

# FY2010 Budget Recommendation

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Finance Committee Presentation  
February 19, 2009



# FY2010 Revenue Estimate

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- Property Taxes: \$152,037,892
- State Aid: \$31,109,664
- Local Receipts: \$17,787,276
- Indirect: \$2,461,225
- Free Cash: \$1,500,000
- Miscellaneous: \$287,958



# FY2010 Revenue Risks

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- Telecomm loophole tax is included in new growth in tax levy.
  - What if SJC reverses ATB ruling and legislature does not close loophole?
- \$1,406,904 of State Aid is funded by a 1% increase in meals and room tax
  - If this does not pass, will the state further reduce FY2010 funding?
  - If it passes when will it be implemented or will it meet the forecast?



## FY2010 Revenue (cont)

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- No local meals or room tax is included in the revenue estimate
  - If authorized we could generate \$1 million in additional revenue
- Potential fees increases could add revenue to the estimate for FY2010

# FY10 Budget Recommendation

	FY 2009	FY2010 Level Service	FY2010 Level Funding	Budget Cut Needed	FY2010 5% Cut	Budget Cut Needed	CFO Recomm
<b>Revenue</b>							
Property Taxes	146,442,066	152,037,892	152,037,892		152,037,892		152,037,892
State Aid	33,793,778	31,109,664	31,109,664		31,109,664		31,109,664
Local Receipts	19,082,712	17,787,276	17,787,276		17,787,276		17,787,276
Enterprise Indirect Transfe	2,297,279	2,461,225	2,461,225		2,461,225		2,461,225
Free Cash	1,246,510	1,500,000	1,500,000		1,500,000		1,500,000
Parking Tickets	66,000	66,000	66,000		66,000		66,000
Stabilization Fund	198,958	198,958	198,958		198,958		198,958
Miscellaneous	23,000	23,000	23,000		23,000		23,000
<b>Total Revenue</b>	<b>203,150,302</b>	<b>205,184,014</b>	<b>205,184,014</b>		<b>205,184,014</b>		<b>205,184,014</b>
Revenue Growth Rate	4.9%	1.0%	1.0%		1.0%		
<b>Expenditures</b>							
Municipal Departments	49,210,987	50,602,251	48,836,816	(1,765,435)	46,518,068	(4,084,183)	48,278,194
School Departments	96,210,403	100,493,126	96,210,403	(4,282,723)	96,784,867	(3,708,259)	96,245,857
Insurances	33,202,715	35,402,560	35,402,560	-	35,402,560	-	35,036,937
Retirement	9,419,974	9,995,127	9,995,127	-	9,995,127	-	9,975,768
Debt Service	8,758,216	8,549,680	8,444,680	(105,000)	8,394,680	(155,000)	8,363,900
Stabilization/Reserves	408,400	408,400	408,400	-	408,225	(175)	406,000
Miscellaneous	250,000	-	-	-	-	-	1,513,000
Non Appropriations	5,689,607	5,951,803	5,951,803	0	5,951,803	0	5,363,647
<b>Total Expenditures</b>	<b>203,150,302</b>	<b>211,402,946</b>	<b>205,249,789</b>	<b>(6,153,158)</b>	<b>203,455,330</b>	<b>(7,947,617)</b>	<b>205,183,303</b>
Expenditure Growth	4.9%	4.1%	1.03%		0.2%		1.0%
<b>Projected Balance</b>	<b>0</b>	<b>(6,218,932)</b>	<b>(65,775)</b>		<b>1,728,684</b>		<b>711</b>



# FY2010 Spending Recommendations

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- Unclassified accounts:
  - Health insurance increase is 5.7% to \$31,598,727
    - Section 18 and change in contribution should save \$1.6 million in FY10.
  - Contributory retirement grows 6.2% to \$9,876,608
    - Non-contributory drops 15%
  - Liability insurance increases .9% to \$887,719
  - Debt Service is \$8,077,625 a drop of 4.8%
    - Amount recommended as part of the FY2010 capital budget



# FY2010 Spending Recommendations

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- Municipal department spending is \$48,278,194
  - A reduction of 1.9%
  - Salaries equal \$36,386,488 (- 3.5%)
  - Operating costs are \$9,660,798 (-7% )
  - Energy is \$1,988,521 (-1.6%)
  - Small capital is \$242,387 (-48.6%)
  - There will be a visible reduction in the service provided to taxpayers



# FY2010 Spending Recommendations

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- School Department is level funded at \$87,346,829
  - At this point they need to reduce the budget by \$6 million to meet this target
  - It appears there will be about \$1.5 million in federal stimulus money for Title 1 and IDEA, this won't solve the budget problem, but it helps



# FY2010 Spending Recommendations

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- Keefe Tech is funded at \$8,899,028, a .4% increase.
  - Current budget increase is .46% and Framingham has dropped .3% in enrollment.



# FY2010 Funding Risks

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- Snow and ice deficit is included at \$1,051,000
  - What if the snow and ice spending increases beyond our projection?
  - What if we are not allowed to use Chapter 90 funds?
- Have not added to the Stabilization fund in FY08, FY09; will not in FY10.
  - Fund sits at only \$5.1 million
  - There are no collective bargaining adjustments for municipal departments in FY09 or FY10.



# FY10 Budget

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- ❑ Issues are still in flux
- ❑ State aid is not final and could drop
- ❑ Local aid resolution does not appear to be coming soon
- ❑ Still measuring our own revenue
- ❑ A couple of state mandates are still under investigation and may change one or two budgets