
FY11 CFO Recommended Operating Budget

Finance Committee Presentation
March 3, 2010

Revenue Assumptions

- Total Revenue Estimate: \$208,620,851
 - Property Taxes: \$157,833,311
 - 2.5% growth from FY10 total levy
 - New growth of \$1,451,061, 26% less than FY10
 - State Aid: \$28,543,476
 - Total decrease of 3.7%
 - 3% decrease in Ch. 70 from FY10
 - 4% decrease in Gen'l Govt aid from FY10
 - No Quinn funding
 - Includes \$2.5 million SBA reimbursement
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Revenue Assumptions (cont.)

- ❑ Local receipts: \$17,785,881
 - 1.4% decrease from FY10
 - Includes room and meals tax increase
 - Substantial decreases in excise tax and investment income
 - ❑ Enterprise indirect: \$2,563,897
 - 3% increase versus FY10
 - ❑ Free Cash: \$1,606,328
 - \$1.5 million in operating budget
 - \$106,328 to stabilization fund (based on policy)
 - Remainder in General Fund Balance (no capital)
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Revenue Assumptions (cont.)

- State aid changed from 2% decrease to 3% decrease in Ch 70 aid.
 - If we move from maximum tax levy growth it will mean additional cuts to all departments
 - A \$25 change to the average single family tax bill will require a budget cut of \$762,840
 - A \$50 change in the average single family tax bill will require a budget cut of \$1.5 million
 - Neither of these scenarios mean the average single family tax bill would decrease
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Revenue Assumptions (cont.)

- Reversing trend of 2007-2008 increasing state aid as a portion of total revenue
 - Property taxes increase to 76% of total revenue from 74%
 - State aid drops to 14% of total revenue from 16%
 - Local receipts drops to 8.5% of total revenue from 9%
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Expenditure Assumptions

■ Fixed Costs

- Health Insurance: \$34,216,215
 - 8.8% increase
 - Retirement: \$10,284,024
 - 3.2% increase
 - Liability Insurance: \$1,053,490
 - 10% increase
 - Unemployment: \$400,000
 - Level funded
 - Workers Compensation: \$661,896
 - 2.5% increase
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Expenditure Assumptions (cont.)

- ❑ Tax Overlay: \$1,846,381
 - 1% increase
 - ❑ Cherry Sheet Charges: \$3,742,536 (non-appropriations)
 - ❑ Teachers Pay Deferral: \$198,958 (non-appropriations)
 - ❑ Stabilization fund: \$1,861,086
 - Includes free cash and room and Meals tax revenue estimated for FY11
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Expenditure Assumptions

- Assumes School department general fund appropriation of \$85,565,147
 - Assumes municipal department reductions of between 2-4%
 - Cuts are “surgical” and focus on efficiencies, vacancies and contract reductions versus across the board cuts
 - All departments will be affected
 - This will impact services- it is the third year in a row that municipal departments have been cut
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Moving Parts

- Snow and ice deficit
 - Another major snowfall prior to end of FY would increase deficit
 - Assumes use of yet untapped reserve fund to mitigate deficit rollover into FY11
 - Health Insurance
 - May be able to be adjusted lower depending upon claims results in April
 - Local Aid
 - If cuts are greater than estimated, additional budget cuts will be needed
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Moving Parts (cont.)

- New Growth estimate
 - Assumes existing major projects are not delayed
 - Collective Bargaining
 - Salary reserve funds dollars for unsettled bargaining units at the same amounts as settlements finalized in the Fall of 2009.
 - Police budget recommendation funds the Town share of the education incentive (Quinn bill)
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