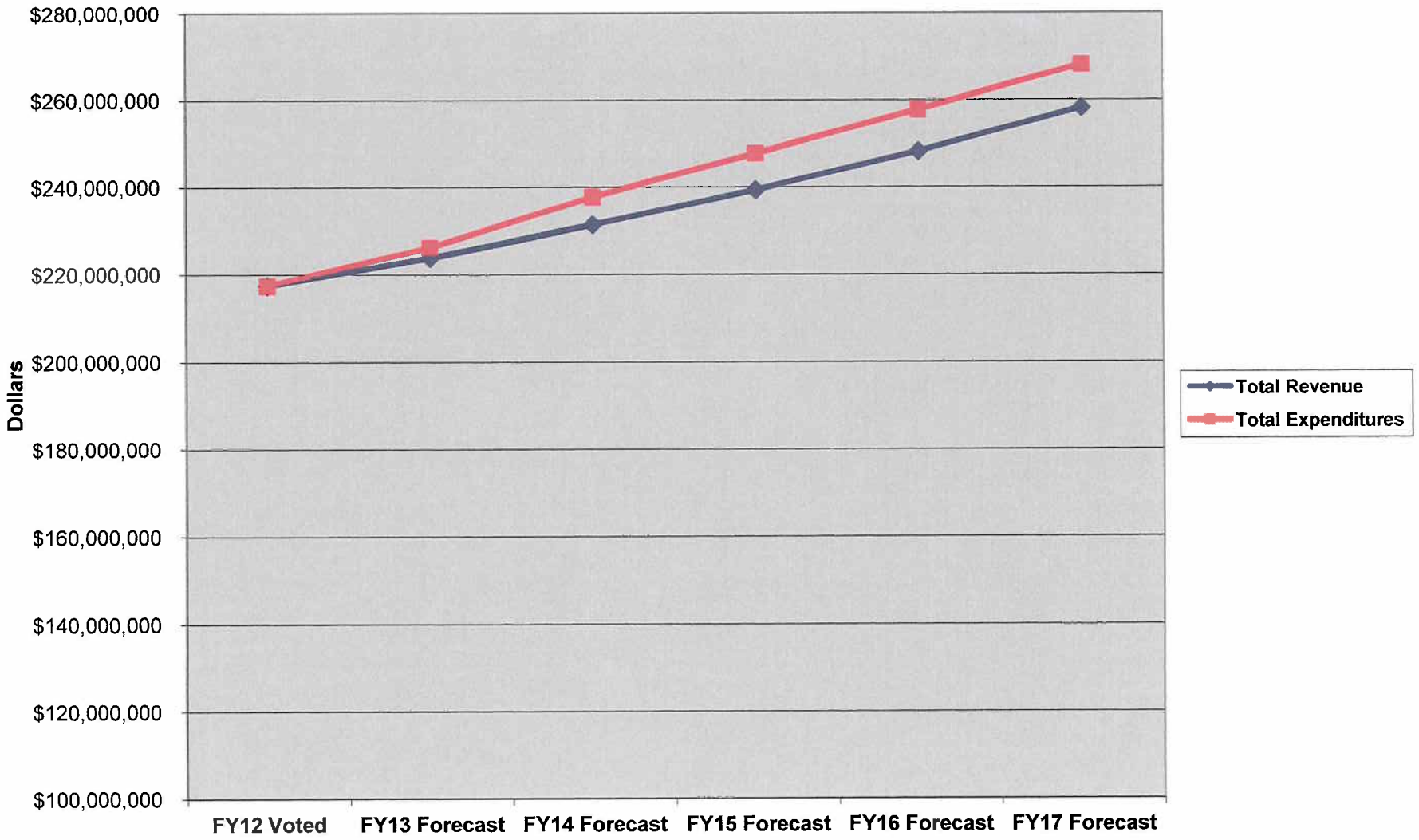
Town policy dictates, state and financial rating agencies recommend that municipalities have a stabilization fund that is 5% of the total annual budget. Framingham's stabilization fund balance is currently $7.2 million or 3.6% of the policy requirement. The current plan is to allocate a portion of free cash and the revenues from local room and meals taxes to the fund until it reaches the policy level. At the current rate of growth that should be accomplished during FY15.

The following pages include charts and graphs that support and further explain the information in this forecast. If you have any questions regarding any of this data, do hesitate to call the Office of the Chief Financial Officer at (508) 532-5425, or e-mail directly at mek@framinghamma.gov.

FY2013 - FY2017 Budget Gap

	FY12 Voted	FY13 Forecast	FY14 Forecast	FY15 Forecast	FY16 Forecast	FY17 Forecast
Revenue						
Property Taxes	$162,979,144	$168,003,622	$173,172,713	$178,490,411	$183,970,702	$189,628,723
State Aid	$34,285,317	$35,314,576	$37,388,090	$39,520,989	$42,389,376	$46,485,982
Local Receipts	$15,580,322	$15,697,187	$15,984,893	$16,328,677	$16,707,315	$16,937,292
Enterprise Indirect Trnsfr	$2,643,378	$2,722,679	$2,804,360	$2,888,490	$2,975,145	$3,064,399
Free Cash	$1,820,000	$1,920,000	$1,980,000	$1,980,000	$1,980,000	$1,980,000
Parking Tickets	$66,000	$50,000	$50,000	$50,000	$50,000	$50,000
Stabilization Fund	$0	$0	$0	$0	$0	$0
Miscellaneous	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000
Total Revenue	$217,389,161	$223,723,065	$231,395,055	$239,273,567	$248,087,539	$258,161,395
Revenue Growth Rate	*2.7%*	*2.9%*	*3.4%*	*3.4%*	*3.7%*	*4.1%*
Expenditures						
Municipal Departments	$48,295,138	$50,220,332	$51,936,826	$53,817,614	$55,636,009	$55,989,015
School Departments	$100,074,282	$105,204,588	$109,178,121	$114,089,731	$119,239,321	$124,639,416
Insurances	$38,314,705	$38,412,766	$40,264,202	$42,642,461	$45,166,148	$47,834,346
Retirement	$10,351,675	$10,816,398	$11,297,506	$11,800,964	$12,314,873	$12,868,484
Debt Service	$9,933,389	$13,022,712	$16,337,643	$16,512,787	$16,433,864	$17,725,460
Stabilization/Reserves	$2,133,323	$1,925,680	$1,825,680	$1,725,680	$1,625,680	$1,405,680
Miscellaneous			$0			
Non Appropriations	$8,286,670	$6,558,411	$6,836,335	$7,078,763	$7,330,143	$7,590,813
Total Expenditures	$217,389,182	$226,160,886	$237,676,313	$247,668,000	$257,746,037	$268,053,214
Expenditure Growth Rate	*2.7%*	*4.0%*	*5.1%*	*4.2%*	*4.1%*	*4.0%*
Projected Balance	(21)	(2,437,821)	(6,281,258)	(8,394,432)	(9,658,498)	(9,891,819)

Budget Gap FY2013-FY2017



Graph 1

Revenue Type	FY12 Voted	%	FY13	%	FY14	%	FY15	%	FY16	%	FY17	%
Town Property Taxes												
Property Tax Levy	$161,779,144	3.5%	$167,053,622	3.3%	$172,203,713	3.1%	$177,502,031	3.1%	$182,952,671	3.1%	$188,569,970	3.1%
New Growth Estimate	$1,200,000	-17%	$950,000	-21%	$969,000	2.0%	$988,380	2.0%	$1,018,031	3.0%	$1,058,753	4.0%
Total Taxes	$162,979,144	3.3%	$168,003,622	3.1%	$173,172,713	3.1%	$178,490,411	3.1%	$183,970,702	3.1%	$189,628,723	3.1%
State Aid												
Chapter 70	$22,024,861	12.2%	$23,346,353	6.0%	$25,330,793	8.5%	27,357,256	8.0%	30,092,982	10.0%	$33,704,139	12.0%
Unrestricted Gen'l Govt Aid	$8,415,039	0.0%	$8,115,039	-3.6%	$8,196,189	1.0%	8,294,544	1.2%	8,418,962	1.5%	$8,839,910	5.0%
Additional Assistance	$0	0.0%		0.0%		0.0%		0.0%		0.0%	$0	0.0%
Charter Schools	$654,590	22.8%	$654,590	0.0%	$654,590	0.0%	654,590	0.0%	654,590	0.0%	$693,865	6.0%
State Owned Land	$388,389	-6.6%	$396,157	2.0%	$404,080	2.0%	412,162	2.0%	420,405	2.0%	$445,629	6.0%
Police Career Incentive	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
Elderly/Surviving Spouses	$157,185	-0.7%	$157,185	0.0%	$157,185	0.0%	157,185	0.0%	157,185	0.0%	157,185	0.0%
Veterans	$134,258	-20.5%	$134,258	0.0%	$134,258	0.0%	134,258	0.0%	134,258	0.0%	134,258	0.0%
SBA Reimbursements	$2,510,995	0.0%	$2,510,995	0.0%	$2,510,995	0.0%	$2,510,995	0.0%	2,510,995	0.0%	2,510,995	0.0%
Total State Aid	$34,285,317	7.5%	$35,314,576	3.0%	$37,388,090	5.9%	39,520,989	5.7%	42,389,376	7.3%	$46,485,982	9.7%
Local Receipts												
Excise & other Taxes	$7,806,676	-10.3%	$7,806,676	0.0%	$7,845,709	0.5%	7,924,166	1.0%	8,003,408	1.0%	8,083,442	1.0%
User Fees	$1,096,069	-2.0%	$1,128,951	3.0%	$1,162,820	3.0%	1,209,332	4.0%	1,269,799	5.0%	1,333,289	5.0%
Penalties, Interest, Fines	$1,471,069	-2.0%	$1,500,490	2.0%	$1,530,500	2.0%	1,561,110	2.0%	1,592,332	2.0%	1,624,179	2.0%
Licenses & Permits	$2,121,118	-10.9%	$2,142,329	1.0%	$2,228,022	4.0%	2,328,283	4.5%	2,444,698	5.0%	2,493,591	2.0%
PILOT	$804,025	-3.6%	$804,025	0.0%	$809,653	0.7%	809,653	0.0%	809,653	0.0%	720,591	-11.0%
Investment Income	$123,840	-62%	$127,555	3.0%	$132,658	4.0%	137,964	4.0%	143,482	4.0%	149,222	4.0%
Rental	$758,683	-1%	$758,683	0.0%	$798,135	5.2%	830,060	4.0%	863,262	4.0%	897,793	4.0%
Loring Arena	$411,000	0.0%	$411,000	0.0%	$419,220	2.0%	427,604	2.0%	436,156	2.0%	444,880	2.0%
Miscellaneous	$987,842	-31%	$1,017,477	3.0%	$1,058,176	4.0%	1,100,503	4.0%	1,144,524	4.0%	1,190,304	4.0%
Total Local Receipts	$15,580,322	-11%	$15,697,187	0.8%	$15,984,893	1.8%	16,328,677	2.2%	16,707,315	2.3%	16,937,292	1.4%
Enterprise Indirect Transfer												
Water Indirect	$1,372,129	3%	$1,413,293	3%	$1,455,692	3%	1,499,362	3%	1,544,343	3.0%	1,590,674	3.0%
Sewer Indirect	$1,271,249	3%	$1,309,386	3%	$1,348,668	3%	1,389,128	3%	1,430,802	3.0%	1,473,726	3.0%
Total Indirect	$2,643,378	3%	$2,722,679	3%	$2,804,360	3%	2,888,490	3%	2,975,145	3.0%	3,064,399	3.0%
Certified Free Cash	$2,020,000	8%	$2,300,000	14%	$2,300,000	0%	2,400,000	4%	2,400,000	0.0%	2,400,000	0.0%
Operating	$1,500,000	0%	$1,500,000	0%	$1,500,000	0%	1,500,000	0.0%	1,500,000	0.0%	1,500,000	0.0%
Capital	$100,000	0%	$100,000	0%	$160,000	100%	160,000	0.0%	160,000	0.0%	160,000	0.0%
Stabilization	$220,000	100%	$320,000	45%	$320,000	0%	320,000	0.0%	320,000	0.0%	320,000	0.0%
Total Used in Budget	$1,820,000	13%	$1,920,000	5%	$1,980,000	3%	$1,980,000	0.0%	1,980,000	0.0%	1,980,000	0.0%
Parking Tickets	$66,000	0.0%	$50,000	-24%	$50,000	0.0%	$50,000	0.0%	$50,000	0.0%	$50,000	0.0%
Stabilization Fund	$0	-100.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
Miscellaneous	$15,000	-35%	$15,000	0.0%	$15,000	0.0%	$15,000	0.0%	$15,000	0.0%	$15,000	0.0%
Grand Total	$217,389,161	2.7%	$223,723,065	2.9%	$231,395,055	3.4%	$239,273,567	3.4%	$248,087,539	3.7%	$258,161,395	4.1%
Annual Dollar growth	$5,749,372		$6,333,904		$7,671,990		$7,878,512		$8,813,971		$10,073,857	

	Total					
Department	FY12	FY13	FY14	FY15	FY16	FY17
Accounting	440,228	453,336	466,836	480,739	495,057	509,802
Animal Control	157,547	163,304	168,207	173,473	178,906	184,514
Assessing	445,302	450,567	463,183	483,159	489,506	503,234
Building Inspection	707,031	727,646	748,867	770,713	793,201	816,352
Building Services	1,427,716	1,528,693	1,580,949	1,642,421	1,696,149	1,751,757
Cemeteries	20,500	25,000	27,000	28,000	28,000	29,000
CFO	255,535	264,257	273,151	282,222	291,475	300,915
Comm Develop	287,421	285,944	294,574	303,412	312,514	321,889
Conservation	114,422	117,218	120,091	123,044	126,079	129,198
Council on Aging	340,407	351,696	361,775	372,152	382,836	394,056
DPW Admin	465,559	482,392	500,743	515,284	530,252	545,659
DPW Engineering	753,815	789,527	821,802	856,499	881,241	905,677
DPW Fleet	994,438	1,032,970	1,093,019	1,115,940	1,182,609	1,200,894
DPW Highway	2,810,555	2,956,520	3,071,745	3,192,226	3,286,970	3,389,569
DPW Sanitation	3,679,717	3,801,043	3,905,643	3,986,413	4,105,968	4,229,132
DPW Snow & Ice	1,212,000	1,270,770	1,338,160	1,414,382	1,489,659	1,569,228
Elections	149,935	212,433	160,806	216,130	175,971	227,570
Emergency Mngmt	90,556	94,018	97,619	100,428	103,320	4,000
Fire Department	12,136,383	12,506,663	12,930,206	13,375,959	13,837,206	14,314,488
Human Resources	221,236	227,548	234,043	240,726	247,603	254,679
Legal Services	623,080	641,772	661,026	680,856	701,282	722,320
Library	2,594,673	2,719,175	2,828,633	2,940,578	3,057,001	3,183,081
Loring Arena	457,969	476,690	488,723	513,031	522,844	473,216
Parks & Recreation	2,340,965	2,415,966	2,481,061	2,549,568	2,620,075	2,068,197
Planning Board	192,468	198,157	204,015	210,046	216,257	222,653
Police Department	11,158,913	11,651,968	12,114,860	12,596,558	13,091,941	12,885,795
Public Health	558,847	575,612	595,881	615,667	633,427	655,838
Purchasing	82,015	83,655	85,328	87,035	88,776	-
Selectmn/Town Mgr	537,440	557,063	570,170	590,775	604,893	623,040
Streetlights	462,430	472,583	483,899	503,255	523,385	544,321
Technology Svices	1,221,892	1,279,142	1,314,135	1,361,159	1,399,294	1,438,573
Town Clerk	238,415	245,567	252,934	260,523	268,338	276,388
Treasurer/Collector	551,345	563,134	578,858	595,030	611,664	628,773
Veterans	368,660	382,778	397,442	412,673	428,493	444,926
Weights & Measures	112,910	130,319	133,778	137,342	141,012	144,792
Zoning Board	82,813	85,204	87,664	90,197	92,804	95,486
Subtotal	48,295,138	50,220,332	51,936,826	53,817,614	55,636,009	55,989,015
School Department*	91,720,343	96,600,030	100,315,427	104,916,843	109,745,381	114,813,189
Keefe Tech Assess	8,353,939	8,604,557	8,862,694	9,172,888	9,493,939	9,826,227
Subtotal School	100,074,282	105,204,588	109,178,121	114,089,731	119,239,321	124,639,416
Town Committees	4,800	4,800	4,800	4,800	4,800	4,800
FinComm	880	880	880	880	880	880
Reserve Fund	400,000	400,000	400,000	400,000	400,000	400,000
Salary Reserve	307,643	-	-	-	-	-
Stabilization Fund	1,420,000	1,520,000	1,420,000	1,320,000	1,220,000	1,000,000
Subtotal	2,133,323	1,925,680	1,825,680	1,725,680	1,625,680	1,405,680
Insurances						
Liability Insurance	982,500	1,011,975	1,042,334	1,146,568	1,261,224	1,387,347
Self Insurance	30,000	30,000	30,000	30,000	30,000	30,000
Health Insurance	34,506,470	34,506,470	36,231,794	38,405,701	40,710,043	43,152,646
Unemployment	560,000	550,000	550,000	550,000	550,000	550,000

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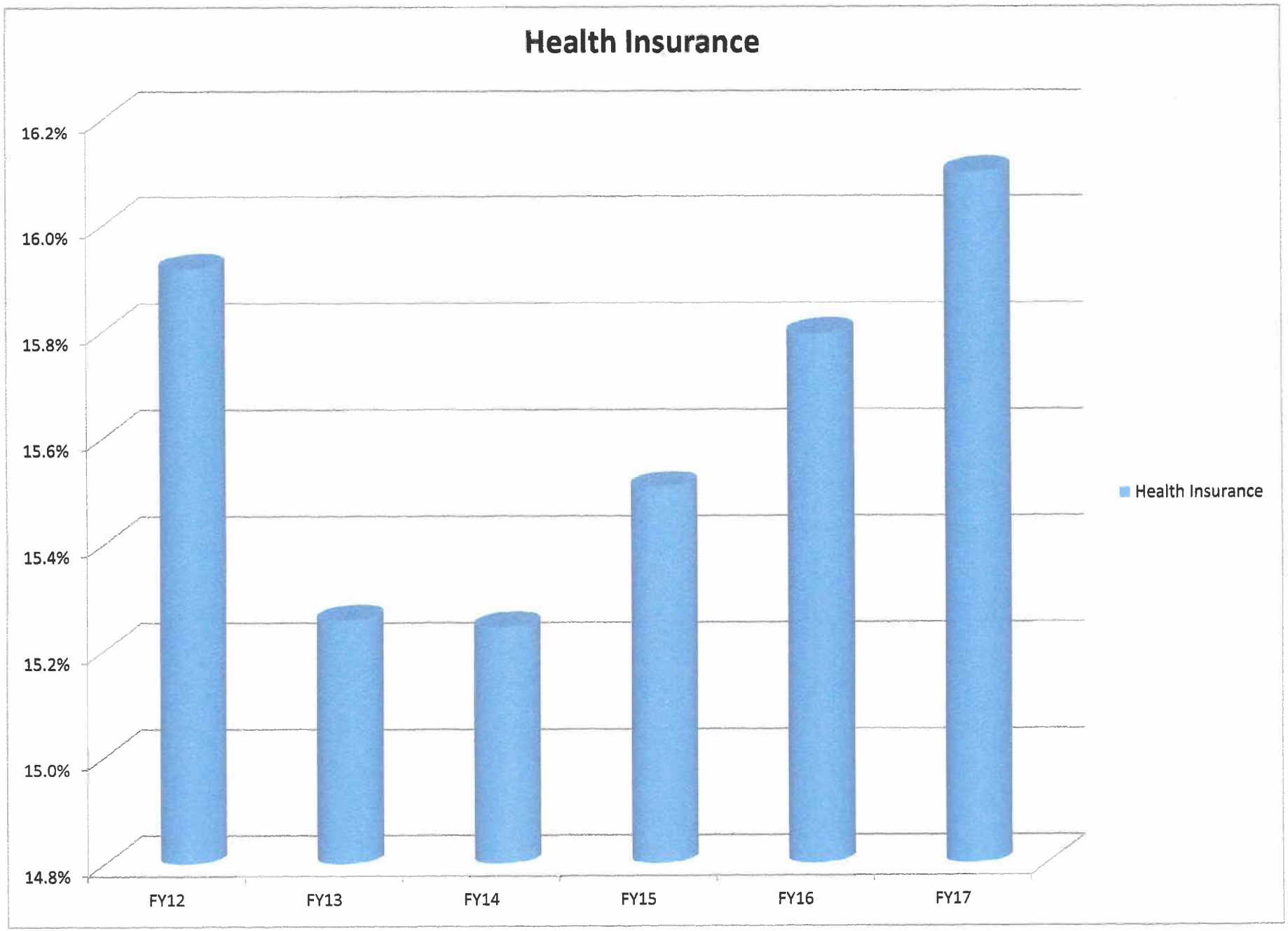
	Total					
Department	FY12	FY13	FY14	FY15	FY16	FY17
Workers Comp	685,060	705,612	726,780	748,584	771,041	794,172
Sick Leave Buyback	70,000	60,000	60,000	60,000	60,000	50,000
Medicaid Part 1	50,000	50,000	50,000	50,000	50,000	50,000
P&F Retired Medical	10,000	7,000	7,000	7,000	7,000	7,000
Medicare/FICA	1,420,675	1,491,709	1,566,294	1,644,609	1,726,839	1,813,181
Subtotal Insurances	38,314,705	38,412,766	40,264,202	42,642,461	45,166,148	47,834,346
Retirement						
Contributory	10,270,195	10,729,956	11,211,064	11,714,522	12,241,397	12,792,804
Non-contributory	83,924	86,442	86,442	86,442	73,476	75,680
Subtotal Retirement	10,354,119	10,816,398	11,297,506	11,800,964	12,314,873	12,868,484
Debt Service						
P & I Bonds	9,758,161	12,719,212	16,027,468	16,190,603	16,104,321	17,383,190
BAN Interest	75,228	170,000	170,000	175,000	175,000	180,000
Interest on Abatemnt	100,000	133,500	140,175	147,184	154,543	162,270
Subtotal Debt Service	9,933,389	13,022,712	16,337,643	16,512,787	16,433,864	17,725,460
Non Appropriations						
Tax Title	30,000	30,000	30,000	30,000	30,000	30,000
Teachers Pay Defer	-	-	-	-	-	-
Cherry Sheet Charge	4,328,827	4,588,557	4,817,984	5,010,704	5,211,132	5,419,577
Snow & Ice Deficit	2,035,302					-
Tax Overlay	1,892,541	1,939,854	1,988,350	2,038,059	2,089,011	2,141,236
Subtotal Non App	8,286,670	6,558,411	6,836,335	7,078,763	7,330,143	7,590,813
Grand Total	217,391,626	226,160,886	237,676,313	247,668,000	257,746,037	268,053,214


Health Insurance
16.2%
16.0%
15.8%
15.6%
15.4%
15.2%
15.0%
14.8%
FY12
FY13
FY14
FY15
FY16
FY17
Health Insurance

Graph 2

Pension Funding Schedule 2011 to 2030

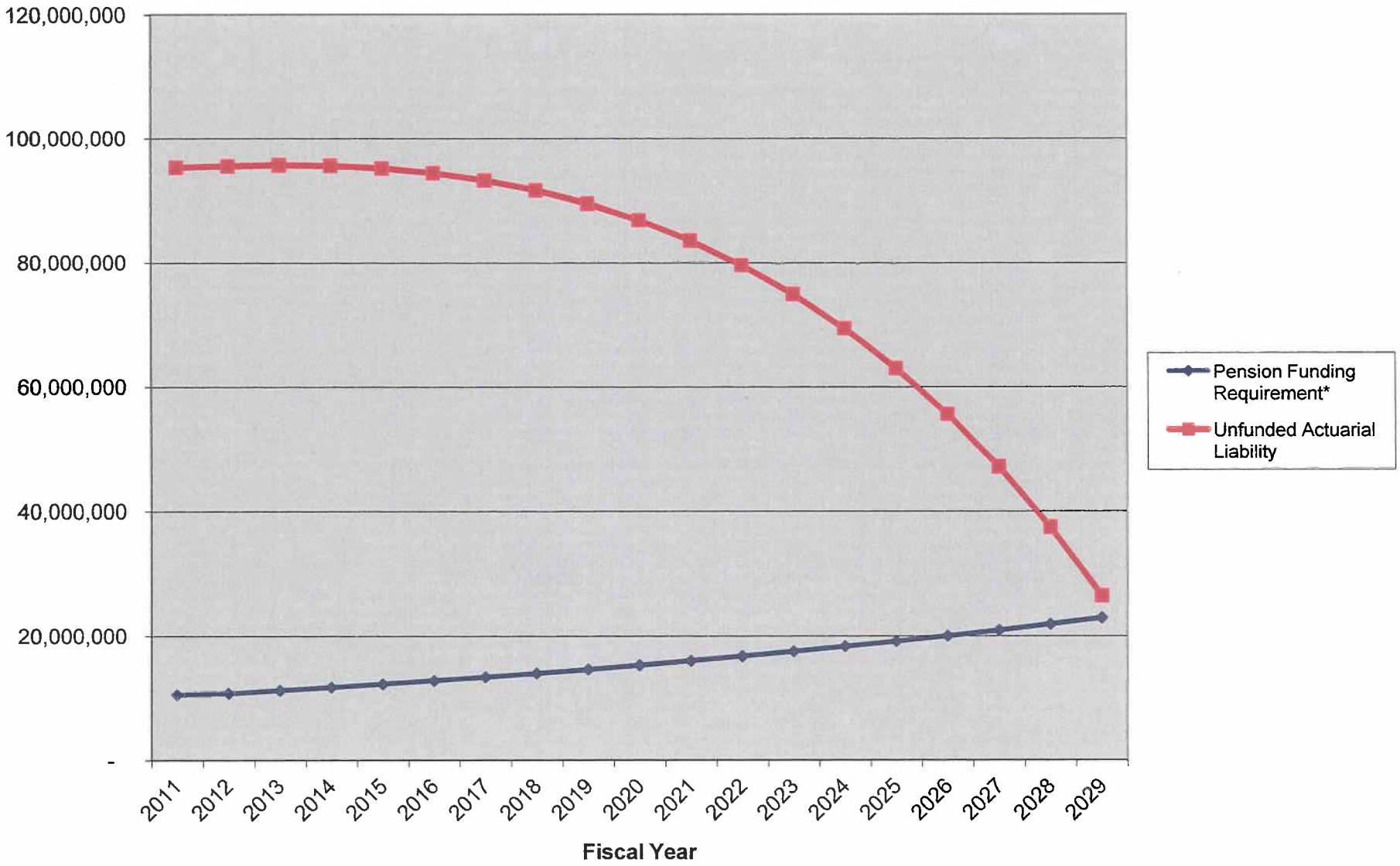
Fiscal Year	Pension Funding Requirement*	% Inc from Prior Year	Unfunded Actuarial Liability	% Change from Prior Year
2011	10,540,359		95,314,038	
2012	10,777,831	2.3%	95,519,607	0.2%
2013	11,260,329	4.5%	95,696,048	0.2%
2014	11,765,217	4.5%	95,587,998	-0.1%
2015	12,293,561	4.5%	95,160,755	-0.4%
2016	12,846,479	4.5%	94,376,361	-0.8%
2017	13,425,142	4.5%	93,193,326	-1.3%
2018	14,030,779	4.5%	91,566,321	-1.7%
2019	14,664,680	4.5%	89,445,858	-2.3%
2020	15,328,199	4.5%	86,777,927	-3.0%
2021	16,022,754	4.5%	83,503,618	-3.8%
2022	16,749,833	4.5%	79,558,702	-4.7%
2023	17,510,998	4.5%	74,873,184	-5.9%
2024	18,307,889	4.6%	69,370,817	-7.3%
2025	19,142,224	4.6%	62,968,571	-9.2%
2026	20,015,808	4.6%	55,576,069	-11.7%
2027	20,930,533	4.6%	47,094,967	-15.3%
2028	21,888,386	4.6%	37,418,290	-20.5%
2029	22,891,452	4.6%	26,429,708	-29.4%
2030	23,941,919	4.6%	14,002,757	-47.0%
2031	10,479,213	-56.2%		

* This includes the share of the pension appropriation contributed by the Housing Authority, approximately 3.3% and MWRTA at .8%. This amount is contributed in addition to the Town's General Fund appropriation.

Framingham Pension Fund is merged with the state PRIT fund. The funding schedule assumes an annual rate of return of 8%.

Funding Schedule based on latest actuarial valuation completed January 1, 2010.

Pension Funding Schedule



Graph 3