

Town of Brookline
Advisory Committee Minutes

February 18, 2020

Present: Ben Birnbaum, Harry Bohrs, Clifford Brown, Carol Caro, John Doggett, Dennis Doughty, Harry Friedman, Janet Gelbart, David-Marc Goldstein, Neil Gordon, Susan Granoff, Amy Hummel (Acting Chair), Alisa Jonas, Janice Kahn, Steve Kanes, David Leschier, Carol Levin, Fred Levitan, Pamela Lodish, Carlos Ridruejo, Lee Selwyn, Claire Stampfer, Charles Swartz, Neil Wishinsky

Absent: Vice-Chair Carla Benka, Chair Michael Sandman, Kim Smith, Christine Westphal

Also present: Town Administrator Mel Kleckner, Deputy Town Administrator Melissa Goff, Assistant Town Administrator Justin Casanova-Davis

AGENDA

7:30 pm Presentation and discussion of the FY 21 Financial Plan (attached at the end of these minutes)

Mel Kleckner explained the transition to **Opengov**, the new budgeting platform. This is the first year using this new tool. It integrates well with MUNIS and protects against human error. Better presentations but not a good printing interface. Link to the online version has been shared and allows for you to drill down into just what the numbers represent.

Property taxes remain a stable source of income.

2.8% increase based on Governor's commitment to revenue sharing.

Local receipts – lodging includes hotels. Details about restaurants can be found in the budget book. Slides are just overview items. Parking meter revenue increase will generate estimated \$750K.

Q: Why are we maintaining this (Refuse Fee – 25% GF subsidy)? A: Historic. 1994 override compromise to allow for induction of trash fees. Recycling contract solid waste extending through 2022.

Stabilization Fund – first time stay there and won't be reduced through free cash mechanism.

Expenditures have two different sets of **pie charts**: 1. Budget based 2. Fully loaded with other costs, direct/indirect expenses.

Building Inspector Position - Public safety issue and residual effect may be increasing revenue for more inspections – will include pre-planning and inspection of institutional buildings.

Non-Appropriated Expenses -

MBTA Fees? Building over the tracks. Piggy-backing on other areas/times for construction. They are diverting especially with work expansion next summer.

Norfolk County Assessment? State absorbed counties. Everyone else is paying. Don't use their services. Is there any move by Mass Municipal Association to get rid of counties?

Initiatives –

Plan to use Urban Institute connections and possibly graduate students to support / consult on enhancing financial planning and management.

EV Charging stations, vehicle replacement policy, need infrastructure plan as to how we go about getting these.

Newbury College Reuse Plan – No long term plan for property but still a strategic acquisition. Move Building Department trades from Larz Anderson. Vehicles and supplies overnight and weekend, about 15 cars.

Oak Street- pending WA advocating sale of Oak Street. Three original tenants, one has left, two remain until June.

Equity initiatives – proposal for ODICR – holes in the budget, proposal have been made, non-binding resolutions, equity audit? More questions to be answered. Maybe some adjustments.

Q: The Select Board is going to talk about the BFAC report over three meetings. Who is taking the lead on this and how will it proceed? How will information be shared back?

A: BFAC has made some recommendations about groups that are involved and groups that need to approve. SB will look at recs and try to put together a scheduled/priority of accomplishing them. Assigning certain parties to do those probably using the BFAC work.

COMMENT: The Select Board needs to do what it is doing and decide on implementation process in addition to various bodies that are impacted and should be involved in implementation there should be assigned an individual who would take point. For a few major areas, like Economic Development, that there be a Select Board member to be process owner of that.

Leadership Transparency and Accountability are three key tenets in the BFAC report.

Q: Regarding Reserves Policy – redraft to make it clearer are you including waterfall frequenting? New formula?

A: One of the deficiencies is that the stabilization fund is not growing. What do we want the Stabilization fund to get us to that 10%. Waterfall is a separate policy and BFAC looked at it and don't feel a need to change it.

Q: Definitions and terminology are inconsistent. Will there be an effort to make terms and definitions consistent throughout?

A: Yes. Financial Summit will try to educate everyone and encourage us to use the same terminology and way they are written.

Q: Slide 14 – School Budget is presented as fully loaded. A: Yes.

Melissa Goff offered her thanks to Justin for his efforts during this budget season. Excited about interactive aspect of this new product. Previously it was very labor intensive to put it together with myriad documents. Now all on one platform and ability to drill down in the numbers.

Presentation begins on slide 26 - Long Range Financial Plan and serious of assumptions – conservative with new growth. Still have a structural gap.

Fully (loaded) Allocated FY2021 General Operating Budget – includes other items. Education – includes benefits for non-teaching positions. Details go in the auditing statements. Department expenses such as crossing guards, fire drills, landscaping.

Intentionally conservative with our building estimates.

Local Receipts – parking ticket receipts have been declining. Air BnB? We are already collecting from illegal units. We are seeing an increase. Registration process has just been recent. Don't anticipate dramatic shift. Same rate as hotel. Goes to the State then comes back.

Q: How are you projecting marijuana sales income? A: \$1.1 million based on two quarters worth of payments so far for 2020.

Q: PILOTS what are the recovery rates over time? A: Melissa will get the detail from Jeana.

Free Cash – preserve some flexibility leaving \$2.6 unappropriated. Used for something the Reserve Fund can't handle. Stabilization decline in revenue and strict replenishment. Below 5 million use 15% allocate funding.

Fund Balance – our policy for investments is doing very well.

Misc. Non-Departmental – outside of benefit structure, host community agreements.

March borrowing cycle - some increase, low rates now, being strategic about cash flow.

Q: Fire station renovation – concerned about health of staff – how do we calculate that into our decisions and prioritization.

A: No delay in implementation of the project, just construction. We are doing schematics. Better chance of getting debt exclusion if we are not doing both fire stations and Newbury.

BFAC and Capital – many recommendations about Capital process making it more transparent and have a more analytical approach.

Q: Roadway maintenance?

A: Grew it by 2.5 % and added parking meter funding. One time but some funds are also needed for Gateway East.

A: Is there a cap on the cost for Gateway? A: We would go back to the state before we used our own money.

Advisory Committee Questions Shared in Advance of the Meeting with the Town Administrator

1. What actions will you be taking to implement BFAC's recommendations?
2. Are there steps you can take without waiting for the Select Board to lead, perhaps steps as basic as coordinating SB and AC reviews of warrant articles?
3. What steps are you looking for from the Advisory Committee?
4. What do you think of the recommendation for coordinating financial planning between the Town and Schools?

5. It appears from the BFAC report that Brookline is going below our 10% target for unassigned fund balances (reserves). The practice, according to the report, began in 2015 (9.7%) and continued at approximately 8.5% for 2016-2019.
 - a. Is the stated decline accurate?
 - b. Was the AC informed of this change?
 - c. What is the plan moving forward? Will the Town take steps to change the way reserve ratios are calculated, communicated, and ensured?
6. Is the Town planning on changing auditors? Same audit firm for many years. Town has gone out to bid in the past but chosen to retain the existing audit firm. Once an auditor reaches a certain level of familiarity with the Town it is now time to change. Asked the Audit Committee to make that decision.
7. What is the financial impact of Fall TM citizen petitioned Articles in the FY2021 budget?
8. How have the proceeds of local receipts been for the current fiscal year, including especially marijuana excise tax and host community agreement payments, building permit fees, hotel and meals taxes? How do they compare to budget expectations?
9. Can you address how projected revenue from the marijuana shops in the coming year is included in the budget?
10. Given the focus on equity and inclusion by Town Meeting and the difficulty to date in taking full advantage of our membership in GARE, implementing the equity audit, the expansion of the role of CDICR, and the passage of the community engagement plan, will there be additional resources in the 2021 budget for the DICR? If not, what will you do to address these concerns?

Other questions:

- How can citizens of Brookline be notified that they can read the BFAC report on the town website?
- Please rank the recommendations according to logic and ease of implementation and urgency.
- For terminology and definitions: could a current employee be assigned to review current documents to make them all be consistent?
- How much would it cost for the town to hire the recommended financial consultant? Would it be a full time position with benefits? What is needed to get this in the 2021 budget?

Next Meetings:

- Monday, February 24, 2020 at 7pm, Denny Room, Public Health Building
- Tuesday, February 25, 2020 at 7:30pm, Community Room, Public Safety Building

Upon a **MOTION** made and seconded to adjourn, and voted unanimously, the meeting was adjourned at 10:10 pm.

Documents Presented: FY2021 Financial Plan Presentation and Budget Books

FY2021 FINANCIAL PLAN



SELECT BOARD

BERNARD GREENE, Chairman
BENJAMIN J. FRANCO
NANCY HELLER
HEATHER HAMILTON
RAUL FERNANDEZ

MELVIN A. KLECKNER, Town Administrator
MELISSA GOFF, Deputy Town Administrator
JUSTIN CASANOVA-DAVIS, Asst. Town Administrator

TRANSITION TO OPENGOV

- ❖ The FY21 Financial Plan represents the first year of using a new integrated budget tool called Open Gov
- ❖ Streamlines the budget process
 - ❖ Integrates budget requests by departments, integrates with MUNIS (less manual entry)
 - ❖ Provides better financial projection and modeling tools
 - ❖ Flexible reporting features
 - ❖ Creates better visualization of budget issues and trends
 - ❖ Transparency portal allows for enhanced online experience

The capacity of Open Gov to produce a printed copy of the Budget requires more work. Open Gov has heard this loud and clear from its clients, including the Town of Brookline.

Let's look at how the document appears on-line

TRANSITION TO OPENGOV

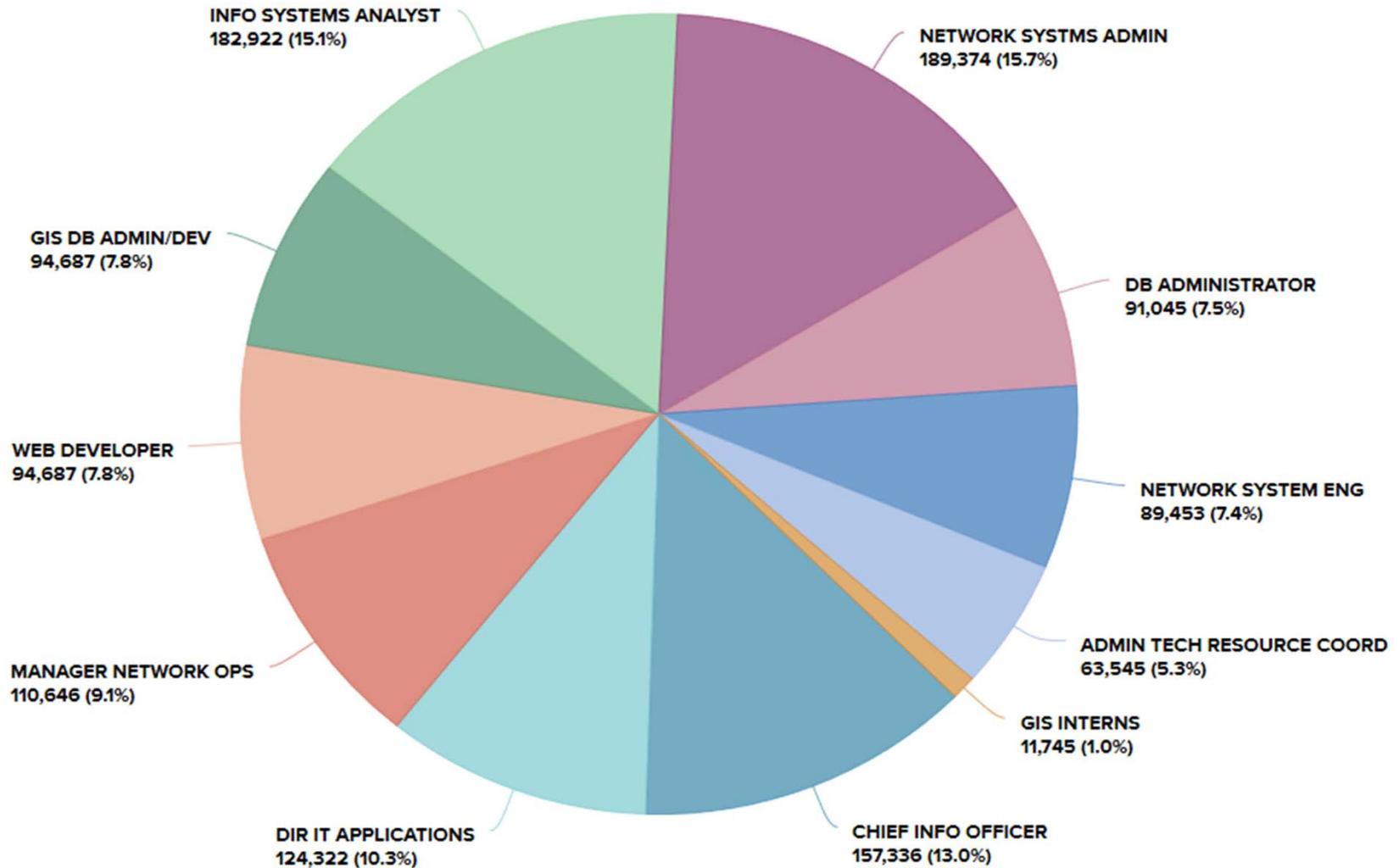
Greater detail and enhanced visualizations



Data

Collapse All	FY19 Actual	FY20 Budget	FY21 Budget	2020-21 Variance	2020-21 Variance %
▼ SALARIES	\$ 1,252,548	\$ 1,190,574	\$ 1,217,461	26,887	2.21%
PERMANENT FULL TIME	1,202,824	1,171,479	1,198,016	26,537	2.22%
PART TIME TEMPORARY SAL	8,160	11,745	11,745	0	0.00%
LONGEVITY PAY	7,125	6,800	7,150	350	4.90%
VACATION BUYOUT	12,904	0	0	0	0.00%
A DAY BUYOUT	20,985	0	0	0	0.00%
CLOTHING-UNIFORM ALLOWANCE	550	550	550	0	0.00%
▼ SERVICES	500,559	545,773	610,773	65,000	10.64%
D P EQUIP R & M	13,357	12,000	12,000	0	0.00%
COMPUTER SOFTWARE R & M	257,122	255,805	320,805	65,000	20.26%
EQUIPMENT SERVICE CONTRACT	0	3,000	3,000	0	0.00%
COPY EQUIP RENTAL/LEASES	2,561	2,431	2,431	0	0.00%

TRANSITION TO OPENGOV



FY21 Salary



FY2021 BUDGET OVERVIEW

- ❖ FY 2021 Budget balances \$359 million of revenues and expenses (all in). Represents a 6.8% increase over FY 2020.
- ❖ Budget follows year 3 of the Override plan
- ❖ School Budget increases by 5.1%
- ❖ Municipal Budgets increase by 3.4%
- ❖ Capital Budget represents 10.9% of prior year net revenue
- ❖ Enterprises are up by 3.1%
- ❖ Reserves and long-term liability funding meet goals

THE FY2021 BUDGET

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$\$\$ CHANGE</u>	<u>% CHANGE</u>
REVENUES				
Property Tax	238,487,745	251,527,496	13,039,751	5.5%
Local Receipts	31,120,219	35,874,799	4,754,580	15.3%
State Aid	22,386,947	22,792,220	405,273	1.8%
Free Cash	9,081,257	11,791,952	2,710,695	29.8%
Other Available Funds	3,349,771	4,471,538	1,121,767	33.5%
Enterprises (net)	31,332,034	32,296,767	964,733	3.1%
TOTAL REVENUES	335,757,973	358,754,772	22,996,799	6.8%
EXPENDITURES				
Municipal Departments	78,990,815	81,681,032	2,690,218	3.4%
School Department	117,385,105	123,361,137	5,976,032	5.1%
Non-Departmental	89,375,482	98,720,655	9,345,173	10.5%
Special Appropriations	9,949,094	13,958,250	4,009,156	40.3%
Enterprises (net)	31,332,034	32,296,767	964,733	3.1%
Non-Appropriated	8,725,441	8,736,930	11,489	0.1%
TOTAL EXPENDITURES	335,757,973	358,754,772	22,996,799	6.8%

OVERRIDE FRAMEWORK

FY2019 - FY2021 OVERRIDE PLAN

In millions of \$'s

Revenue

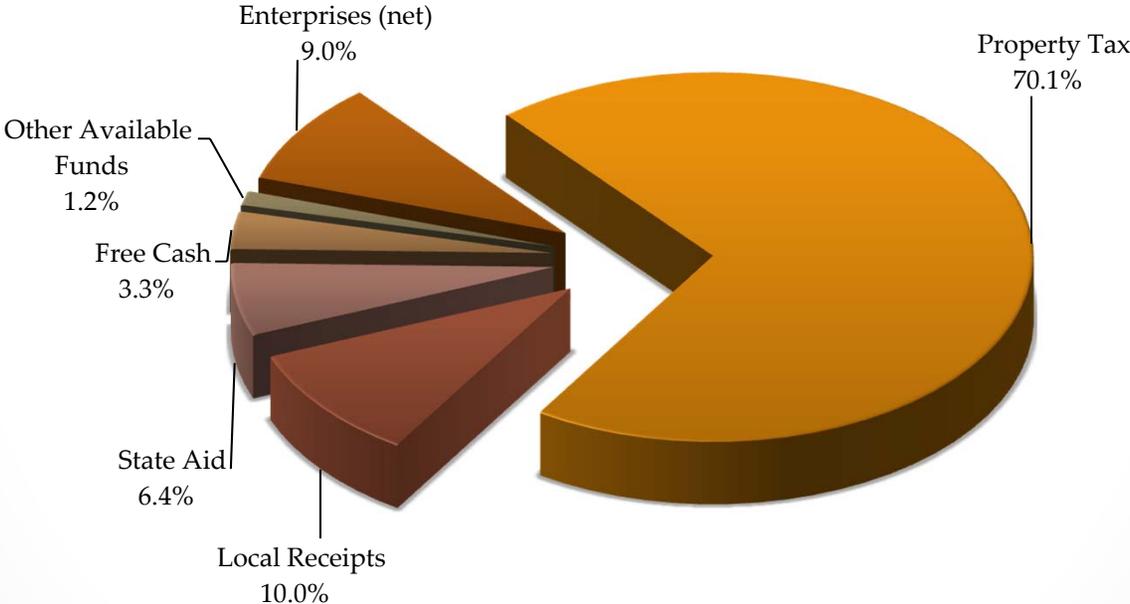
\$6.575 Override Funds
\$2.851 Non-property tax revenue
 \$9.426 Total Plan

Expenditures

	Year 1	Year 2	Year 3	Total
Override funds	2.85	3.34	0.39	\$6.575
Non-override funds	0.79	-	2.06	\$2.851
	<u>\$3.64</u>	<u>\$3.340</u>	<u>\$2.45</u>	\$9.426

REVENUES

FY21 REVENUES



REVENUES

(Property Taxes)

- ❖ Property Taxes: At \$252 million, represents over two-thirds of the Town's overall revenue
- ❖ Increase over FY 2021 is \$15 million (+5.5%)

<u>PROPERTY TAXES</u>	
Prior Year Levy Limit	233,198,737
2 1/2 % Increase	5,829,968
New Growth	2,500,000
Debt Exclusion (Debt Service Costs)	9,998,791
Annual Levy FY 2020	251,527,496

REVENUES

(State Aid)

- ❖ State Aid: \$22.8 million, up 1.8%
 - UGGA increases \$189K (2.8%) and reflects the Governor's commitment to tie Local Aid to consensus revenue projection
 - Chapter 70 increases \$229K (1.5%)
 - ❑ Brookline is now a minimum aid (17.5%) community
 - Further evaluation of budget as legislature presents State Aid proposals

REVENUES

(Local Receipts)

- ❖ Local Receipts: \$35.9 million, up 15.3%
- ❖ Local Option Taxes: +51.5%
 - ❑ Marijuana excise taxes \$1.5M increase
 - ❑ Lodging \$290K (14.5%) increase
- Parking Meter Receipts: +14.3%
 - Recommending increase from \$1.25/hr. to \$1.5/hr.
- Parking Fees : 15%
- Medicaid Reimbursement: +15.3%
- Refuse Fee: + 26.3%
 - Recommend fee structure to maintain 25% GF subsidy

REVENUES

(Free Cash)

❖ Free Cash: \$11.8 million

- Total certified Free Cash is \$14,392,269. Remaining balance is left unappropriated to support our Unreserved Fund Balance
- Additional support for CIP (\$8.3M)
- Stabilization Fund (\$2M)
- Affordable Housing Trust Fund (\$727K)

❖ Free Cash limited to one-time funds

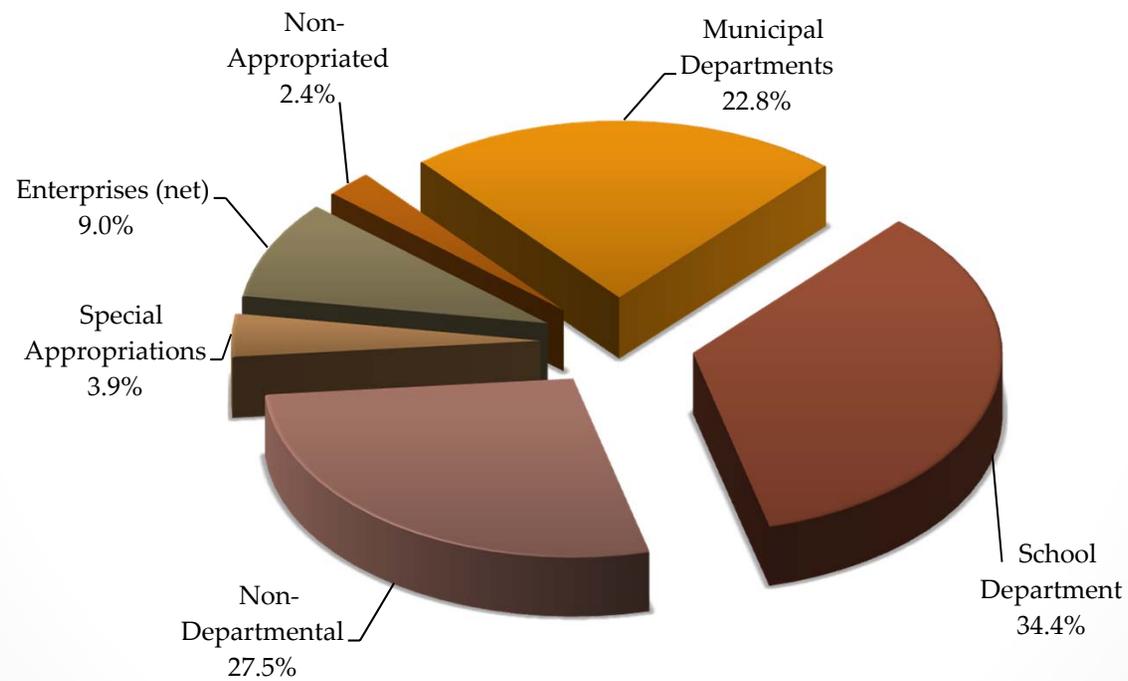
REVENUES

(Other Available Funds)

- ❖ Other Available Funds: \$4.5 million
 - Reimbursements from Enterprises for General Fund related costs
 - One-time use of old Parking Meter Fund to support Roadway CIP appropriation (\$1.2M)

EXPENDITURES

FY21 EXPENDITURES



EXPENDITURES

(Schools)

- ❖ School Budget: Up by 5.1%
 - ❖ Town-School Partnership formula continues to share enrollment growth
 - ❖ \$390K in Override Funds
 - ❖ \$2.1M in Non-Tax Revenue
- ❖ Refer to School Committee's budget for more details

EXPENDITURES

(Municipal Departments)

- ❖ Modest growth of 3.4% to cover fixed costs and contractual increases
 - ❖ Includes reserve for salary/wage increases
- ❖ Investment and initiatives:
 - ❖ Public Works
 - Funding of higher recycling collection costs resulting from global market crisis.
 - Expenses from additional IPS meter deployment.
 - ❖ Building
 - Inspector position
 - ❖ Fire Department
 - ▪ Prevention Division- Lt. Position

EXPENDITURES (Non-Departmental)

- ❖ Group Health Insurance
 - ❖ Assumption of 5% rate increase for GIC (final rates in March)
 - ❖ Increased subscribers

- ❖ Pension Funding
 - ❖ Rate of Return assumption 7.20% (was 8.15% a few years ago).

- ❖ Contribution to OPEB Liability
 - ❖ +\$250,000

EXPENDITURES

(Debt Service & Special Appropriations)

- ❖ Revenue financed Capital Budget: \$13.96 million in FY 2021
 - ❖ \$4.46 million from general operating revenue
 - ❖ \$8.3 million from Free Cash

- ❖ Debt service increases \$3.6M 18.93%
 - ❖ Currently evaluating borrowing plan for Driscoll and High School projects based on recent cash flow analysis

- ❖ Total Capital expenses are 12.9% of the Town's prior year net revenue

EXPENDITURES

(Non-Appropriated and Enterprises)

- ❖ Non-Appropriated Expenses: 0.13% increase
 - ❖ MBTA Assessment (decreased in FY21 by \$49K)
 - ❖ Norfolk County Assessment (\$1.1M in FY 2021)
 - ❖ Overlay (\$1.8M)

- ❖ Enterprises: 3.1% growth
 - ❖ Water/Sewer Enterprise Fund
 - Increase in the MWRA Assessment
 - Rate hearing will be tied to budget review

 - ❖ Golf Enterprise growth from driving range, full year of increased greens fees

FY2021 POLICY ISSUES & ²⁰ INITIATIVES

Brookline Fiscal Advisory Committee (BFAC)

- ❖ Importance of Aaa Bond Rating
 - Building up Reserves
 - ✓ Appropriation of Free Cash to Stabilization Fund
- ❖ Enhancing Financial Planning and Management
 - Town/School Collaboration
 - Will Require Staffing and Consulting Resources
- ❖ Institutional
 - Town Meeting Education- a Budget Summit
 - Evaluation of Town Meeting Proposals
 - Structure and Focus of Advisory Committee

FY2021 POLICY ISSUES & ²¹ INITIATIVES

Marijuana Licensing and Sales

- ❖ Conservative Excise Tax Projection
 - Meets 3-Year Override Plan Commitment
- ❖ Host Community Agreement Community Impact Fees
 - Funds Appropriated to Date are included in Departmental Budgets
- ❖ Additional Funds to be Appropriated to Dedicated Fund
 - New Mitigation Funding to be Considered by new Cannabis Mitigation Advisory Committee
 - Creation of Equity Advancement Fund

FY2021 POLICY ISSUES & ²² INITIATIVES

Sustainability and Climate Action

- ❖ Funding for Staff Capacity Currently Under Review by UMass Collins Center
- ❖ Sustainability Experience Needed in Many Departments
 - Planning
 - DPW Engineering and Transportation
 - Building
- ❖ Transitioning to Non-Fossil Fuel Sources
 - Fleet Replacement
 - Municipal Electricity Portfolio
 - Building Projects

FY2021 POLICY ISSUES & ²³ INITIATIVES

Newbury College Reuse Plan

- ❖ Property Acquisition Requires Debt Exclusion Referendum
 - Minimal Funding from Debt Exclusion to Upgrade Academic Building and Preserve West Hall
 - Renewed Consideration of Oak Street Property/Debt
- ❖ Temporary Use of Academic Building
 - Operating and Maintenance from Existing Funding
 - Building Department “Home”
 - Departmental Training and Professional Development
 - Other???
- ❖ Future Process to Consider Long-Term Use
 - ❖ Staff and Consulting Support will be Required

THE RESERVES POLICY ²⁴

- ❖ Our Policy is to maintain at least 10% of the Town's revenues as unassigned fund balance. This commitment has fallen short. We appreciate BFAC's attention to this matter and will address it. Factors to consider include;
 - Projections are imprecise. But they need to be revised when the data demands it.
 - Leaving a Free Cash balance is an insufficient strategy because balances do not necessarily carry over into the next fiscal year.
 - Revenues in the Financial Statements can change based on GASB and are unfamiliar with budgeted revenues.
 - Adding reserve requirements to Overrides are politically unpopular
 - Other unfunded liabilities are a focus of Moody's and compete with our reserve policies

THE RESERVES POLICY ²⁵

❖ Recommendations and Solutions;

- We will redraft our Policy with definitions to make it clearer. This includes using the amounts in the Financial Statements.
- We will include our assumptions and formal projection of reserves in writing within the Financial Plan.
- We will recommend allocating an amount in any Override plan to maintain existing reserve ratios.
- We will begin to appropriate some or all of Free Cash necessary to meet the reserve policy. In FY 2021, this includes an appropriation of \$2 million to the Stabilization Fund in addition to leaving \$2.6 million unappropriated in Free Cash.

LONG-RANGE FINANCIAL PLAN

- ❖ Important to take a longer outlook on financial and budget issues.
- ❖ Consistent with our longer range capital planning process.
- ❖ The Plan is based upon assumptions. The nature of long range budget forecasting is conservative and cumulative.
- ❖ Deficits beginning in FY2022 ranging from \$5.53M to \$23 million in FY2025, representing a structural gap between revenue growth of 2.9% and expenditure growth of 4%.
- ❖ Our goal is to eliminate that gap in a way that balances revenue growth and expenditure control.

FINANCIAL PLAN SUMMARY

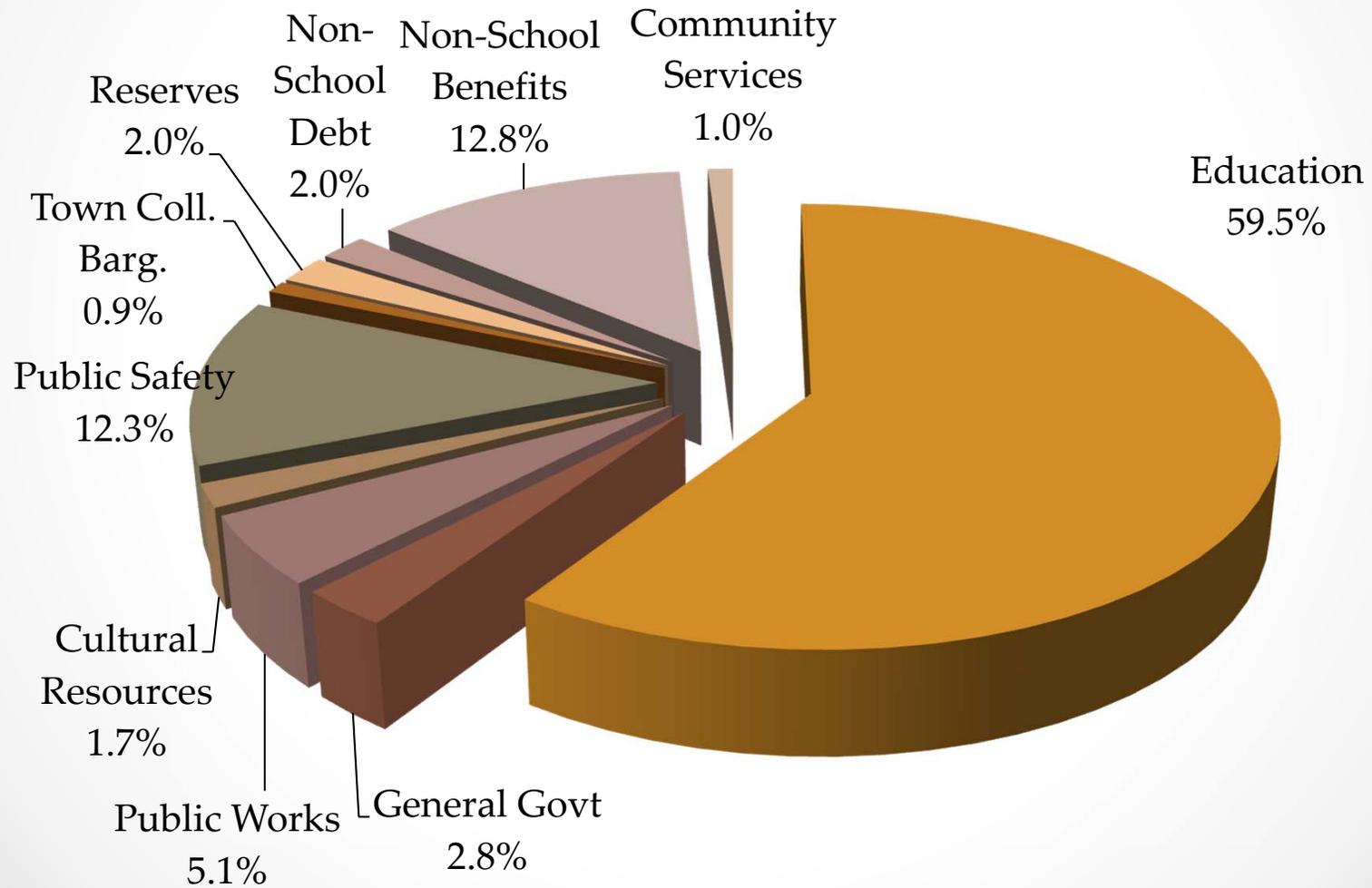
FY2021 FINANCIAL SUMMARY BY FUND

	General Fund *	Water & Sewer Enterprise Fund	Golf Enterprise Fund	Recreation Revolving Fund	Parking Meter Fund	Cemetery Trust	TOTAL	% of Total
REVENUES								
Property Taxes	251,527,496						251,527,496	70.1%
Local Receipts	35,874,799						35,874,799	10.0%
State Aid	22,792,220						22,792,220	6.4%
Parking Meter Receipts					1,182,005		1,182,005	0.3%
Walnut Hill Cemetery Fund						100,000	100,000	0.0%
State Aid for Libraries							0	0.0%
Golf Receipts			1,881,692				1,881,692	0.5%
Recreation Program Revenue				4,036,397			4,036,397	1.1%
Water and Sewer Receipts		29,568,210					29,568,210	8.2%
Capital Project Surplus							0	0.0%
Free Cash	11,791,952						11,791,952	3.3%
TOTAL FINANCIAL PLAN REVENUE	321,986,467	29,568,210	1,881,692	4,036,397	1,182,005	100,000	358,754,772	
EXPENDITURES **								
General Government	10,269,301						10,269,301	2.9%
Public Safety	43,302,465						43,302,465	12.1%
Public Works	16,649,437	25,471,323				100,000	42,220,760	11.8%
Library	4,349,295						4,349,295	1.2%
Health & Human Services	3,237,835						3,237,835	0.9%
Recreation	1,147,697		1,530,657	3,490,609			6,168,963	1.7%
Schools	123,361,137						123,361,137	34.4%
Personal Services Reserve	715,000						715,000	0.2%
Collective Bargaining (Town)	1,910,000						1,910,000	0.5%
Personnel Benefits **	65,752,890	2,429,747	173,015	542,612			68,898,264	19.2%
Non-Departmental **	7,386,317		40,982	3,176			7,430,475	2.1%
Debt Service	22,391,916	1,667,140	137,038				24,196,094	6.7%
Revenue-Financed CIP (Special Appropriations)	12,776,245				1,182,005		13,958,250	3.9%
Non-Appropriated	8,736,930						8,736,930	2.4%
TOTAL FINANCIAL PLAN EXPENDITURES	321,986,468	29,568,210	1,881,692	4,036,397	1,182,005	100,000	358,754,772	
% OF TOTAL FINANCIAL PLAN	89.8%	8.2%	0.5%	1.1%	0.3%	0.0%		

* Includes revenue from Property Taxes, Local Receipts, State Aid, and Free Cash. Instead of being shown in the General Fund, revenue from the "Other Available Funds" category is shown in the fund from which they are transferred to the General Fund.

** For purposes of this analysis, the reimbursements from the enterprise funds and revolving fund are deducted from the General Fund and re-allocated within that particular fund. Accounts with an ** had amounts deducted from them in the General Fund.

FULLY ALLOCATED FY2021 GENERAL FUND OPERATING BUDGET



GENERAL FUND SUMMARY ²⁹

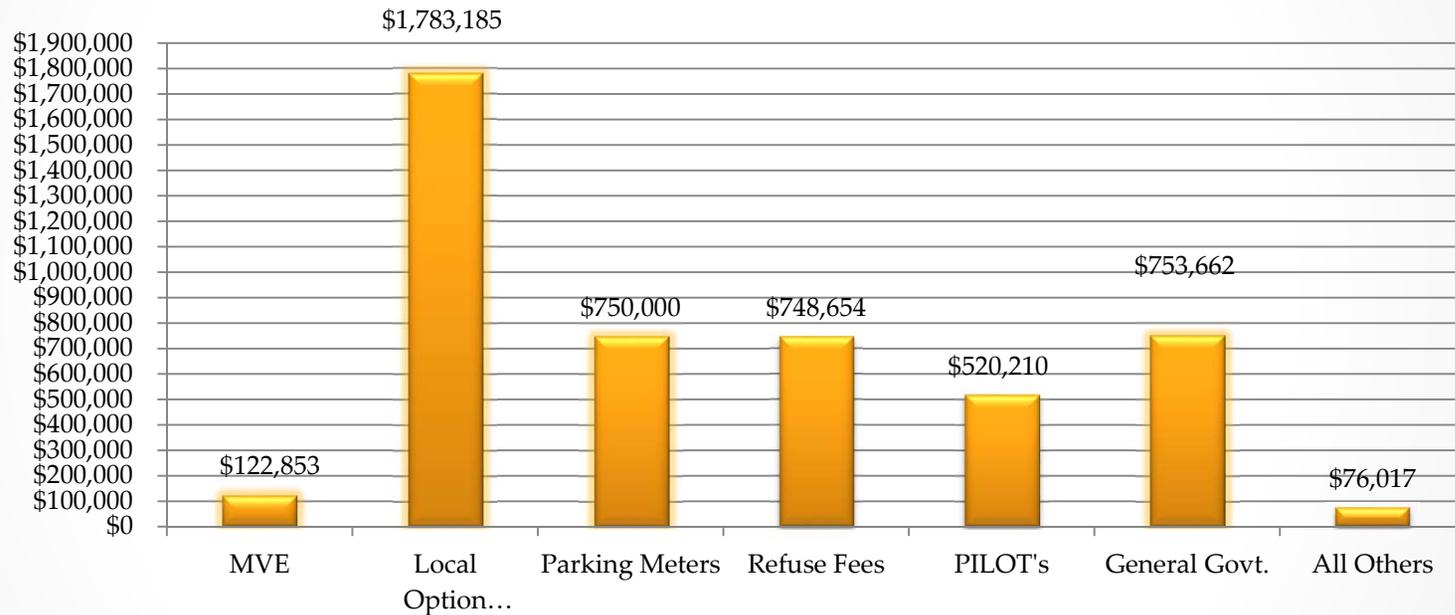
FY2021 RECOMMENDED GENERAL FUND BUDGET SUMMARY

	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 BUDGET	FY2021 BUDGET	INCREASE/DECREASE	
						\$	%
REVENUE							
Property Tax	204,064,199	211,374,488	224,490,569	238,487,745	251,527,496	13,039,751	5.5%
Local Receipts	28,648,804	36,277,400	35,725,309	31,120,219	35,874,799	4,754,580	15.3%
State Aid	19,658,441	20,352,973	22,112,759	22,386,947	22,792,220	405,273	1.8%
Free Cash	5,311,538	8,354,017	8,427,936	9,081,257	11,791,952	2,710,695	29.8%
Other Available Funds	7,840,067	3,050,446	4,872,678	3,349,771	4,471,538	1,121,767	33.5%
TOTAL REVENUE	265,523,049	279,409,325	295,629,251	304,425,939	326,458,005	22,032,066	7.2%
(LESS) NON-APPROPRIATED EXPENSES							
State & County Charges	6,319,715	6,393,642	6,592,747	6,826,231	6,796,134	(30,097)	-0.4%
Tax Abatement Overlay	1,965,726	1,840,899	1,762,675	1,785,140	1,829,768	44,628	2.5%
Deficits & Judgments	25,000	13,583	25,000	25,000	25,000	0	0.0%
Cherry Sheet Offsets	91,451	89,197	88,500	89,070	86,027	(3,043)	-3.4%
TOTAL NON-APPROPRIATED EXPENSES	8,401,892	8,337,321	8,468,922	8,725,441	8,736,930	11,489	0.1%
AMOUNT AVAILABLE FOR APPROPRIATION				295,700,499	317,721,075	22,020,576	7.4%
APPROPRIATIONS							
Town Departments	71,730,450	72,437,441	80,150,272	78,990,815	81,681,032	2,690,217	3.4%
School Department	101,118,780	105,196,458	110,411,365	117,385,105	123,361,137	5,976,032	5.1%
Non-Departmental Total	63,465,863	75,163,554	82,675,364	89,375,482	98,720,655	9,345,173	10.5%
General Fund Non-Departmental	60,850,796	72,370,108	79,802,686	86,286,752	95,531,325	9,244,573	10.7%
Water and Sewer Enterprise Fund Overhead *	2,057,070	2,233,725	2,314,117	2,318,020	2,429,545	111,525	4.8%
Golf Enterprise Fund Overhead *	182,097	179,991	207,013	299,683	213,997	(85,686)	-28.6%
Recreation Revolving Fund Overhead *	375,900	379,730	351,549	471,027	545,788	74,761	15.9%
OPERATING BUDGET SUBTOTAL	236,315,093	252,797,453	273,237,001	285,751,402	303,762,825	18,011,423	6.3%
Revenue-Financed CIP (Special Appropriations)	8,879,374	9,720,862	10,979,868	9,949,094	13,958,250	4,009,156	40.3%
TOTAL APPROPRIATIONS	245,194,467	262,518,315	284,216,869	295,700,499	317,721,075	22,020,576	7.4%
BALANCE				0	0	0	

* These Overhead figures match the Water and Sewer Enterprise Fund Reimbursement, Golf Enterprise Fund Reimbursement, and Recreation Revolving Fund Reimbursement revenue sources found under the "Other Available Funds" revenue category.

LOCAL RECEIPTS

FY21 increase of \$4,754,580 (15.3%).



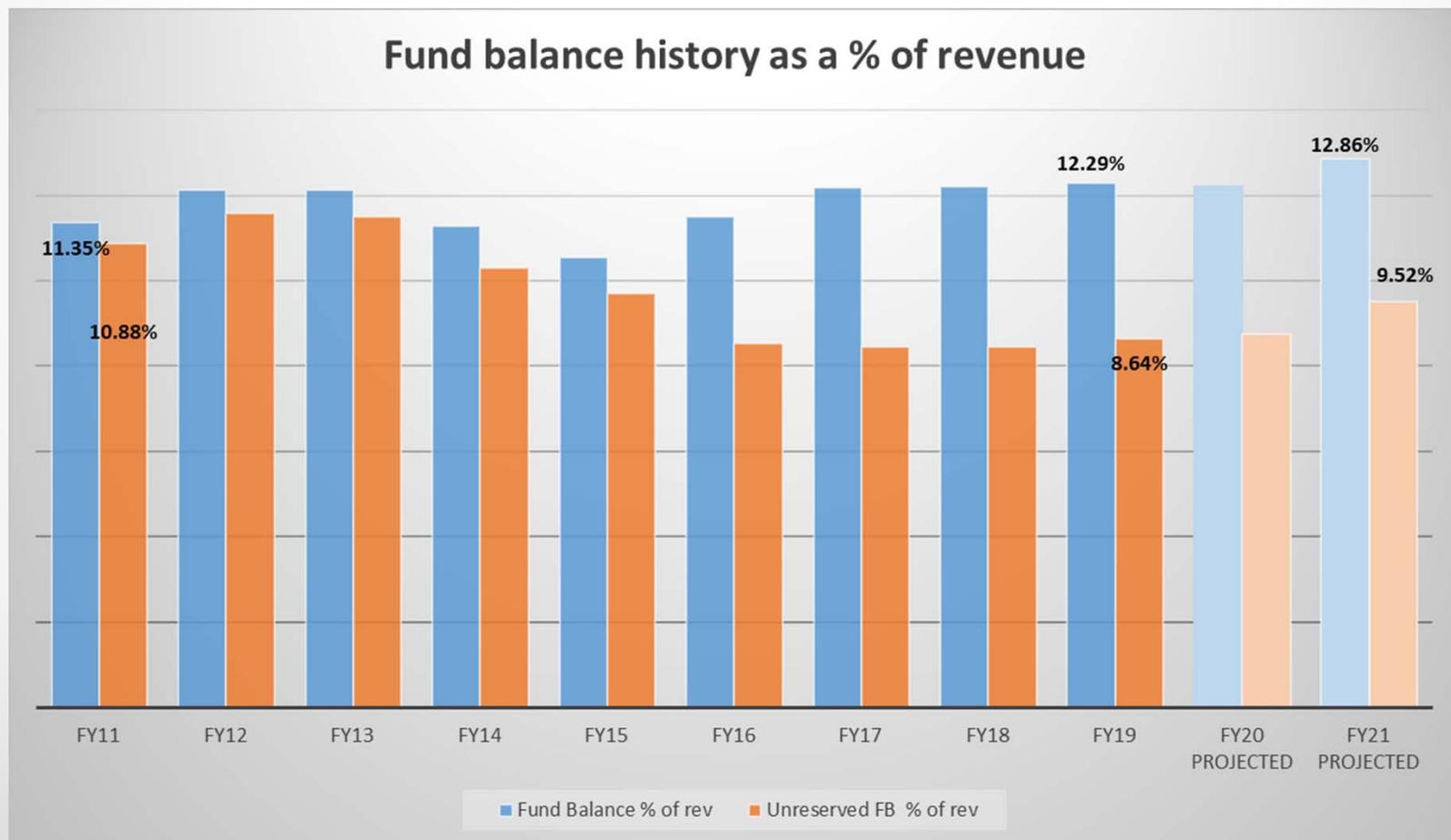
FREE CASH

- ❖ Free Cash as of 7/1/19 certified at \$14,392,269.
- ❖ For FY21 leaving \$2.6 million unappropriated and \$2M appropriated to the Stabilization Fund to rebuild undesignated fund balance.
- ❖ Free Cash sequencing:

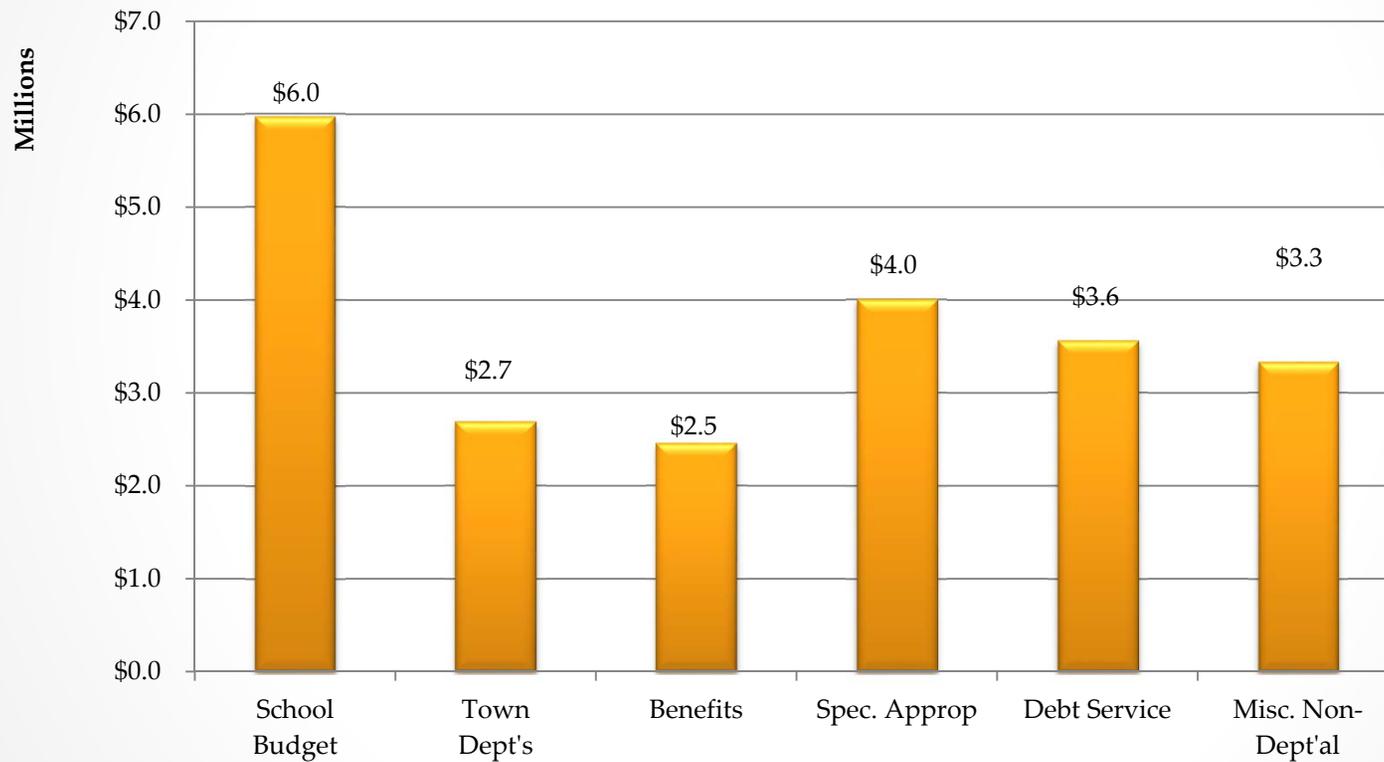
Certification	\$14,392,269
1. Operating Budget Reserve (25% of Operating Budget Reserve)	\$699,726
2. Fund Balance	\$4,600,000
a. Unreserved Fund Balance (left unappropriated)	\$2,600,000
b. Stabilization Fund (appropriated)	\$2,000,000
3. Liability Reserve (to get fund to 1% of Prior Yr Net Revenue)	\$49,729
4. Capital Improvements (to get to 7.5% of Prior Yr Net Revenue)	\$4,198,356
5. Affordable Housing Trust Fund (since Fund Balance below \$5M)	\$726,549
Sub-Total	\$10,274,359
Amount available for Special Use (#6)	\$4,117,910
6. Special Use:	
Additional CIP	\$4,117,910

FUND BALANCE

- ❖ Ratings agencies look for a Aaa-rated community to have a ratio of Fund Balance as a percentage of revenue of approx. 10%
- ❖ Estimate needing to use \$4.6M of Free Cash to work towards 10% goal for unreserved fund balance

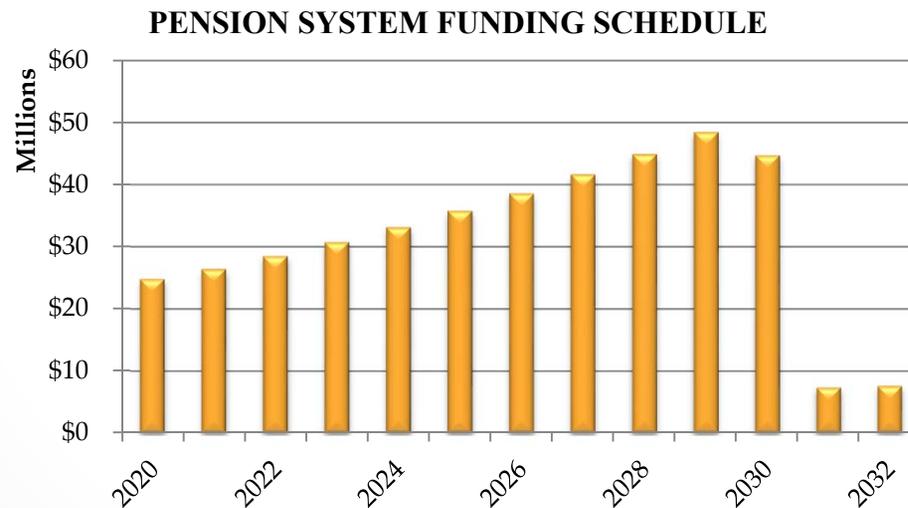


GENERAL FUND EXPENDITURE GROWTH



CONTRIBUTORY PENSIONS

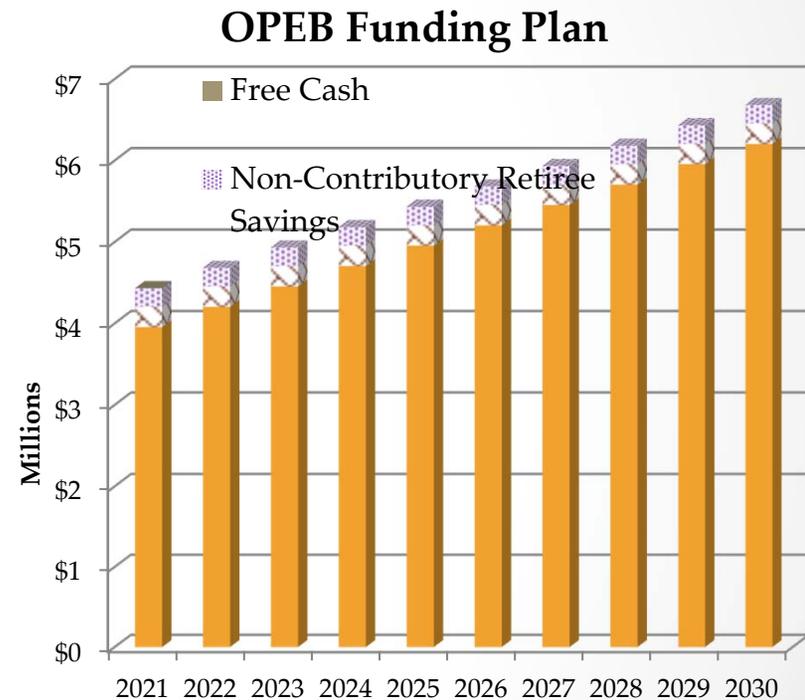
- ❖ Follows existing funding plan, which is in effect for FY20+21
- ❖ Full funding date of 2030
- ❖ Annual Rate of Return assumption of 7.2% (last schedule was 7.4%)
- ❖ Free Cash of \$300K added in FY20
- ❖ Increase of \$1.65M (6.6%)
- ❖ Increases of 7.85% annually



OPEB'S

❖ FY21 Financial Plan includes the following:

- Increase in funding from operating revenue by the “regular” \$250K to \$3.7M.
- Full assessment of Town special revenue funds for their liability; Use of “run-off” from funding for Non-Contributory retirees.



FY21 BUDGET SUMMARY

(in millions)

Operating Revenue

Prop Taxes	\$13.04
Local Receipts	\$4.75
State Aid	\$0.41
<u>Misc.</u>	<u>\$3.83</u>
Total Incr in Op Rev	\$22.03

Operating Expenditures

Schools	\$5.98
Benefits	\$2.46
Town Dept's	\$2.69
CIP+ Debt Service	\$7.57
Non-Appropriated	\$0.01
<u>Misc</u>	<u>\$3.32</u>
Total Incr in Op Exp	\$22.03

FY2021 WATER & SEWER ENTERPRISE FUND

	FY2020 BUDGET	FY2021 BUDGET	INCREASE/DECREASE	
			\$	%
REVENUE				
Rate Revenue	28,086,975	29,090,710	1,003,735	3.6%
Late Payment Fees	80,000	80,000	0	0.0%
Water Service Charges	115,500	40,000	(75,500)	-65.4%
Fire Service Fee	225,000	340,500	115,500	0.0%
Other	57,000	17,000	(40,000)	-70.2%
TOTAL REVENUE	28,564,475	29,568,210	1,003,735	3.5%
EXPENDITURES				
Personnel	2,776,505	2,839,650	63,145	2.3%
Services	353,798	365,398	11,600	3.3%
Supplies	123,020	147,020	24,000	19.5%
Other	10,580	17,080	6,500	61.4%
Utilities	102,061	102,061	0	0.0%
Capital Outlay	630,330	444,300	(186,030)	-29.5%
Inter-Governmental (MWRA)	20,653,997	21,272,997	619,000	3.0%
Benefits *	1,660,325	1,725,728	65,403	3.9%
Inter-Departmental Overhead *	657,695	704,019	46,323	7.0%
Debt Service	1,313,347	1,667,140	353,793	26.9%
Reserve	282,817	282,817	0	0.0%
TOTAL EXPENDITURE	28,564,475	29,568,210	1,003,735	3.5%
BALANCE	0	0	0	

FY2021 GOLF COURSE ENTERPRISE FUND

	FY2020 BUDGET	FY2021 BUDGET	INCREASE/DECREASE	
			\$	%
REVENUE				
Greens Fees	1,029,787	1,032,973	3,186	0.3%
Golf Cart Rentals	247,000	253,000	6,000	2.4%
Pro Shop Sales	110,000	111,060	1,060	1.0%
Concessions	52,659	52,659	0	0.0%
Golf Clinics	34,000	49,000	15,000	44.1%
Other	411,000	383,000	(28,000)	-6.8%
TOTAL REVENUE	1,884,446	1,881,692	(2,754)	-0.1%
EXPENDITURES				
Personnel	726,449	689,557	(36,892)	-5.1%
Services	153,071	264,901	111,830	73.1%
Supplies	313,700	340,485	26,785	8.5%
Other	14,700	11,500	(3,200)	-21.8%
Utilities	117,923	103,414	(14,509)	-12.3%
Capital Outlay	86,420	95,800	9,380	10.9%
Debt Service	147,501	137,038	(10,463)	-7.1%
Benefits / Other*	299,683	213,997	(85,686)	-28.6%
Town Fee (Transfer to Town for general use) *	0	0	0	0%
Reserve	25,000	25,000	0	0.0%
TOTAL EXPENDITURE	1,884,446	1,881,692	(2,755)	-0.1%
BALANCE	0	0	0	

FY2021 RECREATION REVOLVING FUND

	FY2020 BUDGET	FY2021 BUDGET	INCREASE/DECREASE	
			\$	%
REVENUE				
Aquatic	683,834	717,510	33,676	4.9%
Eliot Center	179,383	198,493	19,110	10.7%
Environmental Programs	75,965	78,878	2,913	3.8%
Ice Skating	203,197	212,953	9,756	4.8%
Off-Site Out of Town Trip	36,600	44,160	7,560	20.7%
Outdoor Recreation	837,377	837,377	0	0.0%
Outdoor Athletics	306,364	306,364	0	0.0%
Soule Center	1,299,296	1,353,274	53,978	4.2%
Soule Gym	36,165	44,415	8,250	22.8%
Tappan Facility	203,662	242,973	39,311	19.3%
Misc Revenue	110,000		(110,000)	-
TOTAL REVENUE	3,971,843	4,036,397	64,555	1.6%
EXPENDITURES				
Personnel	2,441,111	2,510,548	69,437	2.8%
Services	493,626	527,794	34,168	6.9%
Supplies	227,101	237,038	9,937	4.4%
Other	93,824	98,075	4,251	4.5%
Utilities	106,974	106,974	0	0.0%
Capital Outlay	138,180	10,180	(128,000)	-92.6%
Benefits / Other*	471,027	545,788	74,761	15.9%
TOTAL EXPENDITURE	3,971,843	4,036,397	64,555	1.6%
BALANCE	0	0	0	

CAPITAL IMPROVEMENT⁴⁰ PROGRAM

- ❖ Developed within the parameters of the CIP Policies.
- ❖ Calls for an investment of 130 million, for an average of approximately \$21.7 million per year.
- ❖ School Building Projects
- ❖ High School debt service commences
 - High School debt service commences
 - Driscoll School
 - Pierce School
- ❖ At full funding -- 6% of prior year net revenue + Free Cash to get to 7.5%. Use additional Free Cash to get to 9.4% (12.9% when debt exclusions are included)

CIP FUNDING SUMMARY

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total General Fund Revenue	326,458,007	336,053,424	348,848,906	358,276,684	368,019,087	376,277,709
LESS:						
Non Appropriations	8,736,930	8,944,699	9,157,662	9,375,949	9,599,694	9,829,032
Debt Exclusions	9,998,791	18,433,443	22,437,757	22,433,507	22,439,257	22,439,257
Free Cash	11,791,952	4,775,000	4,925,000	5,075,000	5,275,000	5,275,000
HCA	1,851,556	1,851,556	1,851,556	1,851,556	1,851,556	1,851,556
Net Revenue	294,078,778	302,048,726	310,476,931	319,540,671	328,853,580	336,882,864
Prior Year Net Revenue	279,890,367	294,078,778	302,048,726	310,476,931	319,540,671	328,853,580
6% CIP FUNDING POLICY						
Net Debt Financed ¹	12,333,125	13,282,673	15,729,926	15,157,842	14,903,345	14,975,528
Net Debt Financed as a % of Prior Yr Net Rev	4.41%	4.52%	5.21%	4.88%	4.66%	4.55%
Revenue Financed	4,460,297	4,362,053	2,392,998	3,470,774	4,269,096	4,755,686
Revenue Financed as a % of Prior Yr Net Rev	1.59%	1.48%	0.79%	1.12%	1.34%	1.45%
SUB-TOTAL 6% Dedicated to CIP	16,793,422	17,644,727	18,122,924	18,628,616	19,172,440	19,731,215
Free Cash for CIP	8,315,948	3,286,508	3,184,766	3,173,391	3,043,354	3,022,678
Capital Project Surplus -- Re-approp. of Funds	0	0	0	0	0	0
Other Funds	1,182,005	200,000	100,000	100,000	20,000	0
FUNDS AVAILABLE FOR CIP THROUGH GEN. FUND WITHIN TAX LEVY	26,291,375	21,131,235	21,407,690	21,902,007	22,235,794	22,753,893
As % of Prior Yr Net Rev	9.4%	7.2%	7.1%	7.1%	7.0%	6.9%
Debt Exclusions	9,998,791	18,433,443	22,437,757	22,433,507	22,439,257	22,439,257
TOTAL FUNDS AVAILABLE FOR CIP THROUGH GEN. FUND	36,290,166	39,564,678	43,845,447	44,335,514	44,675,051	45,193,150
As % of Prior Yr Net Rev	12.9%	13.5%	14.5%	14.3%	14.0%	13.7%
¹ As defined in the CIP Policies, "Net Debt" is total debt service exclusive of debt service related to a Debt Exclusion and debt service funded by enterprise fund revenues.						

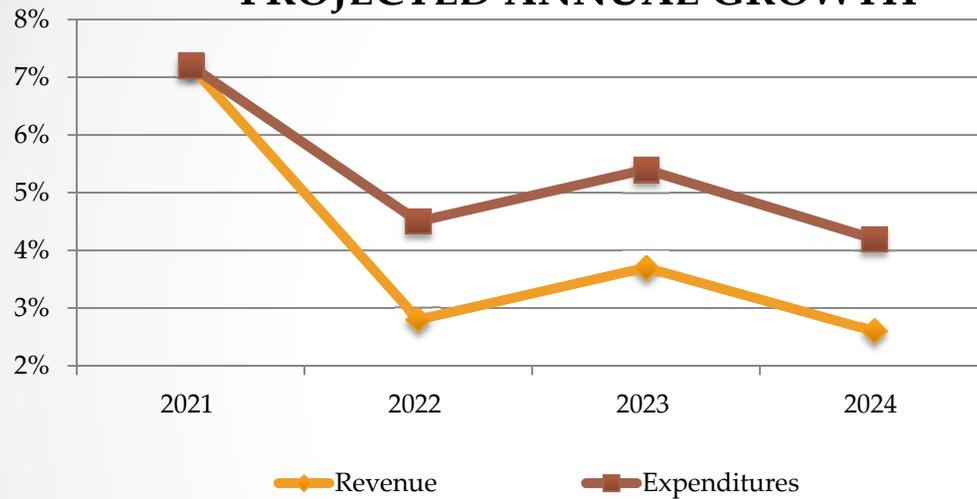
MAJOR CIP PROJECTS

- Pierce School- Partnership with MSBA Construction budget TBD
- Larz Anderson - \$15M (FY21-25, Future Years)
- Classroom Capacity - \$11.6M (FY21-FY26)
- Hammond/Woodland Traffic Signal / Road Diet – \$1.5M (FY25)
- Skyline Park \$1.98M (FY24-25)
- Amory tennis courts, Parking and Halls Pond \$2M (FY25)
- Fire Station Renovations - \$20.2M (FY22) debt exclusion
- Public Building Fire Alarm upgrades - \$1.7M (FY19-24)
- Fire Department's Engine #1 Replacement - \$800K (FY23)

	2020	2021	2022	2023	2024	2025
REVENUE						
Property Taxes	238,487,743	251,527,496	268,300,366	280,351,353	288,594,943	297,054,729
Local Receipts	31,120,219	35,874,799	36,224,178	36,534,463	36,845,775	37,163,234
State Aid	22,386,947	22,792,220	22,965,483	22,708,416	22,890,451	23,077,036
Other Available Funds	3,349,771	4,471,537	3,407,491	3,558,340	3,698,993	3,867,371
Free Cash (for Appropriation)	9,081,257	11,791,952	4,775,000	4,925,000	5,075,000	5,275,000
TOTAL REVENUE	304,425,937	326,458,004	335,672,518	348,077,572	357,105,161	366,437,370
\$\$ Increase	14,655,146	22,032,067	9,214,514	12,405,054	9,027,588	9,332,209
% Increase	5.1%	7.2%	2.8%	3.7%	2.6%	2.6%
EXPENDITURES						
Departmental	78,562,725	80,201,031	82,555,043	84,561,530	86,608,304	88,685,622
Collective Bargaining - Town	428,090	1,480,000	1,220,000	1,250,000	1,270,000	1,300,000
Schools	117,385,105	118,306,857	123,732,136	129,833,136	136,224,136	142,915,136
Collective Bargaining - School	0	5,054,280	5,730,000	6,020,000	6,320,000	6,630,000
Non-Departmental - Benefits	66,438,626	68,898,264	73,921,180	78,935,279	84,258,458	89,385,649
Non-Departmental - General	1,419,100	4,631,571	2,049,711	2,021,589	2,066,563	2,115,316
Non-Departmental - Debt Service	18,148,885	22,391,916	31,776,117	38,227,683	37,651,349	37,402,602
Non-Departmental - Reserve Fund	2,689,494	2,798,904	2,940,788	3,016,678	3,097,056	3,183,691
Special Appropriations from:	10,628,472	13,958,250	8,287,961	6,494,491	7,675,019	8,622,216
Non-Appropriated	<u>8,725,441</u>	<u>8,736,930</u>	<u>8,944,699</u>	<u>9,157,662</u>	<u>9,375,949</u>	<u>9,599,694</u>
TOTAL EXPENDITURES	304,425,936	326,458,004	341,157,634	359,518,048	374,546,834	389,839,927
\$\$ Increase	14,655,146	22,032,068	14,699,630	18,360,414	15,028,786	15,293,093
% Increase	5.1%	7.2%	4.5%	5.4%	4.2%	4.1%
CUMULATIVE SURPLUS/(DEFICIT)	0	(0)	(5,485,116)	(11,440,475)	(17,441,673)	(23,402,557)
DEFICIT AS A % OF OP REV	0.0%	0.0%	-1.7%	-3.3%	-5.0%	-6.5%
Surplus / (Deficit) Prior to Collective Bargaining	428,090	6,534,280	1,464,884	(4,170,475)	(9,851,673)	(15,472,557)
Town Share of Surplus / (Deficit)	428,090	1,480,001	701,540	(345,131)	(121,623)	(910,857)
Town Collective Bargaining	428,090	1,480,000	1,220,000	1,250,000	1,270,000	1,300,000
Total Town Surplus / (Deficit)	(0)	0	(518,460)	(1,595,131)	(1,391,623)	(2,210,857)
School Share of Surplus / (Deficit)	(0)	5,054,279	763,345	(3,825,344)	(9,730,051)	(14,561,700)
School Collective Bargaining	0	5,054,280	5,730,000	6,020,000	6,320,000	6,630,000
Total School Surplus / (Deficit)	(0)	(0)	(4,966,655)	(9,845,344)	(16,050,051)	(21,191,700)

FUTURE REVENUE & EXPENDITURE GROWTH

PROJECTED ANNUAL GROWTH



PROJECTED CUMULATIVE GROWTH

