

# FY2018 FINANCIAL PLAN



## **BOARD OF SELECTMEN**

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# FY2018 BUDGET OVERVIEW

- ❖ FY 2018 Budget balances \$303 million of revenues and expenses (all in). Represents a 4.2% increase over FY 2017.
- ❖ School Budget increases by 3.3%
- ❖ Municipal Budgets increase by 1.7%
- ❖ Capital Budget represents 8.8% of prior year net revenue
- ❖ Enterprises are up by 1.1%
- ❖ Reserves and long-term liability funding meet goals

# THE FY2018 BUDGET

	<u>FY 2017</u>	<u>FY 2018</u>	<u>\$\$\$ CHANGE</u>	<u>% CHANGE</u>
<b>REVENUES</b>				
Property Tax	204,064,199	211,298,230	7,234,031	3.5%
Local Receipts	23,836,698	29,556,650	5,719,952	24.0%
State Aid	19,657,251	20,273,713	616,462	3.1%
Free Cash	5,311,538	8,354,017	3,042,479	57.3%
Other Available Funds	7,840,067	3,045,386	(4,794,681)	-61.2%
Enterprises (net)	30,877,664	31,229,446	351,782	1.1%
<b>TOTAL REVENUES</b>	<b>291,587,417</b>	<b>303,757,442</b>	<b>12,170,025</b>	<b>4.2%</b>
<b>EXPENDITURES</b>				
Municipal Departments	71,523,394	72,720,981	1,197,587	1.7%
School Department	101,118,783	104,500,312	3,381,529	3.3%
Non-Departmental	70,839,465	77,211,691	6,372,226	9.0%
Special Appropriations	8,879,375	9,724,903	845,528	9.5%
Enterprises (net)	30,877,664	31,229,446	351,782	1.1%
Non-Appropriated	8,348,739	8,370,109	21,370	0.3%
<b>TOTAL EXPENDITURES</b>	<b>291,587,417</b>	<b>303,757,442</b>	<b>12,170,025</b>	<b>4.2%</b>

# OVERRIDE FRAMEWORK

## GENERAL FRAMEWORK OF THE THREE-YEAR PLAN

In millions of \$'s

### Revenue

\$7.665 Override Funds

\$2.289 Non-property tax efficiencies and revenues

\$9.954 Total Plan

### Expenditures

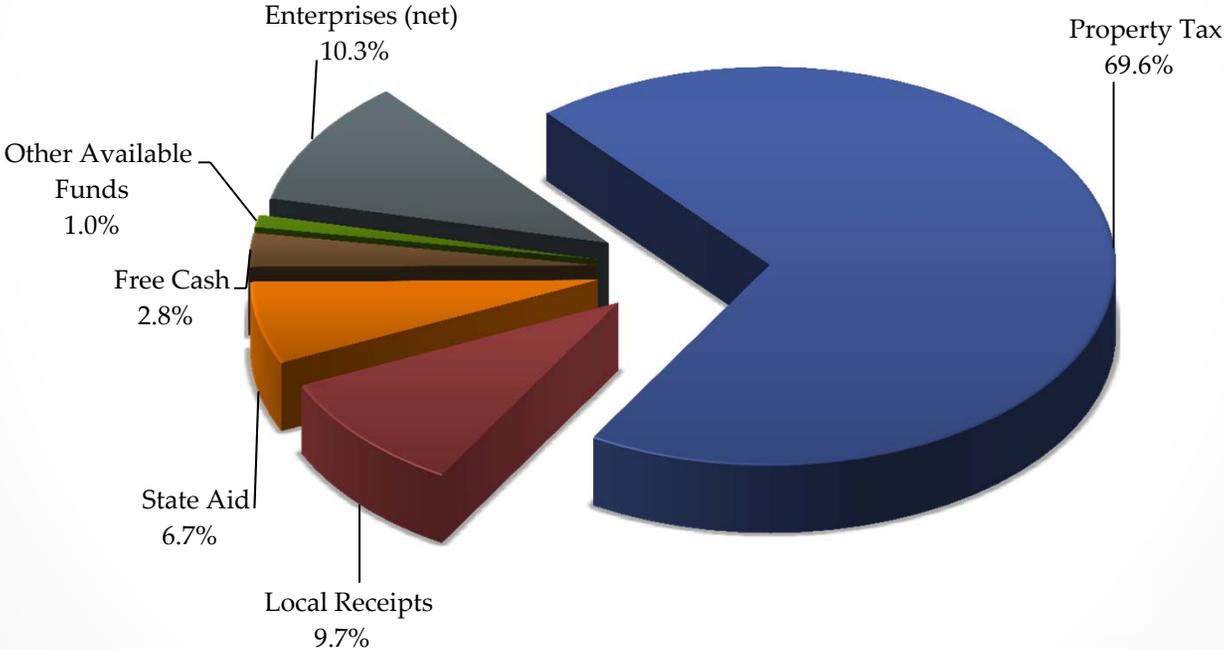
	Year 1	Year 2	Year 3	Total
Override funds	\$6.20	\$1.465	\$0	<b>\$7.665</b>
Non-override funds		\$1.00	\$1.29	<b>\$2.289</b>
	\$6.20	\$2.465	\$1.29	<b>\$9.954</b>

# OVERRIDE TARGETS vs. EXPERIENCE

<u>Override Targets Compared to Actual Experience</u>			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>
Override Funds	\$7,665,000	\$7,665,000	\$0
			\$0
Parking Meter Rates	\$850,000	\$850,000	\$0
Refuse Fee	\$615,000	\$150,000	(\$465,000)
Library Materials Fines	\$20,000	\$0	(\$20,000)
Cemetery Fees	\$16,000	\$25,000	\$9,000
Soule Childcare Rates	\$100,000	\$50,000	(\$50,000)
PILOT/Other	\$50,000	\$225,000	\$175,000
Online credit card fee for MVExcise	\$45,000	\$0	(\$45,000)
Total Town Operating Revenue	\$1,696,000	\$1,300,000	(\$396,000)
School Revenue	\$88,000	\$88,000	\$0
Town Expenditure Reductions	\$513,000	\$130,570	(\$382,430)
<b>Projected Allocation to School</b>	<b>\$9,962,000</b>	<b>\$9,183,570</b>	
<b>Target used for Override</b>	<b>\$9,954,000</b>	<b>\$9,183,570</b>	<b>(\$770,430)</b>

# REVENUES

## FY18 REVENUES



# REVENUES

## (Property Taxes)

- ❖ Property Taxes: At \$211 million, represents over two-thirds of the Town's overall revenue
- ❖ Increase over FY 2017 is \$7.23 million (+3.5%)

<u>PROPERTY TAXES</u>	
Prior Year Levy Limit	203,036,517
2 1/2 % Increase	5,075,913
New Growth	2,165,000
Debt Exclusion (Debt Service Costs)	1,020,800
<b>Annual Levy FY 2018</b>	<b>211,298,230</b>

# REVENUES

## (State Aid)

- ❖ State Aid: \$20.27 million, up by 3.1%
  - ❖ UGGA increases \$238K (3.9%) and reflects the Governor's commitment to tie Local Aid to consensus revenue projection
  - ❖ Chapter 70 increases \$418K which primarily reflects a growth in the foundation budget as a result of enrollment

# REVENUES

## (Local Receipts)

- ❖ Local Receipts: \$29.56 million, up by 24%
  - ❖ Parking Meter Receipts- Municipal Modernization allows town to treat as a Local Receipt instead of annual transfer from Parking Meter Fund (\$5.15M)
  - ❖ Lodging and Meals Local Option Taxes: +6.3%  
\$72K for Red Cab site, \$75K Circle Cinema
  - ❖ Building Permits: +4.2%
  - ❖ Motor Vehicle Excise Taxes: +2.0%

# REVENUES

## (Free Cash)

- ❖ Free Cash: \$8.35 million
  - ❖ Total certified Free Cash is \$10,854,017. Remaining balance is left unappropriated to meet our Unreserved Fund Balance (10% policy)
  - ❖ Unreserved Fund balance is projected at 11%
  
- ❖ Free Cash limited to one-time funds

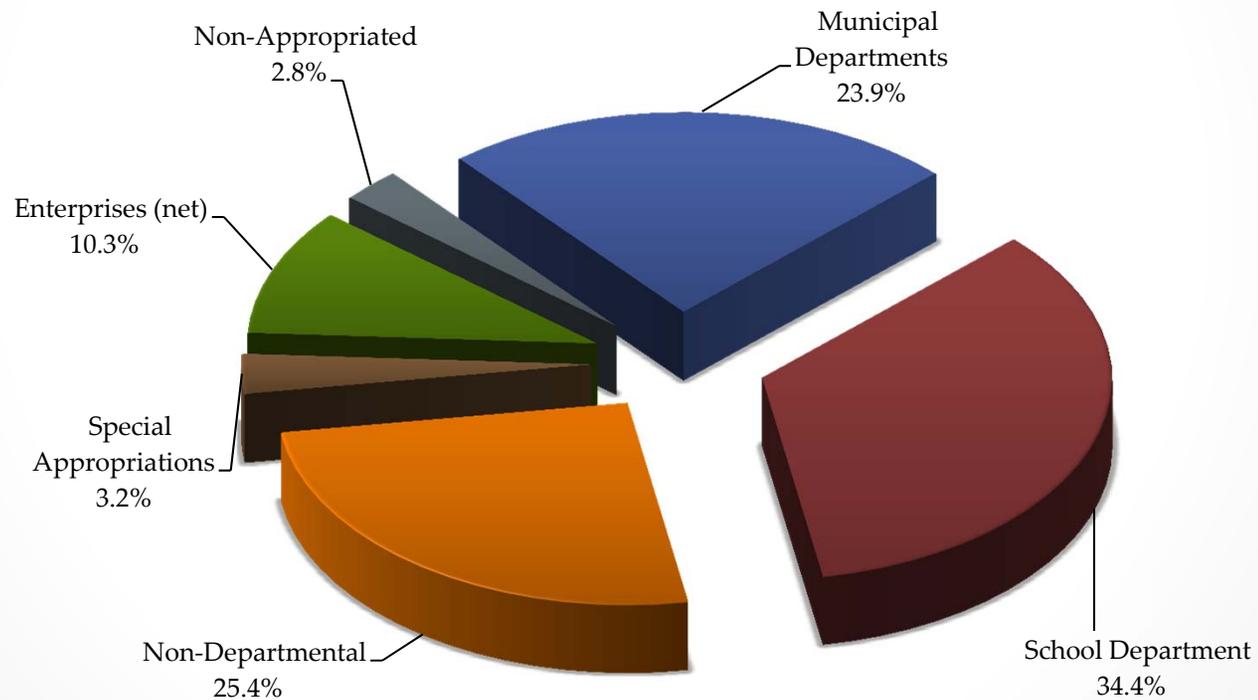
# REVENUES

## (Other Available Funds)

- ❖ Parking Meter Fund (separate fund by law)
  - ❖ Municipal Modernization now allows communities to treat parking meter revenue as a local receipt (balance at end of FY2018 available for one-time use)
- ❖ Reimbursements from Enterprises for General Fund related costs
- ❖ Increase in Cemetery Trust support \$25K
- ❖ One-time Capital Project Surplus \$148K

# EXPENDITURES

## FY18 EXPENDITURES



# EXPENDITURES

## (Schools)

- ❖ School Budget: Up by 3.3%
  - ❖ Town-School Partnership formula continues to share enrollment growth
  - ❖ Supported by \$770,430 of funds that would otherwise be allocated for Town services.
- ❖ Refer to School Committee's budget for more details

# EXPENDITURES

## (Municipal Departments)

- ❖ Modest growth of 1.7% to cover fixed costs and contractual increases
  - ❖ Includes reserve for salary/wage increases
  
- ❖ Limited effort at investment and initiatives
  - ❖ Pay-As-You Throw implemented in FY2017
  - ❖ Town Clerk budget increased to reflect special election
  - ❖ Additional funding for Outside Counsel (HR)

# EXPENDITURES

## (Non-Departmental)

- ❖ Group Health Insurance
  - ❖ Assumption of 5% composite rate increase for GIC (final rates in March)
  - ❖ Increased subscribers (primarily schools) is accounted for in Town-School Partnership formula
  
- ❖ Pension Funding
  - ❖ Unfunded liability has increased based on investment losses in '15
  - ❖ Rate of Return assumption went from 7.6% to 7.40% (was 8.15% a few years ago). Significant increase to the FY2018 appropriation and annual increases going forward (7.85% annually).
  - ❖ Recommending \$300,000 from Free Cash
  
- ❖ Contribution to OPEB Liability
  - ❖ +\$250,000
  - ❖ Recommending additional \$600,000 from Free Cash

# EXPENDITURES

## (Special Appropriations)

- ❖ Revenue financed Capital Budget: \$9.58 million in FY 2018
  - ❖ \$3.52 million from general operating revenue
  - ❖ \$6.06 million from Free Cash
- ❖ Capital expenses are 8.8% of the Town's prior year net revenue
- ❖ Debt plan for High School adjusted to account for accelerated schedule and decision to not participate with the MSBA

# EXPENDITURES

## (Non-Appropriated and Enterprises)

- ❖ Non-Appropriated Expenses: 0.3% increase
  - ❖ MBTA Assessment
  - ❖ Norfolk County Assessment
  - ❖ Overlay
  
- ❖ Enterprises: 1.1% growth
  - ❖ Increase in the MWRA Assessment (Water/Sewer Enterprise Fund)
  - ❖ Golf Enterprise growth from driving range

# FY18 POLICY ISSUES & INITIATIVES

## ❖ Land Use and Chapter 40B Developments

- 12 separate proposals adding over 1,000 units (mostly market rate)
- Budget implications from these projects are substantial
- Strain on Town resources (Planning staff, ZBA)

## ❖ Uncertain Federal Landscape

- New Administration
- Sanctuary City status
- Community Development Block Grant (CDBG) uncertainty
- Federal funding for education/other federal aid
- Continued tax exempt status for municipal bonds

# FY18 POLICY ISSUES & INITIATIVES

## ❖ Trash Collection and H-PAYT

- FY2018 first full year of program
- Fee review to reduce the subsidy (OSC recommendation)

## ❖ Diversity and Inclusion

- Applicant Tracking
- Study of management classification and compensation

## ❖ Shifting Nature of Information Technology

- Shift from hardware and software acquisition to Cloud based applications
- Business and Administrative Manager



# FY18 POLICY ISSUES & INITIATIVES

## ❖ Performance Management

- GFOA Training
- Town-wide goal setting

## ❖ School Expansion

- High School
- 9<sup>th</sup> School at Baldwin
- Post Override Plan- How long can we go and what are the impacts?

## ❖ Focus on Town-wide Obligations and Mandates

- 40Bs
- School expansion bleeds into Town Departments
- Town Meeting “non-binding” resolutions

# 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 FY2018 ranging from \$2.3M to \$15.2 million in FY2022, representing a structural gap between revenue growth of 3.3% and expenditure growth of 4.5%.
- ❖ Our goal is to eliminate that gap in a way that balances revenue growth and expenditure control.

# FINANCIAL PLAN SUMMARY

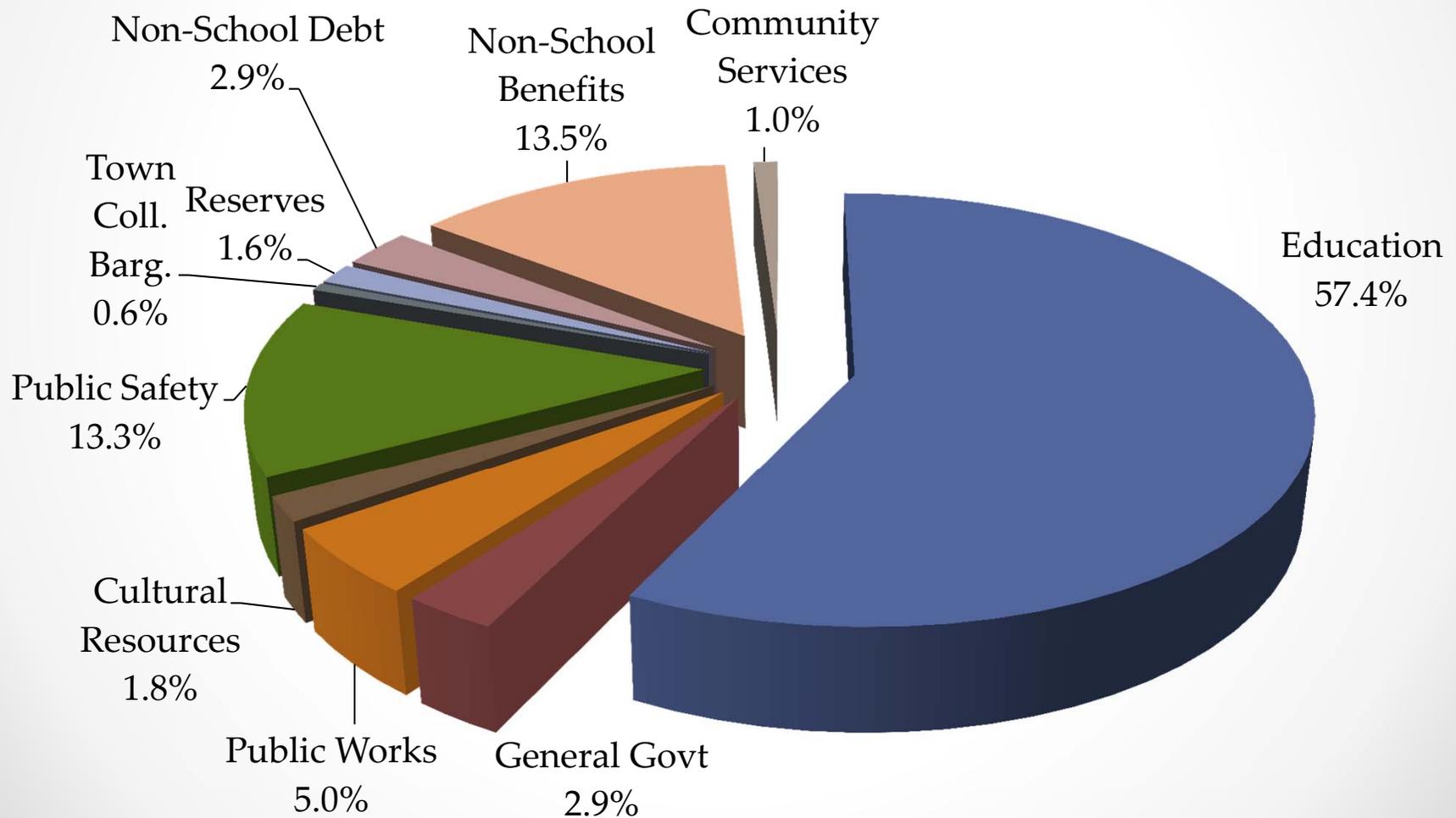
## FY2018 FINANCIAL SUMMARY BY FUND

	General Fund *	Water & Sewer Enterprise Fund	Golf Enterprise Fund	Recreation Revolving Fund	Parking Meter Fund	Cemetery Trust	Capital Project Surplus	TOTAL	% of Total
<b>REVENUES</b>									
Property Taxes	211,298,230							211,298,230	69.6%
Local Receipts	29,556,650							29,556,650	9.7%
State Aid	20,273,713							20,273,713	6.7%
Parking Meter Receipts								0	0.0%
Walnut Hill Cemetery Fund						100,000		100,000	0.0%
State Aid for Libraries								0	0.0%
Golf Receipts			1,647,098					1,647,098	0.5%
Recreation Program Revenue				3,108,526				3,108,526	1.0%
Water and Sewer Receipts		29,271,308						29,271,308	9.6%
Capital Project Surplus							147,900	147,900	0.0%
Free Cash	8,354,017							8,354,017	2.8%
<b>TOTAL FINANCIAL PLAN REVENUE</b>	<b>269,482,610</b>	<b>29,271,308</b>	<b>1,647,098</b>	<b>3,108,526</b>	<b>0</b>	<b>100,000</b>	<b>147,900</b>	<b>303,757,442</b>	
<b>EXPENDITURES **</b>									
General Government	9,156,236							9,156,236	3.0%
Public Safety	39,227,611							39,227,611	12.9%
Public Works	14,357,331	25,027,652				100,000		39,484,983	13.0%
Library	3,974,583							3,974,583	1.3%
Health & Human Services	2,690,013							2,690,013	0.9%
Recreation	1,000,208		1,313,981	2,724,756				5,038,945	1.7%
Schools	104,500,312							104,500,312	34.4%
Personal Services Reserve	715,000							715,000	0.2%
Collective Bargaining (Town)	1,500,000							1,500,000	0.5%
Personnel Benefits **	58,310,594	2,233,725	115,020	380,594				61,039,933	20.1%
Non-Departmental **	3,781,181		64,972	3,176				3,849,329	1.3%
Debt Service	12,322,428	2,009,931	153,125					14,485,484	4.8%
Revenue-Financed CIP (Special Appropriations)	9,577,003						147,900	9,724,903	3.2%
Non-Appropriated	8,370,109							8,370,109	2.8%
<b>TOTAL FINANCIAL PLAN EXPENDITURES</b>	<b>269,482,610</b>	<b>29,271,308</b>	<b>1,647,098</b>	<b>3,108,526</b>	<b>0</b>	<b>100,000</b>	<b>147,900</b>	<b>303,757,442</b>	
<b>% OF TOTAL FINANCIAL PLAN</b>	<b>88.7%</b>	<b>9.6%</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		

\* 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 FY2018 GENERAL FUND OPERATING BUDGET



# GENERAL FUND SUMMARY <sup>24</sup>

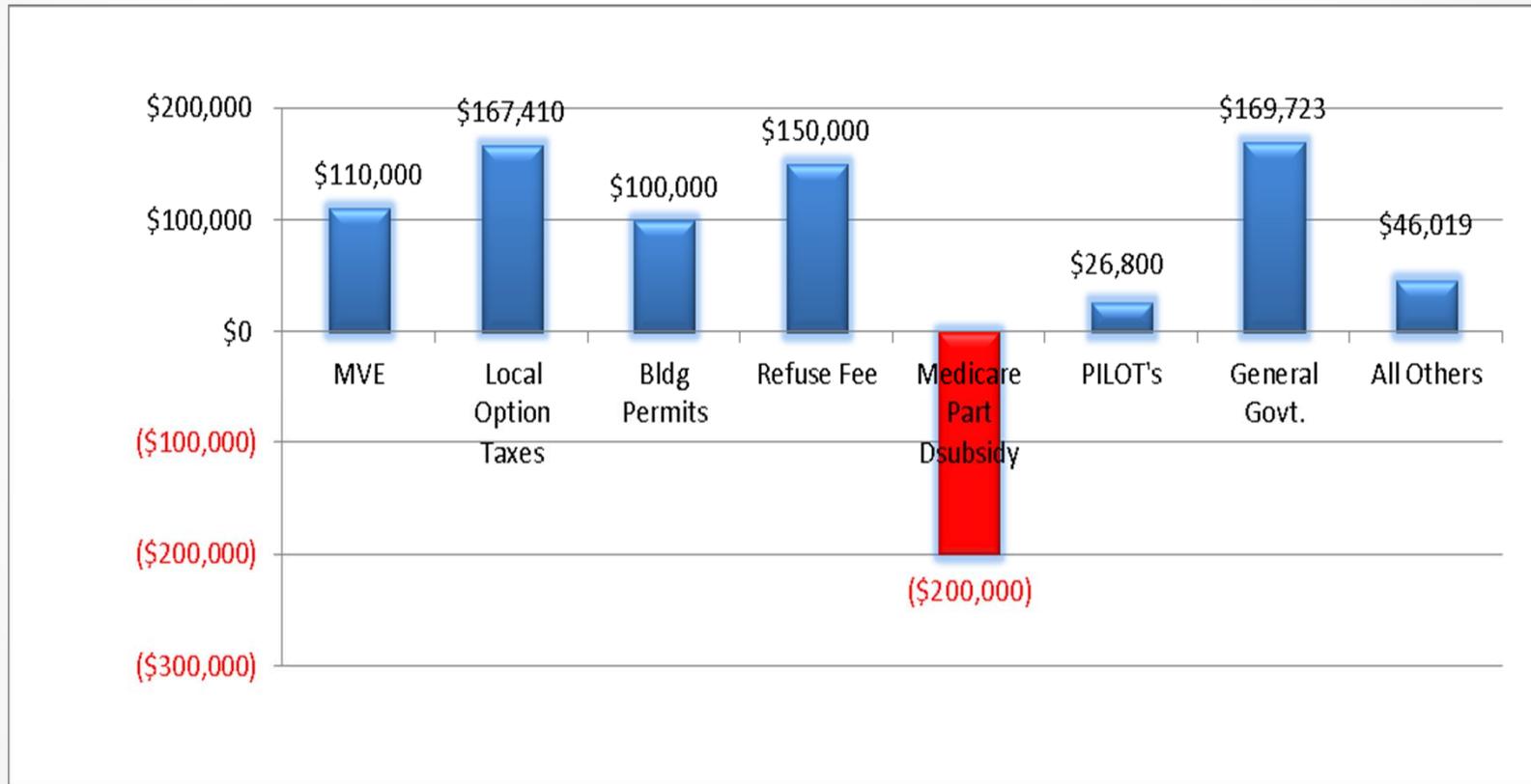
## FY2018 RECOMMENDED GENERAL FUND BUDGET SUMMARY

	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 BUDGET	FY2018 BUDGET	INCREASE/DECREASE	
						\$	%
<b>REVENUE</b>							
Property Tax	175,783,902	182,239,297	195,049,924	204,064,199	211,298,230	7,234,031	3.5%
Local Receipts	25,522,496	25,847,019	29,377,154	23,836,698	29,556,650	5,719,952	24.0%
State Aid	16,633,741	17,675,450	18,837,306	19,657,251	20,273,713	616,462	3.1%
Free Cash	7,655,155	5,084,152	5,016,501	5,311,538	8,354,017	3,042,479	57.3%
Other Available Funds	6,852,688	9,003,508	6,895,644	7,840,067	3,045,386	(4,794,681)	-61.2%
<b>TOTAL REVENUE</b>	<b>232,447,982</b>	<b>239,849,426</b>	<b>255,176,529</b>	<b>260,709,753</b>	<b>272,527,996</b>	<b>11,818,243</b>	<b>4.5%</b>
<b>(LESS) NON-APPROPRIATED EXPENSES</b>							
State & County Charges	6,196,321	6,201,541	6,319,715	6,393,642	6,508,126	114,484	1.8%
Tax Abatement Overlay	1,726,503	2,080,721	1,965,726	1,840,902	1,750,000	(90,902)	-4.9%
Deficits & Judgments	3,049	25,000	25,000	25,000	25,000	0	0.0%
Cherry Sheet Offsets	111,026	126,443	91,451	89,197	86,983	(2,214)	-2.5%
<b>TOTAL NON-APPROPRIATED EXPENSES</b>	<b>8,036,899</b>	<b>8,433,705</b>	<b>8,401,892</b>	<b>8,348,741</b>	<b>8,370,109</b>	<b>21,368</b>	<b>0.3%</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>				<b>252,361,017</b>	<b>264,157,887</b>	<b>11,796,870</b>	<b>4.7%</b>
<b>APPROPRIATIONS</b>							
Town Departments	65,964,138	68,477,847	68,442,342	71,523,392	72,720,981	1,197,590	1.7%
School Department	82,780,770	82,780,770	95,916,093	101,118,783	104,500,312	3,381,529	3.3%
Non-Departmental Total	60,329,975	60,749,287	63,465,863	70,839,464	77,211,691	6,372,227	9.0%
General Fund Non-Departmental	57,700,095	58,262,334	60,945,219	68,224,397	74,414,203	6,189,806	9.1%
Water and Sewer Enterprise Fund Overhead *	2,125,747	1,973,970	1,988,729	2,057,070	2,233,725	176,656	8.6%
Golf Enterprise Fund Overhead *	150,416	163,049	177,791	182,097	179,992	(2,105)	-1.2%
Recreation Revolving Fund Overhead *	353,717	349,934	354,124	375,900	383,770	7,870	2.1%
<b>OPERATING BUDGET SUBTOTAL</b>	<b>209,074,883</b>	<b>212,007,904</b>	<b>227,824,298</b>	<b>243,481,638</b>	<b>254,432,986</b>	<b>10,951,347</b>	<b>4.5%</b>
Revenue-Financed CIP (Special Appropriations)	12,933,500	8,581,000	10,113,000	8,879,375	9,724,903	845,528	9.5%
<b>TOTAL APPROPRIATIONS</b>	<b>222,008,383</b>	<b>220,588,904</b>	<b>237,937,298</b>	<b>252,361,017</b>	<b>264,157,887</b>	<b>11,796,870</b>	<b>4.7%</b>
<b>BALANCE</b>				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\*

\*Exclusive of Parking Meters  
FY18 increase of \$569,952 (2.4%).



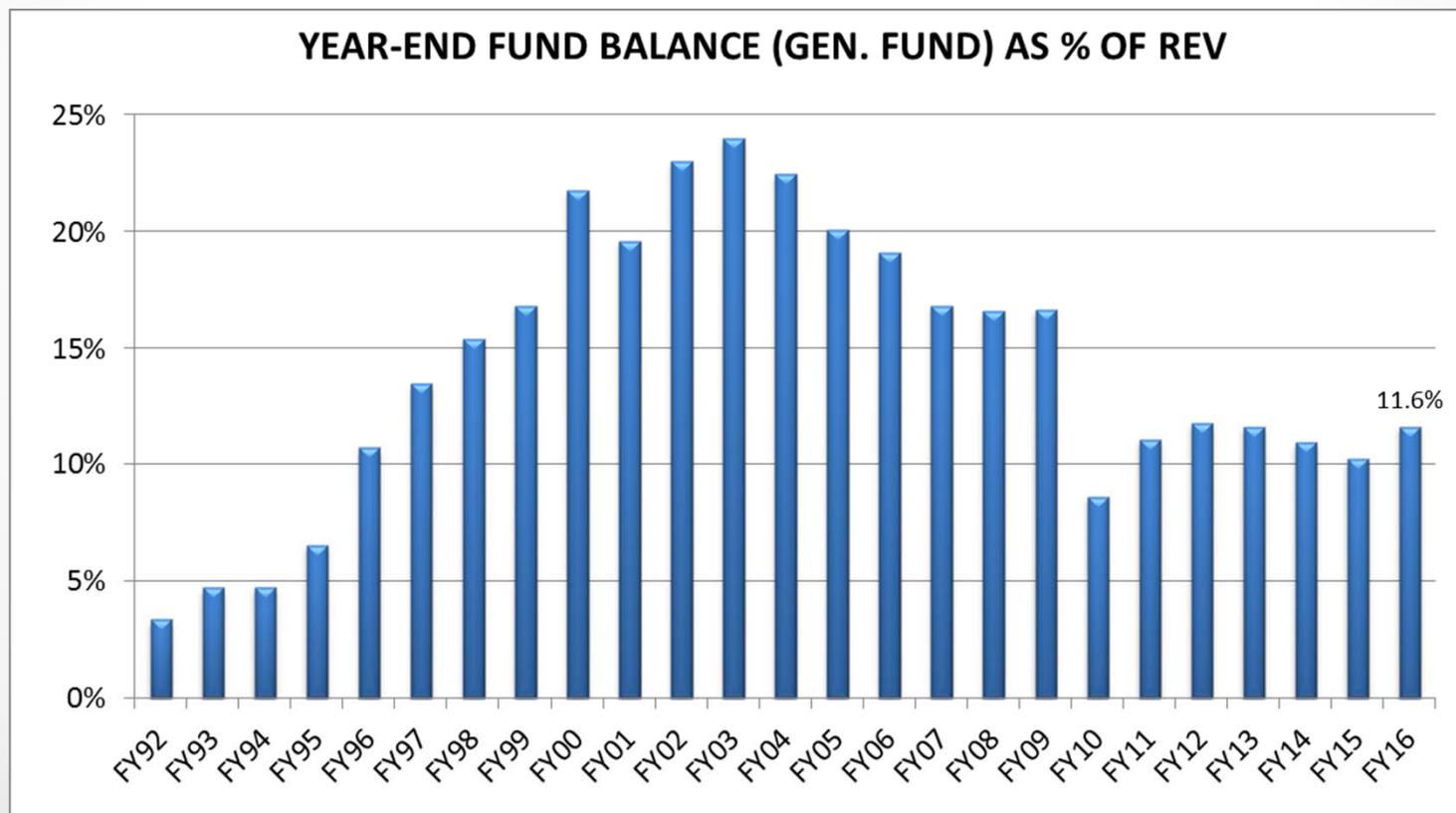
# FREE CASH

- ❖ Free Cash as of 7/1/16 certified at \$10,854,017.
- ❖ For FY18 leaving \$2.5 million unappropriated to help maintain undesignated fund balance.
- ❖ Free Cash sequencing:

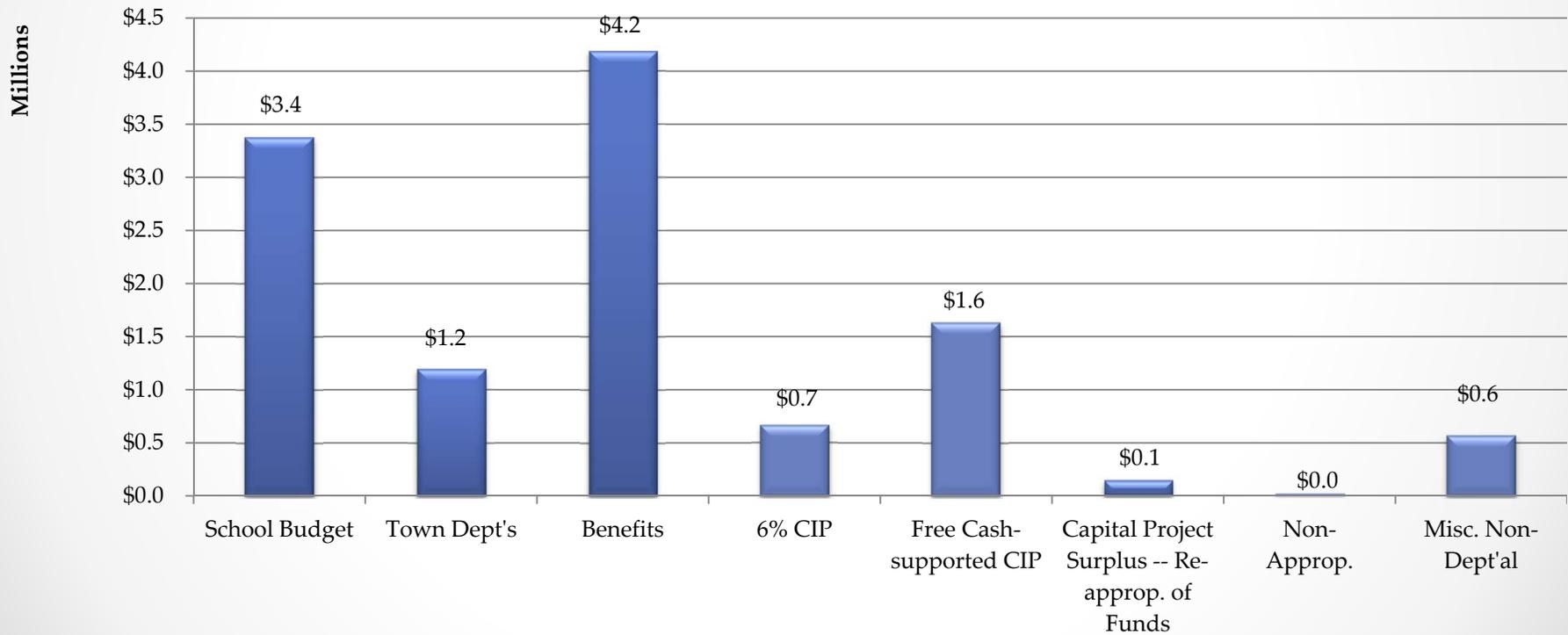
Free Cash Certification	\$10,854,017
1. Operating Budget Reserve (25% of Operating Budget Reserve)	\$615,003
2. Fund Balance	\$2,500,000
a. Unreserved Fund Balance (left unappropriated)	\$2,500,000
b. Stabilization Fund (appropriated)	\$0
3. Liability Reserve (to get fund to 1% of Prior Yr Net Revenue)	\$203,644
4. Capital Improvements (to get to 7.5% of Prior Yr Net Revenue)	\$3,690,016
5. Affordable Housing Trust Fund (since Fund Balance below \$5M)	\$576,803
Sub-Total	\$7,585,466
Amount available for Special Use (#6)	\$3,268,551
6. Special Use:	
Additional CIP	\$2,368,551
OPEB's	\$600,000
Pension Fund	\$300,000

# FUND BALANCE

- ❖ Continue to stress the importance of Fund Balance position.
- ❖ Steps taken over past three budget cycles have improved fund balance.
- ❖ Unprecedented snow storms put strain on Town reserves in FY15 (reserve fund +Overlay)
- ❖ FY 2018 budget proposes to leave \$2.5M unappropriated in order to continue to at least maintain the current position.

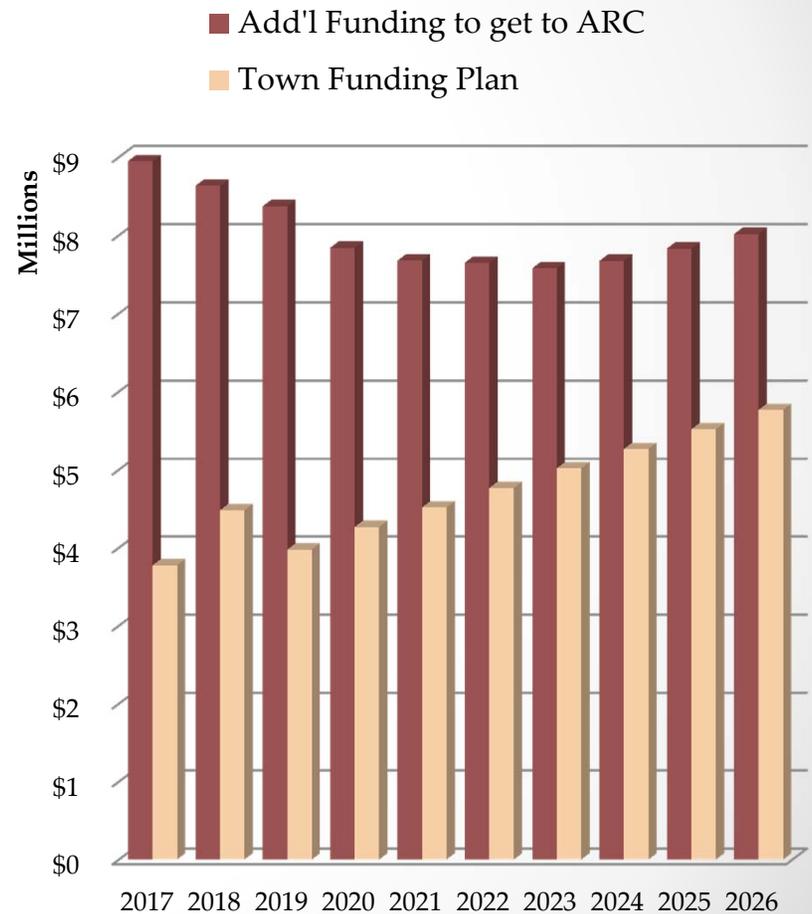


# GENERAL FUND EXPENDITURE GROWTH



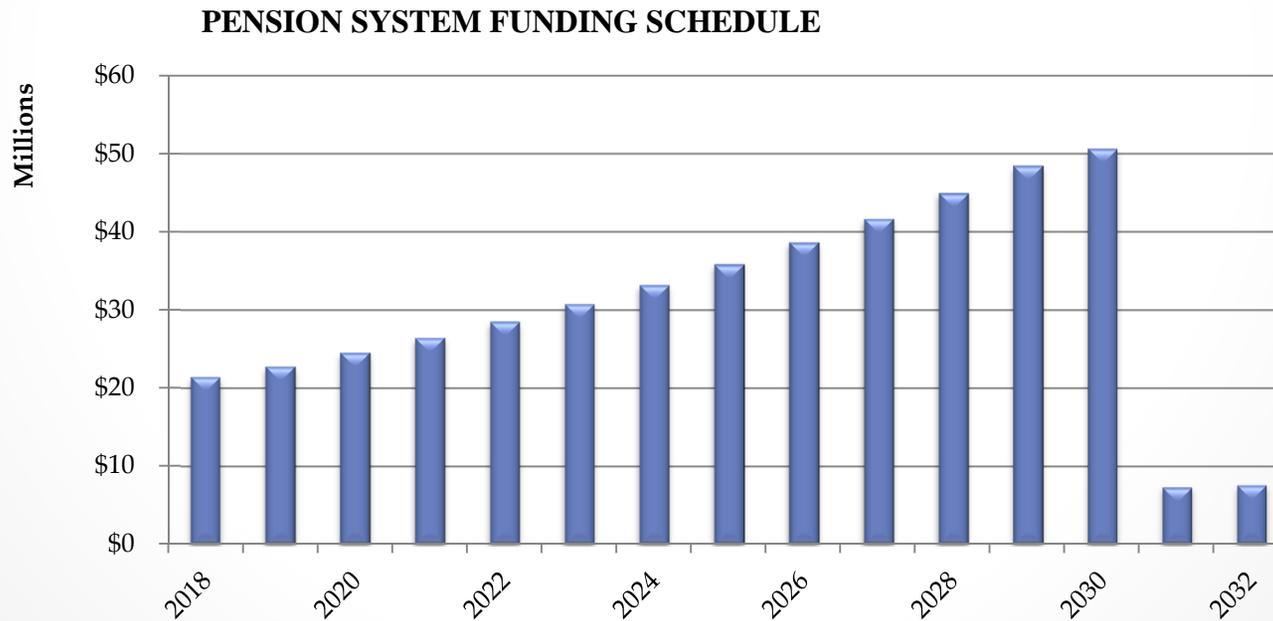
# OPEB'S

- ❖ FY18 Financial Plan includes the following:
  - Increase in funding from operating revenue by the “regular” \$250K to \$3.2M.
  - Full assessment of Town special revenue funds for their liability; some assessment by Schools.
  - Use of “run-off” from funding for Non-Contributory retirees.
  - Medicare Part D Subsidy (\$200K) remains to OPEB funding. Funding source reduced by \$200K.
  - Free Cash of \$600K used to support Fund.
  
- ❖ Breakdown for the FY18 OPEB \$4.5M approp.:
  - ❖ Operating Rev - \$3,203,092
  - ❖ Medicare Part D - \$200,000
  - ❖ Town Spec Rev Funds - \$126,027
  - ❖ School Spec Rev Funds - \$185,961
  - ❖ Non-Contributory Retiree Savings - \$165,000



# CONTRIBUTORY PENSIONS

- ❖ Follows existing funding plan, which is in effect for FY18+19
- ❖ Full funding date of 2030
- ❖ Retirement Bd reduced assumed annual Rate of Return from 7.65% to 7.4%
- ❖ Free Cash of \$300K added in FY18
- ❖ Increase of \$1.78M (9%)
- ❖ Increases of 7.85% annually (prior funding schedule was 5.6%)



# FY18 BUDGET SUMMARY

(in millions)

## Operating Revenue

Prop Taxes	\$7.23
Local Receipts	\$5.72
State Aid	\$0.62
<u>Misc.</u>	<u>(\$1.75)</u>
Total Incr in Op Rev	\$11.82

## Operating Expenditures

Schools	\$3.38
Benefits	\$4.19
Town Dept's	\$1.20
CIP+ Debt Service	\$2.43
Non-Appropriated	\$0.02
<u>Misc</u>	<u>\$0.60</u>
Total Incr in Op Exp	\$11.82

# FY18 TOWN BUDGET GROWTH

	<u>(in thousands)</u>
Coll Barg *	\$719
1/2% carry Forward AFSCME	\$50
Steps, etc.	\$302
HR Budget	\$135
Misc	\$87
Town Clerk (2 vs 3 elections)	(\$68)
Utilities	(\$28)
<b>TOTAL</b>	<b>\$1,198</b>

# FY2018 WATER & SEWER ENTERPRISE FUND

	FY2017 BUDGET	FY2018 BUDGET	INCREASE/DECREASE		% of Total
			\$	%	
<b>REVENUE</b>					
Rate Revenue	28,058,259	28,793,808	735,549	2.6%	98.4%
Late Payment Fees	80,000	80,000	0	0.0%	0.3%
Water Service Charges	115,500	115,500	0	0.0%	0.4%
Fire Service Fee	225,000	225,000	0	0.0%	0.8%
Other	506,500	57,000	(449,500)	-88.7%	0.2%
<b>TOTAL REVENUE</b>	<b>28,985,259</b>	<b>29,271,308</b>	<b>286,049</b>	<b>1.0%</b>	
<b>EXPENDITURES</b>					
Personnel	2,573,918	2,631,830	57,912	2.2%	9.0%
Services	353,798	353,798	0	0.0%	1.2%
Supplies	123,020	123,020	0	0.0%	0.4%
Other	10,580	10,580	0	0.0%	0.0%
Utilities	92,054	93,891	1,837	2.0%	0.3%
Capital Outlay	946,800	561,800	(385,000)	-40.7%	1.9%
Inter-Governmental (MWRA)	20,254,703	20,962,918	708,215	3.5%	71.6%
Benefits	1,494,338	1,652,403	158,065	10.6%	5.6%
Inter-Departmental Overhead	562,732	581,322	18,590	3.3%	2.0%
Debt Service	2,289,891	2,009,931	(279,960)	-12.2%	6.9%
Reserve	283,426	289,815	6,389	2.3%	1.0%
<b>TOTAL EXPENDITURE</b>	<b>28,985,259</b>	<b>29,271,308</b>	<b>286,049</b>	<b>1.0%</b>	
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# FY2018 GOLF COURSE ENTERPRISE FUND

	FY2017 BUDGET	FY2018 BUDGET	INCREASE/DECREASE		% of Total
			\$	%	
<b>REVENUE</b>					
Greens Fees	1,027,431	949,462	(77,969)	-7.6%	57.6%
Golf Cart Rentals	194,661	210,000	15,339	7.9%	12.7%
Pro Shop Sales	100,000	100,000	0	0.0%	6.1%
Concessions	48,190	49,636	1,446	3.0%	3.0%
Golf Clinics	25,000	25,000	0	0.0%	1.5%
Other	127,549	313,000	185,451	145.4%	19.0%
<b>TOTAL REVENUE</b>	<b>1,522,831</b>	<b>1,647,098</b>	<b>124,267</b>	<b>8.2%</b>	
<b>EXPENDITURES</b>					
Personnel	525,188	622,774	97,586	18.6%	37.8%
Services	123,648	135,271	11,623	9.4%	8.2%
Supplies	223,250	313,868	90,618	40.6%	19.1%
Other	8,100	10,300	2,200	27.2%	0.6%
Utilities	109,880	120,348	10,468	9.5%	7.3%
Capital Outlay	86,420	86,420	0	0.0%	5.2%
Debt Service	228,125	153,125	(75,000)	-32.9%	9.3%
Benefits / Other	182,097	179,992	(2,105)	-1.2%	10.9%
Reserve	36,123	25,000	(11,123)	-30.8%	1.5%
<b>TOTAL EXPENDITURE</b>	<b>1,522,831</b>	<b>1,647,098</b>	<b>124,266</b>	<b>8.2%</b>	
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# FY2018 RECREATION REVOLVING FUND

	FY2017 BUDGET	FY2018 BUDGET	INCREASE/DECREASE		% of Total
			\$	%	
<b>REVENUE</b>					
Aquatic	857,611	900,932	43,321	5.1%	29.0%
Eliot Center	70,996	31,430	(39,566)	-55.7%	1.0%
Environmental Programs	161,768	173,596	11,828	7.3%	5.6%
Ice Skating	54,163	54,493	330	0.6%	1.8%
Off-Site Out of Town Trip	577,765	617,875	40,110	6.9%	19.9%
Outdoor Recreation	114,500	133,126	18,626	16.3%	4.3%
Outdoor Athletics	182,148	184,640	2,492	1.4%	5.9%
Soule Center	630,024	675,414	45,390	7.2%	21.7%
Soule Gym	288,767	301,290	12,523	4.3%	9.7%
Tappan Facility	46,900	35,730	(11,170)	-23.8%	1.1%
<b>TOTAL REVENUE</b>	<b>2,984,642</b>	<b>3,108,526</b>	<b>123,884</b>	<b>4.2%</b>	
<b>EXPENDITURES</b>					
Personnel	1,845,569	1,957,753	112,183	6.1%	63.0%
Services	380,105	397,643	17,538	4.6%	12.8%
Supplies	224,074	198,177	(25,897)	-11.6%	6.4%
Other	42,842	61,833	18,991	44.3%	2.0%
Utilities	108,172	101,871	(6,301)	-5.8%	3.3%
Capital Outlay	7,980	7,480	(500)	-6.3%	0.2%
Benefits / Other	375,900	383,770	7,870	2.1%	12.3%
<b>TOTAL EXPENDITURE</b>	<b>2,984,642</b>	<b>3,108,526</b>	<b>123,884</b>	<b>4.2%</b>	
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# CAPITAL IMPROVEMENT<sup>36</sup> PROGRAM

- ❖ Developed within the parameters of the CIP Policies.
- ❖ Calls for an investment of \$115.8 million over the next six years, for an average of \$19.3 million/yr.
- ❖ Schematic Design for School Building Projects (non-MSBA)
  - ❖ 9th School at Baldwin \$1.5M cash
  - ❖ High School \$1.5M bond funded
- ❖ Debt Exclusions will be required for remaining 9<sup>th</sup> School at Baldwin, including improvements to Soule Field, and for a portion of any BHS project
  - ❖ CIP supports \$35M of Town funding for BHS project
- ❖ At full funding -- 6% of prior year net revenue + Free Cash to get to 7.5%. Use additional Free Cash to get to 8.8%

# CIP FUNDING SUMMARY

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total General Fund Revenue	272,527,996	281,771,949	290,776,328	300,697,442	310,137,297	318,731,420
<b>LESS:</b>						
Non Appropriations	8,370,109	8,567,763	8,770,359	8,978,019	9,190,871	9,409,044
Debt Exclusions	1,020,800	4,505,739	4,469,139	3,517,539	3,517,539	3,517,539
Free Cash	8,354,017	4,400,000	4,500,000	4,650,000	4,775,000	4,925,000
Capital Project Surplus	147,900	0	0	0	0	0
<b>Net Revenue</b>	<b>254,635,171</b>	<b>264,298,446</b>	<b>273,036,830</b>	<b>283,551,884</b>	<b>292,653,887</b>	<b>300,879,837</b>
Prior Year Net Revenue	246,001,077	254,635,171	264,298,446	273,036,830	283,551,884	292,653,887
<b>6% CIP FUNDING POLICY</b>						
Net Debt Financed <sup>1</sup>	11,241,628	12,062,725	12,659,219	12,267,307	12,825,559	15,364,220
Net Debt Financed as a % of Prior Yr Net Rev	4.57%	4.74%	4.79%	4.49%	4.52%	5.25%
Revenue Financed	3,518,436	3,215,385	3,215,408	4,114,903	4,187,554	2,195,013
Revenue Financed as a % of Prior Yr Net Rev	1.43%	1.26%	1.22%	1.51%	1.48%	0.75%
<b>SUB-TOTAL 6% Dedicated to CIP</b>	<b>14,760,065</b>	<b>15,278,110</b>	<b>15,874,627</b>	<b>16,382,210</b>	<b>17,013,113</b>	<b>17,559,233</b>
Free Cash for CIP	6,058,567	3,327,292	3,260,408	3,236,336	3,114,216	2,891,494
Capital Project Surplus -- Re-approp. of Funds	0	0	0	0	0	0
Other Funds (Sale of Town-owned land)	0	0	0	0	0	0
<b>FUNDS AVAILABLE FOR CIP THROUGH GEN. FUND WITHIN TAX LEVY</b>	<b>20,818,632</b>	<b>18,605,402</b>	<b>19,135,035</b>	<b>19,618,546</b>	<b>20,127,329</b>	<b>20,450,727</b>
<b>As % of Prior Yr Net Rev</b>	<b>8.5%</b>	<b>7.3%</b>	<b>7.2%</b>	<b>7.2%</b>	<b>7.1%</b>	<b>7.0%</b>
Debt Exclusions	1,020,800	4,505,739	4,469,139	3,517,539	3,517,539	3,517,539
<b>TOTAL FUNDS AVAILABLE FOR CIP THROUGH GEN. FUND</b>	<b>21,839,432</b>	<b>23,111,141</b>	<b>23,604,174</b>	<b>23,136,085</b>	<b>23,644,868</b>	<b>23,968,266</b>
<b>As % of Prior Yr Net Rev</b>	<b>8.8%</b>	<b>9.0%</b>	<b>8.8%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.1%</b>

<sup>1</sup> 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.

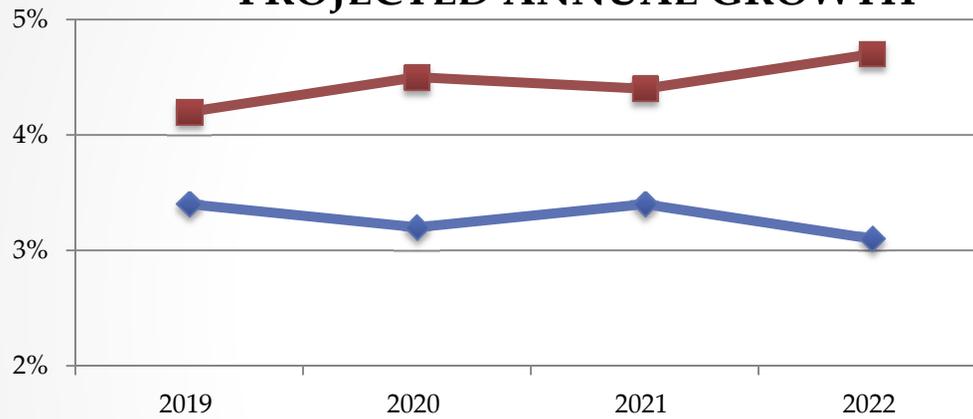
# MAJOR CIP PROJECTS

- Parking Meter Technology Upgrade - \$805,200 (FY17-21)
- BHS - \$36.5 million of Town funding (FY18, FY23)
- 9<sup>th</sup> School at Baldwin - \$1.5 million (FY18, schematic design)
- Classroom Capacity - \$6.37 million (FY17-22)
- Village Square - \$7.1 million (FY17) - - all outside funding
- Coolidge Corner Improvements - \$647K (FY18)
- Larz Anderson - \$4.9 million (FY19, FY21)
- Fire Sta. Renovations - \$2.4 million (FY18-22)
- Brookline Reservoir Park - \$2.3 million (FY17-18)
- Robinson Playground - \$1.2 million (FY20-FY21)
- Larz Anderson Park - \$9.0 million (FY19-21)
- Cypress Playground - \$2.6 million (FY19-20)

	2018	2019	2020	2021	2022
<b>REVENUE</b>					
Property Taxes	211,298,230	223,746,105	231,844,514	240,277,299	248,496,293
Local Receipts	29,556,650	29,864,146	30,182,689	30,889,056	31,334,028
State Aid	20,273,713	20,760,968	21,138,310	21,650,233	22,174,954
Other Available Funds	3,045,386	3,000,729	3,110,815	3,230,855	3,357,023
Free Cash (for Appropriation)	8,354,017	4,400,000	4,500,000	4,650,000	4,775,000
<b>TOTAL REVENUE</b>	<b>272,527,996</b>	<b>281,771,949</b>	<b>290,776,328</b>	<b>300,697,442</b>	<b>310,137,297</b>
\$\$ Increase	11,818,243	9,243,952	9,004,379	9,921,114	9,439,854
% Increase	4.5%	3.4%	3.2%	3.4%	3.1%
<b>EXPENDITURES</b>					
Departmental	71,570,981	73,366,245	75,180,004	77,021,982	78,902,384
Collective Bargaining - Town	1,150,000	1,110,000	1,130,000	1,160,000	1,180,000
Schools	102,712,330	108,139,948	113,927,990	120,008,901	126,170,612
Collective Bargaining - School	1,787,982	1,898,881	1,898,881	1,898,881	1,980,000
Non-Departmental - Benefits	61,039,934	64,098,089	68,423,683	73,415,451	78,766,154
Non-Departmental - General	1,389,319	707,027	741,404	754,631	801,025
Non-Departmental - Debt Service	12,322,428	16,628,464	17,188,358	15,844,846	16,403,098
Non-Departmental - Reserve Fund	2,460,011	2,546,352	2,642,984	2,730,368	2,835,519
Special Appropriations from:	9,724,903	6,901,262	6,947,674	8,001,534	8,155,350
Non-Appropriated	<u>8,370,109</u>	<u>8,567,763</u>	<u>8,770,359</u>	<u>8,978,019</u>	<u>9,190,871</u>
<b>TOTAL EXPENDITURES</b>	<b>272,527,996</b>	<b>283,964,031</b>	<b>296,851,338</b>	<b>309,814,614</b>	<b>324,385,013</b>
\$\$ Increase	11,818,243	11,436,035	12,887,307	12,963,275	14,570,399
% Increase	4.5%	4.2%	4.5%	4.4%	4.7%
<b>CUMULATIVE SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>(2,192,083)</b>	<b>(6,075,010)</b>	<b>(9,117,171)</b>	<b>(14,247,716)</b>
<b>DEFICIT AS A % OF OP REV</b>	<b>0.0%</b>	<b>-0.8%</b>	<b>-2.1%</b>	<b>-3.1%</b>	<b>-4.7%</b>
Surplus / (Deficit) Prior to Collective Bargaining	2,937,982	816,798	(3,046,129)	(6,058,290)	(11,087,716)
Town Share of Surplus / (Deficit)	1,150,000	1,251,310	728,862	1,005,496	2,137,782
Town Collective Bargaining	1,150,000	1,110,000	1,130,000	1,160,000	1,180,000
<b>Total Town Surplus / (Deficit)</b>	<b>0</b>	<b>141,310</b>	<b>(401,138)</b>	<b>(154,504)</b>	<b>957,782</b>
School Share of Surplus / (Deficit)	1,787,982	(434,511)	(3,774,992)	(7,063,787)	(13,225,498)
School Collective Bargaining	1,787,982	1,898,881	1,898,881	1,898,881	1,980,000
<b>Total School Surplus / (Deficit)</b>	<b>0</b>	<b>(2,333,392)</b>	<b>(5,673,873)</b>	<b>(8,962,668)</b>	<b>(15,205,498)</b>

# FUTURE REVENUE & EXPENDITURE GROWTH

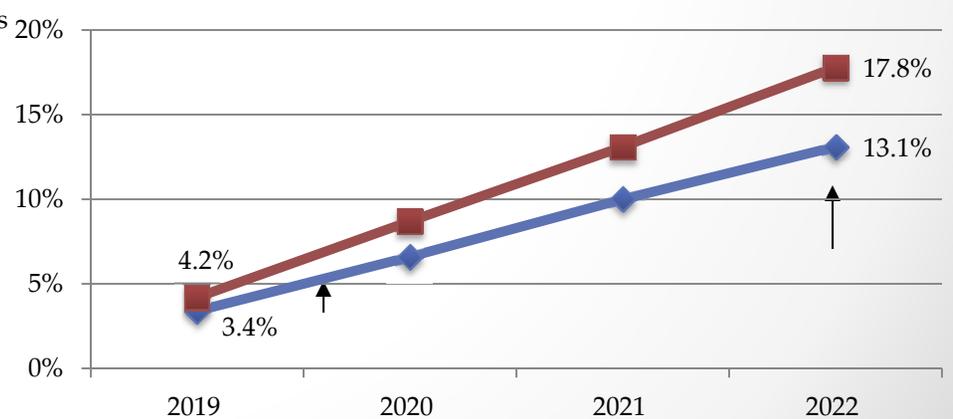
### PROJECTED ANNUAL GROWTH



Revenue

Expenditures

### PROJECTED CUMULATIVE GROWTH



Revenue

Expenditures