



Framingham Board of Selectmen

FY2010 OPERATING BUDGET PREVIEW

FY2010 OPERATING BUDGET PREVIEW

× Presentation parameters

- + The revenue amounts are estimates assuming a 10% cut in chapter 70 aid, 14% cut in Lottery aid and level funding in the smaller components
- + No revenue from meals or additional room tax is included.
- + Telecommunications loophole funds are included in new growth

FY2010 OPERATING BUDGET PREVIEW

- × Presentation parameters (cont.)
 - + Budgets presented are the Department requests approved by Division Heads.
 - + Three scenarios:
 - × **Level Service:** the cost of providing the same level of service to the taxpayers. Assumes additional funds for employees steps and service contract escalators.
 - × **Level Funded:** same dollar amount as FY09, impact of absorbing steps and service contract increases
 - × **5% Cut:** impact of a 5% reduction in funds from the FY09 approved budget.

FY2010 OPERATING BUDGET PREVIEW

× Presentation parameters

+ School budget amounts are estimates not the official request from the School Department.

Three scenarios are presented:

- × Level service: 4.5% increase in salaries, 4% increase in operating cost 5% increase in energy.
- × Level funding: same amount as FY09
- × 5% Cut: 2% increase in salaries, 5% cut in operating and energy

FY2010 OPERATING BUDGET PREVIEW

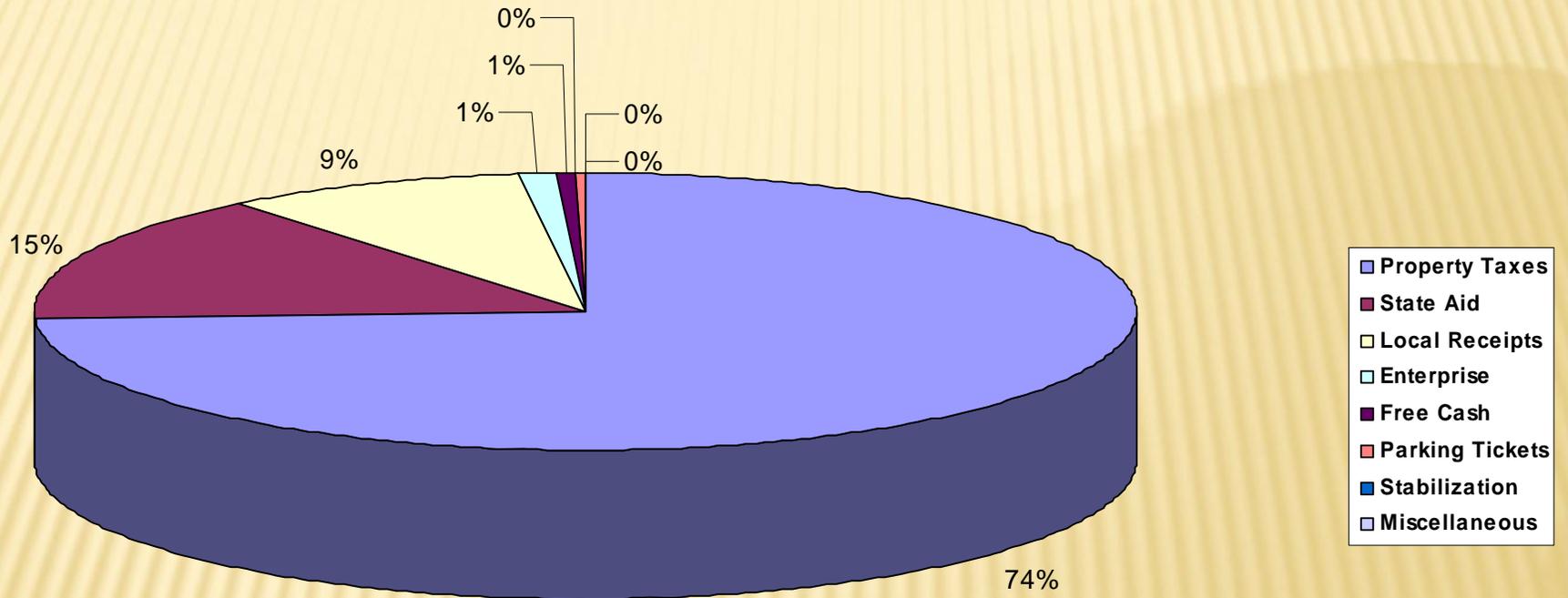
	FY 2009	FY2010 Level Service	FY2010 Level Funding	FY2010 5% Cut
Revenue				
Property Taxes	146,442,066	152,037,892	152,037,892	152,037,892
State Aid	33,914,229	31,109,525	31,109,525	31,109,525
Local Receipts	18,943,510	17,770,414	17,770,414	17,770,414
Enterprise Indirect Transfer	2,297,279	2,461,225	2,461,225	2,461,225
Free Cash	1,246,510	1,500,000	1,500,000	1,500,000
Parking Tickets	66,000	66,000	66,000	66,000
Stabilization Fund	198,958	198,958	198,958	198,958
Miscellaneous	23,000	23,000	23,000	23,000
Total Revenue	203,131,552	205,167,014	205,167,014	205,167,014
Revenue Growth Rate	4.9%	1.0%	1.0%	1.0%
Expenditures				
Municipal Departments	48,945,987	50,152,251	48,836,816	46,518,068
School Departments	96,210,403	100,581,761	96,210,403	96,784,867
Insurances	33,202,715	35,402,560	35,402,560	35,402,560
Retirement	9,419,974	9,995,127	9,995,127	9,995,127
Debt Service	8,758,216	8,549,680	8,444,680	8,394,680
Stabilization/Reserves	408,400	408,400	408,400	408,225
Miscellaneous	-	-	-	-
Non Appropriations	5,820,846	5,951,803	5,951,803	5,951,803
Total Expenditures	202,766,541	211,041,582	205,249,789	203,455,330
Expenditure Growth	4.7%	4.1%		
Projected Balance	365,010	(5,874,568)	(82,775)	1,711,684

FY2010 Operating Budget Preview

× Potential Revenue Changes

- + State aid could be an additional million lower
 - × depends on which FY09 base is used for a 10% reduction.
- + Local receipts could be \$900,000 to \$1,000,000 higher if a local meals tax is passed
- + Any changes to fees or new fees would increase local receipts
- + Re-examine the enterprise fund indirect charges for appropriate allocations

FY10 Revenue by Type



FY2010 Operating Budget Preview

- ✘ Some spending estimates are still in flux
 - + If 1stQ claims are low, the HI appropriation could be reduced a little
 - + Depending upon timing/performance, the pension appropriation may have to be increased.
 - + If we do get meals tax, we should make a contribution to the stabilization fund.
 - + Extraordinary legal costs are not included in the operating budget
 - + Debt service assumes very limited capital budget in 5% cut scenario

FY2010 Operating Budget Preview

- ✘ Some spending estimates are still in flux (cont.)
 - + Fire Dept request does not include any collective bargaining increases for FY08
 - + No collective bargaining agreements are settled for FY09 or FY10.
 - + May have to incorporate some or all of the FY09 snow and ice deficit (yes, we have one already).

FY2010 Operating Budget Preview

× Impact of level funded budget

- + Departments would have to absorb step increases, service and commodity contract increases.
- + Services would be reduced due to reduction of supplies and materials and technical services.
- + Does not include any collective bargaining provisions for FY2010 (or from FY2009)

FY2010 Operating Budget Preview

× Impact of 5% cut

+ Requires layoffs of following positions:

- × Fire Dept: 10 FT
- × Police: 9 FT and 8 PT
- × Library: 2 FT and 1 PT
- × Park and Rec: 5 seasonal positions

+ Leaving positions vacant (11+)

- × Police, Assessors, Town Manager, DPW, Park and Rec, Building Inspection

+ Major reduction in services, including closing certain offices for one day per week

- × Reduce staff hours from full time to part time
- × Reduce field, park and tree maintenance by at least 50%
- × Reduce building maintenance by at least 20%
- × Reduce hazardous waste and solid waste removal

FY2010 Operating Budget Preview

× Next Steps

- + Review budget preview package and updated material
- + Provide budget recommendations to Town Manager by February 3rd.
- + CFO budget recommendation will be presented to Finance Committee on Friday February 20th.

FY09 Budget Status

- ✘ Hiring and operating spending freeze still in place
- ✘ Revenue running about \$800,000 below benchmark
 - + Implementing 3% budget cut.
- ✘ Anticipate local aid cut next week
 - + Will likely have to implement up to 5% cut to FY09 budget, depending on amount cut.
- ✘ Can target debt service and health insurance appropriation first (approx. \$700,000) with the remaining amount allocated to all departments.