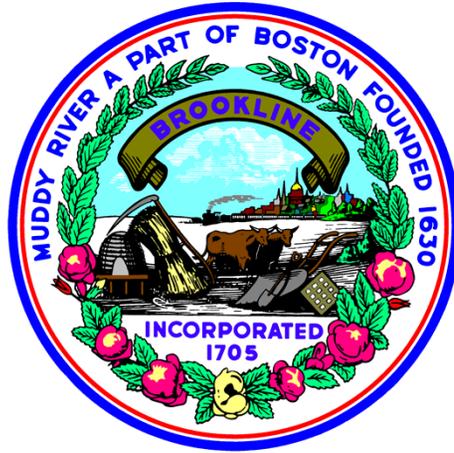


TOWN OF BROOKLINE



FY2014 – FY2018 LONG RANGE FINANCIAL PLAN

December 4, 2012

SUMMARY

- ▶ FY14: **balanced budget for Town** and **\$1.4M deficit for Schools**, assuming add'l Ch. 70 Aid, 2% Collective Bargaining, and 5% increase in Health Insurance rates. Structural deficits projected in each of FY15 – FY18.
- ▶ **School's** FY14 budget grows \$2.4M prior to costs of new contract due to SPED, Steps, and Enrollment. With new contract, total growth is \$4.7M.
- ▶ **Health Insurance** costs estimated to increase by \$1.4M in FY14, assuming a 5% rate increase. Assume annual growth of \$1.6M - \$1.8M for FY14 – FY18.
- ▶ **OPEB** funding plan continued.
- ▶ **Collective Bargaining** assumptions have a significant impact in each year
- ▶ All years follow the Town's **CIP and Free Cash** policies. **CIP** continues to include funding for the School space issue.

- ▶ **Property Taxes** assume annual maximum levy + “New Growth” of \$1.6M-\$1.7M, except in FY16-FY18 when New Growth increases because of 2 Brookline Pl.
- ▶ Assuming add'l **Ch. 70 aid**. However, **State Aid** could be cut due to slowing state revenues and potential Fed aid cuts (“Fiscal Cliff”). Each 5% ~\$730K.
- ▶ **Local Receipt** estimates reflect an increase over FY13. Modest growth in future years.
- ▶ **Free Cash** follows policy, ensuring adequate reserves and meeting CIP funding requirements.

RECENT HISTORY

- ▶ In FY08, \$3.2M budget gap addressed by a combination of revenue increases (\$1.5M), Health Insurance plan design changes (\$755K), DPW Initiatives (\$369K), and Budget cuts (\$548K).
- ▶ In FY09, voters approved a \$6.2M Override for structural deficit (\$2.1M), infrastructure shortfall (\$1.5M), Lengthened School Day & EWL (\$2.6M).
- ▶ In FY10, closed a \$5M budget gap via cuts and reorganizations/consolidations, many proposed by the EIC. (Primary cause of deficit = \$3.1M (19%) cut in State Aid.)
- ▶ In FY11, entered the GIC, saving \$5.6M, thereby avoiding budget cuts and service reductions. Began implementing an enhanced OPEB funding plan. Also realized first full-year of new meals tax and increased lodging tax, which was dedicated to pension funding.
- ▶ In FY12 + FY13, Forecast dynamic of balanced Town budget vs \$1.5M - \$2M+ deficit for Schools.
 - ▶ Budgets ultimately balanced by a combination of increases in local revenues (FY12 = Parking Meters and PILOT agreement with BU), realizing additional State Aid (FY13 = +\$2M in Ch. 70 aid) and lower growth in Health Insurance rates, and reductions in the School budget.

FY14 SCENARIOS

TOWN COLLECTIVE BARGAINING AT 2%

	<u>TOWN</u>	<u>SCHOOL</u>	<u>TOTAL</u>
\$1M Incr in Ch 70	\$0.00	(\$1.42)	(\$1.42)
State Aid Level-Funded	(\$0.50)	(\$1.92)	(\$2.42)
5% Cut in State Aid	(\$0.85)	(\$2.27)	(\$3.12)
10% Cut in State Aid	(\$1.21)	(\$2.63)	(\$3.84)

TOWN COLLECTIVE BARGAINING AT 3%

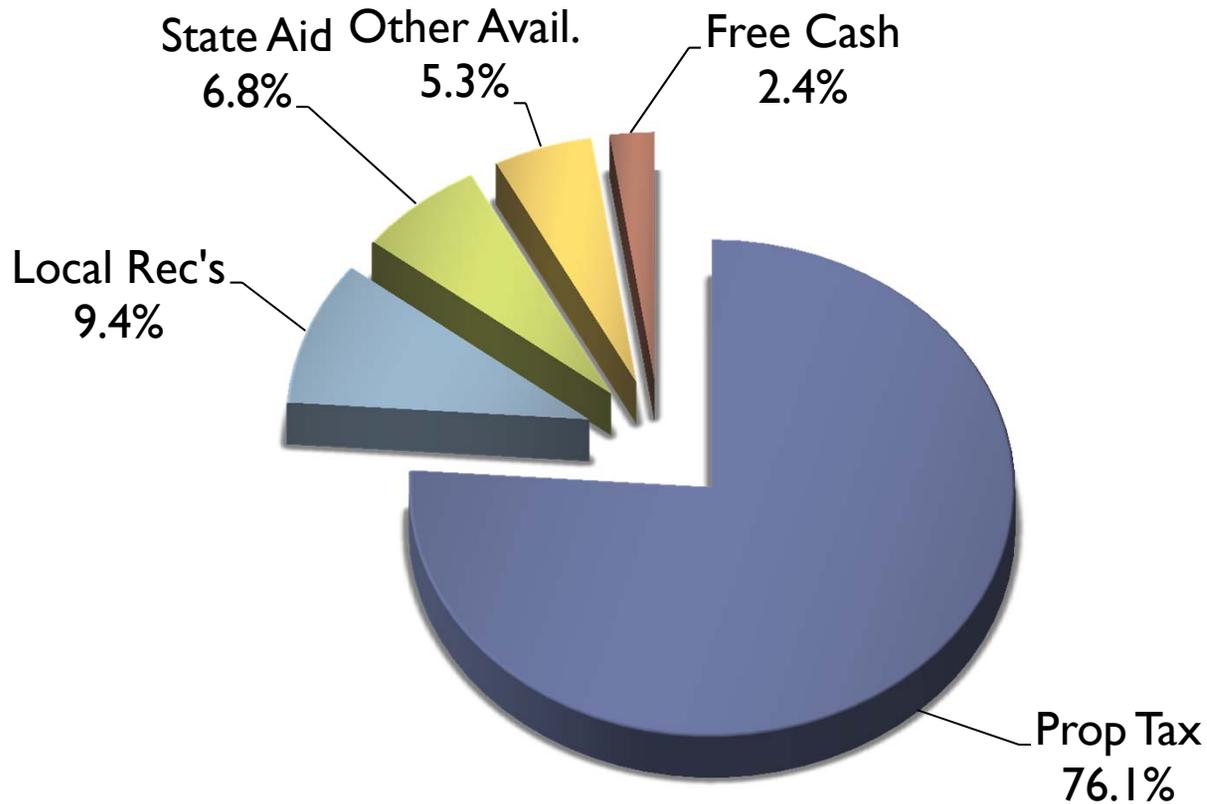
	<u>TOWN</u>	<u>SCHOOL</u>	<u>TOTAL</u>
\$1M Incr in Ch 70	(\$0.48)	(\$1.42)	(\$1.90)
State Aid Level-Funded	(\$0.98)	(\$1.92)	(\$2.90)
5% Cut in State Aid	(\$1.33)	(\$2.27)	(\$3.60)
10% Cut in State Aid	(\$1.69)	(\$2.63)	(\$4.32)

* School contracts settled for FY14 *

	2013	2014	2015	2016	2017	2018
REVENUE						
Property Taxes	170,168,564	175,604,001	181,547,881	188,340,818	195,344,838	202,874,649
Local Receipts	21,084,438	21,842,476	22,129,453	22,424,569	22,423,585	22,719,093
State Aid	15,161,644	16,131,276	16,514,261	16,906,821	17,309,195	17,721,628
Other Available Funds	11,894,344	6,604,117	6,724,634	6,853,790	7,070,125	7,140,790
Free Cash	5,336,413	5,750,000	3,775,000	3,900,000	4,000,000	4,150,000
TOTAL REVENUE	223,645,403	225,931,870	230,691,228	238,425,997	246,147,743	254,606,161
\$\$ Increase	14,366,328	2,286,467	4,759,358	7,734,769	7,721,746	8,458,418
% Increase	6.9%	1.0%	2.1%	3.4%	3.2%	3.4%
EXPENDITURES						
Departmental	64,036,890	65,349,986	66,892,282	68,300,635	69,825,196	71,346,122
Collective Bargaining - Town	851,520	950,000	960,000	970,000	1,110,000	1,130,000
Schools	79,079,825	81,504,825	86,279,825	90,636,025	94,461,025	97,636,025
Collective Bargaining - School	0	2,300,000	1,881,200	1,350,000	1,400,000	1,430,000
Non-Departmental - Benefits	45,547,007	49,350,906	51,131,963	54,343,970	57,634,695	60,922,768
Non-Departmental - General	960,761	934,384	552,365	548,146	577,421	593,090
Non-Departmental - Debt Service	10,046,874	9,583,111	9,908,686	10,804,821	10,568,589	14,243,193
Non-Departmental - Reserve Fund	1,946,946	2,028,761	2,110,026	2,175,648	2,249,976	2,323,689
Special Appropriations	12,933,500	7,281,617	7,089,166	6,696,633	7,424,602	4,297,605
Non-Appropriated	8,242,080	8,066,448	8,257,028	8,452,372	8,652,601	8,857,835
TOTAL EXPENDITURES	223,645,402	227,350,038	235,062,540	244,278,251	253,904,105	262,780,325
\$\$ Increase	14,366,329	3,704,636	7,712,502	9,215,711	9,625,855	8,876,220
% Increase	6.9%	1.7%	3.4%	3.9%	3.9%	3.5%
CUMULATIVE SURPLUS/(DEFICIT)		(1,418,168)	(4,371,312)	(5,852,254)	(7,756,362)	(8,174,164)
DEFICIT AS A % OF OPERATING REVENUE		-0.6%	-1.9%	-2.5%	-3.2%	-3.3%
Surplus / (Deficit) Prior to Collective Bargaining	1,831,833	(1,530,112)	(3,532,254)	(5,246,362)	(5,614,164)	
Town Share of Surplus / (Deficit)	950,000	11,860	(499,634)	(674,158)	(493,666)	
Town Collective Bargaining	950,000	960,000	970,000	1,110,000	1,130,000	
Total Town Surplus / (Deficit)	0	(948,140)	(1,469,634)	(1,784,158)	(1,623,666)	
School Share of Surplus / (Deficit)	881,832	(1,541,972)	(3,032,620)	(4,572,204)	(5,120,499)	
School Collective Bargaining	2,300,000	1,881,200	1,350,000	1,400,000	1,430,000	
Total School Surplus / (Deficit)	(1,418,168)	(3,423,172)	(4,382,620)	(5,972,204)	(6,550,499)	

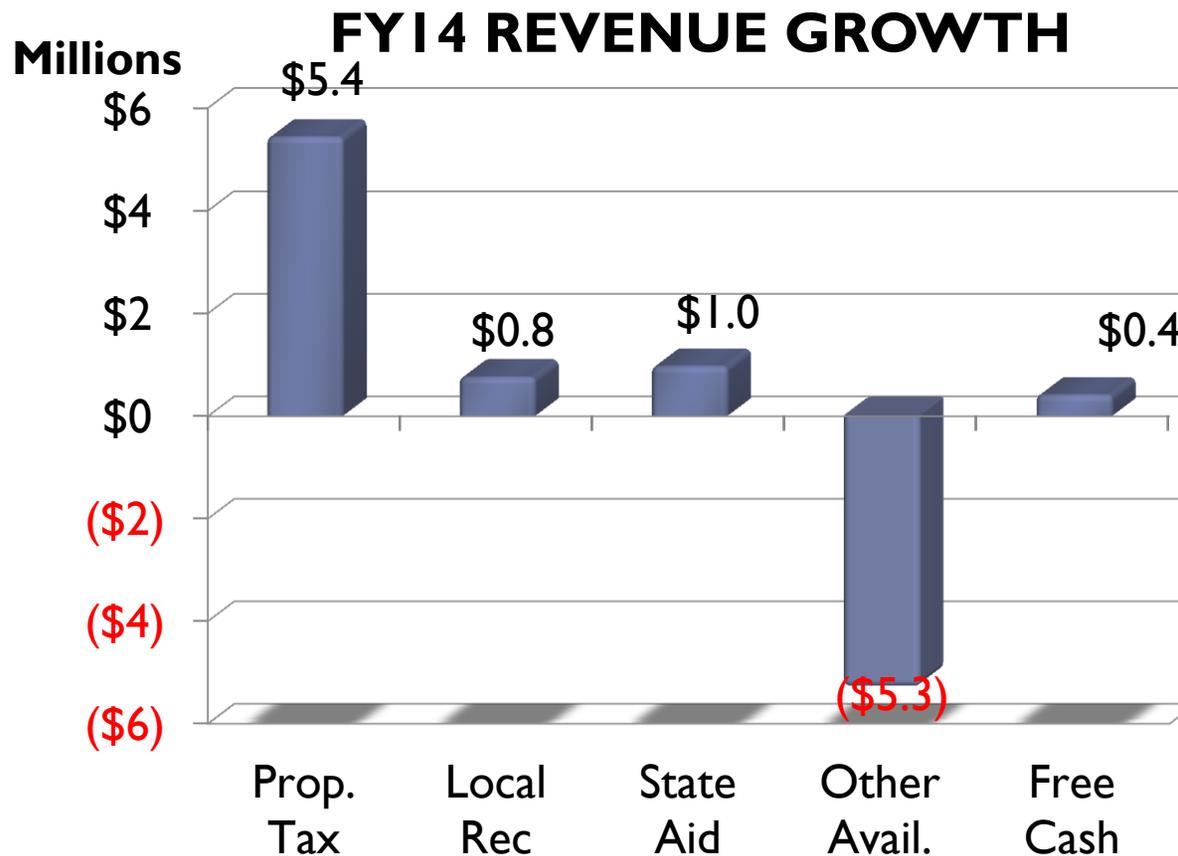
GENERAL FUND REVENUE COMPOSITION

- ▶ In FY13, Property Taxes comprise more than $\frac{3}{4}$'s of the Town's General Fund revenue and more than 80% of Operating Revenue



GENERAL FUND REVENUE SUMMARY

- ▶ Total FY14 increase in revenue of \$2.3M (1%)
- ▶ Operating Budget revenue increases \$7.4M (3.5%)



- ▶ In the out-years, annual operating revenue increases of 3+%

PROPERTY TAXES

- ▶ In FY14, increase \$5.4 million (3.2%)
- ▶ In the out-years, average annual increases of approx. 3.7%
 - ▶ 2 Brookline PI impact included in FY16-FY18 (add'l New Growth)

PROPERTY TAXES	2013	2014	2015	2016	2017	2018
Prior Year Levy Limit	162,553,810	168,537,757	174,491,201	180,453,481	187,264,818	194,296,438
2 1/2 % Increase	4,063,845	4,213,444	4,362,280	4,511,337	4,681,620	4,857,411
New Growth	1,920,101	1,600,000	1,600,000	2,300,000	2,100,000	2,700,000
121A's to Prop Taxes		140,000			250,000	
ANNUAL LEVY LIMIT	168,537,757	174,491,201	180,453,481	187,264,818	194,296,438	201,853,849
Debt Exclusion (Debt Service Costs)	1,630,808	1,112,800	1,094,400	1,076,000	1,048,400	1,020,800
LESS SBAB Reimb.	0	0	0	0	0	0
Net Debt Exclusion	1,630,808	1,112,800	1,094,400	1,076,000	1,048,400	1,020,800
ANNUAL LEVY	170,168,564	175,604,001	181,547,881	188,340,818	195,344,838	202,874,649
\$\$ Increase	6,548,075	5,435,436	5,943,880	6,792,937	7,004,020	7,529,811
% Increase	4.0%	3.2%	3.4%	3.7%	3.7%	3.9%



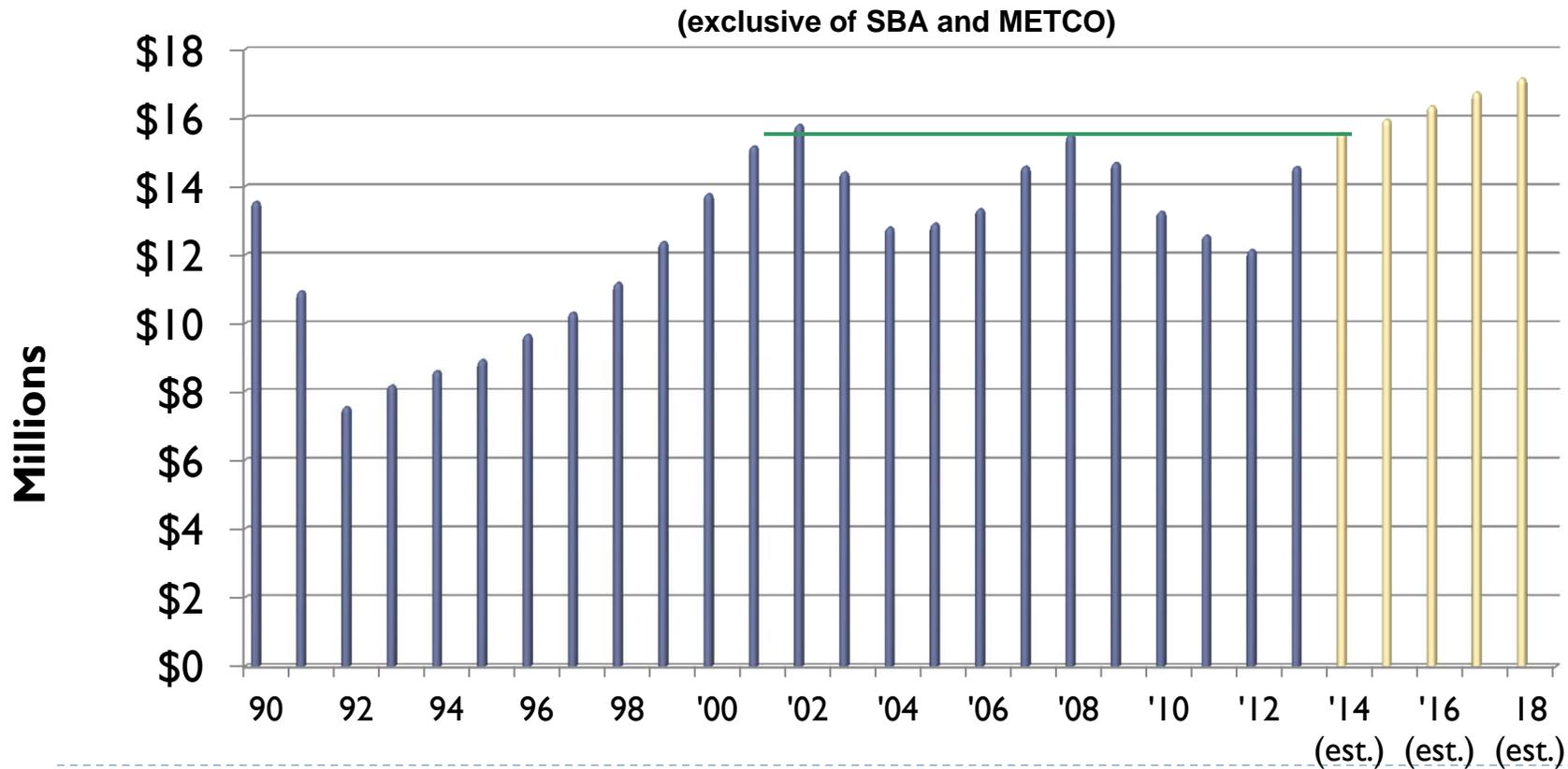
STATE AID

- ▶ In FY14, assume a \$1M increase in Ch. 70 aid
 - ▶ In FY13, realized an increase of \$2M due to the “Aggregate Wealth Model” that resulted in Brookline becoming a “Foundation Aid Community”.
- ▶ Some uncertainty due to slowing of State tax revenues and potential cuts in Fed aid from the “Fiscal Cliff”
 - ▶ Each 5% cut = \$730K

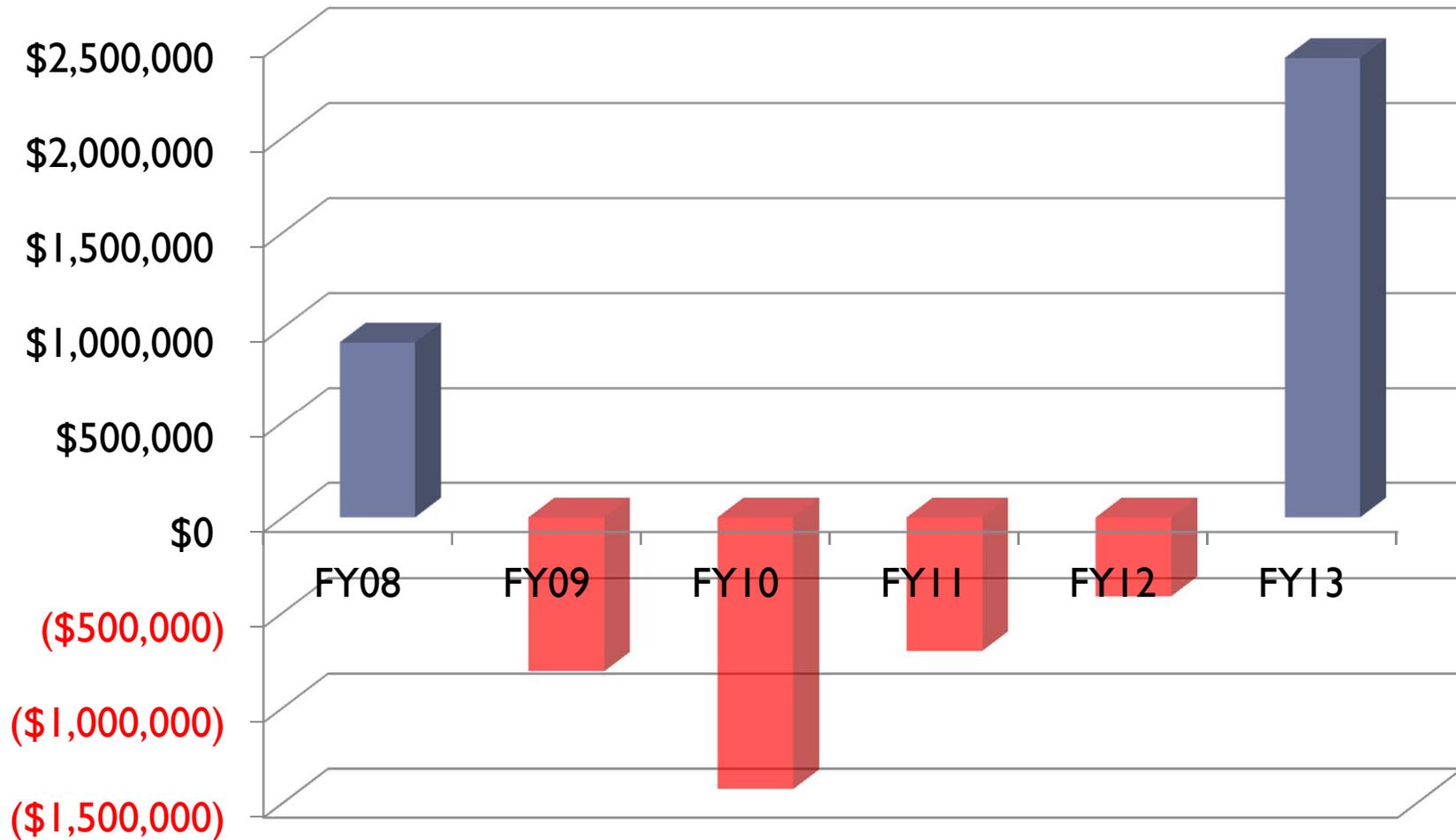
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>General Government Aid</i>	5,473,231	5,473,231	5,607,482	5,745,089	5,886,136	6,030,709
Unrestricted General Gov't Aid	5,370,029	5,370,029	5,504,280	5,641,887	5,782,934	5,927,507
Veterans' Benefits	103,202	103,202	103,202	103,202	103,202	103,202
<i>School Aid</i>	9,540,696	10,510,328	10,759,063	11,014,015	11,275,342	11,543,202
Chapter 70	8,949,381	9,949,381	10,198,116	10,453,068	10,714,395	10,982,255
SBAB Reimb.	587,125	556,757	556,757	556,757	556,757	556,757
Charter Tuition Assesment Reimb.	4,190	4,190	4,190	4,190	4,190	4,190
<i>Tax Abatement Aid</i>	38,557	38,557	38,557	38,557	38,557	38,557
<i>Offset Aid</i>	109,160	109,160	109,160	109,160	109,160	109,160
School Lunch	27,780	27,780	27,780	27,780	27,780	27,780
Public Libraries	81,380	81,380	81,380	81,380	81,380	81,380
TOTAL STATE AID	15,161,644	16,131,276	16,514,261	16,906,821	17,309,195	17,721,628
\$\$ Increase	1,778,081	969,632	382,985	392,560	402,374	412,433
% Increase	13.3%	6.4%	2.4%	2.4%	2.4%	2.4%

STATE AID - HISTORY

- Took a decade to recover from cuts of early-1990's
- Taken another decade-plus to get back to the high-water mark of FY02



STATE AID – RECENT EXPERIENCE



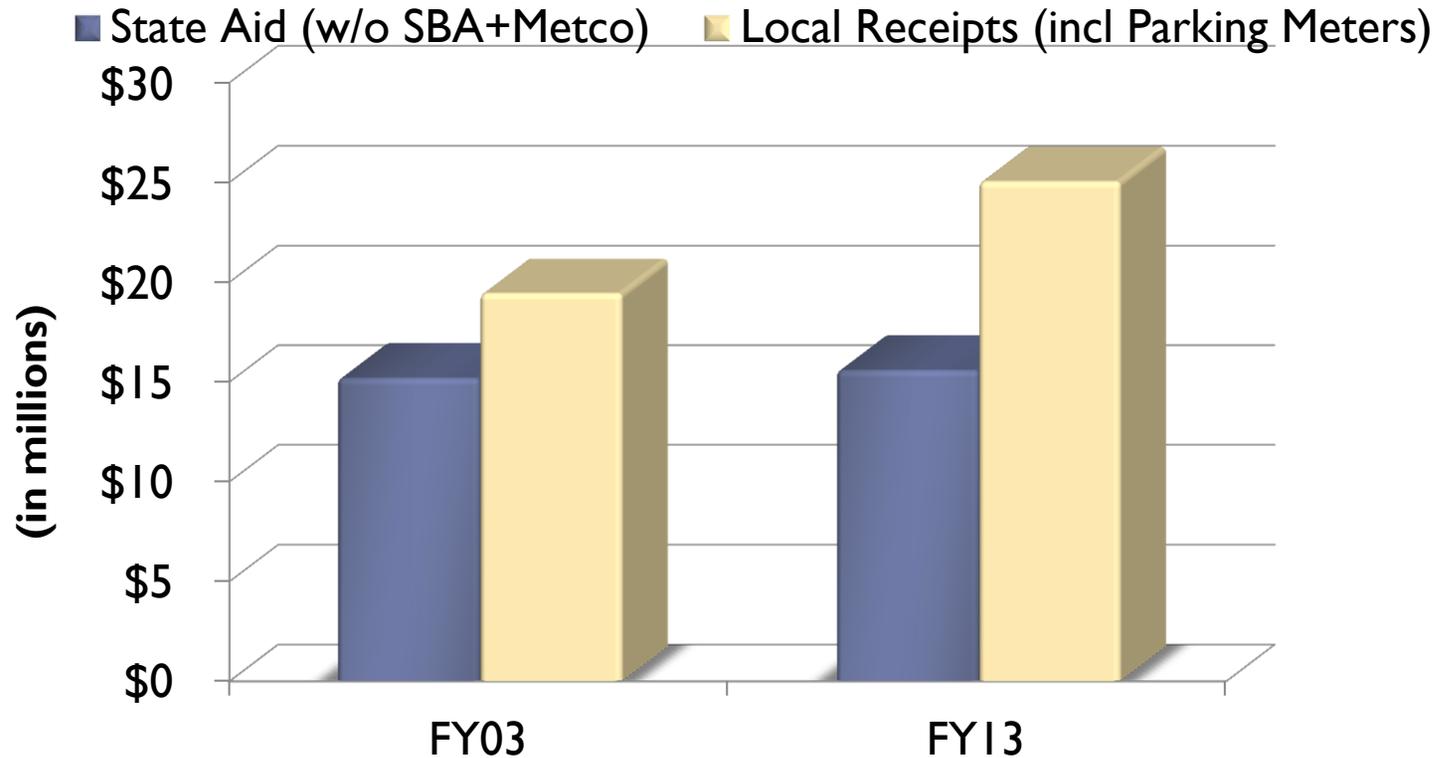
LOCAL RECEIPTS

- ▶ In FY14, an increase of \$758K (3.6%)
- ▶ Increases in Local Option Taxes (\$200K), Parking/Court Fines (\$200K), Benefits Reimb from Schools (\$200K), Building Permits (\$150K), and MVE (\$100K)
- ▶ Reduction in PILOT's/121A's due primarily to a 121A Agreement ending (will be part of Prop Taxes)

LOCAL RECEIPTS	2013	2014	2015	2016	2017	2018
Motor Vehicle Excise (MVE)	4,850,000	4,950,000	5,049,000	5,149,980	5,252,980	5,358,039
Local Option Taxes	1,950,000	2,150,000	2,193,000	2,236,860	2,281,597	2,327,229
Licenses & Permits	1,153,975	1,165,975	1,165,975	1,165,975	1,165,975	1,165,975
Parking / Court Fines	4,000,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
General Government	2,873,463	3,242,501	3,317,653	3,396,834	3,480,720	3,561,813
Interest Income	760,000	750,000	768,750	787,969	807,668	827,860
PILOT's / 121A's	1,110,000	895,000	922,700	950,654	673,867	687,344
Refuse Fee	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Departmental & Other	1,787,000	1,889,000	1,912,375	1,936,297	1,960,779	1,990,833
TOTAL LOCAL REVENUE	21,084,438	21,842,476	22,129,453	22,424,569	22,423,585	22,719,093
\$\$ Increase	808,645	758,039	286,976	295,116	(984)	295,508
% Increase	4.0%	3.6%	1.3%	1.3%	0.0%	1.3%

- ▶ In the out-years, avg annual increase of approx. 1%

LOCAL RECEIPTS – HISTORY



- ▶ \$4.25M more in Local Receipts than State Aid in FY03; in FY13, difference of \$9.5M
- ▶ Over the decade, State Aid growth of \$395K vs \$5.6M for Local Receipts

OTHER AVAILABLE FUNDS

- ▶ For FY14, a decrease of \$5.3M (45%) due primarily to funds earmarked for the CIP in FY13 (Sale of Town-owned Land, Overlay Surplus, and Capital Project Surplus)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Parking Meter Receipts	3,950,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
Walnut Hill Cemetery Fund	50,000	50,000	50,000	50,000	50,000	50,000
State Aid for Libraries	41,555	41,555	41,555	41,555	41,555	41,555
Golf Enterprise Fund Reimbursement	155,037	155,595	160,204	165,099	170,299	175,823
Recreation Revolving Fund Reimbursement	281,764	300,932	315,672	331,337	347,989	365,691
Water and Sewer Enterprise Fund Reimbursement	1,855,987	1,956,035	2,057,203	2,165,798	2,360,282	2,407,721
Overlay Surplus	1,750,000	0	0	0	0	0
Capital Project Surplus	560,000	0	0	0	0	0
Sale of Town-owned Land Fund	3,250,000	0	0	0	0	0
TOTAL OTHER AVAILABLE FUNDS	11,894,344	6,604,117	6,724,634	6,853,790	7,070,125	7,140,790
\$\$ Increase	5,275,378	(5,290,226)	120,516	129,156	216,336	70,665
% Increase	79.7%	-44.5%	1.8%	1.9%	3.2%	1.0%

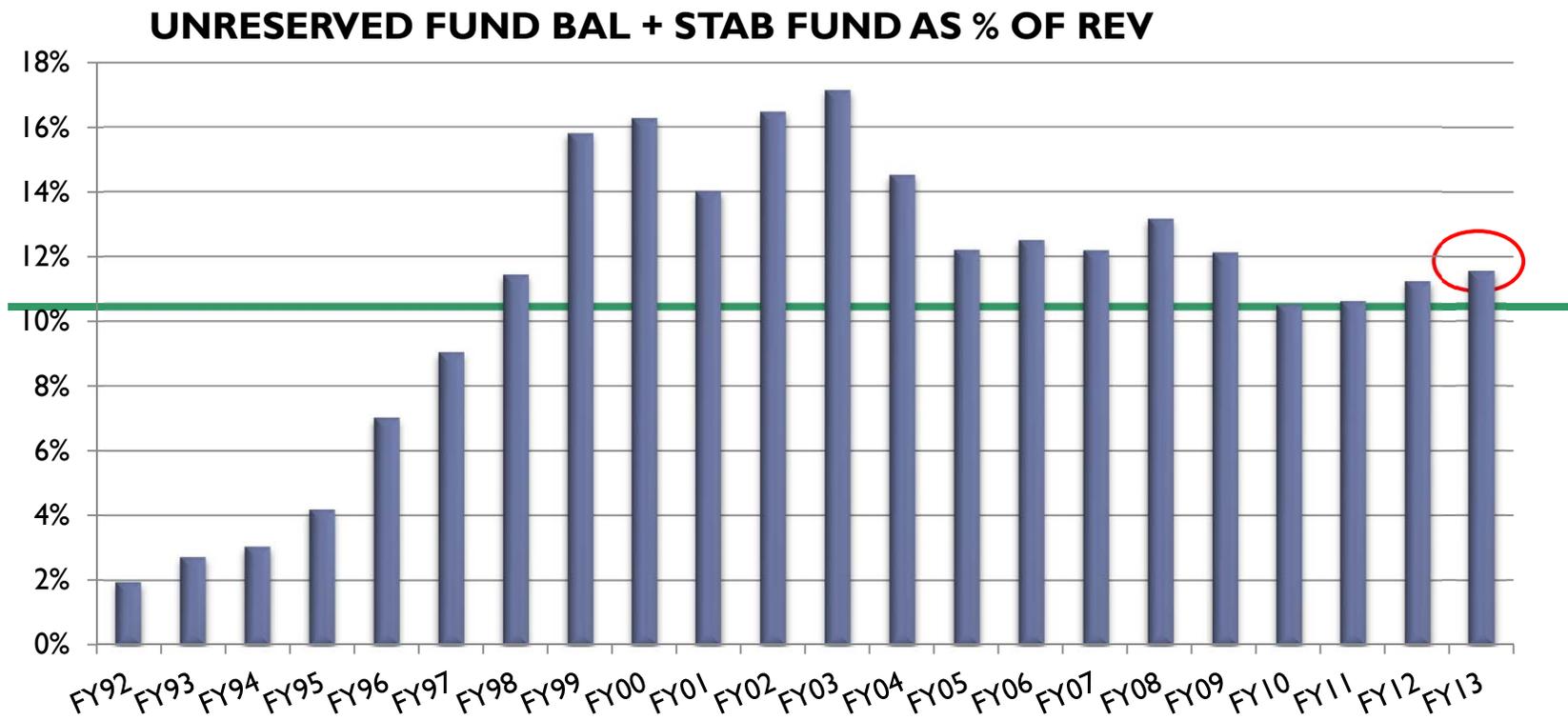
FREE CASH

- ▶ Certification estimated at \$7.5M
- ▶ Leaving \$1.75M for Fund Balance purposes, leaving \$5.75M for appropriation
- ▶ Free Cash is used in accordance with the Town’s Free Cash Policies:
 1. Appropriated Budget Reserve – ¼ of the annual “Reserve Fund”
 2. Unreserved Fund Balance / Stabilization Fund – maintain at a minimum of 10% of revenue
 3. Liability / Catastrophe Fund – maintain at 1% of net revenue
 4. CIP – bring CIP funding up to 7.5% from the 6% CIP Policy
 5. Affordable Housing Trust Fund – deposit if the fund balance is less than \$5M
 6. Special Use – augment trust funds for fringe benefits, unfunded liabilities related to employee benefits, and other one-time uses, including additional funding for the CIP

	2013	2014	2015	2016	2017	2018
Free Cash for Appropriation	5,336,413	5,750,000	3,775,000	3,900,000	4,000,000	4,150,000
Uses:						
Capital Improvements	3,947,729	3,519,363	3,165,039	3,263,472	3,374,964	3,485,533
Operating Budget Reserve (0.25% of Prior Yr Net Rev)	486,736	507,190	527,507	543,912	562,494	580,922
Liability Reserve	253,669	154,115	60,978	44,522	52,572	51,213
Affordable Housing Trust Fund	251,363	306,833	0	0	0	0
Retiree Group Health Trust Fund	211,256	500,000	0	0	0	0
Worker's Comp. Trust Fund	0	262,500	0	0	0	0
Public Safety IOD Medical Expenses Trust Fund	185,660	0	0	0	0	0
Pensions	0	500,000	0	0	0	0
Available for "Special Use" Category	0	0	18,255	48,094	9,970	32,332
TOTAL FREE CASH	5,336,413	5,750,000	3,775,000	3,900,000	4,000,000	4,150,000
\$\$ Increase	(43,851)	413,587	(1,975,000)	125,000	100,000	150,000
% Increase	-0.8%	7.8%	-34.3%	3.3%	2.6%	3.8%

UNRESERVED FUND BALANCE

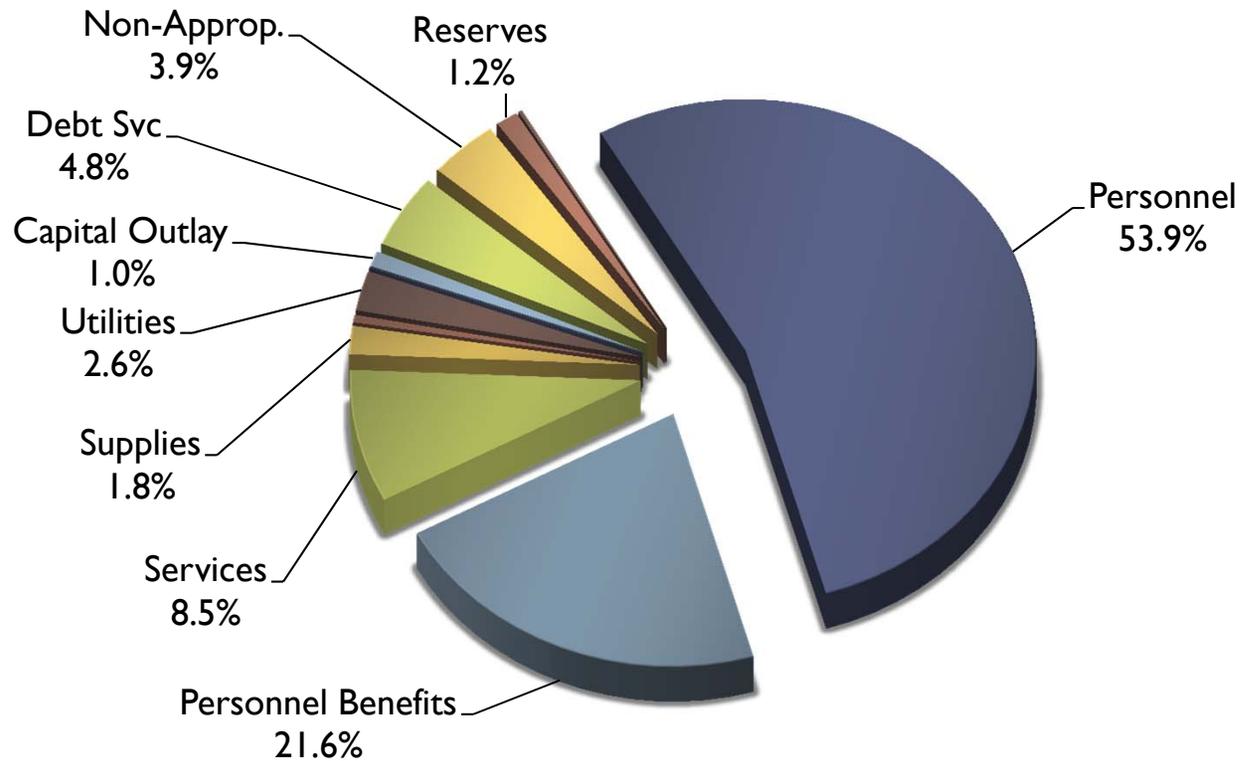
- ▶ Ratings agencies look for a Aaa-rated community to have a ratio of Unreserved Fund Balance as a percentage of revenue of approx. 10%
- ▶ Year-End FY12 = 11.2%
- ▶ Estimate needing to use \$1.75M of Free Cash to stay above 10%, leaving some cushion for this hard to predict metric
 - ▶ 3rd consecutive year of doing this



GENERAL FUND BUDGET

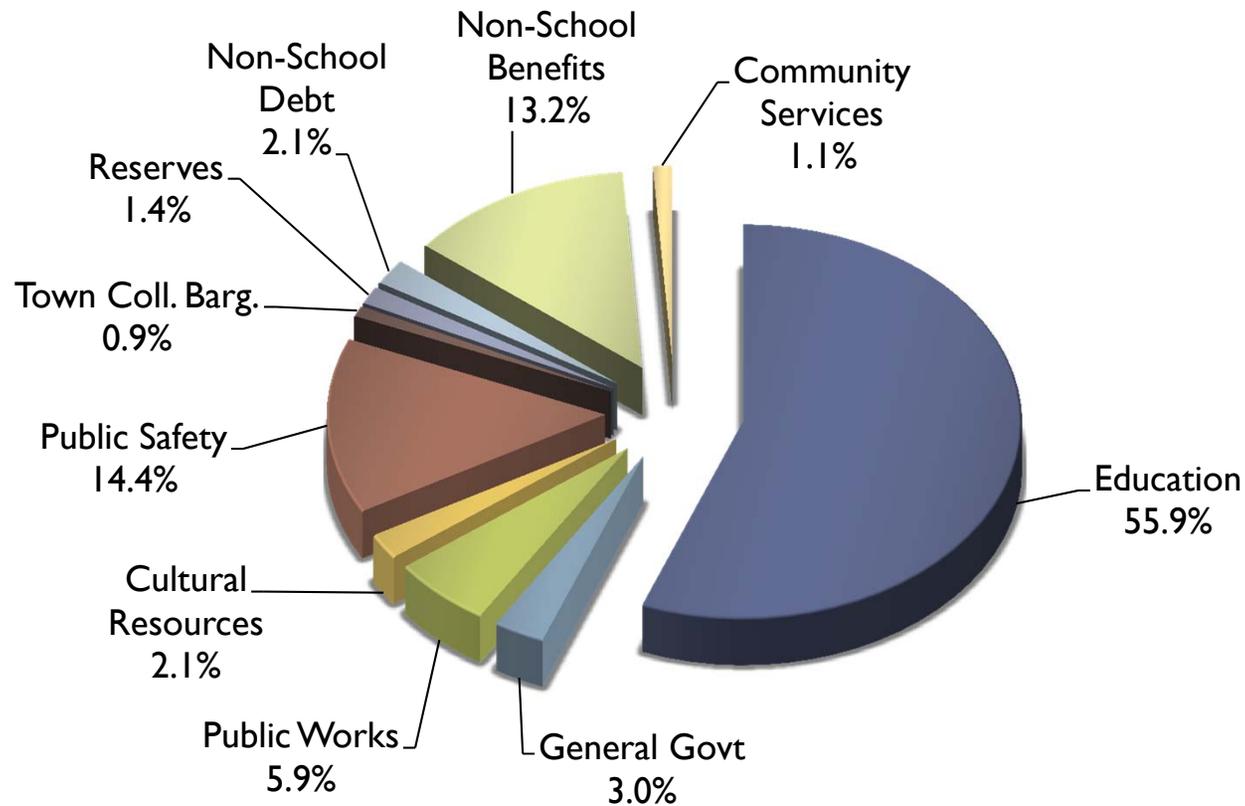
- ▶ In FY13, total General Fund budget of \$223.6M
- ▶ Personnel costs (wages + benefits) comprise more than 75% of the Operating Budget

Operating Budget



FULLY-ALLOCATED EXPENDITURES

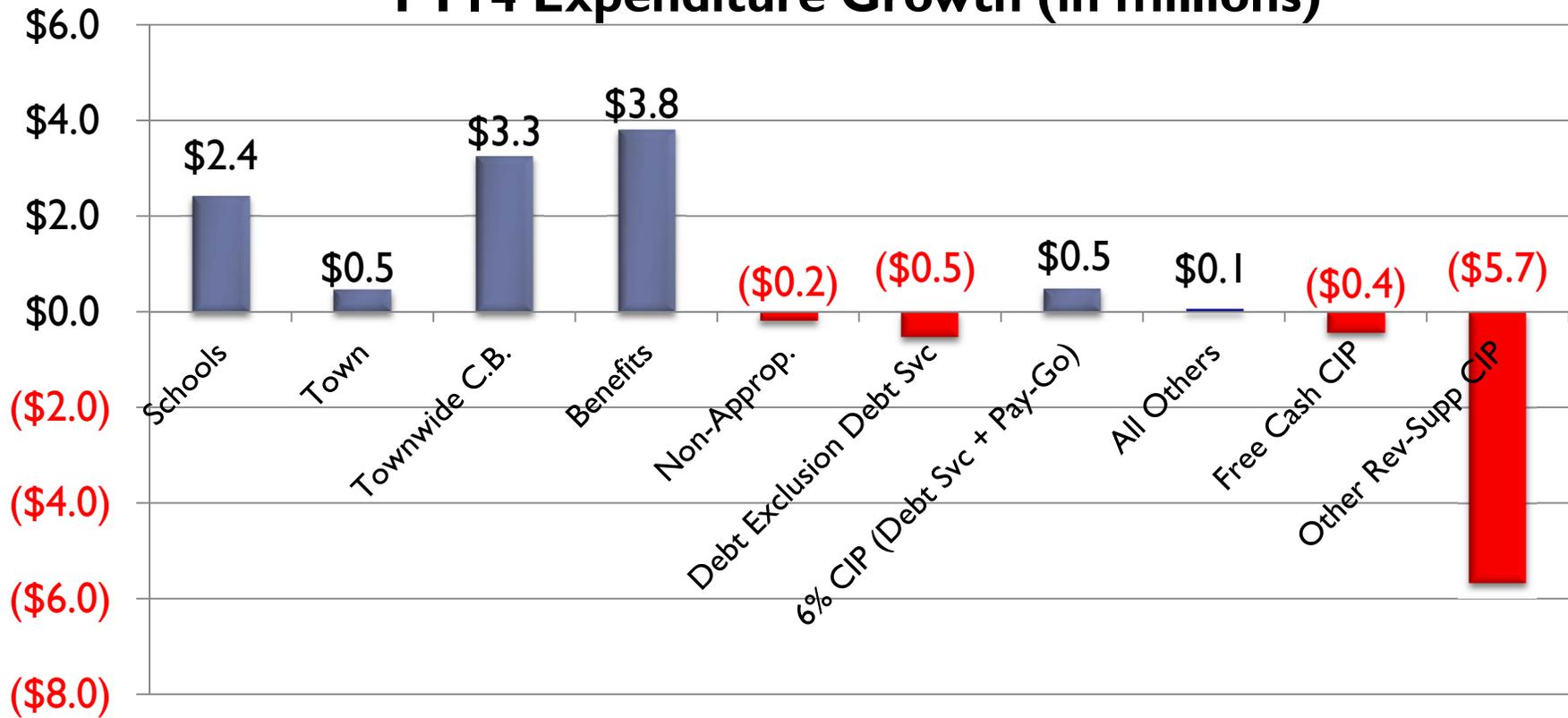
- ▶ In FY13, expenses associated with Education comprise 56% of the Operating budget
- ▶ The next largest areas are Public Safety and non-School Benefits



EXPENDITURE SUMMARY

- ▶ For FY14, est. total increase in expenditures of \$3.7M (1.7%)
- ▶ Operating Budget expenditures est. to increase \$9.7M (4.5%)

FY14 Expenditure Growth (in millions)



- 19 ▶ In the out-years, annual increases of 3.4% - 3.9%

BENEFITS

- Total estimated FY14 increase of \$3.8M (8.4%)
- In FY02, Benefits comprised 15% of the total Operating Budget. In FY14, this figure could increase to 23%.

	2013	2014	2015	2016	2017	2018
Pensions	15,767,048	17,124,026	17,568,945	18,571,382	19,634,734	20,782,592
Group Health	23,078,372	24,524,919	26,134,781	27,875,526	29,704,066	31,381,979
Health Reimbursement Account (HRA)	125,000	70,000	70,000	70,000	0	0
Retiree Group Health Trust Fund (OPEB's)	2,601,928	3,227,961	3,054,612	3,384,896	3,719,480	4,030,860
EAP	28,000	28,000	28,000	28,000	33,000	33,000
Group Life	130,000	132,500	132,500	135,813	139,208	142,688
Disability Insurance	16,000	16,000	16,000	16,000	16,000	16,000
Workers' Compensation	1,200,000	1,712,500	1,500,000	1,550,000	1,588,750	1,628,469
Public Safety IOD Medical Expenses	560,660	400,000	400,000	400,000	400,000	400,000
Unemployment Compensation	350,000	350,000	350,000	325,000	300,000	305,000
Medical Disabilities	30,000	40,000	40,000	40,000	45,000	45,000
Medicare Coverage	1,660,000	1,725,000	1,837,125	1,947,353	2,054,457	2,157,180
TOTAL	45,547,007	49,350,906	51,131,963	54,343,970	57,634,695	60,922,768
\$\$ Change	3,438,744	3,803,899	1,781,056	3,212,007	3,290,725	3,288,073
% Change	8.2%	8.4%	3.6%	6.3%	6.1%	5.7%



BENEFITS – MAJOR ACCOUNTS

▶ **Health Insurance (\$24.5M)**

- ▶ Assuming a 5% rate increase
- ▶ Assuming 30 new enrollees (15 T / 15 S)
- ▶ Total increase of \$1.4 million (6.3%)
- ▶ Each 1% increase in rates equals ~\$230,000

▶ **Pensions (\$17.1M)**

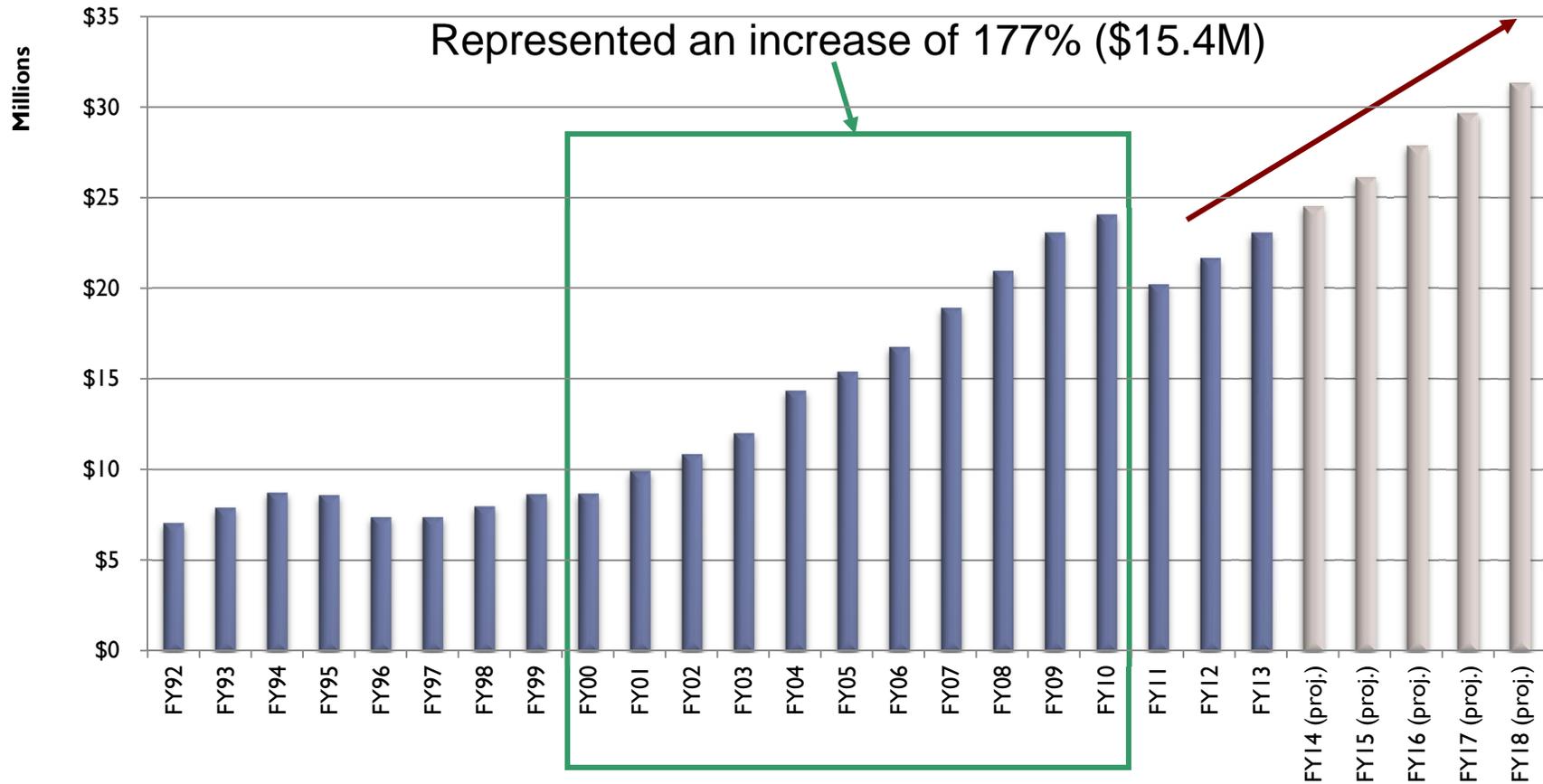
- ▶ For FY14, increase of \$901K (5.8%) based on funding schedule and estimate for Non-Contributory retirees
- ▶ Augmenting approp. with \$500K from Free Cash

▶ **OPEB's (\$3.2M)**

- ▶ Increase operating budget funding from \$1.75M to \$2M
- ▶ Augmenting on-going approp. with \$500K from Free Cash
- ▶ Continue assessing special revenue funds, using the run-off from the “Non-Contrib” retirees, and using Medicare Part D Subsidy revenue for OPEB's

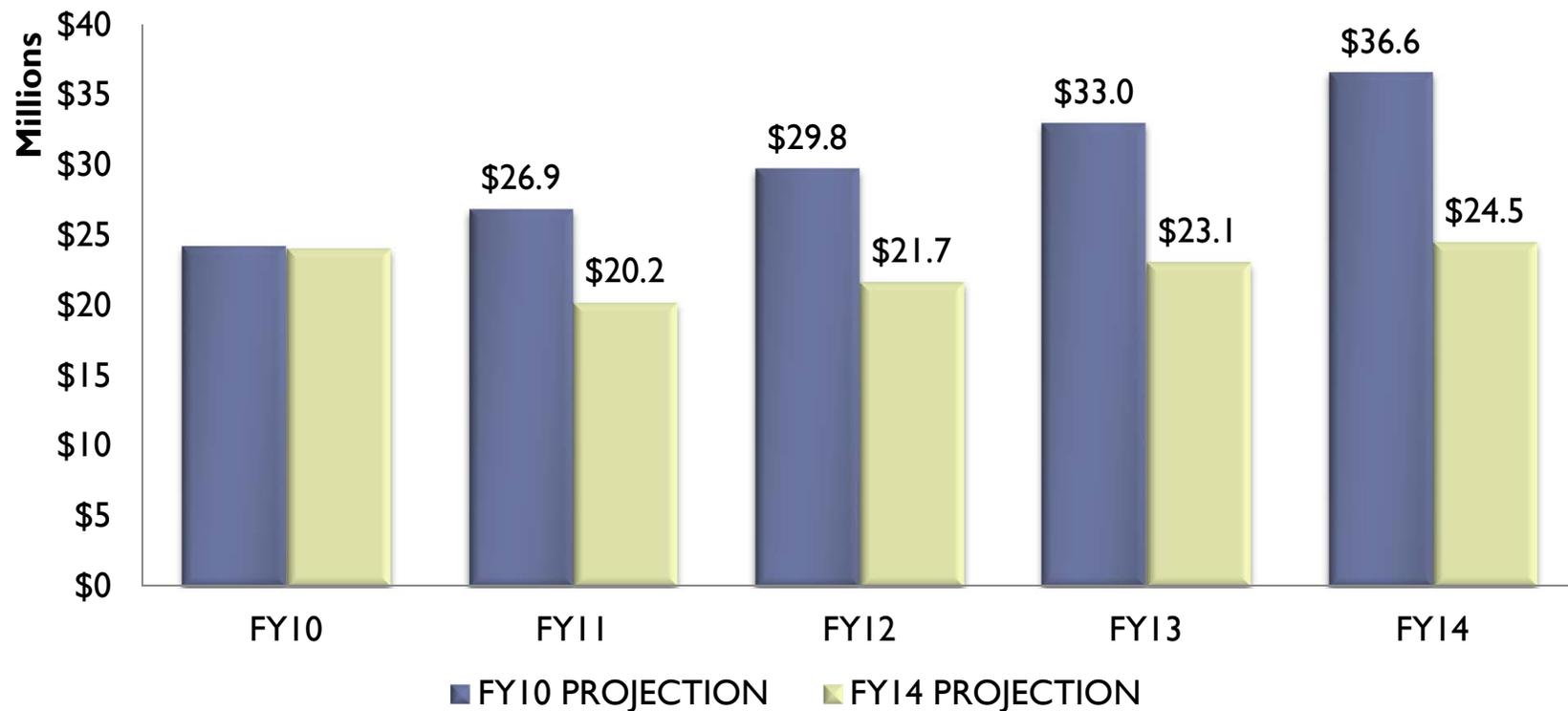
BENEFITS – HEALTH INS BUDGET

GROUP HEALTH APPROPRIATION



HEALTH INSURANCE EFFORTS

- ▶ Consolidation in FY05 saved approx. \$1.2M
- ▶ Plan Design Changes in FY08 saved approx. \$1.1M
- ▶ Move to GIC in FY11 saved the Town budget approx. \$5.6M
- ▶ Since FY11, lower base + lower annual rate increases result in compounded savings



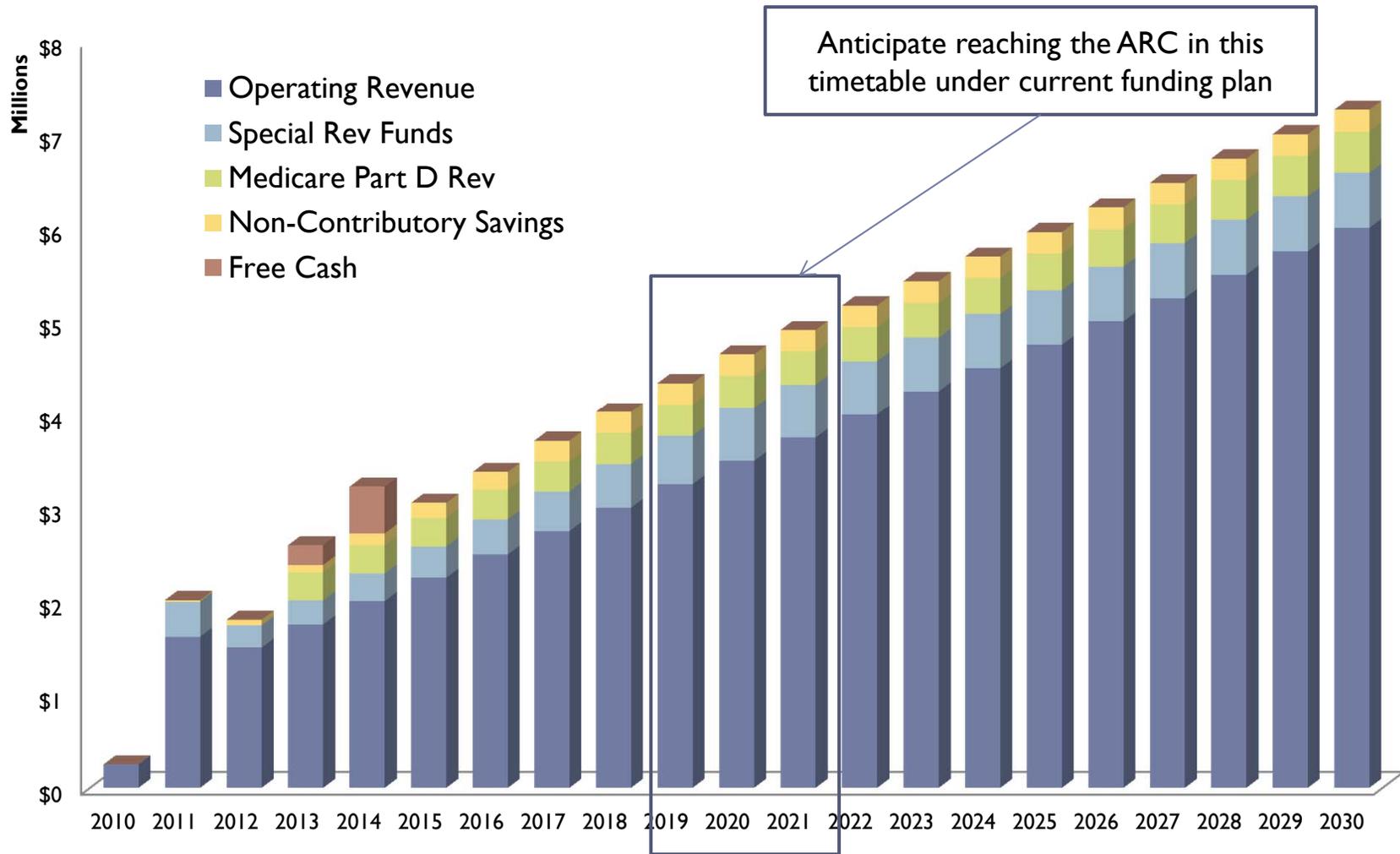
OPEBs

- ▶ Continue:
 - ▶ Increasing funding from operating revenue by \$250K / yr, to \$2M in FY14 and \$3M in FY18
 - ▶ Assessing special revenue funds with personnel
 - ▶ Using the “run-off” from funding for Non-Contributory retirees
 - ▶ Using the Medicare Part D refund

- ▶ Recommending using Free Cash again in FY14

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Non-Contributory Retiree Savings	80,000	130,000	160,000	190,000	220,000	230,000
Free Cash	211,256	500,000	0	0	0	0
Special Rev Funds	257,581	294,869	334,021	376,617	423,321	466,625
Operating Revenue	1,753,092	2,003,092	2,253,092	2,503,092	2,753,092	3,003,092
Medicare Part D Revenue	300,000	300,000	307,500	315,188	323,067	331,144
TOTAL	2,601,928	3,227,961	3,054,612	3,384,896	3,719,480	4,030,860
\$\$ Change	800,401	626,033	(173,349)	330,284	334,584	311,380
Percentage Change	44.4%	24.1%	-5.4%	10.8%	9.9%	8.4%

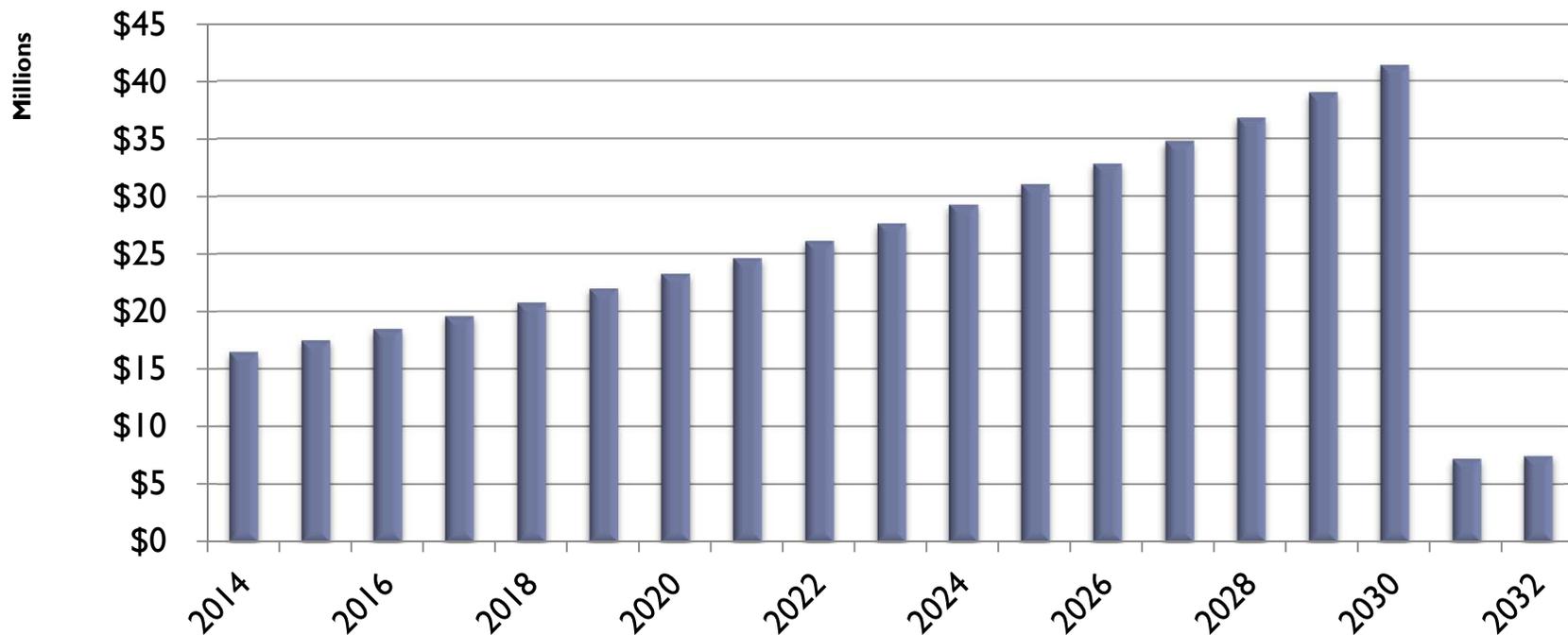
OPEB FUNDING PLAN



PENSION FUNDING

- Full funding date of 2030, two years later than prior schedule
- New schedule was impacted by CY11 market experience
- FY14 increase of \$901K (5.8%) + \$500K from Free Cash

PENSION SYSTEM FUNDING SCHEDULE



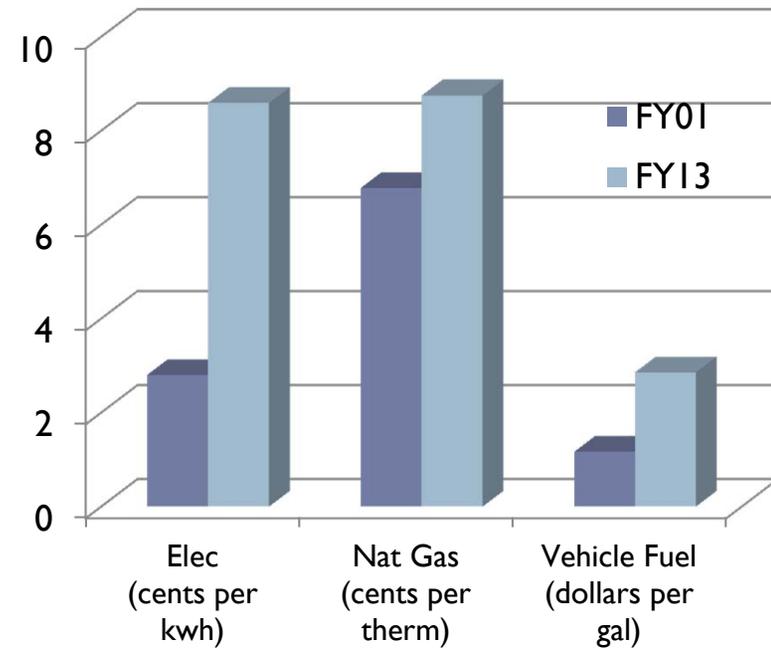
UTILITIES

- ▶ Overall projected FY14 increase of ~ \$50K (0.9%)
- ▶ Total energy budget of \$5.8M represents a \$2.5M (96%) increase since FY00 (exclusive of Water/Sewer)
- ▶ Fixed contracts for electricity (through Dec, '18) and natural gas (through Oct, '17)
 - ▶ Dec '15, elec drops from 8.59 cents/kwh to 7.57 (12% reduction)
 - ▶ Oct '14, natural gas drops from 8.75 cents/therm to 6.98 (20% reduction)
- ▶ May be revised as more data for renovated/expanded Runkle + Heath schools comes in

UTILITY BUDGET



Unit Cost



DEBT SERVICE / TAX-SUPPORTED CIP

- ▶ All years of Forecast follow CIP Policies
- ▶ In FY14, the “6% Policy” total increases \$490K
- ▶ In FY14, new debt service for Runkle, Waldstein/Warren playgrounds, UAB (Roof, Chimney, etc), Carlton St. Footbridge (design)
 - ▶ Plan on Spring, 2013 bond sale
- ▶ In the out-years, Debt Service supports:
 - ▶ Devotion School Renovation (\$54M – Town share of project)
 - ▶ Park Projects (\$7.8M)
 - ▶ Roof Replacement / Repairs (\$5.4M)
 - ▶ Rear Landfill Closure (\$4.6M)
 - ▶ Old Lincoln School (\$3M)
 - ▶ MSC Renov (\$2M)
 - ▶ Driscoll School HVAC (\$2M)
- ▶ More detailed information included in the CIP presentation.



NON-APPROPRIATED

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
STATE ASSESSMENTS						
County Assessments	715,791	733,686	752,028	770,829	790,100	809,852
Air Pollution Dist.	24,993	25,618	26,258	26,915	27,588	28,277
MAPC	18,502	18,965	19,439	19,925	20,423	20,933
MBTA	4,964,175	5,088,279	5,215,486	5,345,874	5,479,520	5,616,508
Boston Metro	1,754	1,754	1,754	1,754	1,754	1,754
SPED	55,275	56,657	58,073	59,525	61,013	62,539
RMV Surcharge	262,660	262,660	262,660	262,660	262,660	262,660
School Choice Sending Tuition	5,000	5,000	5,000	5,000	5,000	5,000
Charter School Sending Tuition	39,669	39,669	39,669	39,669	39,669	39,669
TOTAL STATE ASSESSMENTS	6,087,819	6,232,288	6,380,368	6,532,150	6,687,727	6,847,193
CHERRY SHEET OFFSETS						
School Lunch	27,780	27,780	27,780	27,780	27,780	27,780
Libraries	81,380	81,380	81,380	81,380	81,380	81,380
TOTAL Cherry Sheet Offsets	109,160	109,160	109,160	109,160	109,160	109,160
Overlay Reserve	2,020,101	1,700,000	1,742,500	1,786,063	1,830,714	1,876,482
Tax Titles	25,000	25,000	25,000	25,000	25,000	25,000
TOTAL	8,242,080	8,066,448	8,257,028	8,452,372	8,652,601	8,857,835
\$\$ Change	528,240	(175,633)	190,580	195,345	200,228	205,234
% Change	6.8%	-2.1%	2.4%	2.4%	2.4%	2.4%

SCHOOL MAINTENANCE BUDGET GROWTH

- ▶ Steps/Lanes +\$750K (net)
- ▶ Enrollment Growth +\$750K
- ▶ SPED +\$700K
- ▶ All Other / Inflation +\$225K
- ▶ **TOTAL + \$2.425M**

DEFICIT CALCULATION

SCHOOLS

▶ New Revenue	+\$3.8M
▶ Fixed Costs	\$1.1M
▶ Maint. Growth	\$2.4M
▶ CB	\$2.3M
▶ Town Share of SPED+	
<u>Enrollment</u>	<u>(\$0.6M)</u>
▶ Total Cost Incr	\$5.2M
▶ Surplus/(Deficit) (\$1.4M)	

TOWN

■ New Revenue	+\$3.8M
■ Fixed Costs	\$1.9M
■ Maint. Growth	\$0.5M
■ 2% CB	\$0.9M
■ Share of SPED+	
<u>Enrollment</u>	<u>\$0.6M</u>
■ Total Cost Incr	\$3.8M
■ Surplus/(Deficit) \$0M	

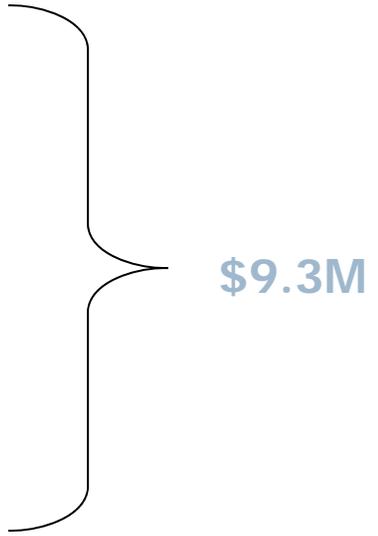
“SIMPLE MATH” FOR FY14

Assumes +\$1M in Ch. 70 Aid, 5% Health Insurance rate incr, and 2% Coll Barg

(in millions)

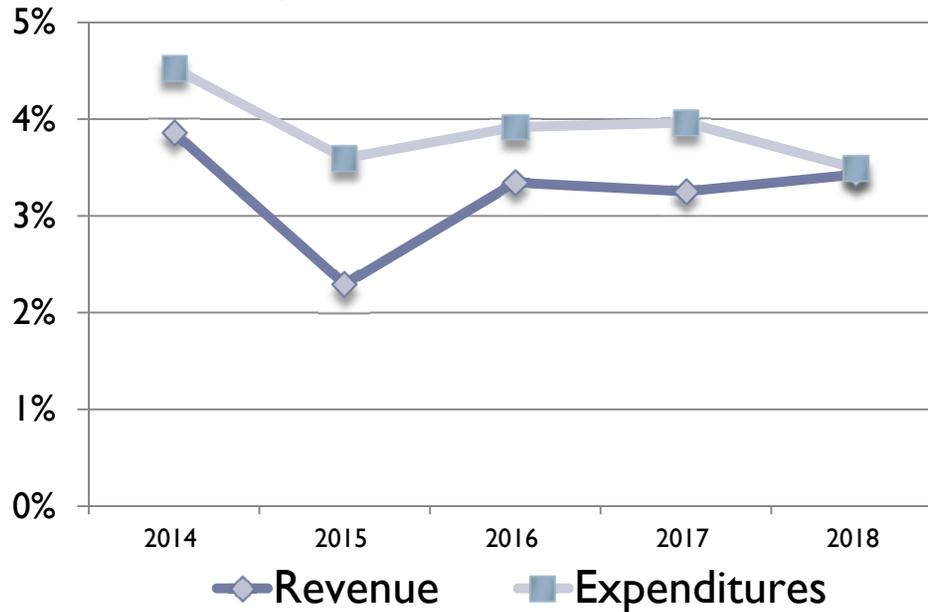
Add'l Operating Revenue	\$7.4
less Town Steps	\$0.2
less School Steps	\$0.8
less Benefit Increase/(Decrease)	\$2.9
less Town Non-Personnel Increases for Maint. Budget	\$0.2
less School Non-Personnel Increases for Maint. Budget	\$1.7
less Utility Increases	\$0.1
less Non-Dept'al Increases	(\$0.1)
less Debt Svc / Pay-Go CIP Increases	(\$0.1)
Remaining Funds Available	\$1.8
less Town CB	\$1.0
less School CB	\$2.3
Deficit	(\$1.4)

“SIMPLE MATH” FOR LRFP

- ▶ Average Annual Revenue Increases of \$7.5M
 - ▶ Average Annual Expenditure Increases:
 - ▶ Benefits of \$3.2M
 - ▶ Townwide Coll Barg of \$2.6M
 - ▶ Townwide Steps/Contract. Obl. of \$950K
 - ▶ School Non-CB/Steps of \$1.6M
 - ▶ Town Non-Personnel of \$300K
 - ▶ Debt Service / Tax-Fin CIP of \$420K
 - ▶ State Assessments of \$200K
- 
- \$9.3M**
- ▶ Town is in a structural deficit situation when on-going expenditures for existing services exceed annual revenue increases

FUTURE REVENUE & EXPENDITURE GROWTH

PROJECTED ANNUAL GROWTH



PROJECTED CUMULATIVE GROWTH

