

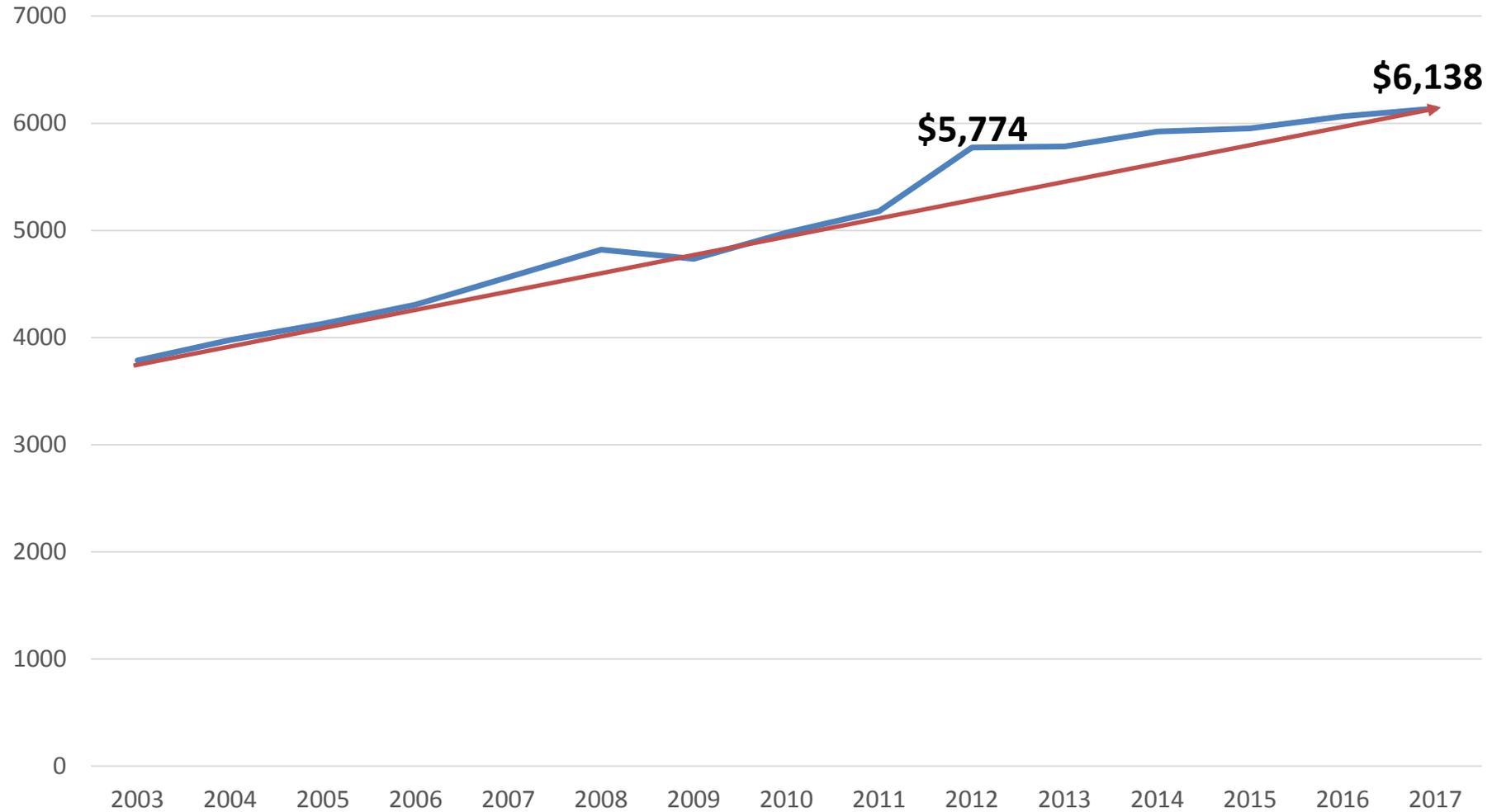
# FY18 General Fund Operating Budget Recommendation

---

Finance Committee

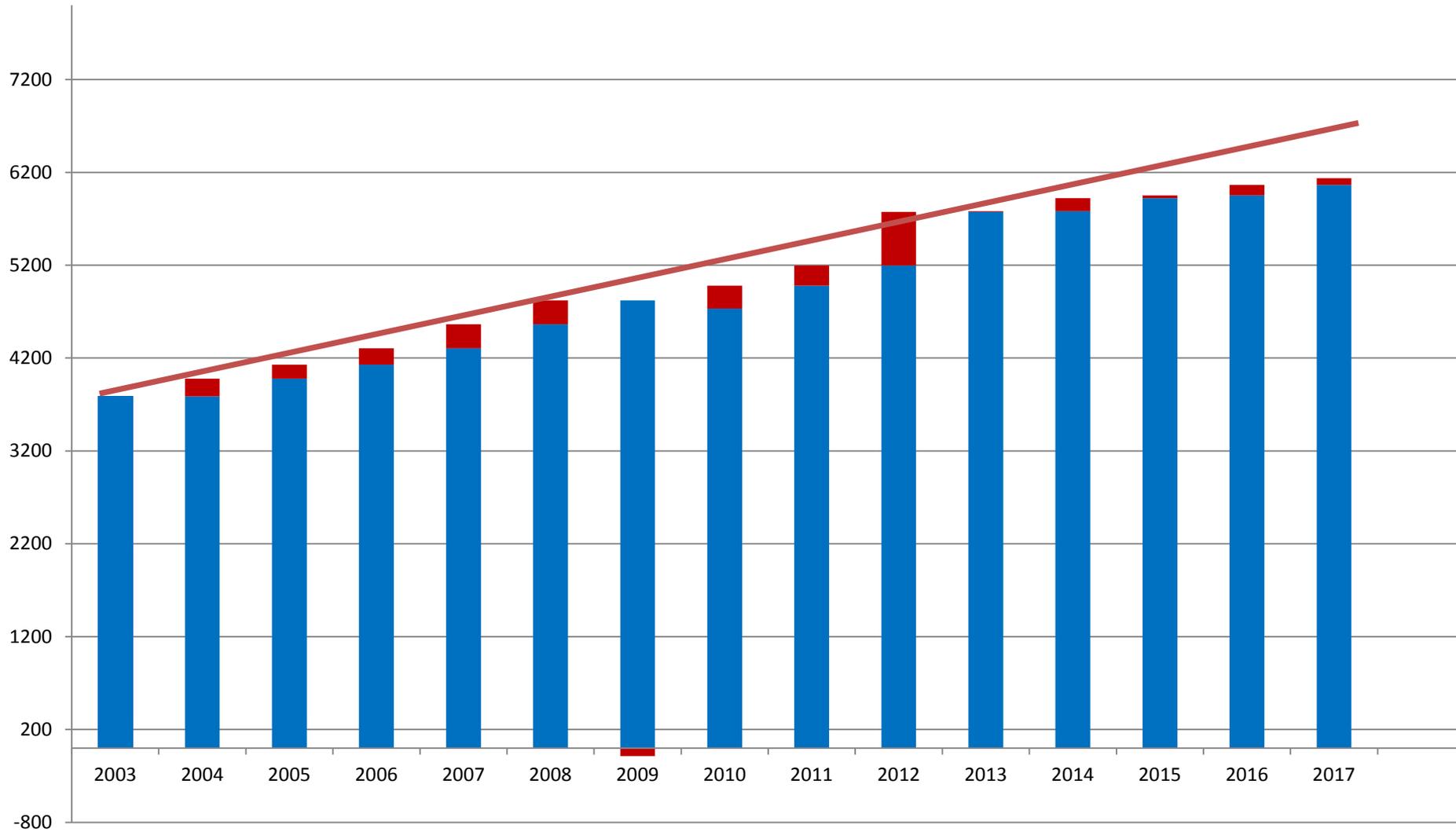
March 2017

# Average Single Family Tax Bill FY 2003 - 2017

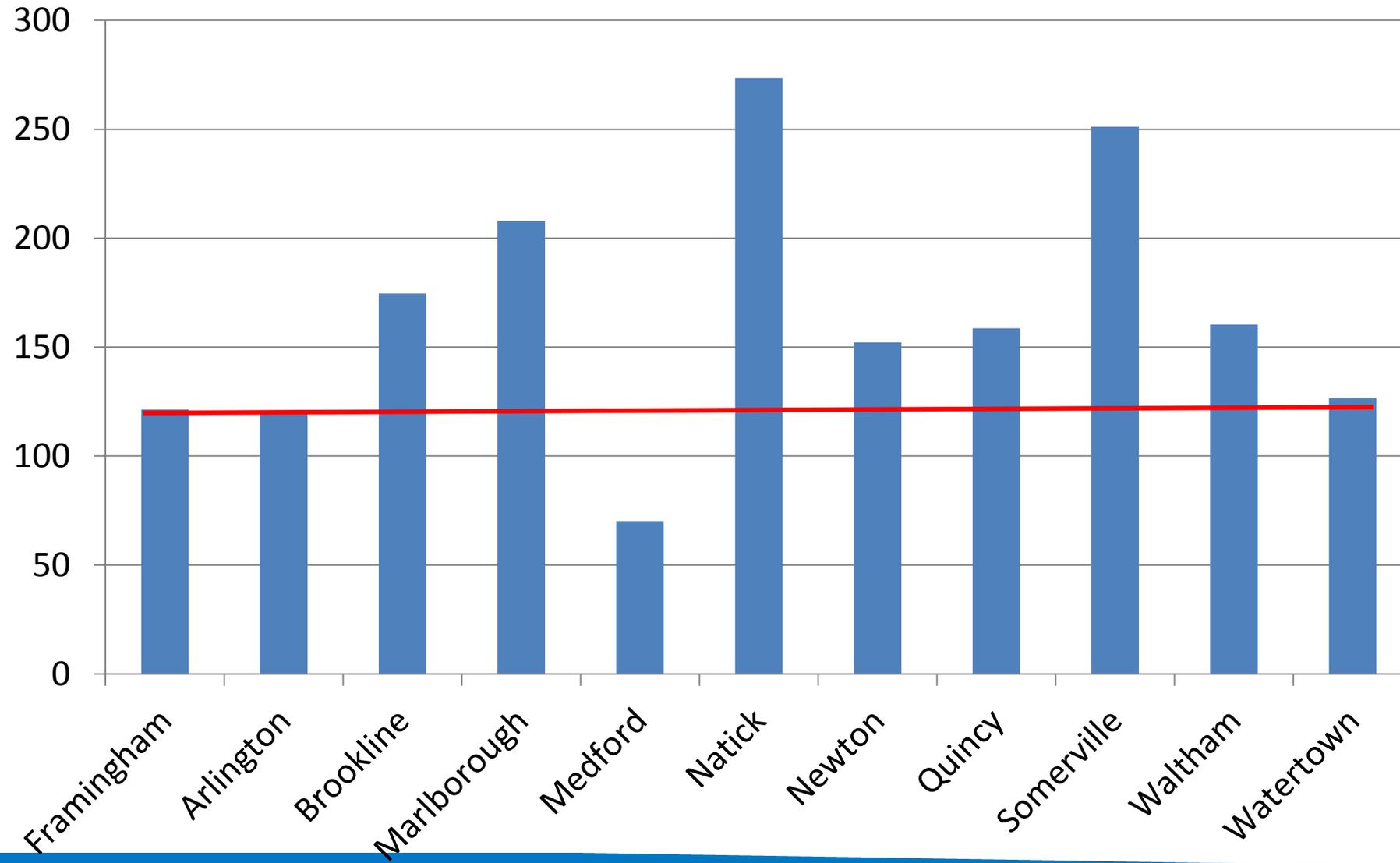


# Average Single Family Tax Bill

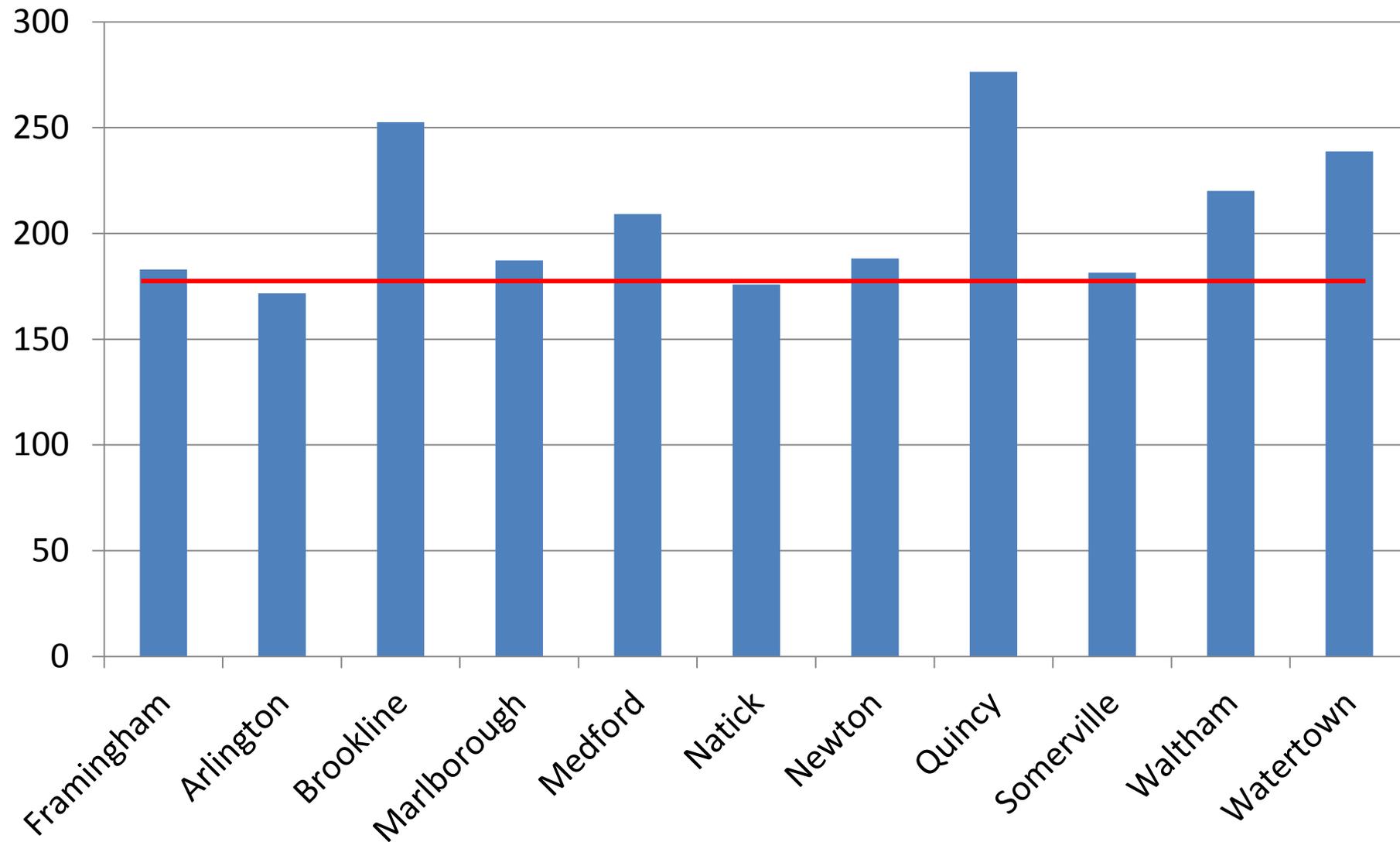
## FY 2003 - 2017



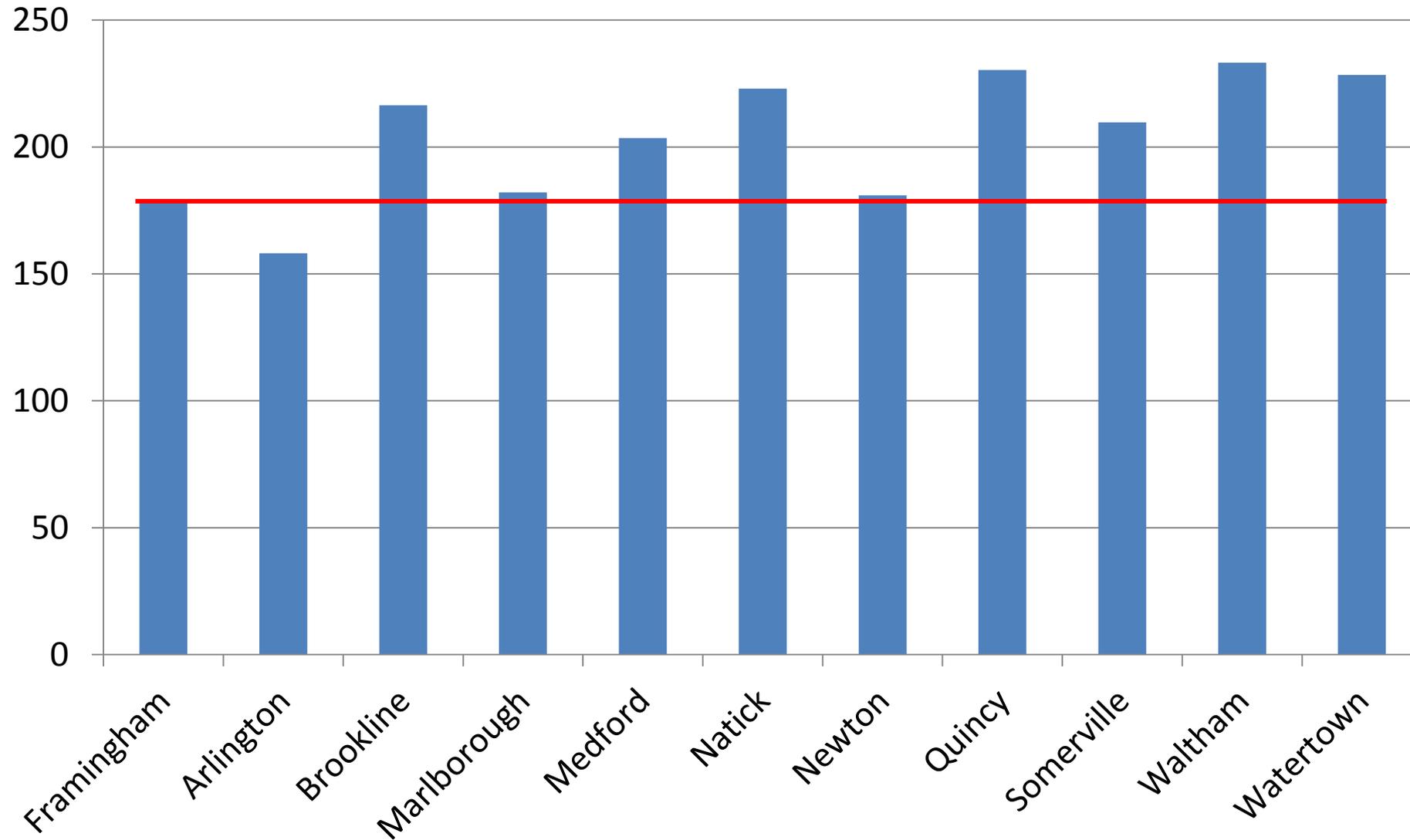
# General Gov't per Capita Expenditures



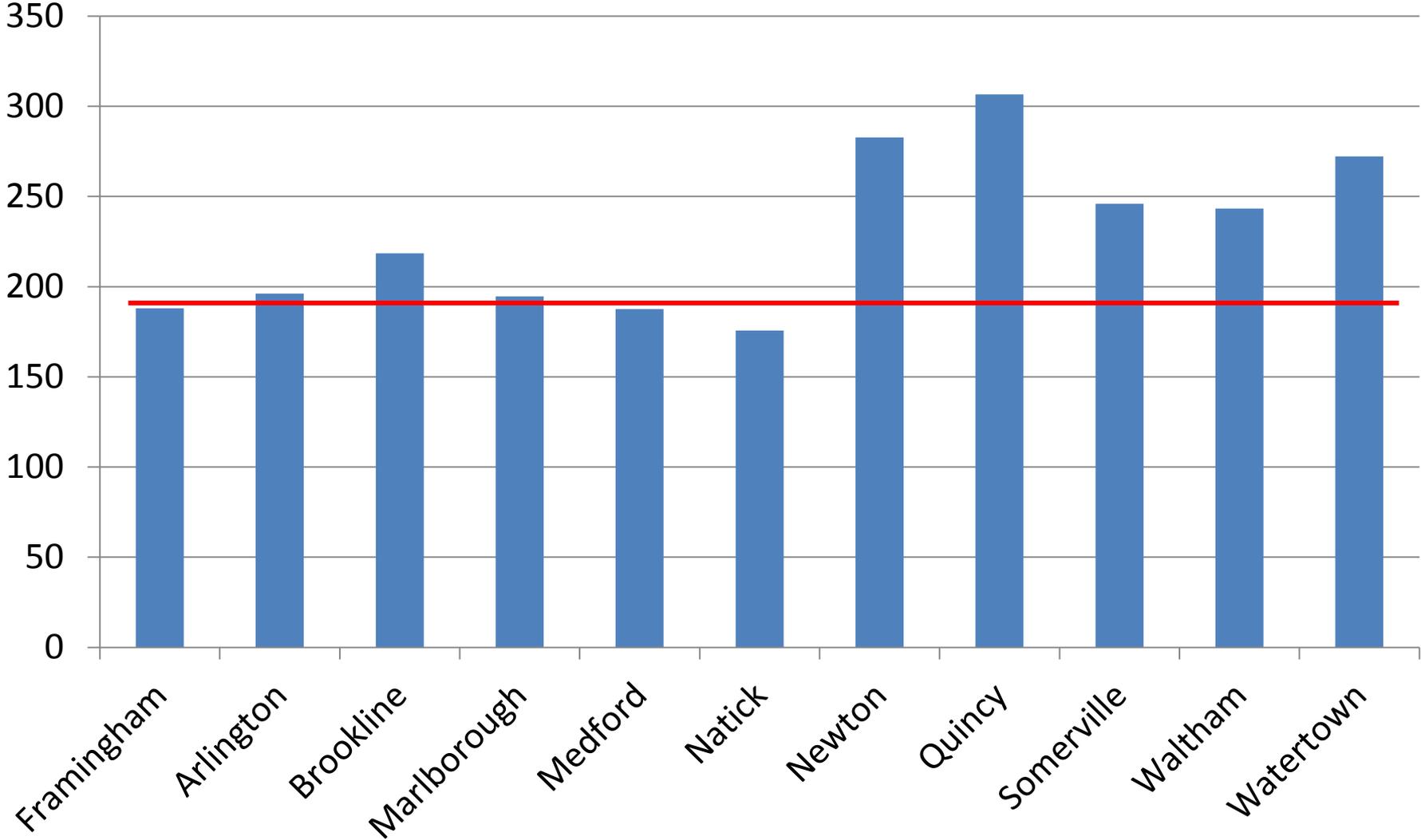
# Police per Capita Expenditures - FY 2015



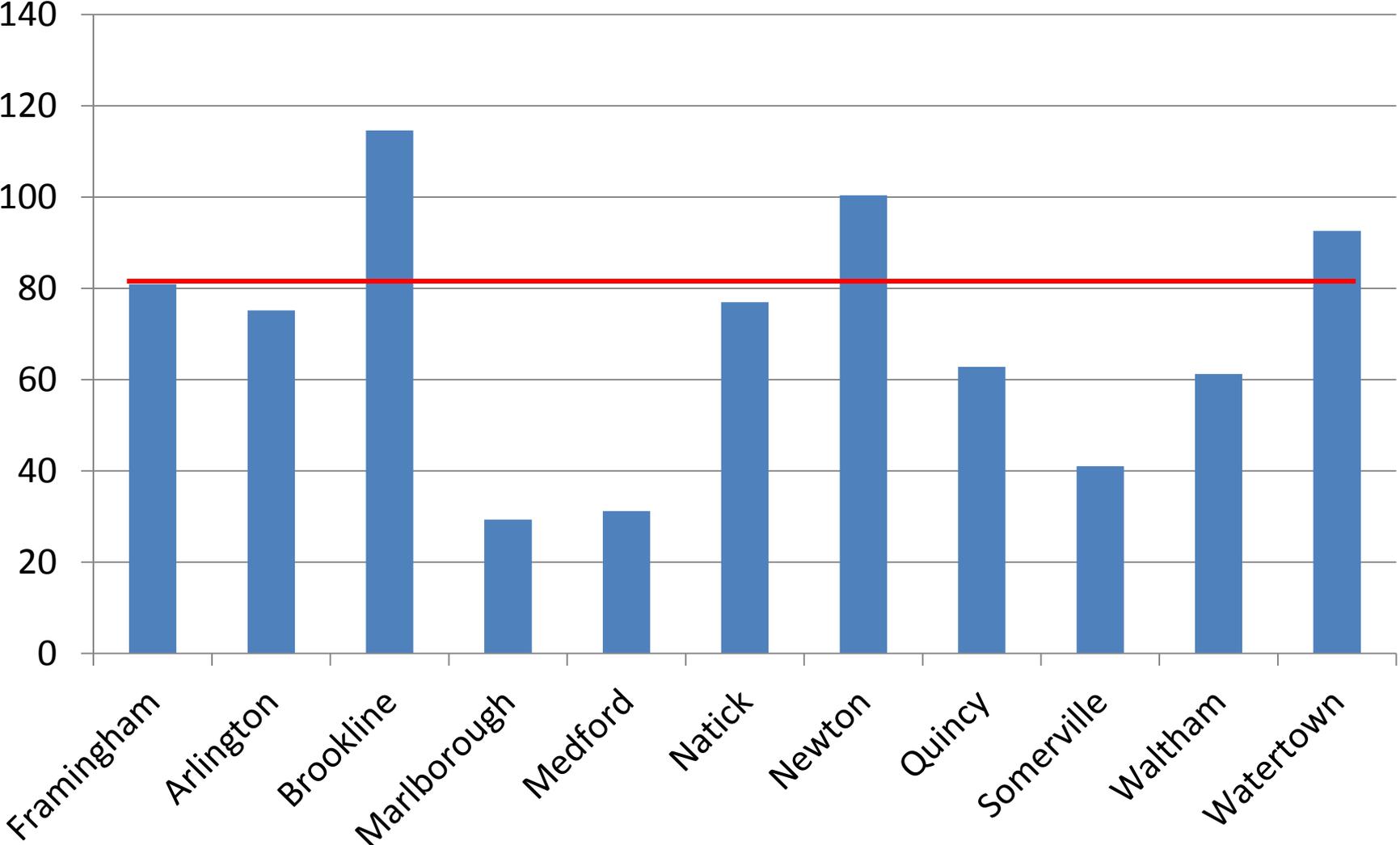
# Fire Dept. per Capita Expenditures - FY 2015



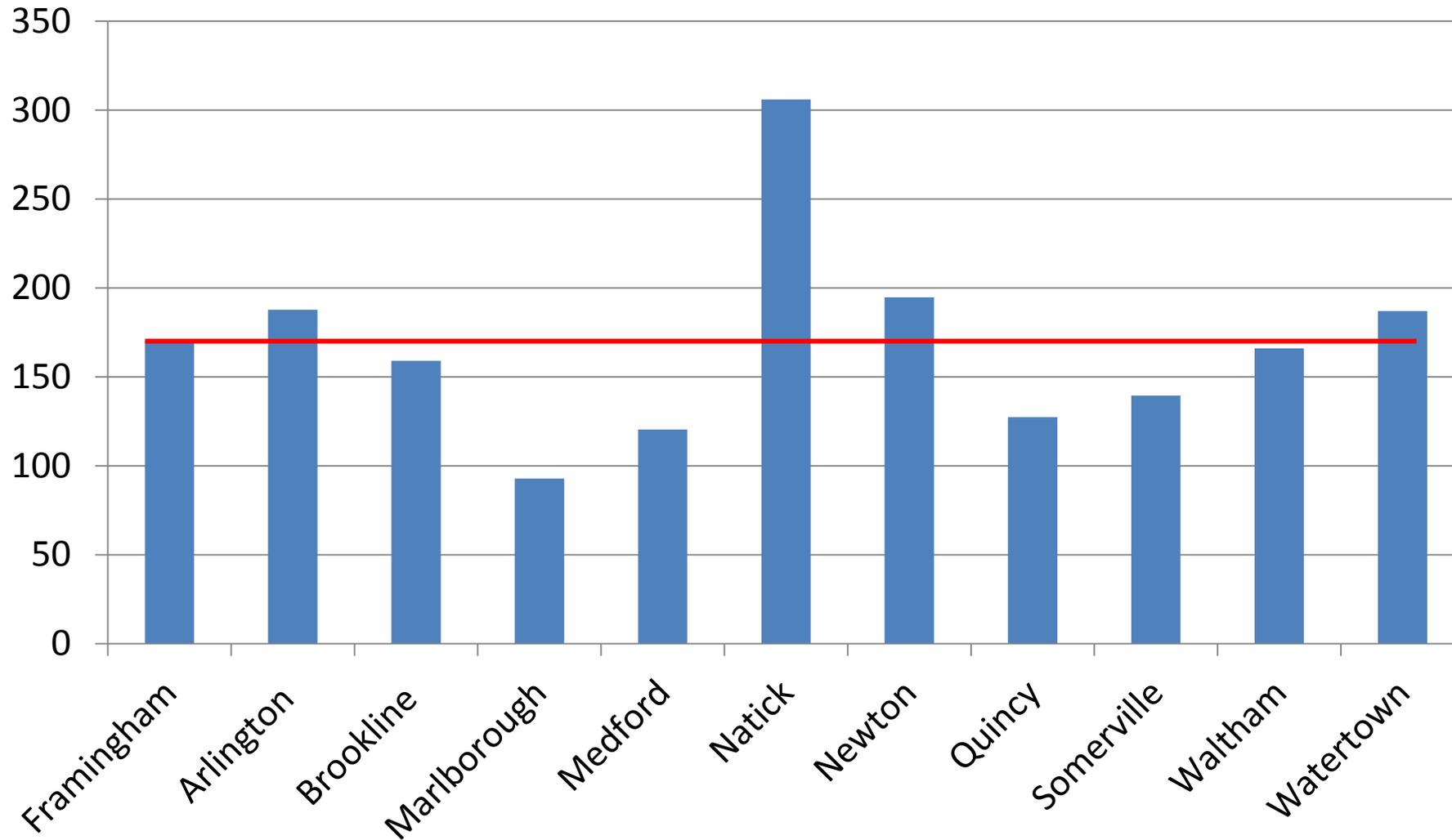
# DPW per Capita Expenditures - FY 2015



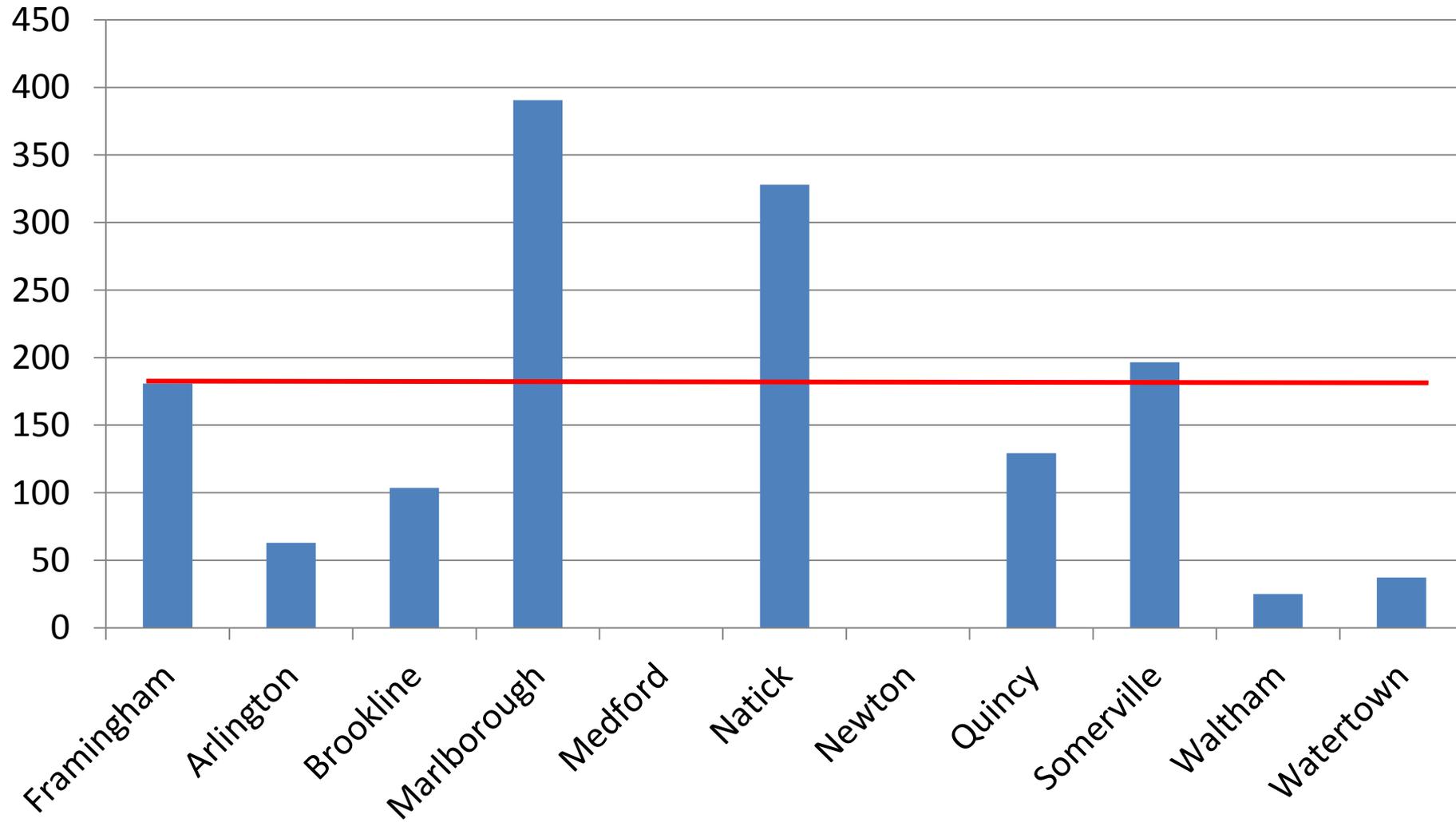
# Culture/Recreation per Capita Expenditures



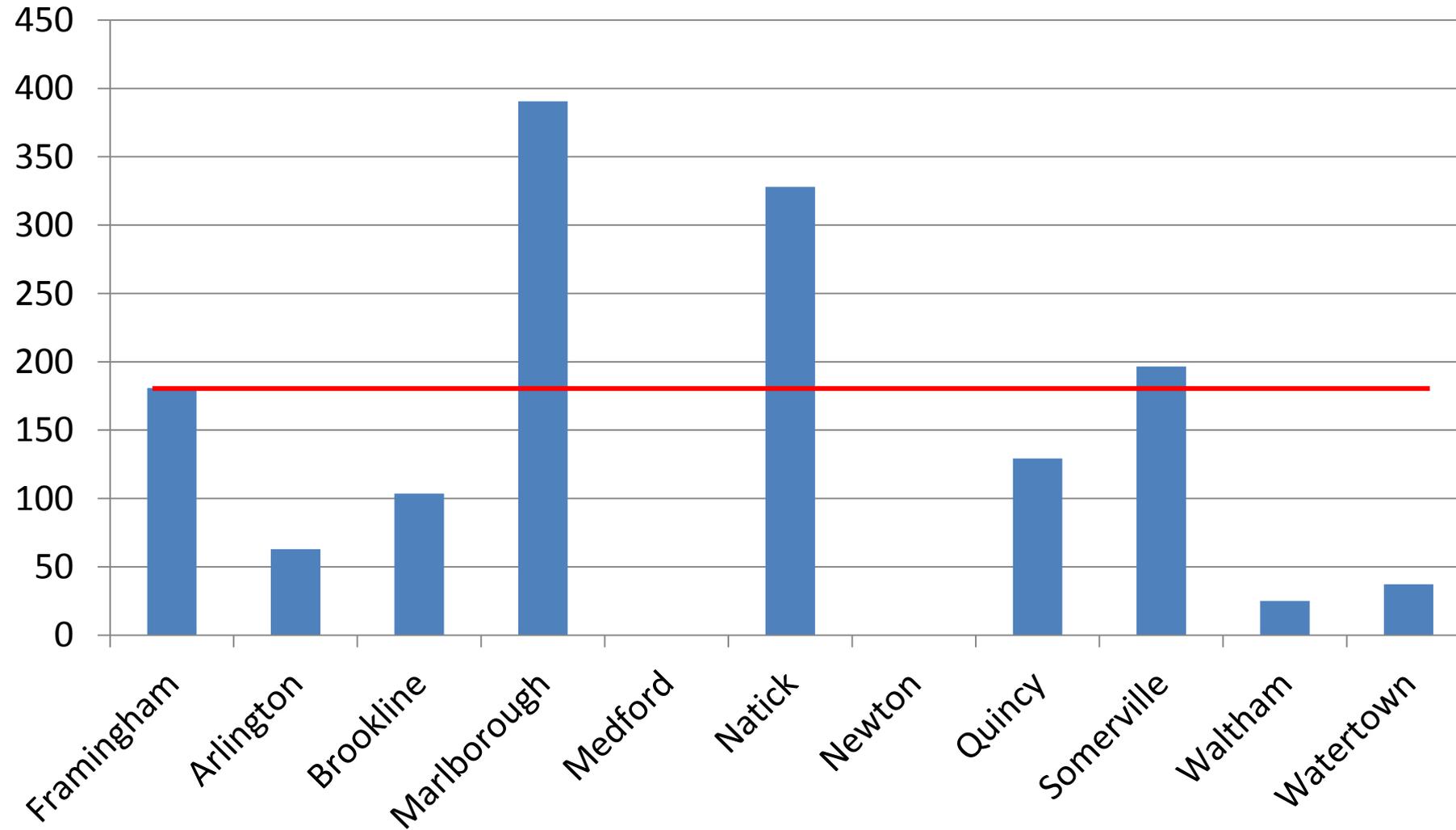
# Debt Service per Capita Expenditures FY 2015



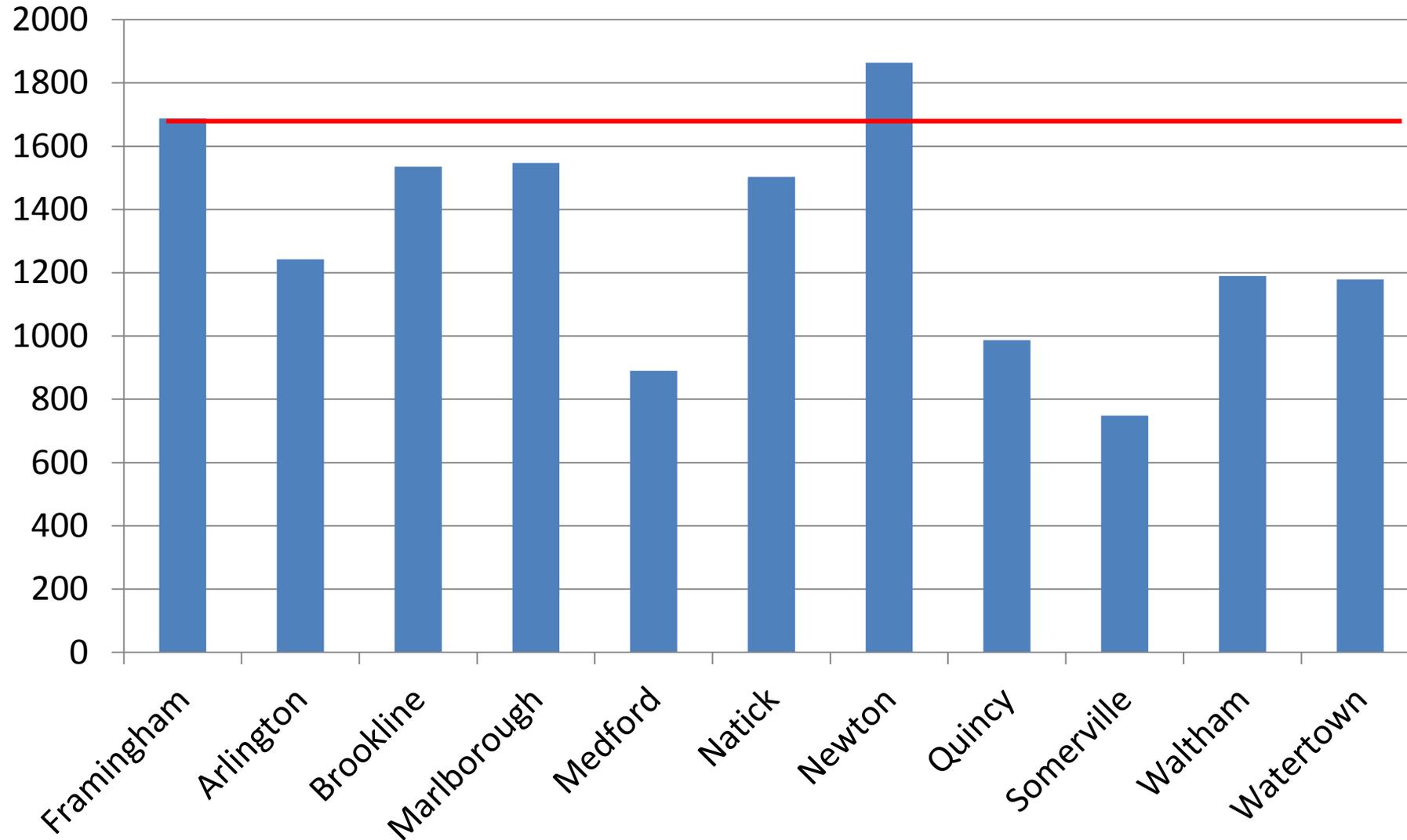
# Free Cash per Capita FY 2015



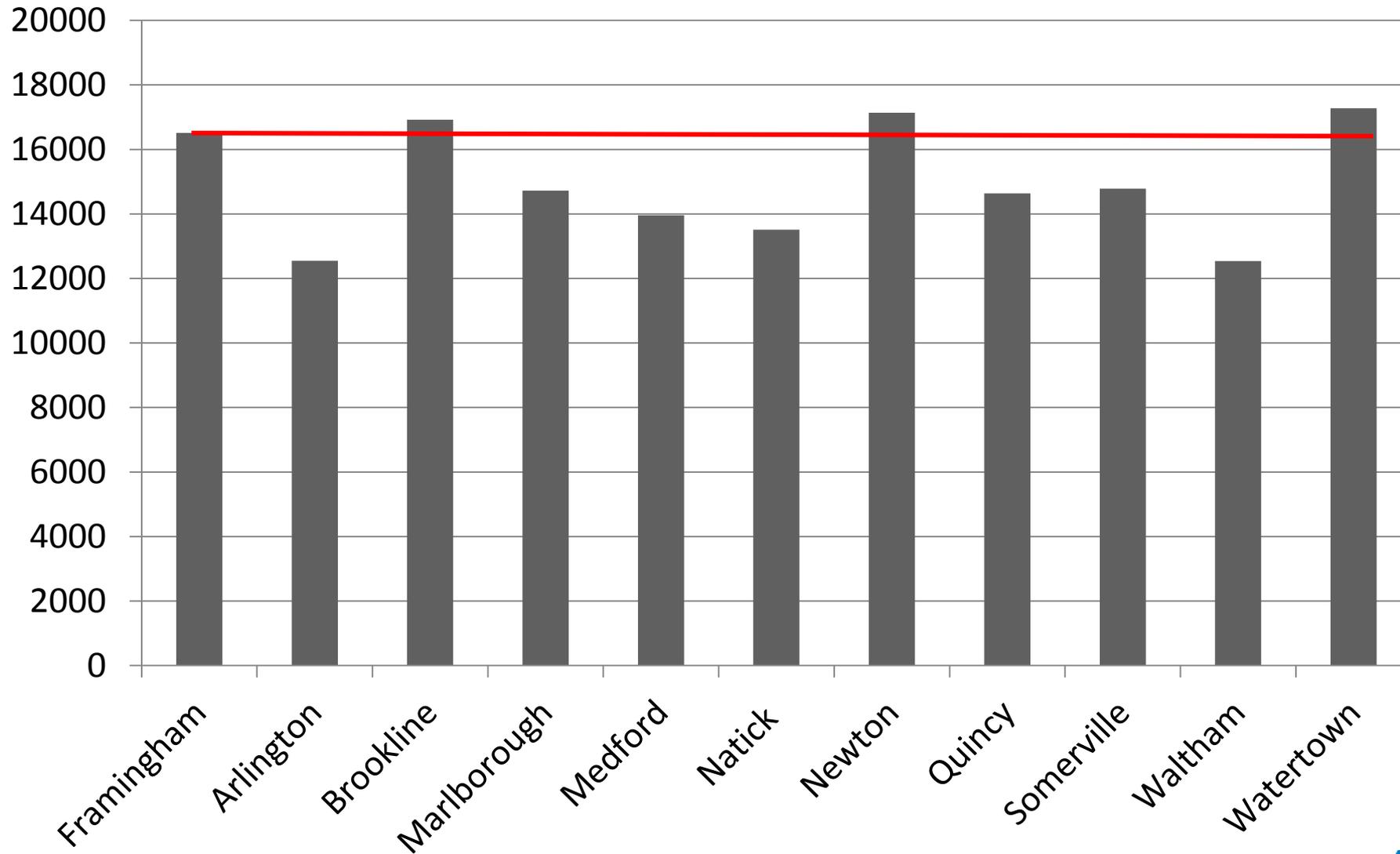
# Stabilization Fund per Capita



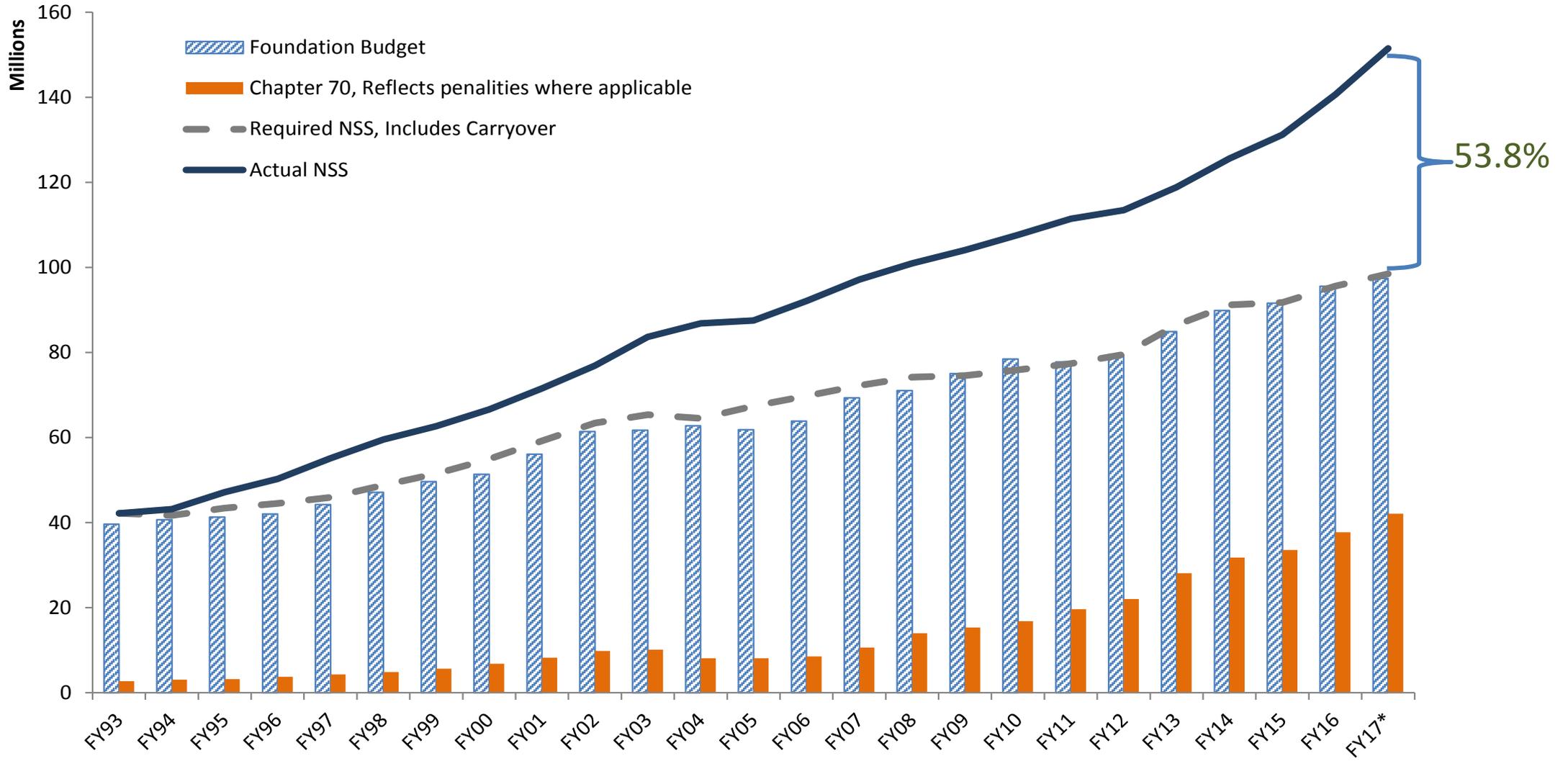
# Education per Capita Expenditures - FY 2015



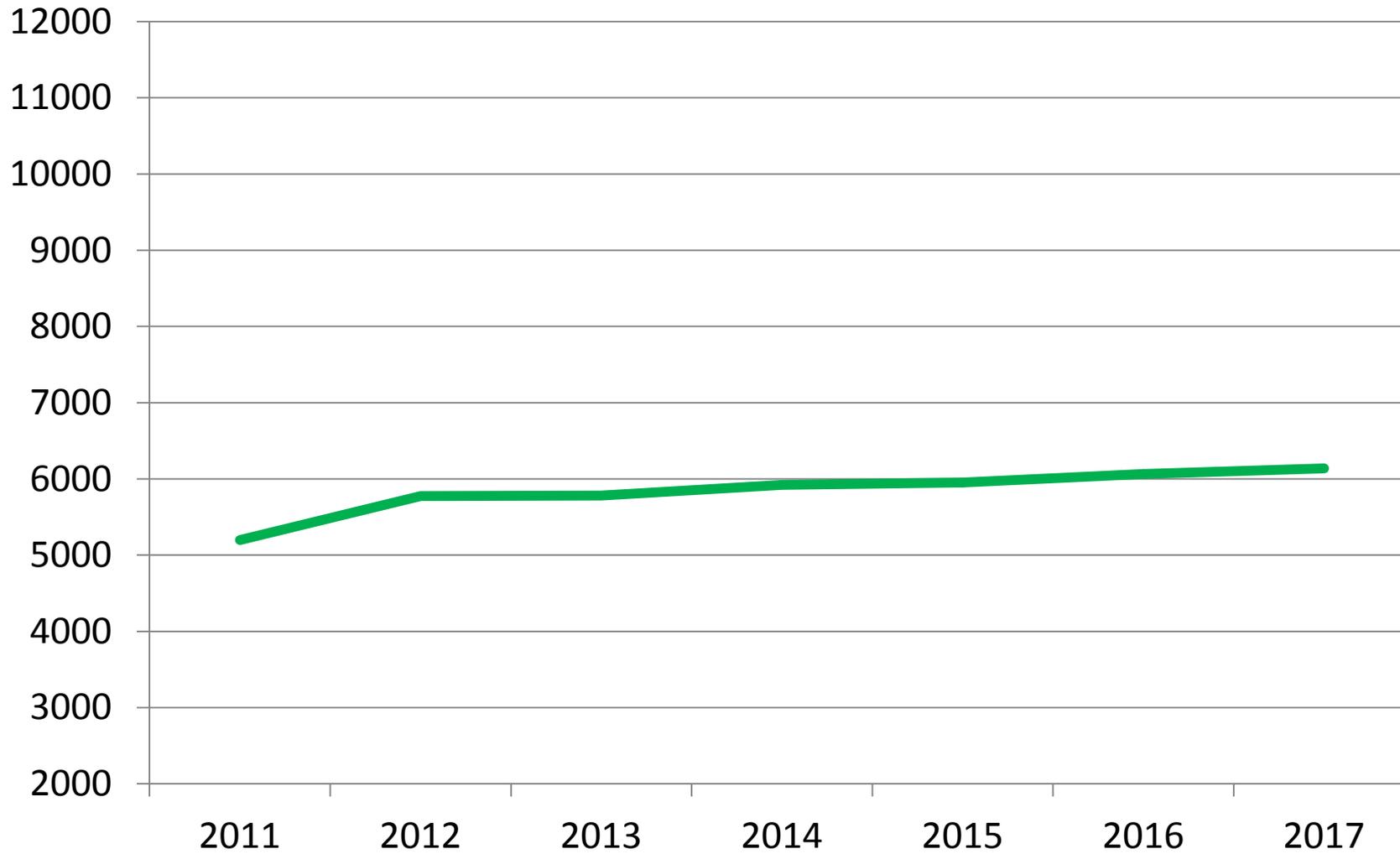
# Education per Pupil Expenditures - FY 2013



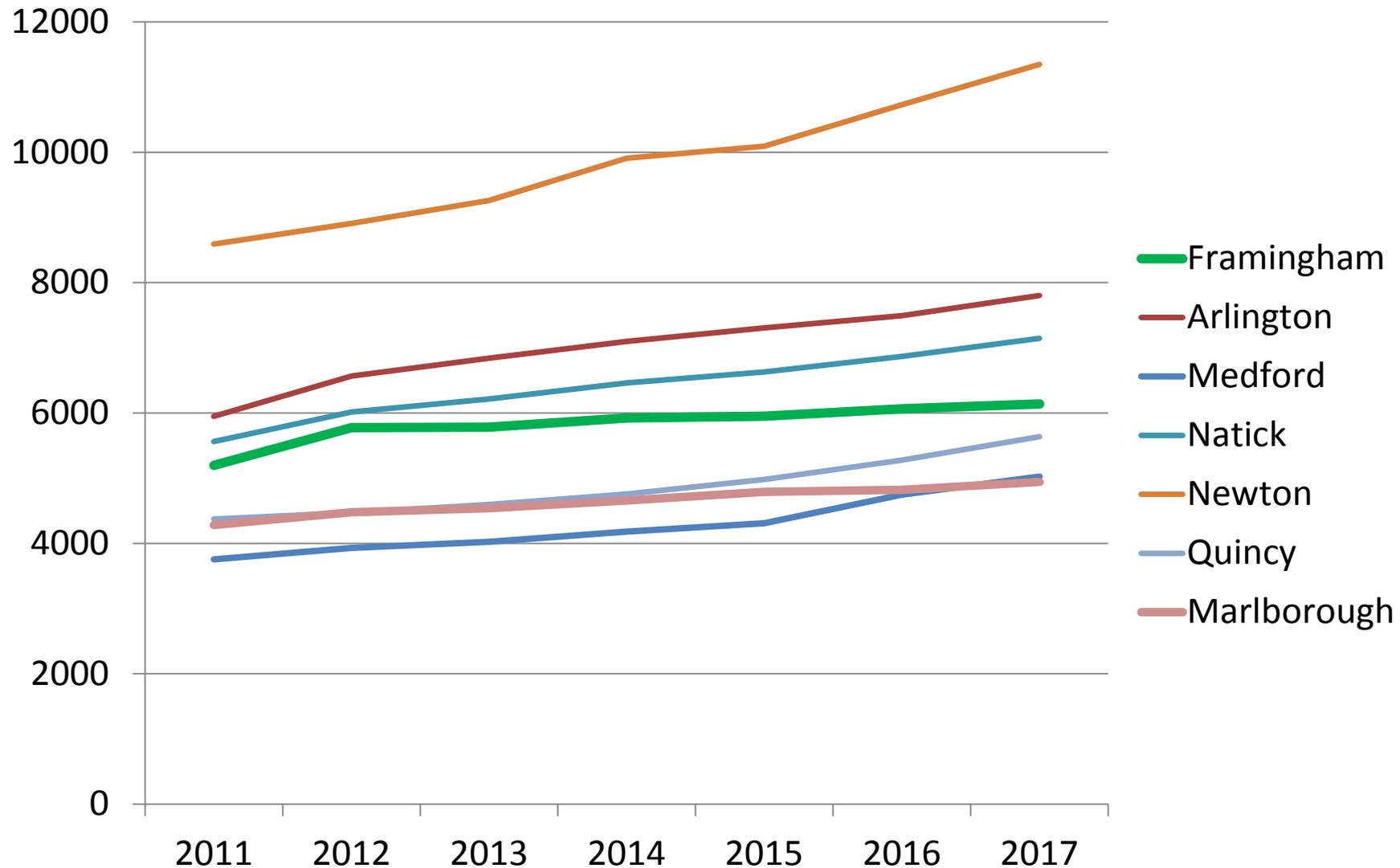
# Chapter 70 Trends FY93 to FY17



# Average Single Family Tax Bills: 2011 - 2017



# Average Single Family Tax Bills: 2011 - 2017



# FY18 Revenue Estimate

Property Taxes	\$190,694,437
State Aid	\$56,314,044
Local Receipts	\$22,617,753
Enterprise Indirect Trnsfr	\$3,194,770
Free Cash	\$8,832,113
Miscellaneous	\$65,000
<b>Total Revenue</b>	<b>\$281,718,118</b>
<i>Revenue Growth Rate</i>	<i>5.0%</i>

2.5% Increase in base Tax Levy  
(from FY17 total levy)

Assumes \$3M in taxes from new development

\$700,000 from Overlay Surplus for Tax Burden Reserve (not tax levy)

**State Aid:**  
2% growth in Ch 70 and 4.3% growth in UGG  
*Gov's SA is \$794K lower*

Local revenue growth is 2.2%

**Free Cash Uses:**  
**\$2M for General Revenue, \$1M for Pension Liability & \$5.8M for Capital Stabilization and Stabilization and OPEB Trust**

# FY18 Tax Levy: Suppressing the Levy 1 more year

- 2.0% FY18 Tax Levy:
  - \$912,027 lower revenue
- 1.5% FY18 Tax Levy:
  - \$1,824,054 lower revenue

We need to assure that the Tax Levy contributes adequately to future compelling Town needs

Alternative Levy	FY18	FY19	FY20	FY21	FY22	FY23
2.5%	186,965,523	194,744,298	202,593,357	210,489,620	218,441,719	226,458,126
2.0%	186,053,496	193,809,471	201,635,159	209,507,467	217,435,012	225,426,252
Revenue Decrease	(912,027)	(934,828)	(958,198)	(982,153)	(1,006,707)	(1,031,875)
1.5%	185,141,469	192,874,643	200,676,961	208,525,314	216,428,304	224,394,377
Revenue Decrease	(1,824,054)	(1,869,655)	(1,916,397)	(1,964,307)	(2,013,414)	(2,063,750)

This Increases Risk of need to use Excess Levy Capacity if we are not careful

# FY18 Expenditure Recommendations

Municipal Departments	\$62,481,624
Framingham School District	\$128,065,471
Keefe Technical Assessmnt	\$9,267,347
Group Health Insurance	\$31,255,642
Other Insurances	\$5,070,426
Retirement	\$14,584,129
OPEB Trust	\$500,600
Debt Service	\$14,254,192
Stabilization/Reserves	\$5,937,762
Miscellaneous (EDIC Article)	\$127,500
Non Appropriations	\$10,168,485
Total Expenditures	\$281,713,177
<i>Expenditure Growth Rate</i>	5.0%

Total Municipal Departments  
increase 1.7% (\$1.04M)

School Department  
increase 4.5% (\$5.5M)

Merge Streetlight, Traffic Signal  
and Fire Alarm functions into one  
unit under DPW

# FY18 Deferred Budget Requests

- Storm water legal/regulatory compliance
  - Required by NPDES permit regulations
  - Dedicated Storm Drain Cleaning Crew (3.75 FTEs)
  - Inventory/Inspection and Reporting in Engineering Dept (1.75 FTEs)
- Major Building Projects Plan staffing
  - 1 Project Manager, 1 Financial Analyst
- Council on Aging
  - Add Customer Service Rep
- Community & Econ Development
  - Neighborhood Plan Implementation Coordinator (1 FTE)
- Consolidated account to change out high mileage vehicles for hybrid or electric vehicles
  - If successful this would become an annual item

# Use of Free Cash: \$8.8 M

- Free Cash is NOT a recurring revenue source
  - Dependent upon beating our base revenue expectations
  - Dependent upon high employee turnover, favorable health insurance costs, a modest winter and regular demand for services
  - But we are still using \$1.9 million to close the budget gap
- Free cash should be used for reserves or one-time expenditures
  - \$5 million to Capital Stabilization Fund
  - \$1 million to help pay down long term pension liability
  - \$539,166 to OPEB Trust
  - \$321,498 to Stabilization Fund

# Budget View if Free Cash pieces removed

Revenue	
Property Taxes	\$190,694,437
State Aid	\$56,314,044
Local Receipts	\$22,617,753
Enterprise Indirect Trnsfr	\$3,194,770
Free Cash	\$1,968,000
Miscellaneous	\$65,000
<b>Total Revenue</b>	<b>\$274,854,005</b>
<i>Revenue Growth Rate</i>	<i>2.4%</i>

Expenditures	FY18 Budget
Municipal Departments	\$62,481,624
Framingham School District	\$128,065,471
Keefe Technical Assessmnt	\$9,267,347
Group Health Insurance	\$31,255,642
Other Insurances	\$5,070,426
Retirement	\$13,552,129
OPEB Trust	\$0
Debt Service	\$14,254,192
Stabilization/Reserves	\$606,248
Miscellaneous (EDIC Article)	\$127,500
Non Appropriations	\$10,168,485
<b>Total Expenditures</b>	<b>\$274,849,063</b>
<i>Expenditure Growth Rate</i>	<i>2.5%</i>