

FY2017 FINANCIAL PLAN



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FY2017 BUDGET OVERVIEW

- ❖ FY 2017 Budget balances \$291 million of revenues and expenses (all in). Represents a 4.1% increase over FY 2016.
- ❖ School Budget increases by 5%
- ❖ Municipal Budgets increase by 2.5%
- ❖ Capital Budget represents 7.9% of prior year net revenue
- ❖ Enterprises are up by 4.4%
- ❖ Reserves and long-term liability funding meet goals

3-YEAR OVERRIDE FUNDING PLAN

- ❖ FY 2017 is 2nd Year of 3-Year Plan for School Funding
- ❖ Raises the remainder of override funds voted last year
\$1,465,000
- ❖ Proposes a companion non-tax revenue/cost efficiency
package of \$1.00 million

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

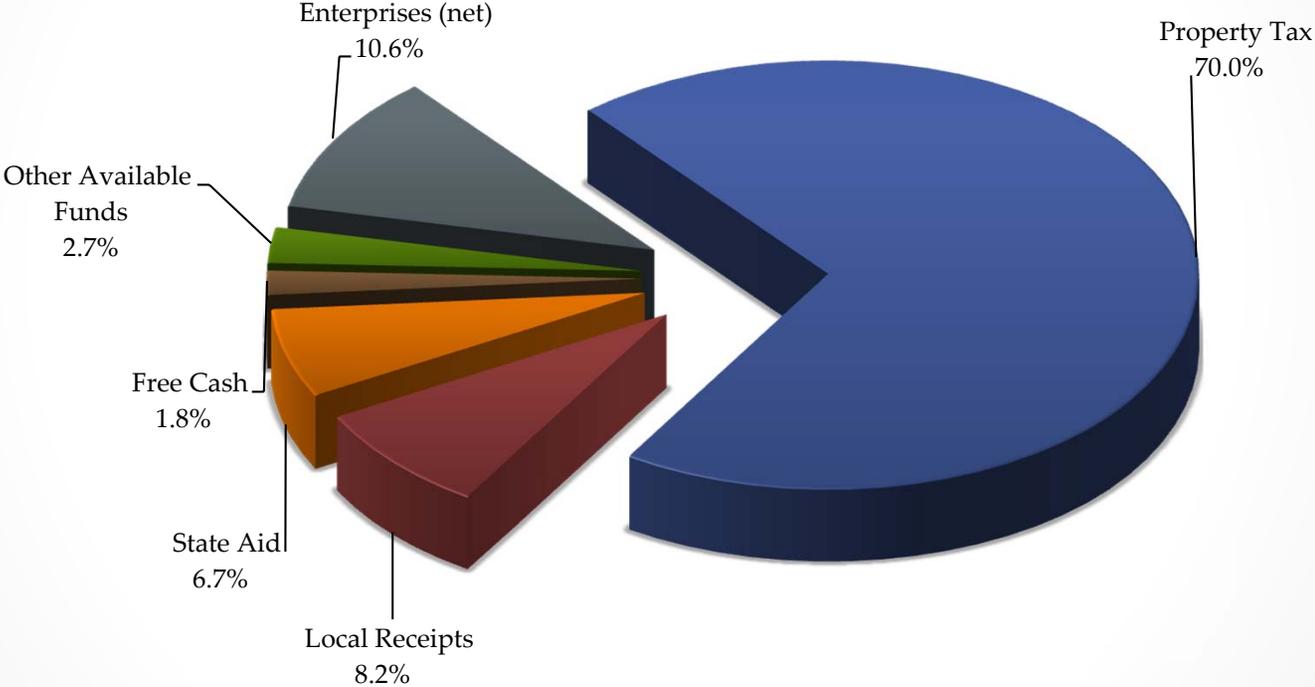
Expenditures

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

THE FY2017 BUDGET

| | <u>FY 2016</u> | <u>FY 2017</u> | <u>\$\$\$ CHANGE</u> | <u>% CHANGE</u> |
|---------------------------|--------------------|--------------------|----------------------|-----------------|
| REVENUES | | | | |
| Property Tax | 195,049,924 | 204,023,297 | 8,973,373 | 4.6% |
| Local Receipts | 23,568,685 | 23,836,698 | 268,013 | 1.1% |
| State Aid | 18,837,306 | 19,526,277 | 688,971 | 3.7% |
| Free Cash | 5,016,500 | 5,311,538 | 295,038 | 5.9% |
| Other Available Funds | 7,925,643 | 7,840,067 | (85,576) | -1.1% |
| Enterprises (net) | 29,566,993 | 30,877,664 | 1,310,671 | 4.4% |
| TOTAL REVENUES | 279,965,051 | 291,415,541 | 11,450,490 | 4.1% |
| EXPENDITURES | | | | |
| Municipal Departments | 69,403,454 | 71,122,877 | 1,719,423 | 2.5% |
| School Department | 95,916,093 | 100,692,256 | 4,776,163 | 5.0% |
| Non-Departmental | 66,563,621 | 71,546,531 | 4,982,910 | 7.5% |
| Special Appropriations | 10,113,000 | 8,879,374 | (1,233,626) | -12.2% |
| Enterprises (net) | 29,566,993 | 30,877,664 | 1,310,671 | 4.4% |
| Non-Appropriated | 8,401,892 | 8,296,837 | (105,055) | -1.3% |
| TOTAL EXPENDITURES | 279,965,051 | 291,415,542 | 11,450,491 | 4.1% |

REVENUES



REVENUES

(Property Taxes)

- ❖ At \$204 million, property taxes represent over two-thirds of the Town's overall revenue:
- ❖ Increase over FY 2016 is \$8.97 million (+4.6%)

| <u>PROPERTY TAXES</u> | |
|-------------------------------------|--------------------|
| FY16 base levy (less yr. 2 funds) | 193,973,924 |
| FY17 remaining override funds | 1,465,000 |
| Prior Year Levy Limit | 195,438,924 |
| 2 1/2 % Increase | 4,885,973 |
| New Growth | 2,650,000 |
| Debt Exclusion (Debt Service Costs) | 1,048,400 |
| Annual Levy FY 2017 | 204,023,297 |

REVENUES

(State Aid)

- ❖ State Aid: \$19.53 million, up by 3.7%
- ❖ Unrestricted General Government Aid (UGGA) increases \$252K (4.3%) and reflects the Governor's commitment to tie Local Aid to consensus revenue projection
- ❖ Chapter 70 increases \$429K which primarily reflects growth in the foundation budget as a result of enrollment (Minimum Aid). Prior year state increases have nearly reached 17.5% threshold.

REVENUES

(Local Receipts)

- ❖ Local Receipts: \$23.84 million, up by 1.1%
 - ❖ PILOT's: -33.3% reflecting the conversion of Village Way from 121A to Property Tax (part of new growth)
 - ❖ New Host Community Agreement for RMD: \$125K
 - ❖ Lodging and Meals Local Option Taxes: +6.6%
\$143K for Red Cab site
 - ❖ Building Permits: +4.3%
 - ❖ Motor Vehicle Excise Taxes: +2.8%
- ❖ A sign of a stabilized economy

REVENUES

(Free Cash)

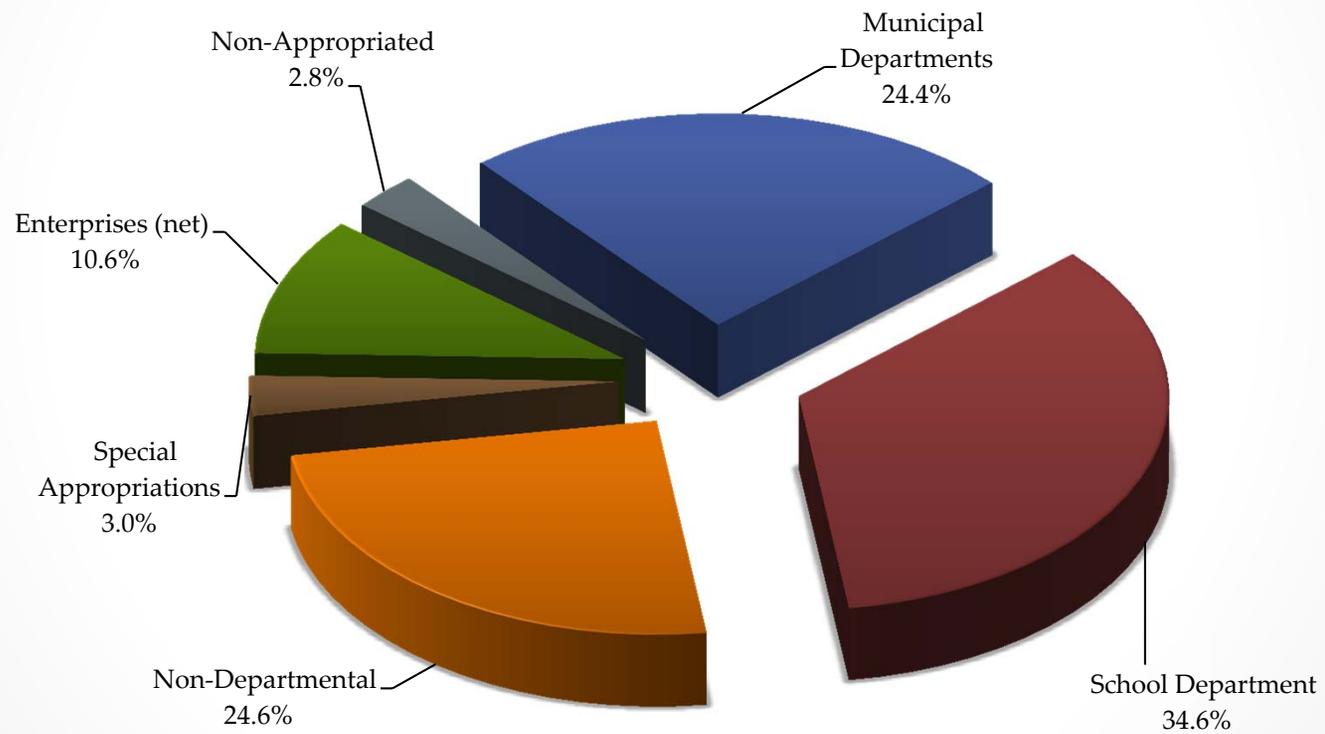
- ❖ Free Cash: \$5.31 million
 - ❖ Total certified Free Cash is \$7,811,538. \$2.5 million is left unappropriated to meet our Unreserved Fund Balance (10% policy)
 - ❖ Unreserved Fund balance is projected at 10%
- ❖ Free Cash limited to one-time funds

REVENUES

(Other Available Funds)

- ❖ Parking Meter Fund (separate fund by law)
 - ❖ Recommended increase to parking meter rate from \$1/hr to \$1.25/hr = \$850K growth
- ❖ Reimbursements from Enterprises for General Fund related costs
 - ❖ Recreation Revolving Fund cost recovery thresholds limit moving additional costs from the General Fund

EXPENDITURES



EXPENDITURES

(Schools)

- ❖ School Budget: Up by 5%
 - ❖ Raised remaining \$1.465 million in Override
 - ❖ Supported by \$1 million in non property tax and cost efficiencies in municipal departments; \$500,000 of funds that would otherwise be allocated for Town services.
 - ❖ Town-School Partnership formula continues to share enrollment growth

- ❖ Refer to School Superintendent budget for more details

EXPENDITURES

(Municipal Departments)

- ❖ Modest growth of 2.5% to cover fixed costs and contractual increases
 - ❖ Includes reserve for salary/wage increases

- ❖ Limited effort at investment and initiatives
 - ❖ Pay-As-You Throw to be implemented in FY2017
 - ❖ Town Clerk budget increased to reflect more elections
 - ❖ Additional funding for Outside Counsel

EXPENDITURES

(Non-Departmental)

- ❖ Group Health Insurance
 - ❖ Assumption of 7.5% composite rate increase for GIC
 - ❖ Increased enrollment (primarily schools) is accounted for in Town-School Partnership formula

- ❖ Pension Funding
 - ❖ Unfunded liability has increased based on investment losses in '08 + '11
 - ❖ Rate of Return assumption is 7.65% (was 8.15% a few years ago).
Anticipate significant increase to the FY2018 appropriation.

- ❖ Contribution to OPEB Liability
 - ❖ +\$250,000
 - ❖ Goal to reach Annual Required Contribution (ARC) in less than 10 years

EXPENDITURES

(Special Appropriations)

- ❖ Revenue financed Capital Budget: \$8.88 million in FY 2017
 - ❖ \$4.46 million from general operating revenue
 - ❖ \$4.42 million from Free Cash
- ❖ Capital expenses are 8.3% of the Town's prior year net revenue, including debt exclusion funding
- ❖ Long term plan for High School adjusted by 1 year which allows for funding for a feasibility study for the ninth school.

EXPENDITURES

(Non-Appropriated and Enterprises)

- ❖ Non-Appropriated Expenses: 1.25% decrease
 - ❖ MBTA Assessment
 - ❖ Norfolk County Assessment
 - ❖ Overlay

- ❖ Enterprises: 4.4% growth
 - ❖ Recreation Revolving Fund reached threshold of what Fund can tolerate for cost recovery (impacted by minimum wage increase and sick leave policy)
 - ❖ Increase in the MWRA Assessment (Water/Sewer Enterprise Fund)

FY17 POLICY ISSUES & INITIATIVES⁷⁸

(Diversity and Inclusion)

- ❖ Programming via Chief Diversity Officer/Staff

- ❖ Independent Consulting
 - ❖ Training
 - ❖ Investigation
 - ❖ Overall Guidance

- ❖ Litigation Expenses

FY17 POLICY ISSUES & INITIATIVES⁷

(Solid Waste Management)

- ❖ Modified PAYT system to be implemented in Fall of 2016
 - ❖ Uniform trash bin will allow for automated pick up allowing for reduced labor costs (part of the commitment to reduce municipal costs as part of 3-Year Override Funding Plan)
 - ❖ Task Force currently evaluating default bin size, overflow options and costs

FY17 POLICY ISSUES & INITIATIVES

(Performance Management)

- ❖ Constantly looking to enhance measurements – outcome based rather than output. The focus is to improve results.
- ❖ Performance measures should be linked with overall goals/objectives and budget priorities
- ❖ Training needed to create a cultural change in the organization
- ❖ National Citizen Survey once again used as a tool to help evaluate town programs and services

FY17 POLICY ISSUES & INITIATIVES

(Review of Building Operations and Maintenance)

- ❖ Evaluating the results of the Matrix Consulting group study
- ❖ Need to develop a longer term strategic plan
- ❖ The value of investing in preventative maintenance
- ❖ The enhanced use of technology and the Town's web site
- ❖ The need for increased staffing and other resources to meet demands
- ❖ The importance of coordinated energy monitoring and reporting

FY17 POLICY ISSUES & INITIATIVES

(Technology - Parking Meters)

- ❖ Upgrading the parking meter fleet to accept credit cards and communicate wirelessly with enforcement personnel.
- ❖ Testing the use of mobile technology in on street parking.
- ❖ Essential commitments given \$.25 meter rate increase

FY17 POLICY ISSUES & INITIATIVES

(Technology – Credit Card Fee Consolidation)

- ❖ Consolidating the credit card fees under the Treasurer/Collector.
- ❖ Allows for the Town to better manage fees associated with modern credit card use.
 - ❖ New credit card transactions include “microtransactions” which are fees associated with minimal transaction amounts.

FY17 POLICY ISSUES & INITIATIVES

(Succession Planning)

- ❖ Need to develop institutional knowledge and leadership to accommodate transition in department heads.
- ❖ Working with Northeastern University graduate students to develop a succession template, with a strong focus on diversifying applicant pools.

FY17 POLICY ISSUES & INITIATIVES

(Energy Efficiency and Sustainability)

- ❖ LED Streetlight program is progressing, and will decrease the Town's streetlight bill by approximately \$180,000 per year.
- ❖ Due to favorable market conditions, the Town has secured a decrease in contracted prices for Gasoline and Diesel.
 - ❖ While the Town continues to procure energy efficient vehicles under the green communities standards.

FY17 POLICY ISSUES & INITIATIVES

(Long Range/Strategic Planning)

❖ School Classroom Space

- ❖ 9th Elementary School
- ❖ Expanded High School

❖ Affordable Housing

- ❖ Housing Production Plan
- ❖ Multiple Chapter 40B Permit Applications

❖ Evaluation of Town's Strategic Assets and Large Land Parcels

❖ Community Compact Participation

- ❖ Cyber Incident Response Plan
- ❖ Climate Vulnerability Assessment
- ❖ Brookline Youth Jobs Program



FY17 POLICY ISSUES & INITIATIVES

(Employee Wages and Benefits)

- ❖ Employee wages and benefits represent 82% of Town and School expenses

- ❖ Collective Bargaining
 - ❖ JLMC Jurisdiction over Police and Fire Bargaining

- ❖ Health Insurance with GIC
 - ❖ 83% contribution rate combined with Health Reimbursement Account for high deductibles
 - ❖ Separate but coordinated bargaining with a Public Employee Committee (including retirees)

- ❖ Pensions and OPEB Funding

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 \$2.5 to \$8.5 million in FY2021, representing a structural gap between revenue growth of 3% 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

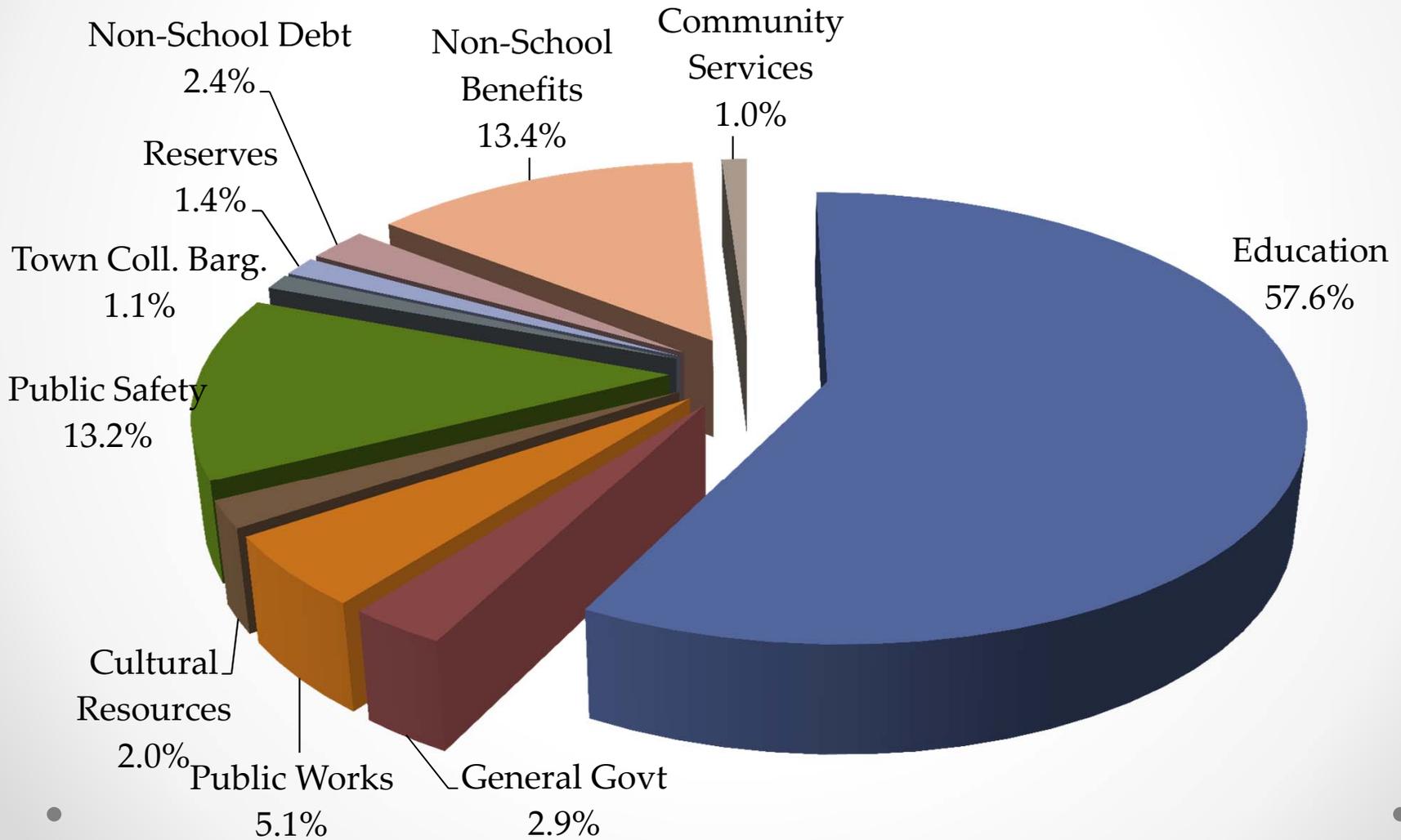
FY2017 FINANCIAL SUMMARY BY FUND

| | General Fund * | Water & Sewer Enterprise Fund | Golf Enterprise Fund | Recreation Revolving Fund | Parking Meter Fund | Cemetery Trust | Capital Project Surplus | TOTAL | % of Total |
|---|--------------------|-------------------------------|----------------------|---------------------------|--------------------|----------------|-------------------------|--------------------|------------|
| REVENUES | | | | | | | | | |
| Property Taxes | 204,023,297 | | | | | | | 204,023,297 | 70.0% |
| Local Receipts | 23,836,698 | | | | | | | 23,836,698 | 8.2% |
| State Aid | 19,526,277 | | | | | | | 19,526,277 | 6.7% |
| Parking Meter Receipts | | | | | 5,150,000 | | | 5,150,000 | 1.8% |
| Walnut Hill Cemetery Fund | | | | | | 75,000 | | 75,000 | 0.0% |
| State Aid for Libraries | | | | | | | | 0 | 0.0% |
| Golf Receipts | | | 1,522,831 | | | | | 1,522,831 | 0.5% |
| Recreation Program Revenue | | | | 2,984,641 | | | | 2,984,641 | 1.0% |
| Water and Sewer Receipts | | 28,985,259 | | | | | | 28,985,259 | 9.9% |
| Capital Project Surplus | | | | | | | 0 | 0 | 0.0% |
| Free Cash | 5,311,538 | | | | | | | 5,311,538 | 1.8% |
| TOTAL FINANCIAL PLAN REVENUE | 252,697,810 | 28,985,259 | 1,522,831 | 2,984,641 | 5,150,000 | 75,000 | 0 | 291,415,541 | |
| EXPENDITURES ** | | | | | | | | | |
| General Government | 8,762,934 | | | | | | | 8,762,934 | 3.0% |
| Public Safety | 34,702,351 | | | | 2,575,000 | | | 37,277,351 | 12.8% |
| Public Works | 11,460,546 | 24,638,299 | | | 2,575,000 | 75,000 | | 38,748,845 | 13.3% |
| Library | 3,977,262 | | | | | | | 3,977,262 | 1.4% |
| Health & Human Services | 2,590,122 | | | | | | | 2,590,122 | 0.9% |
| Recreation | 989,764 | | 1,112,609 | 2,608,741 | | | | 4,711,114 | 1.6% |
| Schools | 100,692,256 | | | | | | | 100,692,256 | 34.6% |
| Personal Services Reserve | 715,000 | | | | | | | 715,000 | 0.2% |
| Collective Bargaining (Town) | 2,699,900 | | | | | | | 2,699,900 | 0.9% |
| Personnel Benefits ** | 55,007,935 | 2,057,069 | 117,533 | 372,724 | | | | 57,555,261 | 19.8% |
| Non-Departmental ** | 3,180,590 | | 64,564 | 3,176 | | | | 3,248,330 | 1.1% |
| Debt Service | 10,742,938 | 2,289,891 | 228,125 | | | | | 13,260,954 | 4.6% |
| Revenue-Financed CIP (Special Appropriations) | 8,879,374 | | | | | | 0 | 8,879,374 | 3.0% |
| Non-Appropriated | 8,296,837 | | | | | | | 8,296,837 | 2.8% |
| TOTAL FINANCIAL PLAN EXPENDITURES | 252,697,810 | 28,985,259 | 1,522,831 | 2,984,641 | 5,150,000 | 75,000 | 0 | 291,415,542 | |
| % OF TOTAL FINANCIAL PLAN | 86.7% | 9.9% | 0.5% | 1.0% | 1.8% | 0.0% | 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.

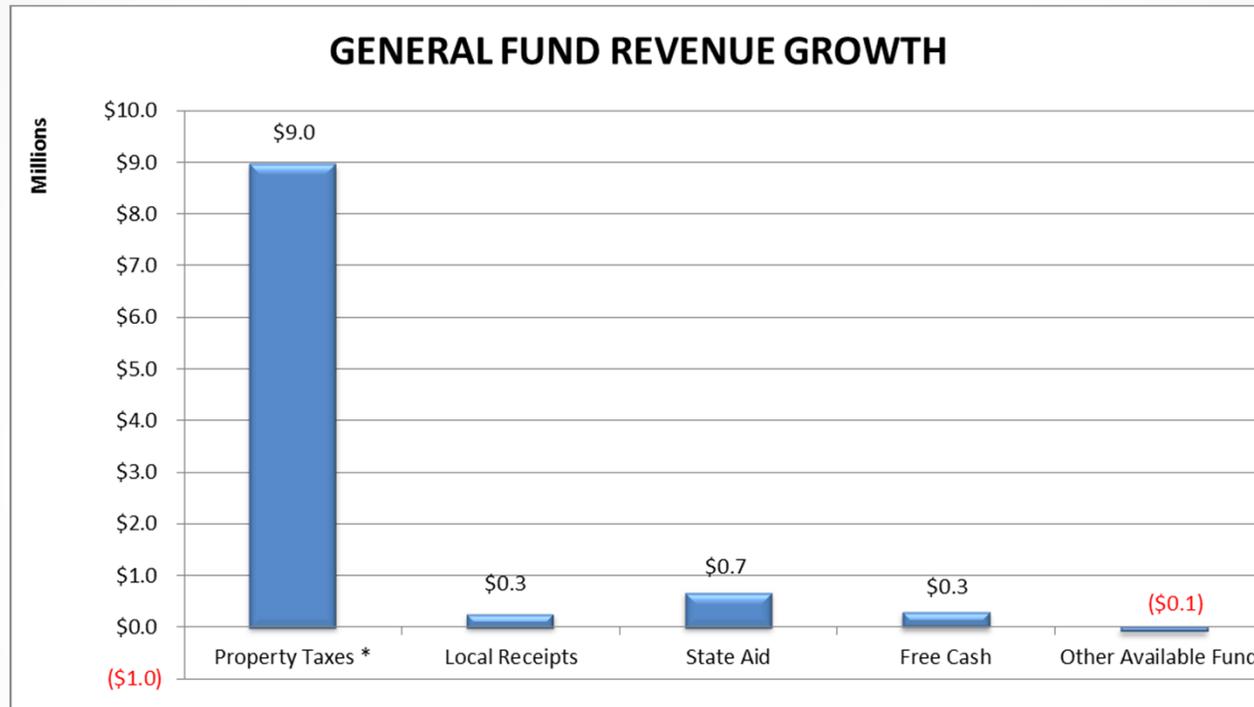
FULLY ALLOCATED FY2017 GENERAL FUND OPERATING BUDGET



GENERAL FUND SUMMARY

| | FY2016 BUDGET | FY2017 BUDGET | INCREASE/DECREASE | |
|---|--------------------|--------------------|-------------------|--------------|
| | | | \$ | % |
| REVENUE | | | | |
| Property Tax | 195,049,924 | 204,023,297 | 8,973,373 | 4.6% |
| Local Receipts | 23,568,685 | 23,836,698 | 268,013 | 1.1% |
| State Aid | 18,837,306 | 19,526,277 | 688,971 | 3.7% |
| Free Cash | 5,016,500 | 5,311,538 | 295,038 | 5.9% |
| Other Available Funds | 7,925,643 | 7,840,067 | (85,576) | -1.1% |
| TOTAL REVENUE | 250,398,058 | 260,537,877 | 10,139,819 | 4.0% |
| (LESS) NON-APPROPRIATED EXPENSES | | | | |
| State & County Charges | 6,319,715 | 6,381,971 | 62,256 | 1.0% |
| Tax Abatement Overlay | 1,965,726 | 1,800,000 | (165,726) | -8.4% |
| Deficits & Judgments | 25,000 | 25,000 | 0 | 0.0% |
| Cherry Sheet Offsets | 91,451 | 89,866 | (1,585) | -1.7% |
| TOTAL NON-APPROPRIATED EXPENSES | 8,401,892 | 8,296,837 | (105,055) | -1.3% |
| AMOUNT AVAILABLE FOR APPROPRIATION | 241,996,168 | 252,241,040 | 10,244,872 | 4.2% |
| APPROPRIATIONS | | | | |
| Town Departments | 69,403,454 | 71,122,877 | 1,719,423 | 2.5% |
| School Department | 95,916,093 | 100,692,256 | 4,776,163 | 5.0% |
| Non-Departmental Total | 66,563,619 | 71,546,530 | 4,982,911 | 7.5% |
| General Fund Non-Departmental | 64,042,976 | 68,931,463 | 4,888,487 | 7.6% |
| Water and Sewer Enterprise Fund Overhead * | 1,988,729 | 2,057,070 | 68,341 | 3.4% |
| Golf Enterprise Fund Overhead * | 177,791 | 182,097 | 4,307 | 2.4% |
| Recreation Revolving Fund Overhead * | 354,124 | 375,900 | 21,776 | 6.1% |
| OPERATING BUDGET SUBTOTAL | 231,883,167 | 243,361,665 | 11,478,498 | 5.0% |
| Revenue-Financed CIP (Special Appropriations) | 10,113,000 | 8,879,374 | (1,233,626) | -12.2% |
| TOTAL APPROPRIATIONS | 241,996,168 | 252,241,040 | 10,244,872 | 4.2% |
| BALANCE | 0 | 0 | 0 | |

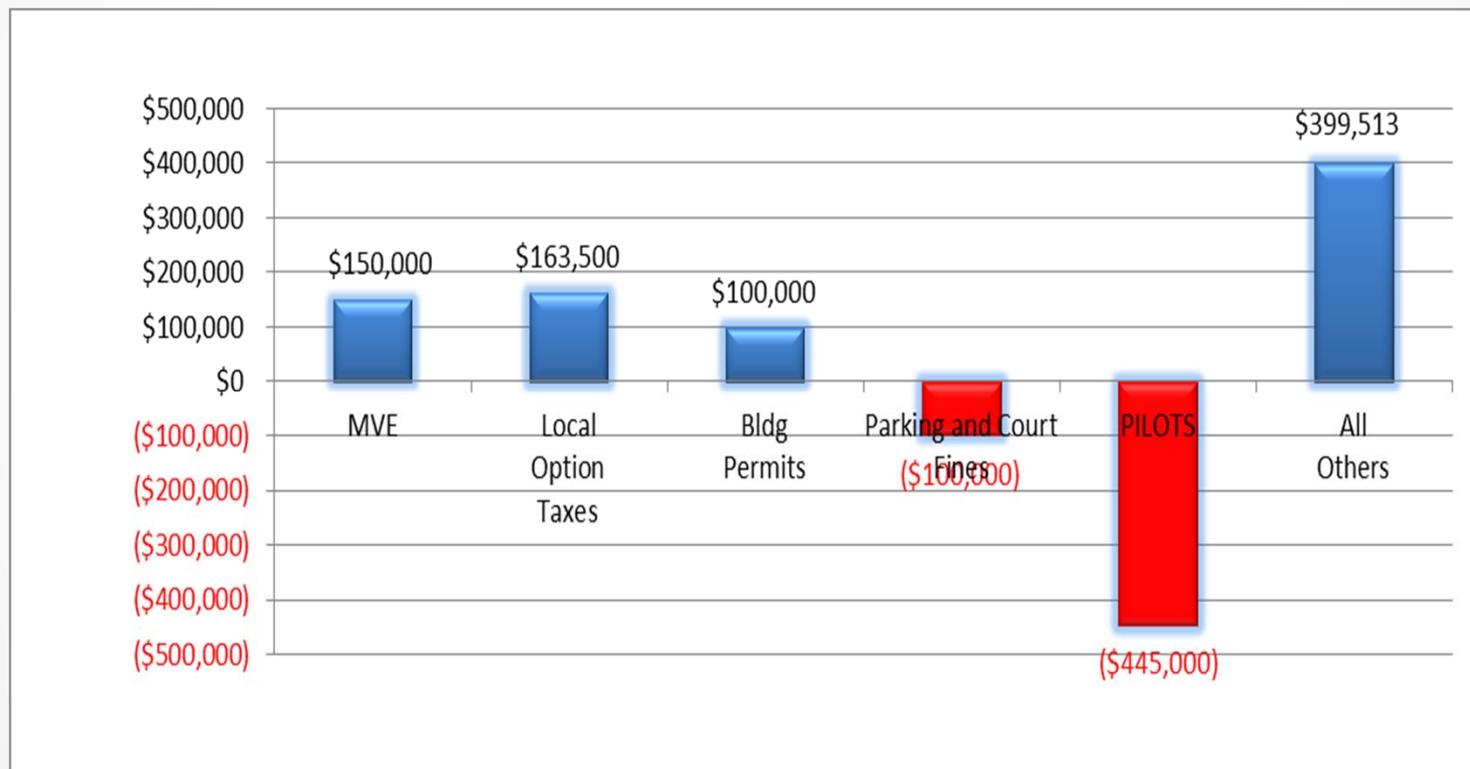
GENERAL FUND REVENUE CHANGES



| | FY16 | FY17 | \$ Change | % Change |
|----------------------------|--------------------|--------------------|-------------------|-------------|
| Total General Fund Revenue | 250,398,058 | 260,537,877 | 10,139,819 | 4.0% |
| <u>Less:</u> | | | | |
| SBA Reimbursements | 556,757 | 556,757 | 0 | 0.0% |
| Debt Exclusions | 1,076,000 | 1,048,400 | (27,600) | -2.6% |
| Free Cash | 5,016,500 | 5,311,538 | 295,038 | 5.9% |
| Add'l Revenue for CIP | 1,030,000 | 0 | (1,030,000) | -100.0% |
| Capital Project Surplus | 1,030,000 | 0 | (1,030,000) | - |
| OPERATING REVENUE | 242,718,801 | 253,621,182 | 10,902,381 | 4.5% |

LOCAL RECEIPTS

❖ FY17 increase of \$268,013(1.1%).



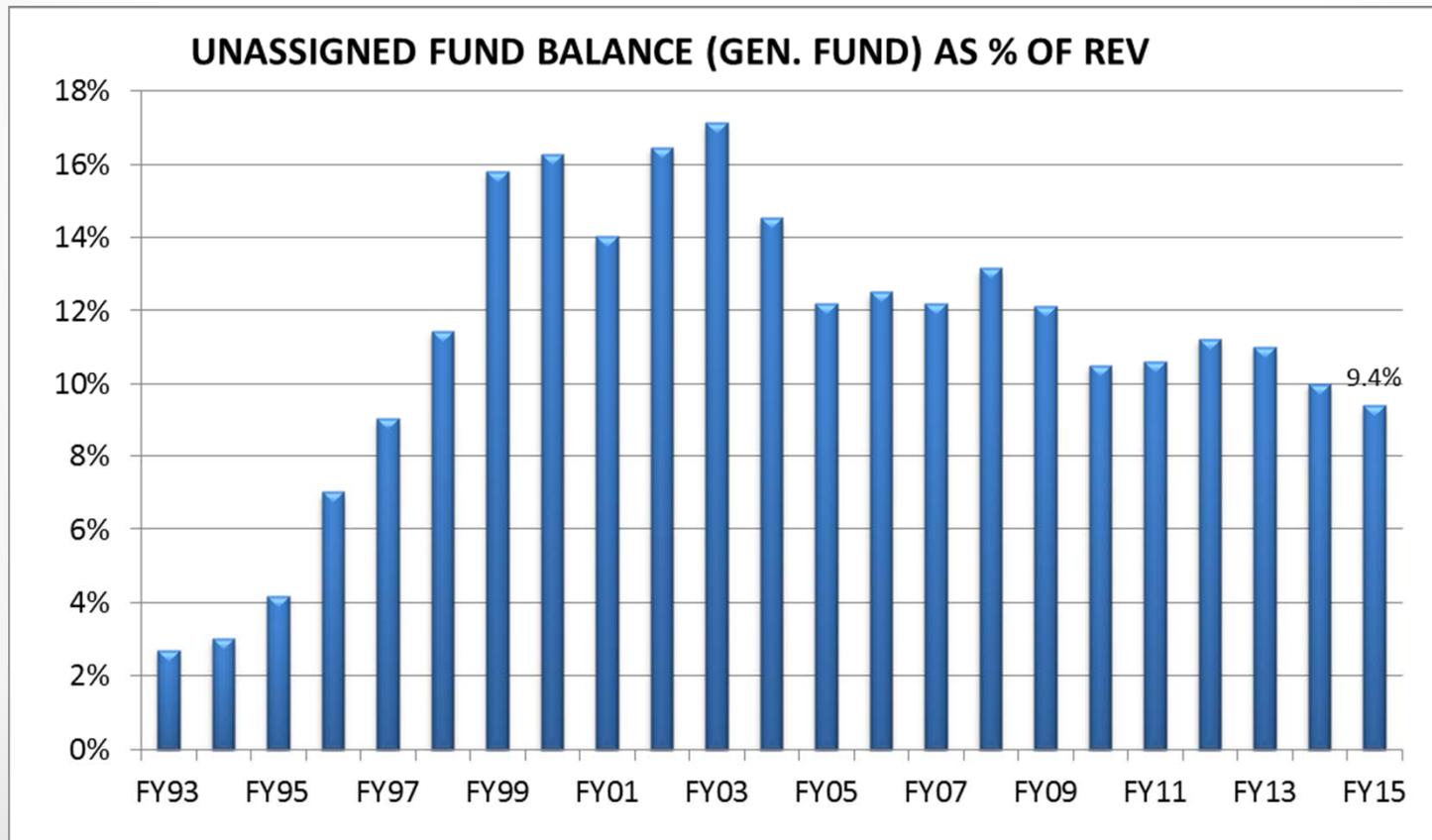
FREE CASH

- ❖ Free Cash as of 7/1/15 certified at \$7,811,184.
- ❖ For FY17 leaving \$2.5 million unappropriated to help maintain undesignated fund balance.
- ❖ Free Cash sequencing:

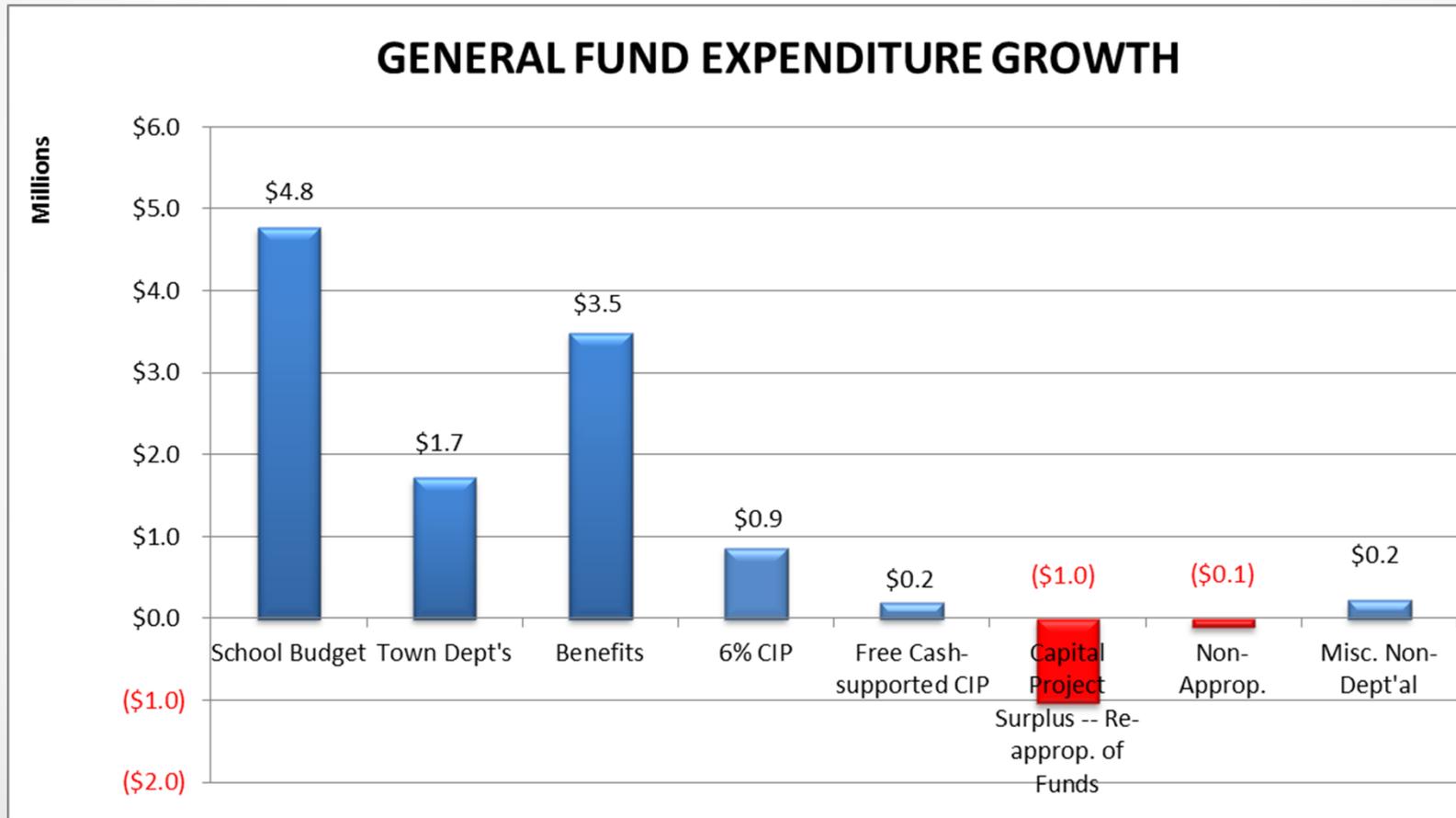
| Free Cash Certification | \$7,811,184 |
|--|------------------|
| 1. Operating Budget Reserve | \$587,184 |
| 2. Unreserved Fund Balance/Stabilization Fund | \$2,500,000 |
| 3. Liability Reserve (to get fund to 1% of Prior Yr Net Revenue) | \$144,322 |
| 4. Capital Improvements (to get to 7.5% of Prior Yr Net Revenue) | \$3,523,105 |
| 5. Affordable Housing Trust Fund (since Fund Balance below \$5M) | <u>\$158,539</u> |
| Sub-Total | \$6,913,150 |
| Amt available for Special Use (#6) | \$898,034 |
| 6. Special Use: | |
| Additional CIP | \$898,034 |

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 (reserve fund +Overlay)
- ❖ FY 2017 budget proposes to leave \$2.5M unappropriated in order to continue to at least maintain the current position.



GENERAL FUND EXPENDITURE GROWTH

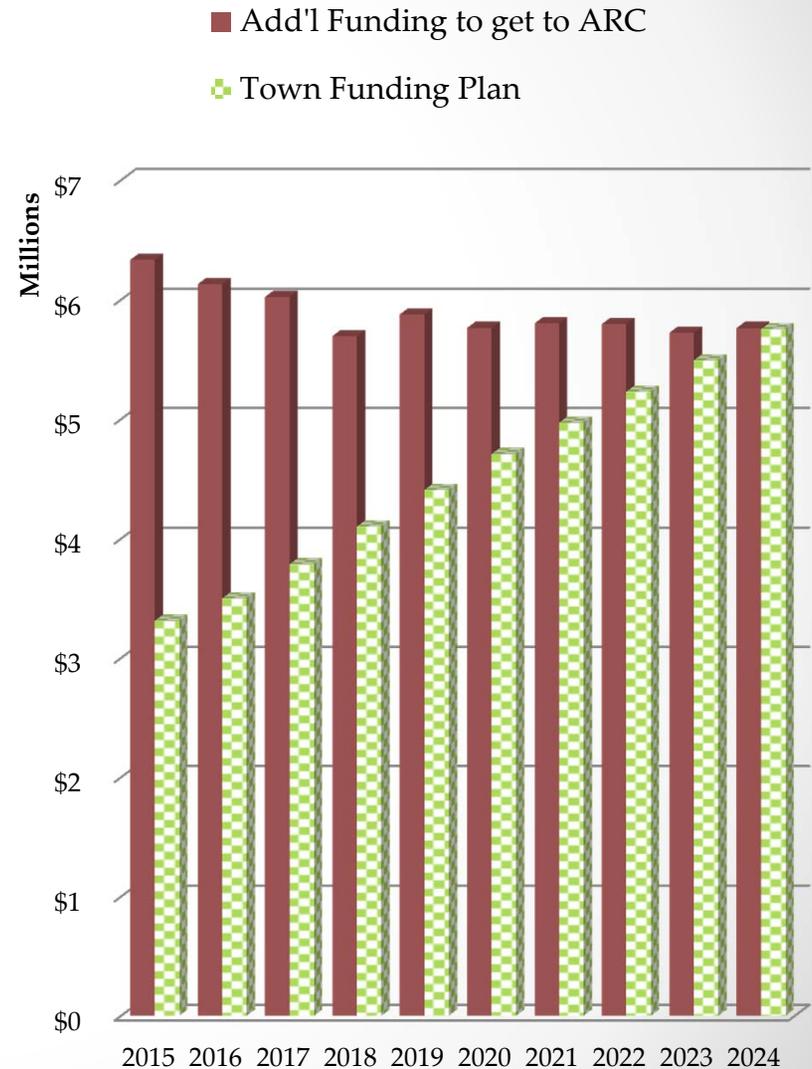


OPEB'S

- ❖ FY17 Financial Plan includes the following:
 - Increase in funding from operating revenue by the “regular” \$250K to \$2.7M.
 - 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 (\$400K) remains directed to OPEB funding. Funding source will decline starting next year.

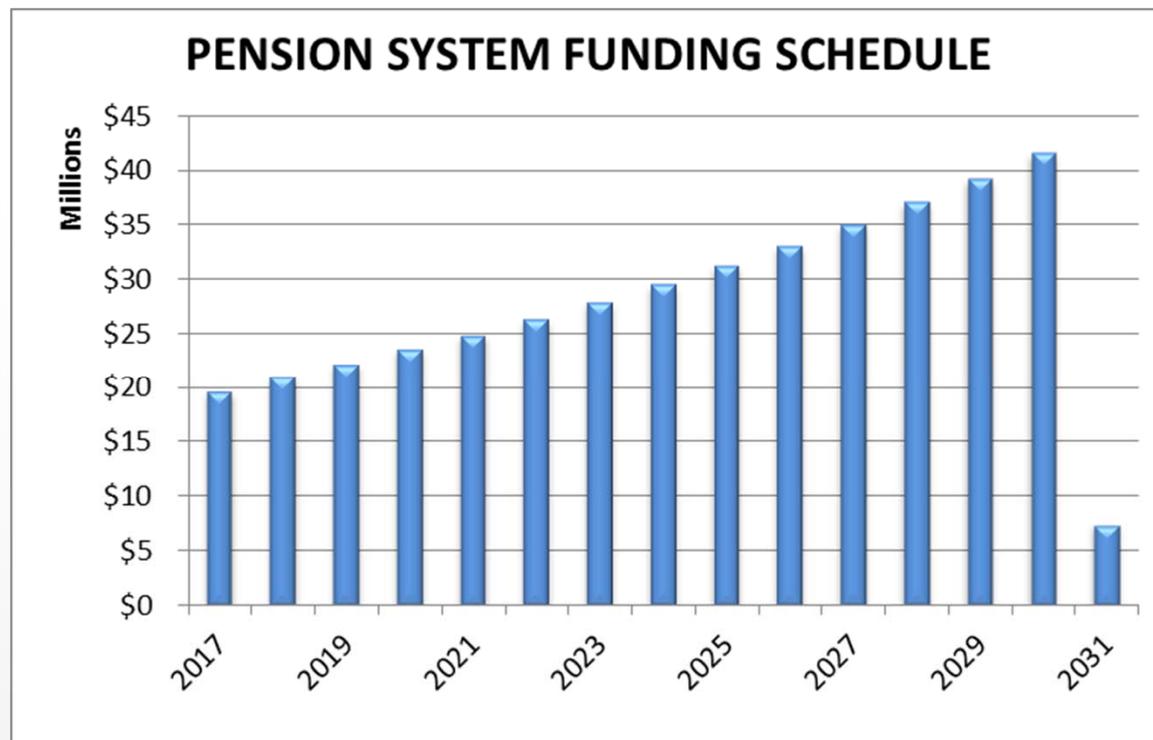
- ❖ Reach ARC in less than 10 yrs.

- ❖ Breakdown for the FY16 OPEB \$3.7M approp.:
 - ❖ Operating Rev - \$2,953,092
 - ❖ Medicare Part D - \$400,000
 - ❖ Town Spec Rev Funds - \$126,027
 - ❖ School Spec Rev Funds - \$160,719
 - ❖ Non-Contributory Retiree Savings - \$135,000



CONTRIBUTORY PENSIONS

- ❖ Follows existing funding plan, which is in effect for FY16+17
- ❖ Full funding date of 2030
- ❖ Retirement Bd reduced assumed annual Rate of Return from 7.75% to 7.65%
- ❖ Increase of \$1,011,656 (5.41%)



FY17 BUDGET SUMMARY

(in millions)

Operating Revenue

| | |
|----------------------|---------------|
| Prop Taxes | \$8.97 |
| Local Receipts | \$0.27 |
| State Aid | \$0.69 |
| <u>Misc.</u> | <u>\$0.21</u> |
| Total Incr in Op Rev | \$10.14 |

Operating Expenditures

| | |
|----------------------|---------------|
| Schools | \$4.78 |
| Benefits | \$3.49 |
| Town Dept's | \$1.72 |
| CIP+ Debt Service | \$0.03 |
| Non-Appropriated | (\$0.11) |
| <u>Misc</u> | <u>\$0.23</u> |
| Total Incr in Op Exp | \$10.14 |

FY17 TOWN BUDGET⁴⁰ GROWTH

| | <u>(in thousands)</u> |
|------------------------------|-----------------------|
| Coll Barg * | \$1,184 |
| Steps, etc. | \$248 |
| Outside Counsel | \$100 |
| Sanitation (Recycling +PAYT) | \$91 |
| Misc | \$73 |
| IT budget | \$62 |
| TDM Study | \$40 |
| Building R&M | \$59 |
| Utilities | (\$138) |
| TOTAL | \$1,719 |

* Includes CB amt in Library budget.

FY2017 WATER & SEWER ENTERPRISE FUND

| | FY2016 BUDGET | FY2017 BUDGET | INCREASE/DECREASE | | % of Total |
|-----------------------------|-------------------|-------------------|-------------------|-------------|------------|
| | | | \$ | % | |
| REVENUE | | | | | |
| Rate Revenue | 27,391,674 | 28,058,259 | 666,585 | 2.4% | 96.8% |
| 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 | 16,500 | 506,500 | 490,000 | 2969.7% | 1.7% |
| TOTAL REVENUE | 27,828,674 | 28,985,259 | 1,156,585 | 4.2% | |
| EXPENDITURES | | | | | |
| Personnel | 2,521,086 | 2,570,361 | 49,275 | 2.0% | 8.9% |
| 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 | 102,945 | 92,054 | (10,891) | -10.6% | 0.3% |
| Capital Outlay | 504,800 | 946,800 | 442,000 | 87.6% | 3.3% |
| Inter-Governmental (MWRA) | 19,570,438 | 20,254,703 | 684,265 | 3.5% | 69.9% |
| Benefits | 1,425,997 | 1,475,748 | 49,751 | 3.5% | 5.1% |
| Inter-Departmental Overhead | 562,732 | 581,322 | 18,590 | 3.3% | 2.0% |
| Debt Service | 2,377,747 | 2,289,891 | (87,856) | -3.7% | 7.9% |
| Reserve | 275,531 | 286,983 | 11,452 | 4.2% | 1.0% |
| TOTAL EXPENDITURE | 27,828,674 | 28,985,259 | 1,156,585 | 4.2% | |
| BALANCE | 0 | 0 | 0 | | |

FY2017 GOLF COURSE ENTERPRISE FUND

| | FY2016 BUDGET | FY2017 BUDGET | INCREASE/DECREASE | | % of Total |
|--------------------------|------------------|------------------|-------------------|--------------|---------------|
| | | | \$ | % | |
| REVENUE | | | | | |
| Greens Fees | 971,211 | 1,027,431 | 56,220 | 5.8% | 67.5% |
| Golf Cart Rentals | 193,000 | 194,661 | 1,661 | 0.9% | 12.8% |
| Pro Shop Sales | 95,314 | 100,000 | 4,686 | 4.9% | 6.6% |
| Concessions | 46,786 | 48,190 | 1,404 | 3.0% | 3.2% |
| Golf Clinics | 24,000 | 25,000 | 1,000 | 4.2% | 1.6% |
| Other | 46,000 | 127,549 | 81,549 | 177.3% | 8.4% |
| TOTAL REVENUE | 1,376,311 | 1,522,831 | 146,520 | 10.6% | |
| EXPENDITURES | | | | | |
| Personnel | 470,099 | 536,311 | 66,212 | 14.1% | 35.2% |
| Services | 126,648 | 123,648 | (3,000) | -2.4% | 8.1% |
| Supplies | 193,950 | 223,250 | 29,300 | 15.1% | 14.7% |
| Other | 8,100 | 8,100 | 0 | 0.0% | 0.5% |
| Utilities | 103,919 | 109,880 | 5,961 | 5.7% | 7.2% |
| Capital Outlay | 76,050 | 86,420 | 10,370 | 13.6% | 5.7% |
| Debt Service | 194,755 | 228,125 | 33,370 | 17.1% | 15.0% |
| Benefits / Other | 177,791 | 182,097 | 4,307 | 2.4% | 12.0% |
| Reserve | 25,000 | 25,000 | 0 | 0.0% | 1.6% |
| TOTAL EXPENDITURE | 1,376,311 | 1,522,831 | 146,520 | 10.6% | |
| BALANCE | 0 | 0 | 0 | | |

FY2017 RECREATION REVOLVING FUND

| | FY2016 BUDGET | FY2017 BUDGET | INCREASE/DECREASE | | % of Total |
|---------------------------|------------------|------------------|-------------------|-------------|---------------|
| | | | \$ | % | |
| REVENUE | | | | | |
| Aquatic | 570,000 | 577,765 | 7,765 | 1.4% | 19.4% |
| Eliot Center | 119,500 | 114,500 | (5,000) | -4.2% | 3.8% |
| Environmental Programs | 52,589 | 54,162 | 1,573 | 3.0% | 1.8% |
| Ice Skating | 158,596 | 161,768 | 3,172 | 2.0% | 5.4% |
| Off-Site Out of Town Trip | 46,900 | 46,900 | 0 | 0.0% | 1.6% |
| Outdoor Recreation | 615,000 | 630,024 | 15,024 | 2.4% | 21.1% |
| Outdoor Athletics | 264,500 | 288,767 | 24,267 | 9.2% | 9.7% |
| Soule Center | 810,322 | 857,611 | 47,289 | 5.8% | 28.7% |
| Soule Gym | 69,796 | 70,996 | 1,200 | 1.7% | 2.4% |
| Tappan Facility | 175,448 | 182,148 | 6,700 | 3.8% | 6.1% |
| TOTAL REVENUE | 2,882,651 | 2,984,641 | 101,990 | 3.5% | |
| EXPENDITURES | | | | | |
| Personnel | 1,815,917 | 1,880,801 | 64,884 | 3.6% | 63.0% |
| Services | 365,463 | 380,105 | 14,642 | 4.0% | 12.7% |
| Supplies | 193,942 | 188,842 | (5,100) | -2.6% | 6.3% |
| Other | 42,842 | 42,842 | 0 | 0.0% | 1.4% |
| Utilities | 102,383 | 108,172 | 5,789 | 5.7% | 3.6% |
| Capital Outlay | 7,980 | 7,980 | 0 | 0.0% | 0.3% |
| Benefits / Other | 354,124 | 375,900 | 21,776 | 6.1% | 12.6% |
| TOTAL EXPENDITURE | 2,882,651 | 2,984,641 | 101,990 | 3.5% | |
| BALANCE | 0 | 0 | 0 | | |

CAPITAL IMPROVEMENT⁴⁴ PROGRAM

- ❖ Developed within the parameters of the CIP Policies.
- ❖ Calls for an investment of \$274.4 million over the next six years, for an average of \$46 million/yr.
- ❖ \$6M for Classroom Capacity (\$6.37M FY17-FY22) primarily for lease/rental costs associated with the School's short-term space plan
- ❖ Debt Exclusions will be required for any future major elementary school project(s) and for a portion of any BHS project
 - ❖ CIP supports \$35.1M 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 7.9%

CIP – MAJOR CHANGES FROM DEC 15th

- ❖ High School Project moved back one year freeing up capacity for the 9th School feasibility study in FY17
 - Continues to assume MSBA participation
- ❖ Riverway Park- adjustment reflects grant funding received during the current fiscal year
- ❖ Coolidge Corner Library- unchanged from Prelim CIP, but larger scale renovation dependent on Grant and outside funding
 - Feasibility study options currently being evaluated

CIP FUNDING SUMMARY

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| 6% Policy | 14,092,420 | 14,752,866 | 15,252,796 | 15,830,783 | 16,361,874 | 16,873,257 |
| Net-Debt * | 9,634,539 | 12,095,849 | 12,764,674 | 13,788,720 | 13,193,901 | 14,539,567 |
| Pay-as-you-Go | 4,457,881 | 2,657,017 | 2,488,122 | 2,042,063 | 3,167,973 | 2,333,690 |
| <u>Free Cash</u> | <u>3,522,734</u> | <u>3,479,557</u> | <u>3,627,292</u> | <u>3,663,870</u> | <u>3,882,006</u> | <u>3,893,535</u> |
| Sub-Total | 17,615,154 | 18,232,423 | 18,880,088 | 19,494,653 | 20,243,880 | 20,766,792 |
| CIP as a % of Prior Yr Net Rev Per Policy | 7.5% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% |
| <u>ADDITIONAL REVENUE</u> | | | | | | |
| Additional Free Cash | 898,388 | 0 | 0 | 0 | 0 | 0 |
| Re-Approp. | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Debt Exclusion</u> | <u>1,048,400</u> | <u>1,020,800</u> | <u>4,505,739</u> | <u>4,469,139</u> | <u>3,517,539</u> | <u>3,517,539</u> |
| Sub-Total | 1,946,788 | 1,020,800 | 4,505,739 | 4,469,139 | 3,517,539 | 3,517,539 |
| TOTAL REVENUE | 19,561,942 | 19,253,223 | 23,385,827 | 23,963,792 | 23,761,419 | 24,284,330 |
| TOTAL CIP as a % of Prior Yr Net Rev | 7.9% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% |
| TOTAL CIP as a % of Prior Yr Net Rev w/Debt Excl | 8.3% | 7.8% | 9.2% | 9.1% | 8.7% | 8.6% |

* Defined as General Fund debt less debt supported by a debt exclusion.

MAJOR CIP PROJECTS

- ❖ • Parking Meter Technology Upgrade - \$805,200 (FY17, FY18, FY20, FY21)
- ❖ • BHS - \$36.2 million of Town funding + \$19.5 million of State funding (FY18, FY20)
- ❖ • Classroom Capacity - \$6.37 million (FY17-22)
- ❖ • Village Square - \$7.1 million (FY17) - - all outside funding
- ❖ • Coolidge Corner Improvements - \$515K (FY18)
- ❖ • Larz Anderson - \$4.9 million (FY19, FY21)
- ❖ • Fire Fleet Maintenance / Training Facility - \$4.5 million (FY17)
- ❖ • Fire Sta. Renovations - \$2.3 million (FY17-21)
- ❖ • Brookline Reservoir Park - \$2.3 million (FY17-18)
- ❖ • Robinson Playground - \$1.2 million (FY20-FY21)
- ❖ • Cypress Playground - \$1.8 million (FY22)

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUE | | | | | |
| Property Taxes | 204,023,297 | 211,342,570 | 223,541,553 | 231,459,848 | 237,983,016 |
| Local Receipts | 23,836,698 | 24,446,093 | 24,981,632 | 25,604,799 | 26,240,131 |
| State Aid | 19,526,277 | 19,994,204 | 20,473,830 | 20,843,351 | 21,347,257 |
| Other Available Funds | 7,840,067 | 7,945,200 | 8,051,181 | 8,162,256 | 8,283,610 |
| Free Cash (for Appropriation) | 5,311,538 | 4,200,000 | 4,400,000 | 4,500,000 | 4,650,000 |
| TOTAL REVENUE | 260,537,877 | 267,928,067 | 281,448,195 | 290,570,254 | 298,504,014 |

| | | | | | |
|---------------|------------|-----------|------------|-----------|-----------|
| \$\$ Increase | 10,139,819 | 7,390,190 | 13,520,128 | 9,122,059 | 7,933,760 |
| % Increase | 4.0% | 2.8% | 5.0% | 3.2% | 2.7% |

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| EXPENDITURES | | | | | |
| Departmental | 69,992,879 | 71,715,148 | 73,378,349 | 75,266,679 | 77,183,343 |
| Coll. Barg. - Town | 1,130,000 | 1,150,000 | 1,180,000 | 1,200,000 | 1,230,000 |
| Schools | 99,012,257 | 104,249,953 | 109,690,852 | 114,098,990 | 118,552,381 |
| Coll. Barg. - School | 1,680,000 | 1,720,000 | 1,750,000 | 1,790,000 | 1,820,000 |
| Non-Departmental - Benefits | 57,555,261 | 60,459,442 | 63,980,283 | 67,294,806 | 71,621,804 |
| Non-Departmental - General | 899,594 | 720,957 | 714,945 | 749,804 | 764,900 |
| Non-Departmental - Debt Service | 10,742,939 | 13,176,649 | 17,330,413 | 18,317,859 | 16,771,440 |
| Non-Departmental - Reserve Fund | 2,348,737 | 2,458,811 | 2,542,133 | 2,638,464 | 2,726,979 |
| Special Appropriations | 8,879,374 | 6,345,233 | 6,301,322 | 5,999,759 | 7,258,442 |
| Non-Appropriated | 8,296,837 | 8,493,993 | 8,696,078 | 8,903,215 | 9,115,530 |
| TOTAL EXPENDITURES | 260,537,877 | 270,490,187 | 285,564,373 | 296,259,575 | 307,044,818 |

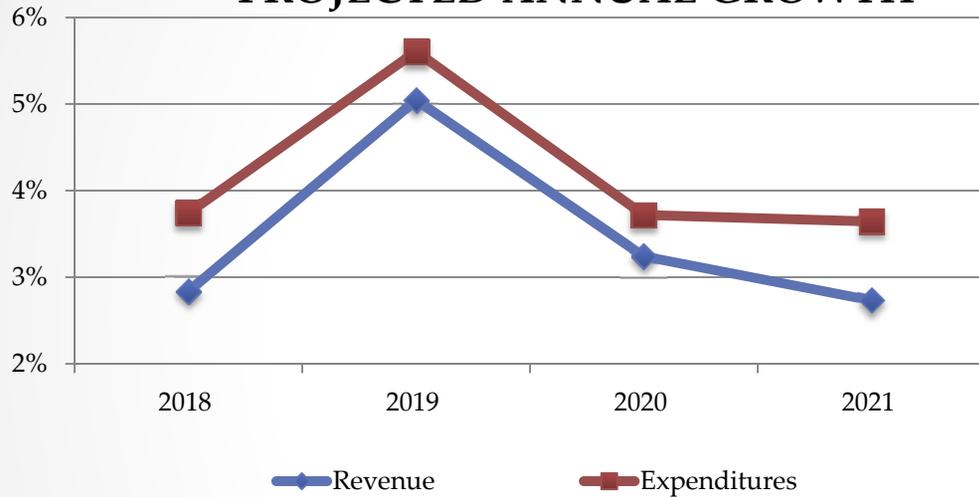
| | | | | | |
|---------------|------------|-----------|------------|------------|------------|
| \$\$ Increase | 10,139,820 | 9,952,310 | 15,074,186 | 10,695,201 | 10,785,244 |
| % Increase | 4.0% | 3.8% | 5.6% | 3.7% | 3.6% |

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
| CUMULATIVE SURPLUS/(DEFICIT) | 0 | (2,562,120) | (4,116,178) | (5,689,320) | (8,540,804) |
| DEFICIT AS A % OF OP REV | 0.0% | -1.0% | -1.5% | -2.0% | -2.9% |

| | | | | | |
|--|------------|--------------------|--------------------|--------------------|--------------------|
| Surplus / (Deficit) Prior to Collective Bargaining | 2,810,000 | 769,608 | (980,124) | (2,990,450) | (5,213,767) |
| Town Share of Surplus / (Deficit) | 1,130,000 | 242,931 | 494,146 | 735,350 | 356,774 |
| Town Collective Bargaining | 1,130,000 | 1,150,000 | 1,180,000 | 1,200,000 | 1,230,000 |
| Total Town Surplus / (Deficit) | (0) | (907,069) | (685,854) | (464,650) | (873,226) |
| School Share of Surplus / (Deficit) | 1,680,000 | 241,003 | (1,573,303) | (3,258,476) | (5,674,065) |
| School Collective Bargaining | 1,680,000 | 1,720,000 | 1,750,000 | 1,790,000 | 1,820,000 |
| Total School Surplus / (Deficit) | 0 | (1,478,997) | (3,323,303) | (5,048,476) | (7,494,065) |

FUTURE REVENUE & EXPENDITURE GROWTH

PROJECTED ANNUAL GROWTH



PROJECTED CUMULATIVE GROWTH

