

**TOWN OF BROOKLINE
FY2015 FINANCING PLAN**

**REVENUE GROUP: Overall Summary
SUB-GROUP: Overall Summary**

OVERALL SUMMARY

Municipal revenues consist of five primary sources: Property Taxes, State Aid, Local Receipts (excise taxes, fees, fines, etc.), Free Cash, and Enterprise / Revolving Funds. In Brookline, there are four primary funds that support operations: General Fund, Water and Sewer Enterprise Fund, Golf Course Enterprise Fund, and Recreation Revolving Fund. The General Fund is the largest, totaling \$236.08 million, or 89% of total Financial Plan revenues. Total Financial Plan revenue is \$264.5 million, which represents an increase of \$7.3 million, or 2.8%. FY15 General Fund revenues are projected to increase by \$7.02 million (3.1%) from the FY14 budgeted amounts. Operating Revenue, which is basically General Fund revenue less one-time revenues that support the Capital Improvement Program (CIP), increases \$8.61 million, or 3.9%. The below left table summarizes the General Fund changes while the below right table shows the calculation of Operating Revenue.

SOURCE	\$ CHANGE (Millions)	% CHANGE
Property Taxes	\$6.06	3.4%
Parking Meter Receipts	\$1.05	25.6%
State Aid	\$0.82	4.9%
Motor Vehicle Excise	\$0.20	4.0%
Parking Tickets	\$0.15	3.6%
Building Permits	\$0.14	6.8%
Local Option Taxes	\$0.13	5.8%
Tax Abatement Reserve Surplus	\$1.00	-
"Free Cash"	(\$2.57)	-33.6%
All Others	\$0.05	
TOTAL	\$7.02	3.1%

	FY14	FY15	\$ Change	% Change
Total General Fund Revenue	229,064,019	236,082,975	7,018,956	3.1%
Less:				
SBA Reimbursements	556,757	556,757	0	0.0%
Debt Exclusions	1,112,800	1,094,400	(18,400)	-1.7%
Free Cash	7,655,155	5,084,152	(2,571,002)	-33.6%
Add'l Revenue for CIP	0	1,000,000	1,000,000	-
Tax Abatement Reserve Surplus	0	1,000,000	1,000,000	-
OPERATING REVENUE	219,739,307	228,347,666	8,608,358	3.9%

It should be noted that of the \$7.02 million increase in General Fund revenue, \$1 million is associated with proposals consistent with the Town Administrator's "Bridge Budget" for FY15 (see the Budget Message for more detail) and is contingent upon Board of Selectmen approval. That new revenue comes from Parking Meter Receipts (\$850,000) and Parking Ticket Fines (\$150,000). In addition, the State Aid figures used in this Financial Plan are based on the Governor's FY15 budget proposal, which was submitted on January 22nd. He proposed a 2.3% (\$99.5 million) statewide increase in Chapter 70 Education Aid and level-funded Unrestricted General Government Aid (UGGA). For Brookline, the Governor's proposal results in a total State Aid increase of \$817,754 (4.9%). Since both the House and Senate need to offer their own versions of a FY15 State budget, it is likely that final State Aid figures will be different by the time a final FY15 State budget is approved.

A detailed description and analysis of the FY15 revenue items and related changes are found within the pages that follow.

REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Property Taxes *	163,620,490	170,137,612	175,783,902	175,783,902	181,848,174	6,064,272	3.4%
Local Receipts	23,849,795	24,480,797	22,119,366	24,221,467	22,920,225	800,859	3.6%
State Aid	13,796,975	15,125,059	16,659,162	16,659,162	17,476,916	817,754	4.9%
Free Cash	5,380,264	5,336,413	7,655,155	7,655,155	5,084,152	(2,571,002)	-33.6%
Other Available Funds	6,618,966	11,894,344	6,846,435	6,846,435	8,753,508	1,907,073	27.9%
General Fund Revenues	213,266,491	226,974,226	229,064,019	231,166,120	236,082,975	7,018,956	3.1%
Water/Sewer Enterprise **	23,146,968	24,537,803	24,802,748	24,802,748	24,852,449	49,700	0.2%
Golf Enterprise**	1,035,092	1,070,131	1,059,584	1,141,844	1,168,874	109,290	10.3%
Recreation Revolving Fund **	1,914,344	2,199,093	2,274,157	2,274,157	2,392,416	118,259	5.2%
Total Financial Plan Revenues	239,362,895	254,781,252	257,200,508	259,384,869	264,496,714	7,296,206	2.8%

* The figures provided for the FY12 and FY13 Property Tax Actuals represent the total levy, not actual collections.

** These figures are net of reimbursements to the General Fund, as those amounts are accounted for in the "Other Available Funds" category.

**TOWN OF BROOKLINE
FY2015 FINANCING PLAN**

**REVENUE GROUP: Overall Summary
SUB-GROUP: Overall Summary**

DETAILED REVENUE SUMMARY

GENERAL FUND	FY12	FY13	FY14	FY15	FY15 vs FY14	
	ACTUAL	ACTUAL	BUDGET	BUDGET	\$\$	%
Property Taxes *	163,620,490	170,137,612	175,783,902	181,848,174	6,064,272	3.4%
Local Receipts	23,849,795	24,480,797	22,119,366	22,920,225	800,859	3.6%
Motor Vehicle Excise (MVE)	4,996,690	5,334,089	4,950,000	5,150,000	200,000	4.0%
Local Option Taxes	2,367,620	2,372,036	2,150,000	2,275,000	125,000	5.8%
Licenses & Permits	1,225,478	1,183,850	1,180,975	1,189,975	9,000	0.8%
Parking / Court Fines	4,306,184	4,246,169	4,200,000	4,350,000	150,000	3.6%
General Government	4,228,916	4,515,181	3,287,391	3,459,750	172,359	5.2%
Interest Income	924,722	895,193	700,000	740,000	40,000	5.7%
PILOTs	1,022,789	1,173,779	1,125,000	1,165,000	40,000	3.6%
Refuse Fee	2,657,101	2,704,119	2,600,000	2,650,000	50,000	1.9%
Departmental & Other	2,120,294	2,056,382	1,926,000	1,940,500	14,500	0.8%
State Aid	13,796,975	15,125,059	16,659,162	17,476,916	817,754	4.9%
General Government Aid	5,474,269	5,464,358	5,579,223	5,598,478	19,255	0.3%
School Aid	6,950,005	8,955,386	10,373,426	11,169,220	795,794	7.7%
School Construction Aid	1,227,634	556,757	556,757	556,757	0	0.0%
Tax Abatement Aid	38,228	39,398	38,730	40,402	1,672	4.3%
Offset Aid	106,839	109,160	111,026	112,059	1,033	0.9%
Other Available Funds	6,618,966	11,894,344	6,846,435	8,753,508	1,907,073	27.9%
Parking Meter Receipts	3,800,000	3,950,000	4,100,000	5,150,000	1,050,000	25.6%
Walnut Hill Cemetery Fund	50,000	50,000	75,000	75,000	0	0.0%
State Aid for Libraries	41,555	41,555	41,555	41,555	0	0.0%
Golf Enterprise Fund Reimb.	163,852	155,037	150,416	163,049	12,633	8.4%
Recreation Revolving Fund Reimb.	295,912	281,764	353,717	349,934	(3,783)	-1.1%
Water and Sewer Enterprise Fund Reimb.	1,867,647	1,855,987	2,125,747	1,973,970	(151,776)	-7.1%
Tax Abatement Reserve Surplus	400,000	1,750,000	0	1,000,000	1,000,000	-
Free Cash	5,380,264	5,336,413	7,655,155	5,084,152	(2,571,002)	-33.6%
Capital Improvements	4,413,752	3,947,729	4,818,744	4,148,339	(670,404)	-13.9%
Operating Budget Reserve	469,288	486,736	507,190	530,584	23,394	4.6%
Strategic Reserves / Other Spec Approp's	497,224	901,948	2,329,221	405,229	(1,923,992)	-82.6%
TOTAL GENERAL FUND REVENUE	213,266,491	226,974,226	229,064,019	236,082,975	7,018,956	3.1%
ENTERPRISE FUND / REVOLVING FUND REVENUE						
Water and Sewer Enterprise Fund **	23,146,968	24,537,803	24,802,748	24,852,449	49,700	0.2%
Golf Course Enterprise Fund **	1,035,092	1,070,131	1,059,584	1,168,874	109,290	10.3%
Recreation Revolving Fund **	1,914,344	2,199,093	2,274,157	2,392,416	118,259	5.2%
TOTAL ENTERPRISE / REVOLVING FUND REVENUE	26,096,404	27,807,026	28,136,489	28,413,739	277,250	1.0%
TOTAL REVENUES	239,362,895	254,781,252	257,200,508	264,496,714	7,296,206	2.8%

* The figures provided for the FY12 and FY13 Property Tax Actuals represent the total levy, not actual collections.

** These figures are net of Reimbursements to the General Fund, as those amounts are accounted for in the "Other Available Funds" category.

**TOWN OF BROOKLINE
FY2015 FINANCING PLAN**

**REVENUE GROUP: Overall Summary
SUB-GROUP: Overall Summary – By Fund**

FY2015 REVENUE BY FUND

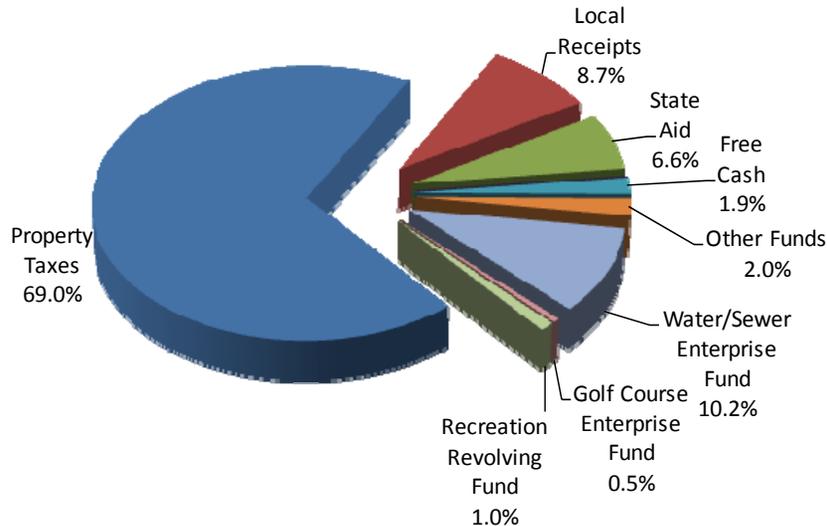
	General Fund ¹	Water & Sewer Enterprise Fund	Golf Enterprise Fund	Recreation Revolving Fund	Parking Meter Fund ²	Cemetery Fund ²	State Library Aid ²	Tax Abatement Reserve Surplus ²	TOTAL
Property Taxes	181,848,174								181,848,174
Local Receipts	22,920,225								22,920,225
State Aid	17,476,916								17,476,916
Parking Meter Receipts					5,150,000				5,150,000
Walnut Hill Cemetery Fund						75,000			75,000
State Aid for Libraries							41,555		41,555
Golf Enterprise Fund Reimbursement			163,049						163,049
Recreation Revolving Fund Reimbursement				349,934					349,934
Water and Sewer Enterprise Fund Reimbursement		1,973,970							1,973,970
Tax Abatement Reserve Surplus							1,000,000		1,000,000
Free Cash	5,084,152								5,084,152
TOTAL GENERAL FUND	227,329,467	1,973,970	163,049	349,934	5,150,000	75,000	41,555	1,000,000	236,082,975
Water and Sewer Enterprise Fund ³		24,852,449							24,852,449
Golf Course Enterprise Fund ³			1,168,874						1,168,874
Recreation Revolving Fund ³				2,392,416					2,392,416
TOTAL FINANCIAL PLAN	227,329,467	26,826,419	1,331,923	2,742,350	5,150,000	75,000	41,555	1,000,000	264,496,714

¹ Includes revenue from property taxes, local receipts, state aid, and Free Cash (not the "Other Available Funds" category shown on the previous pages).

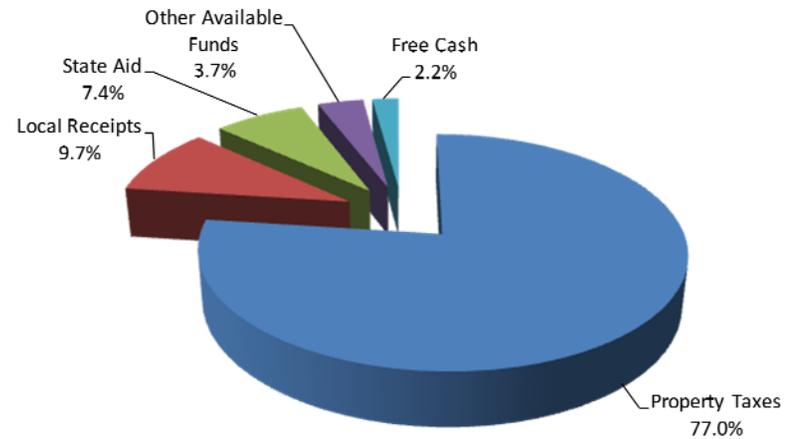
² The revenue from these funds are transferred into the General Fund.

³ These are net of Reimbursements to the General Fund, as those amounts are accounted for in the "Reimbursement" figures listed under the General Fund.

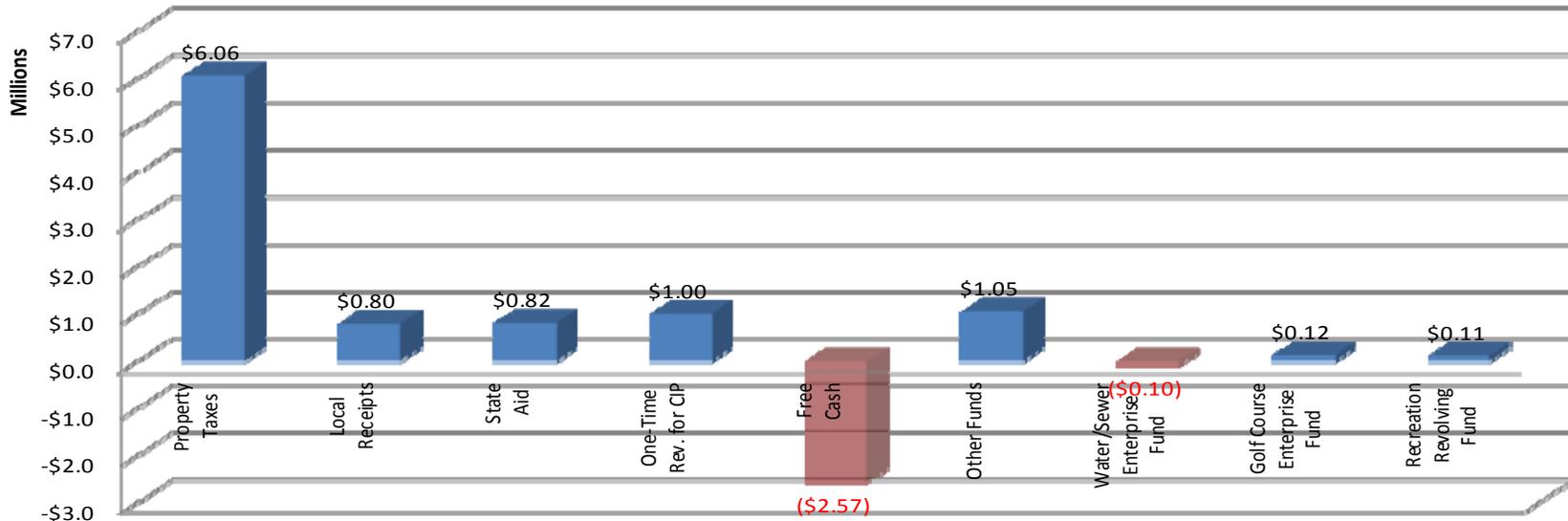
FY15 TOTAL REVENUE COMPOSITION



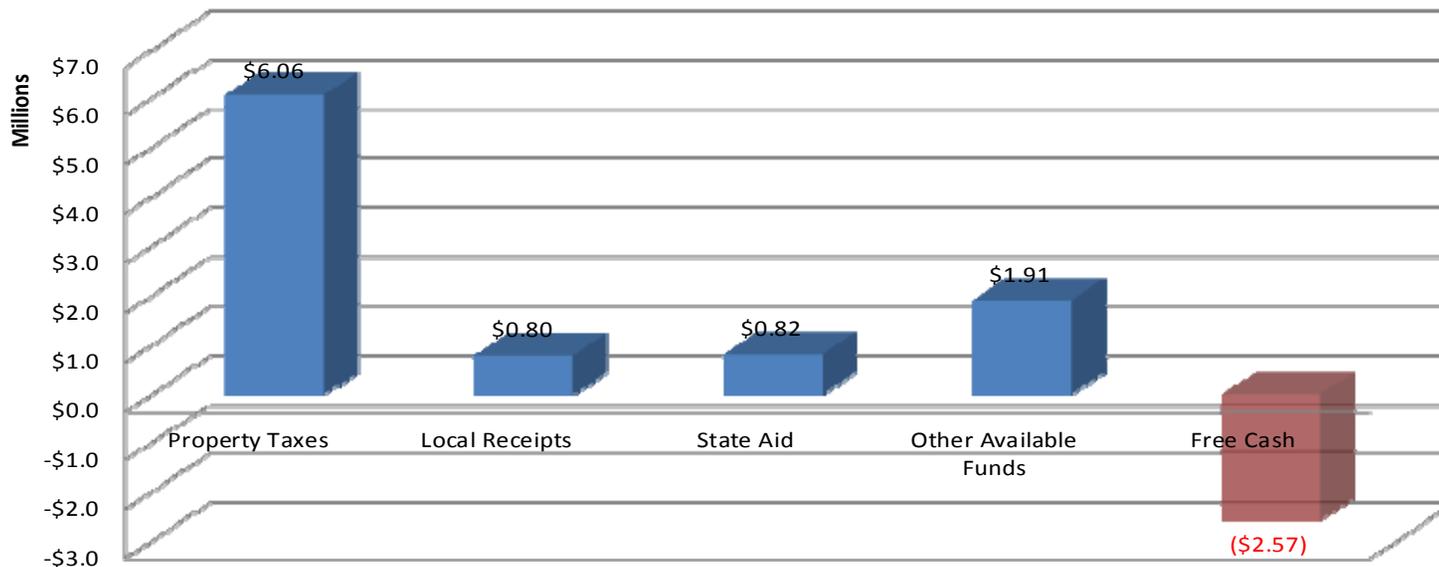
FY15 GENERAL FUND REVENUE COMPOSITION



FY15 TOTAL REVENUE CHANGES



FY15 GENERAL FUND REVENUE CHANGES



TOTAL REVENUES

\$ (millions)

% of General Fund Budget

REVENUE SOURCE	FY81	FY82	FY06 ACT.	FY07 ACT.	FY08 ACT.	FY09 ACT.	FY10 ACT.	FY11 ACT.	FY12 ACT.	FY13 ACT.	FY14 BUD.	FY15 BUD.
PROPERTY TAX	\$45.8 76.4%	\$40.8 71.0%	\$121.8 69.6%	\$128.9 69.8%	\$133.8 70.5%	\$146.5 73.7%	\$152.6 74.6%	\$155.9 77.2%	\$162.7 76.6%	\$169.0 74.8%	\$175.8 76.7%	\$181.8 77.0%
LOCAL RECEIPTS	\$3.8 6.4%	\$5.3 9.2%	\$23.0 13.1%	\$23.3 12.6%	\$24.5 12.9%	\$22.5 11.3%	\$21.0 10.3%	\$22.6 11.2%	\$23.8 11.2%	\$24.5 10.8%	\$22.1 9.7%	\$22.9 9.7%
STATE AID	\$5.5 9.2%	\$7.2 12.5%	\$18.0 10.3%	\$18.0 9.8%	\$18.9 10.0%	\$18.0 9.0%	\$16.5 8.1%	\$13.8 6.8%	\$13.8 6.5%	\$15.1 6.7%	\$16.7 7.3%	\$17.5 7.4%
FEDERAL REVENUE SHARING	\$1.1 1.8%	\$1.0 1.7%	\$0.0 0.0%									
FREE CASH	\$3.4 5.7%	\$2.7 4.7%	\$4.6 2.6%	\$5.4 2.9%	\$3.8 2.0%	\$6.0 3.0%	\$7.1 3.4%	\$4.6 2.3%	\$5.4 2.5%	\$5.3 2.4%	\$7.7 3.3%	\$5.1 2.2%
OTHER AVAILABLE FUNDS	\$0.3 0.5%	\$0.5 0.9%	\$7.7 4.4%	\$8.9 4.8%	\$8.6 4.5%	\$6.0 3.0%	\$7.4 3.6%	\$5.1 2.5%	\$6.6 3.1%	\$11.9 5.3%	\$6.8 3.0%	\$8.8 3.7%
GENERAL FUND BUDGET TOTAL	\$59.9	\$57.5	\$175.0	\$184.5	\$189.7	\$198.9	\$204.6	\$202.0	\$212.3	\$225.9	\$229.1	\$236.1
WATER & SEWER ENT FUND (1)	\$2.1	\$2.9	\$15.9	\$17.7	\$18.0	\$21.1	\$20.9	\$22.4	\$23.1	\$24.5	\$24.8	\$24.9
GOLF COURSE ENT FUND (1)	\$0.0	\$0.0	\$0.8	\$0.8	\$0.9	\$1.0	\$0.9	\$0.9	\$1.0	\$1.1	\$1.1	\$1.2
RECREATION REVOLVING FUND (1)	\$0.0	\$0.0	\$0.8	\$1.0	\$1.3	\$1.5	\$1.6	\$1.9	\$1.9	\$2.2	\$2.3	\$2.4
TOTAL FINANCIAL PLAN	\$62.0	\$60.4	\$192.6	\$204.0	\$209.9	\$222.5	\$228.2	\$227.2	\$238.4	\$253.7	\$257.2	\$264.5

(1) These figures are net of Reimbursements to the General Fund, as those amounts are accounted for in the "Other Available Funds" category.

**ANNUAL REVENUE CHANGES BY SOURCE
\$ (millions)**

REVENUE SOURCE	FY82	FY06 ACT.	FY07 ACT.	FY08 ACT.	FY09 ACT.	FY10 ACT.	FY11 ACT.	FY12 ACT.	FY13 ACT.	FY14 BUDGET	FY15 BUDGET
PROPERTY TAX	(\$5.1) -11.1%	\$2.3 1.9%	\$7.1 5.8%	\$5.0 3.9%	\$12.7 9.5%	\$6.0 4.1%	\$3.3 2.2%	\$6.8 4.3%	\$6.4 3.9%	\$6.8 4.0%	\$6.1 3.4%
LOCAL RECEIPTS	\$1.5 39.1%	\$1.8 8.3%	\$0.3 1.3%	\$1.2 5.3%	(\$2.1) -8.4%	(\$1.4) -6.3%	\$1.6 7.5%	\$1.2 5.5%	\$0.6 2.6%	\$1.0 4.9%	\$0.8 3.6%
STATE AID	\$1.7 31.1%	\$0.5 3.1%	\$0.1 0.4%	\$0.9 5.1%	(\$1.0) -5.2%	(\$1.4) -7.9%	(\$2.7) -16.5%	(\$0.0) -0.1%	\$1.3 9.6%	\$1.5 10.1%	\$0.8 4.9%
FEDERAL REVENUE SHARING	(\$0.1) -5.5%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%
FREE CASH	(\$0.6) -17.9%	(\$2.4) -33.9%	\$0.8 17.0%	(\$1.6) -29.2%	\$2.1 56.1%	\$1.1 18.4%	(\$2.5) -34.9%	\$0.8 17.2%	(\$0.0) -0.8%	\$2.3 43.5%	(\$2.6) -33.6%
OTHER AVAILABLE FUNDS	\$0.2 70.8%	(\$3.4) -30.8%	\$1.3 16.3%	(\$0.3) -3.8%	(\$2.6) -30.4%	\$1.4 23.9%	(\$2.3) -31.5%	\$1.5 30.3%	\$5.3 79.7%	(\$5.0) -42.4%	\$1.9 27.9%
GENERAL FUND BUDGET TOTAL	(\$2.4) -4.1%	(\$1.2) -0.7%	\$9.5 5.4%	\$5.2 2.8%	\$9.2 4.8%	\$5.7 2.9%	(\$2.7) -1.3%	\$10.3 5.1%	\$13.5 6.4%	\$6.6 2.9%	\$7.0 3.1%
WATER & SEWER ENT FUND (1)	\$0.9 41.0%	\$0.1 0.9%	\$1.8 11.5%	\$0.3 1.8%	\$3.1 17.0%	(\$0.1) -0.6%	\$1.5 6.9%	\$0.7 3.3%	\$1.4 6.0%	\$0.3 1.1%	\$0.0 0.2%
GOLF COURSE ENT FUND (1)	\$0.0 0.0%	(\$0.0) -2.2%	\$0.0 0.2%	\$0.1 7.5%	\$0.1 14.3%	(\$0.1) -5.9%	(\$0.0) -1.5%	\$0.1 11.0%	\$0.0 3.4%	(\$0.0) -1.0%	\$0.1 10.3%
RECREATION REVOLVING FUND (1)	\$0.0 0.0%	\$0.1 8.9%	\$0.2 21.2%	\$0.3 31.0%	\$0.2 17.1%	\$0.1 6.3%	\$0.3 17.3%	\$0.0 0.9%	\$0.3 14.9%	\$0.1 3.4%	\$0.1 5.2%
TOTAL FINANCIAL PLAN	(\$1.5) -2.6%	(\$1.0) -0.5%	\$11.5 6.0%	\$5.9 2.9%	\$12.6 6.0%	\$5.6 2.5%	(\$0.9) -0.4%	\$11.2 4.9%	\$15.3 6.4%	\$6.9 2.7%	\$7.3 2.8%

(1) These figures are net of Reimbursements to the General Fund, as those amounts are accounted for in the "Other Available Funds" category.

PROPERTY TAX

Property Tax is the primary source of revenue for most Massachusetts municipalities. In Brookline, Property Taxes represent more than 77% of General Fund revenues. Property Taxes are levied on both real property (land and buildings) and personal property (equipment). State law mandates that communities update their property values every three years and obtain state certification that such values represent full and fair cash value. A comprehensive town-wide revaluation was completed in FY12, with the next one scheduled for FY15.

Under the provisions of Proposition 2 ½, property taxes, in the aggregate, may not exceed 2 ½% of their "full and fair cash value". This limit is known as the "Levy Ceiling". In addition, annual levy increases may not exceed 2 ½% more than the previous year's levy plus the "New Growth" in taxes added from any new properties, renovations to existing properties, or condominium conversions added to the tax rolls. This is known as the "Levy Limit". Any Proposition 2 ½ override or debt exclusion amounts voted by the electorate are added to the Levy Limit while all related school construction reimbursements from the State are similarly subtracted.

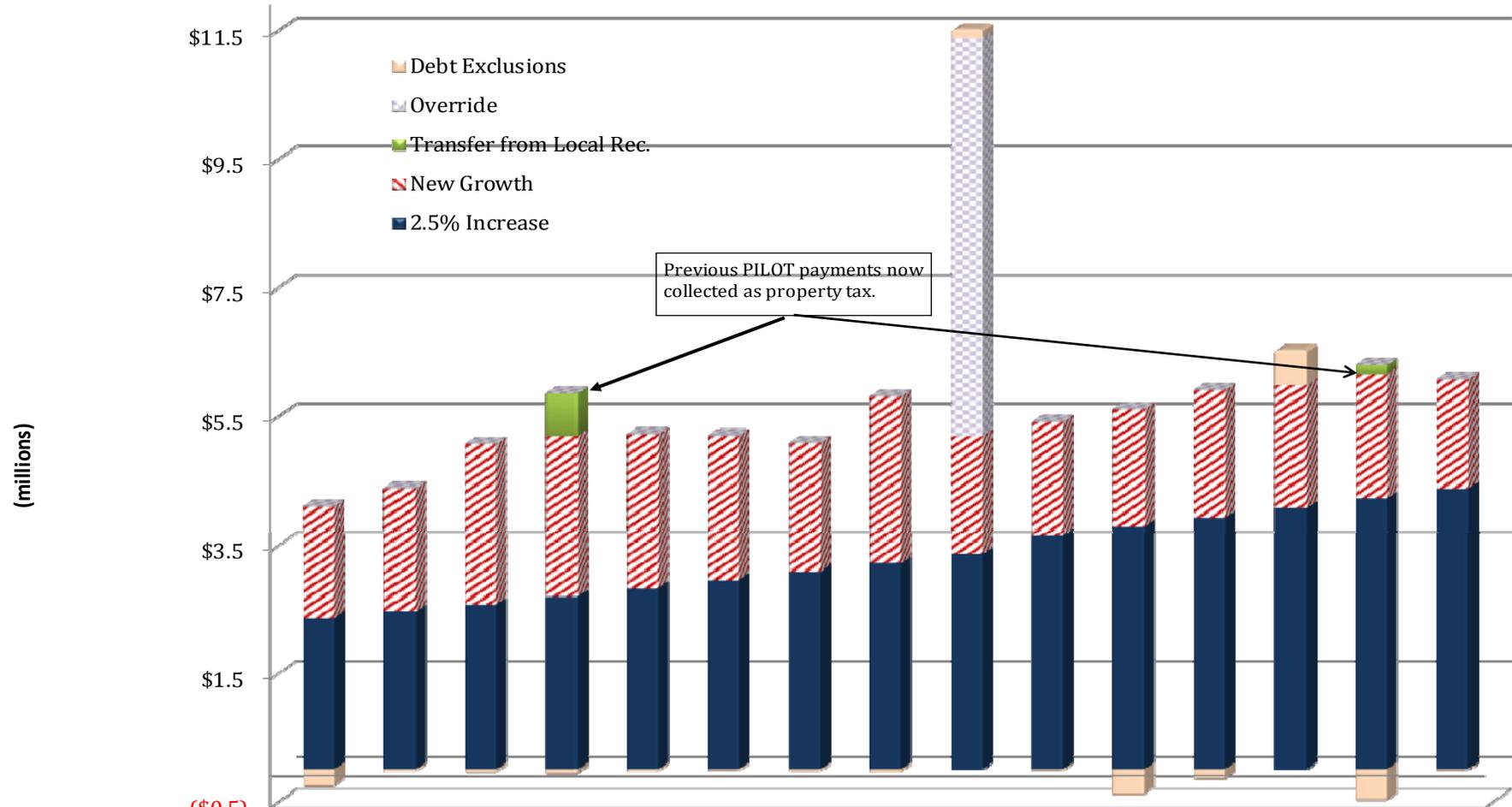
Property values and New Growth for FY15 are preliminary estimates used to project the Levy Limit. The FY15 Maximum Allowable Levy is projected to total \$181,848,174, representing an increase of \$6,064,272 (3.4%) over the FY14 Levy. The figures below detail how the estimated FY15 levy is calculated:

FY14 LEVY LIMIT	\$174,686,609
<u>PROP. 2 1/2 INCREASE</u>	<u>\$4,367,165</u>
SUB-TOTAL	\$179,053,774
<u>NEW GROWTH (est.)</u>	<u>\$1,700,000</u>
ESTIMATED FY15 LEVY LIMIT	\$180,753,774
<u>DEBT EXCLUSIONS</u>	<u>\$1,094,400</u>
FY15 TOTAL PROPERTY TAX LEVY	\$181,848,174

The following pages provide historical information on levy composition, collections, levy growth, and assessed values / tax bills.

REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Prior Year Levy Limit	156,653,255	162,553,810	168,537,757	168,537,757	174,686,609		
2.5% Increase	3,916,331	4,063,845	4,213,444	4,213,444	4,367,165		
New Growth	1,984,224	1,920,101	1,935,408	1,935,408	1,700,000		
Debt Exclusions	1,090,408	1,630,808	1,112,800	1,112,800	1,094,400		
(less) Excess Capacity	(23,729)	(30,953)	(15,507)	(15,507)	0		
Total Property Tax Levy	163,620,490	170,137,612	175,783,902	175,783,902	181,848,174	6,064,272	3.4%

COMPOSITION OF ANNUAL GROWTH IN THE PROPERTY TAX LEVY



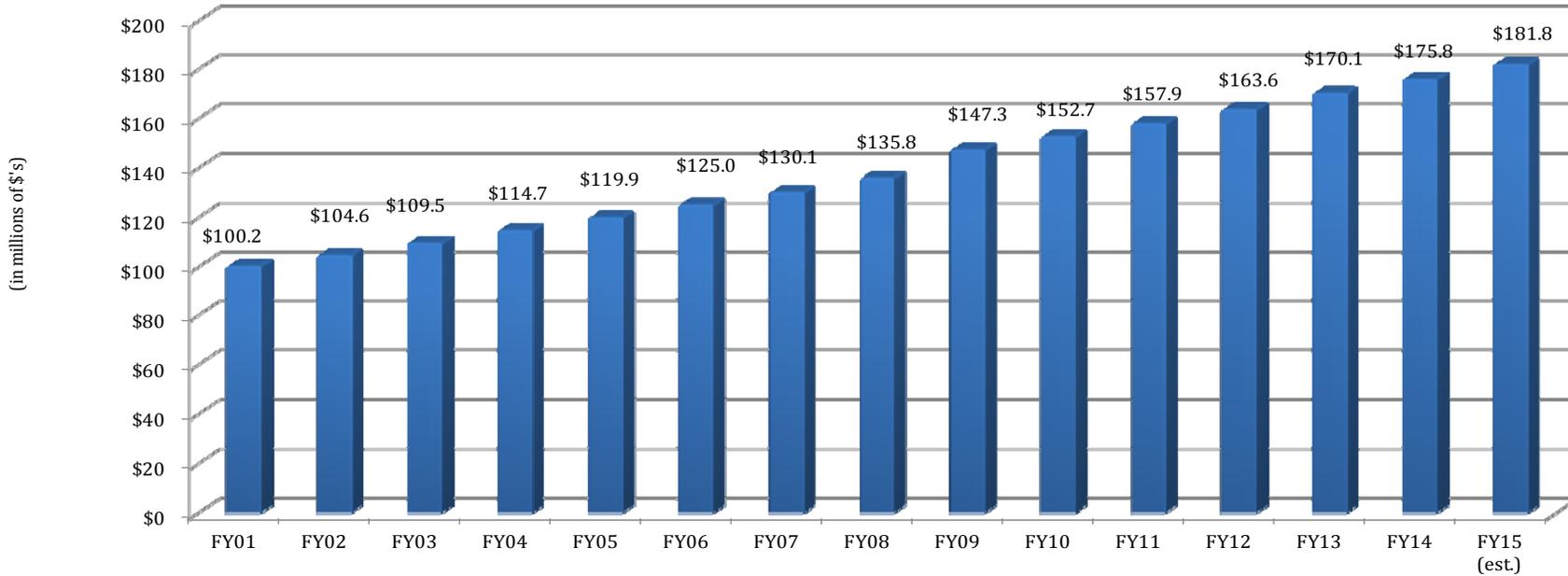
	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15 (est.)
Debt Exclusions	-0.28	-0.03	-0.05	-0.08	-0.03	-0.03	-0.03	-0.05	0.12	-0.03	-0.41	-0.17	0.54	-0.52	-0.02
Override	0	0	0	0	0	0	0	0	6.2	0	0	0	0	0	0
Transfer from Local Rec.	0	0	0	0.66	0	0	0	0	0	0	0	0	0	0.14	0
New Growth	1.73	1.91	2.49	2.49	2.39	2.23	1.99	2.58	1.83	1.76	1.83	1.98	1.92	1.94	1.70
2.5% Increase	2.36	2.46	2.57	2.69	2.82	2.95	3.08	3.21	3.36	3.64	3.78	3.92	4.06	4.21	4.37

TOWN OF BROOKLINE FY2015 FINANCING PLAN	FUND: General Fund	REVENUE GROUP: Property Tax SUB-GROUP: Property Tax
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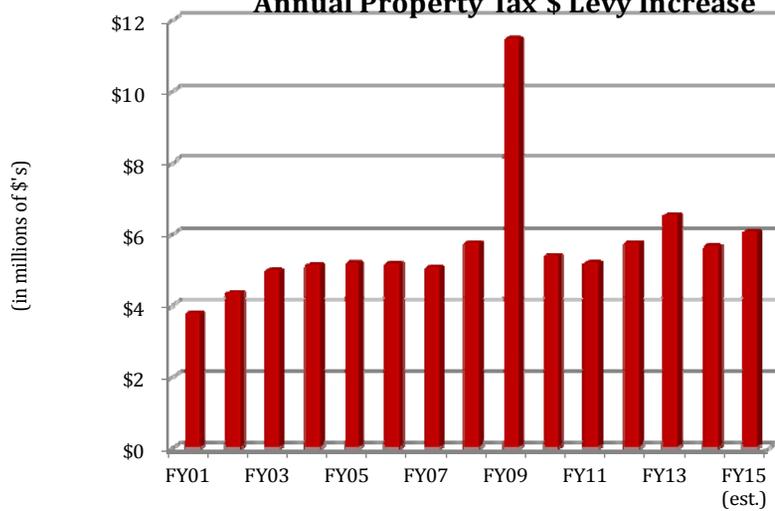
Fiscal Year	Real Estate & Personal Prop Lev	(1) Collections As Of Base Yr End	% As Of Base Yr End	Uncollected Bal As Of Base Yr End	(2) Cumulative Pr Yr Collections Yr End As Of Dec 31, 2013	Uncollected Real Estate & Pers Prop As Of Dec 31, 2013	% Collected As Of Dec 31, 2013	(3) Tax Titles / Foreclosures Receivable As of Yr-End
1999	92,203,063	91,376,684	99.1%	826,379	826,379	0	100.0%	384,660
2000	96,399,645	95,425,278	99.0%	974,367	974,367	0	100.0%	446,610
2001	100,217,510	99,792,628	99.6%	424,882	424,882	0	100.0%	437,625
2002	104,560,815	104,041,776	99.5%	519,039	519,039	0	100.0%	396,040
2003	109,532,058	108,596,481	99.1%	935,577	935,577	0	100.0%	545,592
2004	114,660,482	113,242,093	98.8%	1,418,389	1,418,389	0	100.0%	657,047
2005	119,871,025	118,861,627	99.2%	1,009,398	1,009,398	0	100.0%	602,897
2006	125,192,168	123,383,654	98.6%	1,808,515	1,808,514	0	100.0%	909,734
2007	130,078,303	129,277,684	99.4%	800,619	800,619	0	100.0%	873,404
2008	135,822,982	134,144,599	98.8%	1,678,383	1,678,383	0	100.0%	1,306,938
2009	147,285,266	145,749,715	99.0%	1,535,551	1,535,551	0	100.0%	1,265,379
2010	152,703,449	151,324,018	99.1%	1,379,430	1,379,430	0	100.0%	1,625,779
2011	157,878,286	156,328,350	99.0%	1,549,936	1,549,800	136	100.0%	1,604,165
2012	163,627,088	161,979,091	99.0%	1,647,997	1,647,997	0	100.0%	1,442,356
2013	170,194,288	168,046,465	98.7%	2,147,823	1,291,083	856,740	99.5%	1,181,226

1. Accounts Receivable Balance on June 30 of Base Year.
2. Each year-end sum of activities is added to the previous year. This column changes every year until the uncollected balance is \$0. The balance may equal the Tax Title balance for that year.
3. Base Year Tax Title amount.

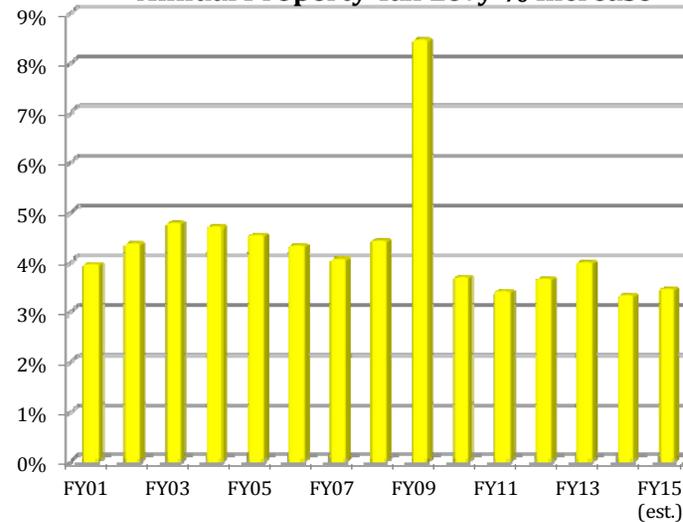
Annual Property Tax Levy



Annual Property Tax \$ Levy Increase



Annual Property Tax Levy % Increase



**TOWN OF BROOKLINE
FY2015 FINANCING PLAN**

FUND: General Fund

**REVENUE GROUP: Property Tax
SUB-GROUP: Property Tax**

MEDIAN PER PARCEL VALUES AND TAX BILLS

DESCRIPTION	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Single Family Median Assessed Value	903,850	1,017,100	1,023,550	986,900	1,017,000	1,022,400	1,027,300	1,059,400	1,071,750	1,114,000
\$ Change	66,800	113,250	6,450	(36,650)	30,100	5,400	4,900	32,100	12,350	42,250
% Change	8.0%	12.5%	0.6%	-3.6%	3.0%	0.5%	0.5%	3.1%	1.2%	3.9%
Single Family Median Tax Bill	7,716	8,137	8,341	8,437	9,130	9,429	9,771	10,187	10,531	10,694
\$ Change	304	422	203	96	693	299	342	416	344	162
% Change	4.1%	5.5%	2.5%	1.2%	8.2%	3.3%	3.6%	4.3%	3.4%	1.5%
Single Family Median Tax Bill as a % of 4-Person Family Median Income	9.85%	9.86%	9.62%	9.88%	10.64%	10.55%	10.47%	10.34%	10.51%	10.41%
Two Family Median Assessed Value	837,200	950,000	950,900	932,450	953,200	956,100	958,850	975,400	981,500	1,032,450
\$ Change	59,300	112,800	900	(18,450)	20,750	2,900	2,750	16,550	6,100	50,950
% Change	7.6%	13.5%	0.1%	-1.9%	2.2%	0.3%	0.3%	1.7%	0.6%	5.2%
Two Family Median Tax Bill	7,034	7,497	7,634	7,883	8,448	8,701	8,998	9,230	9,480	9,765
\$ Change	251	463	137	249	565	253	296	232	250	285
% Change	3.7%	6.6%	1.8%	3.3%	7.2%	3.0%	3.4%	2.6%	2.7%	3.0%
Two Family Median Tax Bill as a % of 4-Person Family Median Income	8.98%	9.08%	8.80%	9.23%	9.85%	9.74%	9.64%	9.36%	9.46%	9.50%
Three Family Median Assessed Value	931,150	1,088,000	1,102,900	1,078,450	1,113,200	1,115,150	1,116,000	1,151,400	1,152,400	1,209,400
\$ Change	60,900	156,850	14,900	(24,450)	34,750	1,950	850	35,400	1,000	57,000
% Change	7.0%	16.8%	1.4%	-2.2%	3.2%	0.2%	0.1%	3.2%	0.1%	4.9%
Three Family Median Tax Bill	7,995	8,815	9,113	9,369	10,158	10,446	10,773	11,236	11,471	11,780
\$ Change	230	819	298	256	789	288	327	463	235	309
% Change	3.0%	10.2%	3.4%	2.8%	8.4%	2.8%	3.1%	4.3%	2.1%	2.7%
Three Family Median Tax Bill as a % of 4-Person Family Median Income	10.21%	10.68%	10.51%	10.97%	11.84%	11.69%	11.54%	11.40%	11.44%	11.46%
Condo Median Assessed Value	373,700	411,400	424,800	411,450	423,500	423,000	423,900	421,900	425,200	447,000
\$ Change	26,800	37,700	13,400	(13,350)	12,050	(500)	900	(2,000)	3,300	21,800
% Change	7.7%	10.1%	3.3%	-3.1%	2.9%	-0.1%	0.2%	-0.5%	0.8%	5.1%
Condo Median Tax Bill	2,292	2,353	2,515	2,579	2,786	2,853	2,953	2,920	2,999	3,097
\$ Change	91	61	162	64	206	68	99	(33)	79	97
% Change	4.1%	2.6%	6.9%	2.6%	8.0%	2.4%	3.5%	-1.1%	2.7%	3.2%
Condo Median Tax Bill as a % of 4-Person Family Median Income	2.93%	2.85%	2.90%	3.02%	3.25%	3.19%	3.16%	2.96%	2.99%	3.01%
Commercial Median Assessed Value	875,000	943,500	914,300	971,500	1,015,600	1,033,800	1,038,350	1,048,450	1,085,750	1,171,800
\$ Change	84,900	68,500	(29,200)	57,200	44,100	18,200	4,550	10,100	37,300	86,050
% Change	10.7%	7.8%	-3.1%	6.3%	4.5%	1.8%	0.4%	1.0%	3.6%	7.9%
Commercial Median Tax Bill	14,534	14,587	14,519	16,224	17,590	18,402	19,002	19,480	20,597	21,678
\$ Change	897	53	(67)	1,705	1,366	811	600	478	1,116	1,082
% Change	6.6%	0.4%	-0.5%	11.7%	8.4%	4.6%	3.3%	2.5%	5.7%	5.3%
Residential Tax Rate	10.23	9.55	9.73	10.18	10.69	10.97	11.30	11.40	11.65	11.39
% Change	-3.8%	-6.6%	1.9%	4.6%	5.0%	2.6%	3.0%	0.9%	2.2%	-2.2%
Commercial Tax Rate	16.61	15.46	15.88	16.70	17.32	17.80	18.30	18.58	18.97	18.50
% Change	-3.8%	-6.9%	2.7%	5.2%	3.7%	2.8%	2.8%	1.5%	2.1%	-2.5%
Residential Exemption	149,610	165,014	166,331	158,100	162,923	162,904	162,607	165,764	167,761	175,127
Residential Exemption (Tax)	1,530.51	1,575.88	1,618.40	1,609.46	1,741.65	1,787.06	1,837.46	1,889.71	1,954.42	1,994.70
% Change	3.0%	3.0%	2.7%	-0.6%	8.2%	2.6%	2.8%	2.8%	3.4%	2.1%

NOTE: Assumes the homeowner is eligible for the Residential Exemption.

LOCAL RECEIPTS SUMMARY

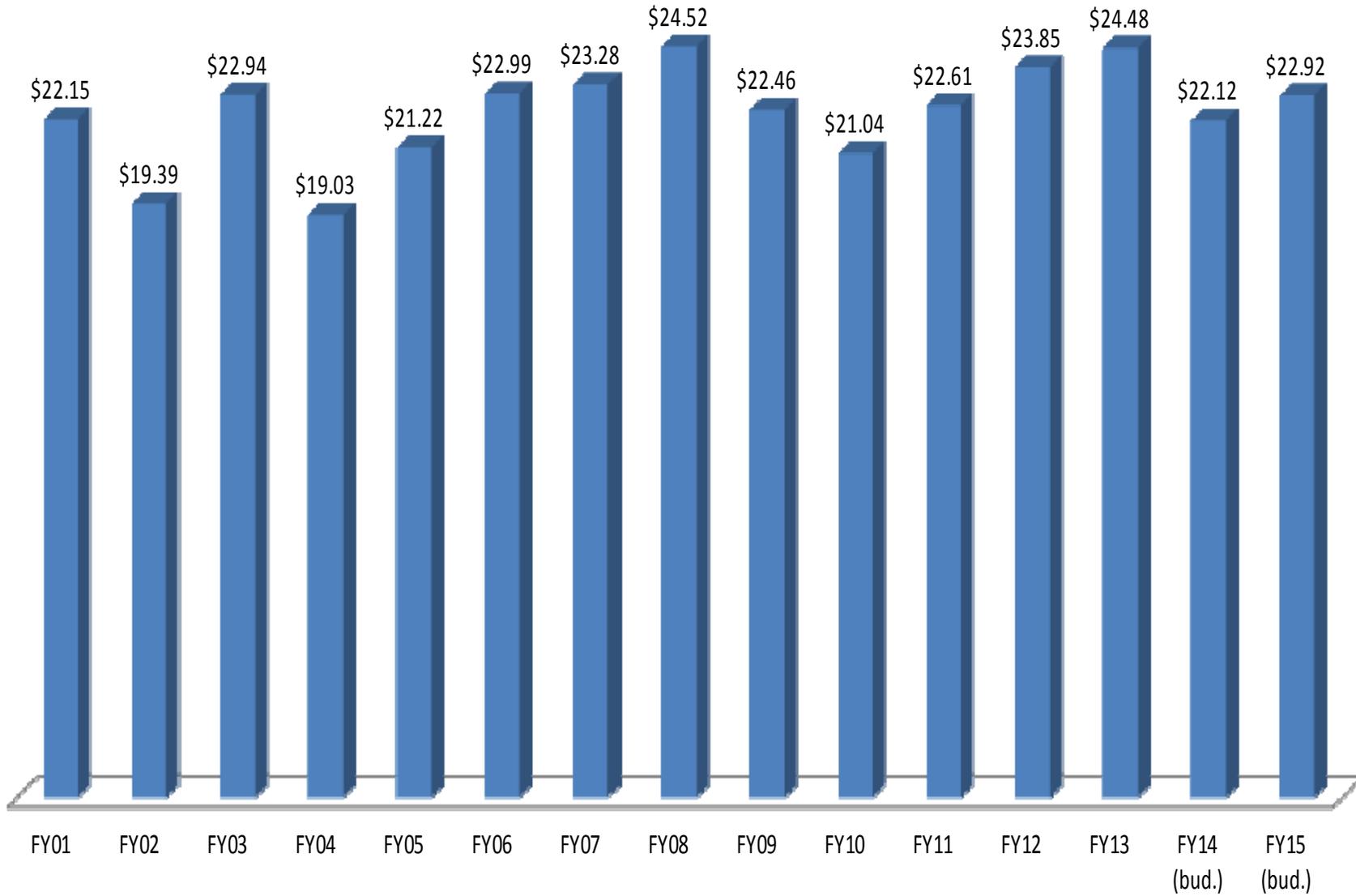
Local Receipts, estimated to add \$22.92 million to the Town's revenue stream, represent 9.7% of total General Fund revenues. They include motor vehicle excise, local option taxes, fees, fines, charges for licenses and permits, investment earnings, and other similar non-tax type items. These items are reviewed by departments to ensure that they continue to cover their fair share of the related administrative costs and are in accordance with the policies adopted by the respective oversight boards and commissions. They are projected to increase \$800,859 million (3.6%) over the FY14 budgeted amounts. A summary of the changes are as follows:

- 1.) **Motor Vehicle Excise (MVE)** - increases \$200,000 (4%) to \$5.15 million.
- 2.) **General Government** - this category increases \$172,359 (5.2%) to \$3.46 million due primarily to increases in Building Permits (\$136,000, 6.8%) and Benefits Reimbursements from non-General Fund accounts (\$30,359, 6.1%).
- 3.) **Parking and Court Fines** - increase \$150,000 (3.6%) to \$4.35 million based on the proposal to increase certain parking tickets from \$25 to \$30.
- 4.) **Local Option Taxes** - increase \$125,000 (5.8%) to \$2.28 million to reflect the actual experience of the meals and lodging excise taxes.
- 5.) **Refuse Fees** - increase \$50,000 (1.9%) to \$2.65 million to reflect recent experience.
- 6.) **Interest Income** - increases \$40,000 (5.7%) to \$740,000, a reflection of the current and projected interest rate environment.
- 7.) **Payment in Lieu of Taxes (PILOTs)** - increase \$40,000 (3.6%) to \$1.17 million due to scheduled increases in negotiated PILOT agreements.
- 8.) **Departmental and Other** - increases \$14,500 (0.8%) to \$1.94 million due to an increase in Parking Fees (\$20,000, 4.5%).
- 9.) **Licenses / Permits** - increase \$9,000 (0.8%) to \$1.19 million due to Liquor Licenses (\$5,000, 1.8%), Hackney Licenses (\$5,000, 5.6%), and Food Service Permits (\$5,000, 7.7%), partially offset by reductions in Fire Prevention permits and a change in where Entertainment Licenses, Common Victualler Licenses and Lodging House Licenses are accounted for.

Further details of these and other revenue sources are discussed on the following pages.

REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Motor Vehicle Excise	4,996,690	5,334,089	4,950,000	5,500,000	5,150,000	200,000	4.0%
Local Option Taxes	2,367,620	2,372,036	2,150,000	2,400,000	2,275,000	125,000	5.8%
Licenses and Permits	1,225,478	1,183,850	1,180,975	1,254,000	1,189,975	9,000	0.8%
Parking and Court Fines	4,306,184	4,246,169	4,200,000	4,400,000	4,350,000	150,000	3.6%
General Government	4,228,916	4,515,181	3,287,391	3,997,467	3,459,750	172,359	5.2%
Interest Income	924,722	895,193	700,000	710,000	740,000	40,000	5.7%
In Lieu of Tax Payments	1,022,789	1,173,779	1,125,000	1,150,000	1,165,000	40,000	3.6%
Refuse Fees	2,657,101	2,704,119	2,600,000	2,650,000	2,650,000	50,000	1.9%
Departmental and Other	2,120,294	2,056,382	1,926,000	2,160,000	1,940,500	14,500	0.8%
Total	23,849,795	24,480,797	22,119,366	24,221,467	22,920,225	800,859	3.6%

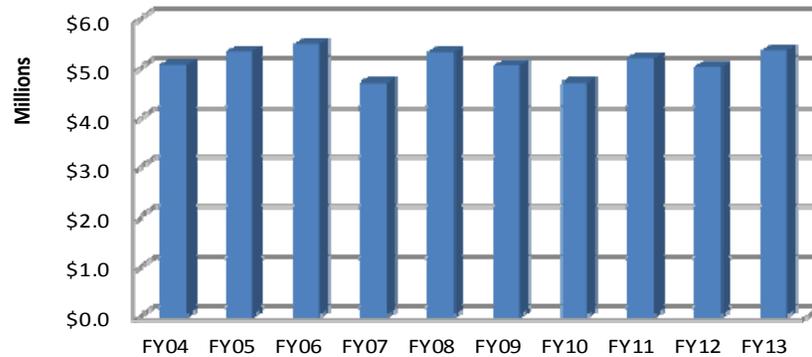
LOCAL RECEIPT HISTORY (in millions)



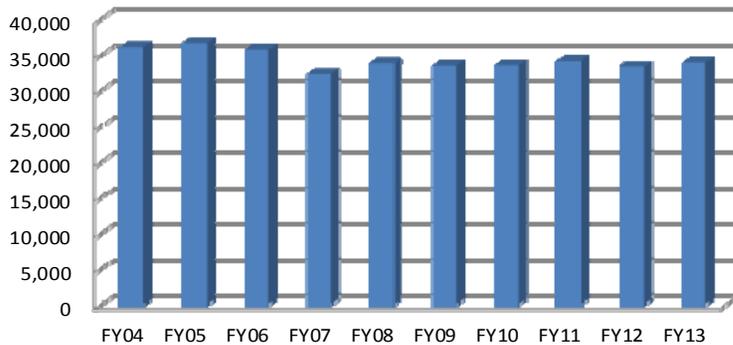
MOTOR VEHICLE EXCISE

State law establishes the Motor Vehicle Excise (MVE) tax rate. Proposition 2 ½ set the rate of \$25 per \$1,000 in automobile value. In the first year of ownership, the rate of \$25 per \$1,000 is assessed on 90% of the value of the vehicle; in year two, it is 60%; in year three, it is 40%; in year four, it is 25%; and in year five and thereafter, it is 10%. The actual billings are prepared by the Registry of Motor Vehicles (RMV) and then turned over to the Town for printing, distribution, and collection. The MVE tax is the Town's largest local receipt source and is expected to generate \$5.15 million in FY15, an amount that is \$200,000 (4%) above the FY14 budgeted amount.

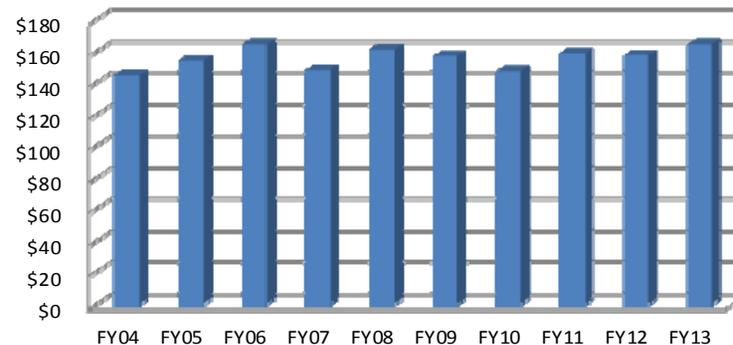
MVE COLLECTIONS (in millions)



NUMBER OF MVE BILLS



AVERAGE MVE BILL



<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$\$</u>	<u>%</u>
Motor Vehicle Excise	4,996,690	5,334,089	4,950,000	5,500,000	5,150,000	200,000	4.0%

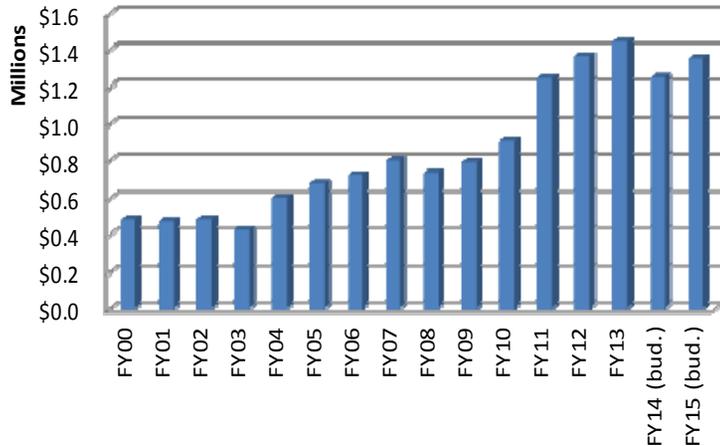
LOCAL OPTION TAXES

This category of local receipts consists of the Lodging Excise Tax and the Meals Excise Tax. These two revenue sources are made available to Massachusetts municipalities via local option, which, in Brookline, requires a vote of Town Meeting to enact. The Lodging Excise Tax was first adopted in 1985 and the Meals Excise Tax was first adopted in 2009.

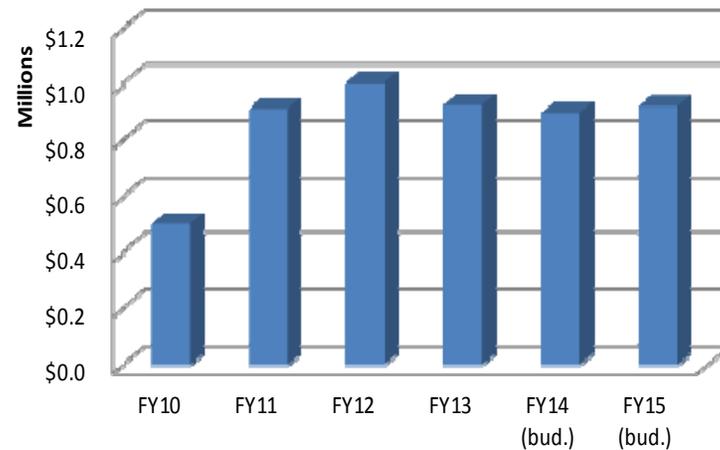
In 1985, legislation was enacted that enabled communities to impose a local option excise of up to 4% on gross receipts from room rentals of hotels and motels, in addition to the state excise of 5.7%. Brookline adopted the local option excise tax, at 4%, by a vote of Town Meeting in November, 1985. In 2009, as part of the FY10 State budget, cities and towns were authorized to increase the local option excise tax on room occupancies from a maximum of 4% to 6%. In August, 2009, Town Meeting increased the excise tax to 6%, which took effect on October 1, 2009. In FY15, this revenue source is expected to generate \$1.35 million, an increase of \$100,000 (8%) from the FY14 budgeted amount.

As part of the FY10 State budget, the meals tax was increased statewide by 1.25 percentage points (from 5% to 6.25%). In addition, municipalities were provided the local option to increase meals taxes by another 0.75 percentage points. In August, 2009, Town Meeting adopted the 0.75% local meals tax, effective October 1, 2009. In FY15, this revenue source is expected to generate \$925,000, an increase of \$25,000 (2.8%).

LODGING EXCISE TAX (in millions)



MEALS EXCISE TAX (in millions)



REVENUE SOURCE	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 BUDGET	FY2014 ESTIMATE	FY2015 BUDGET	BUDGET INCREASE	
						\$	%
Lodging Excise Tax	1,364,218	1,443,781	1,250,000	1,450,000	1,350,000	100,000	8.0%
Meals Excise Tax	1,003,402	928,255	900,000	950,000	925,000	25,000	2.8%
Total	2,367,620	2,372,036	2,150,000	2,400,000	2,275,000	125,000	5.8%

**TOWN OF BROOKLINE
FY2015 FINANCING PLAN**

FUND: General Fund

**REVENUE GROUP: Local Receipts
SUB-GROUP: Refuse Fee**

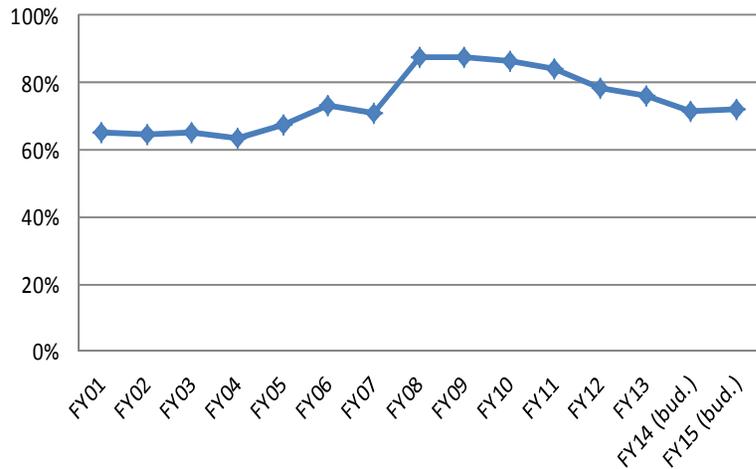
REFUSE FEE

For FY15, the Refuse Fee is assumed to remain level at \$200 per year. This should generate \$2,625,000 from residential collections and \$25,000 from commercial collections, for a total of \$2.65 million. The Residential Refuse Fee was first instituted in FY89 when the Town was faced with a 300% increase in refuse disposal costs. The fee was set at \$150 per dwelling unit and has changed since then as follows:

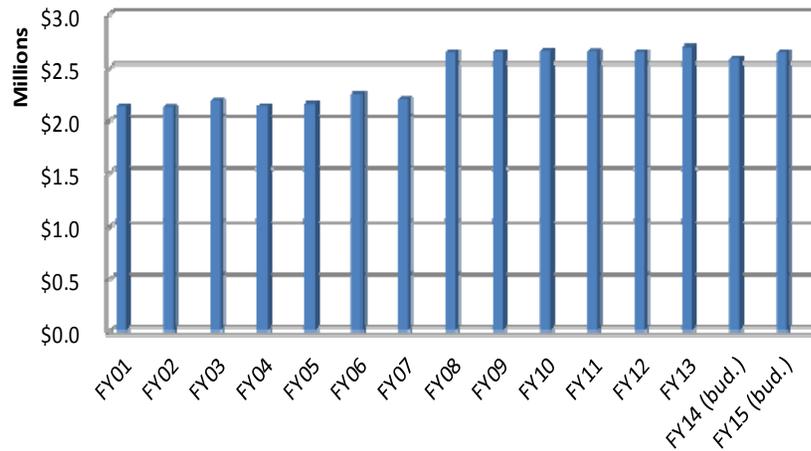
<u>FY89-FY91</u>	<u>FY92</u>	<u>FY93-FY94</u>	<u>FY95-FY07</u>	<u>FY08-FY14</u>	<u>FY15 Est</u>
\$150	\$175	\$200	\$165	\$200	\$200

The Proposition 2 ½ override of 1994 included restoring a portion of the fee back to the tax levy. The amount of \$460,000 was added to the override and reduced from refuse fee revenue, resulting in a fee reduction from \$200 to \$165. The fee was then increased to \$200 in FY08 as part of a budget balancing plan to close a \$3.2 million deficit. The fee revenue covers approximately 75% of the service costs, as shown in the below left graph.

Revenues as a Percentage of Total Expenditures for the Refuse Operation



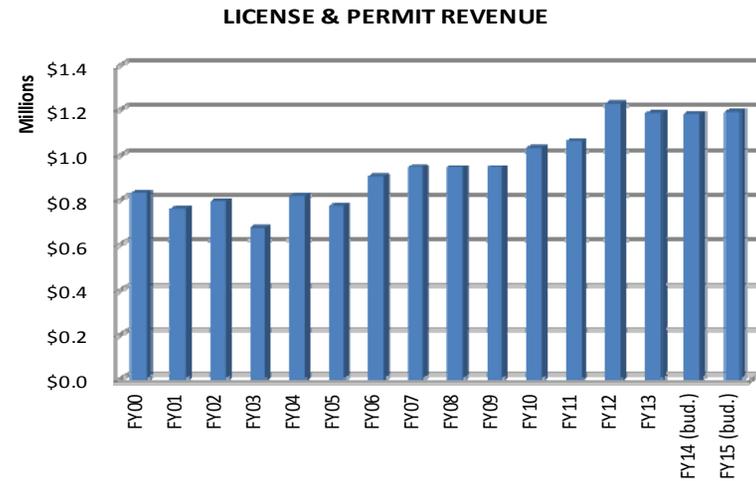
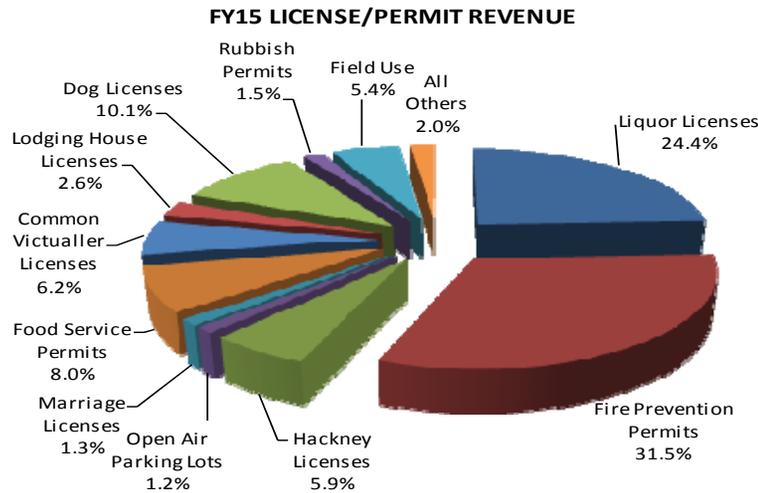
REFUSE FEE REVENUE



<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$</u>	<u>%</u>
Refuse Fee	2,657,101	2,704,119	2,600,000	2,650,000	2,650,000	50,000	1.9%
Total	2,657,101	2,704,119	2,600,000	2,650,000	2,650,000	50,000	

LICENSES AND PERMITS

The majority of the revenue from Licenses and Permits is derived from fire prevention permits, liquor licenses, dog licenses, and licenses from a variety of food establishments. For FY15, revenues from this category are expected to total \$1.19 million, an increase of \$9,000 (0.8%) from FY14 budgeted levels. The increase comes from a mix of factors: (1) a reduction in Fire Prevention Permits (\$40,000, 9.6%), (2) increases in Liquor Licenses (\$5,000, 1.8%), Hackney Licenses (\$5,000, 7.7%), and Food Service Permits (\$5,000, 5.6%), and (3) the impact of a new fee schedule for Entertainment, Common Victualler, and Lodging House Licenses. (A new fee schedule for these licenses was adopted by the Board of Selectmen in 2013. Under the new fee structure, the Common Victualler fee was changed to include the fees for entertainment licenses, which was previously a separate fee, and for inspections, which were accounted for in other local receipt categories.)

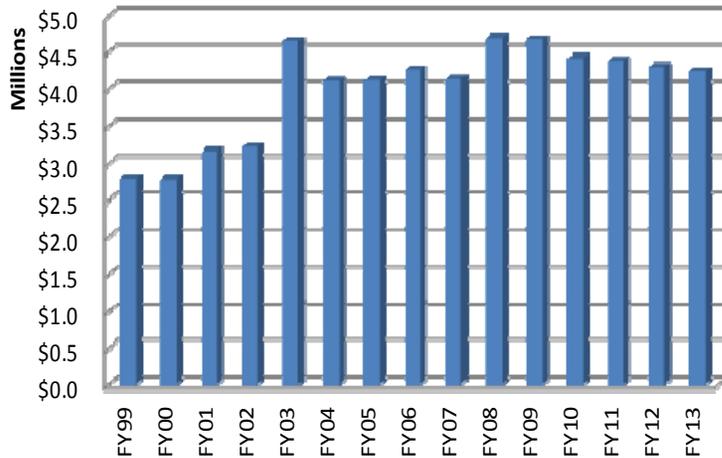


REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Liquor Licenses	299,950	307,642	285,000	300,000	290,000	5,000	1.8%
Fire Prevention Permits	465,787	355,019	415,000	410,000	375,000	(40,000)	-9.6%
Hackney Licenses	76,689	76,219	65,000	75,000	70,000	5,000	7.7%
Open Air Parking Lots	14,775	13,690	14,000	14,000	14,000	0	0.0%
Marriage Licenses	12,825	15,805	15,000	16,000	15,000	0	0.0%
Food Service Permits	96,629	105,583	90,000	90,000	95,000	5,000	5.6%
Common Victualler Licenses	35,410	38,535	35,000	80,000	74,000	39,000	111.4%
Lodging House Licenses	18,719	15,770	16,000	32,000	31,000	15,000	93.8%
Dog Licenses	137,023	127,358	119,000	130,000	120,000	1,000	0.8%
Entertainment	21,050	21,250	20,000	0	0	(20,000)	-100.0%
Rubbish Permits	21,220	17,940	19,000	18,000	18,000	(1,000)	-5.3%
Field Use	0	64,000	64,000	64,000	64,000	0	0.0%
All Others	25,402	25,040	23,975	25,000	23,975	0	0.0%
Total	1,225,478	1,183,850	1,180,975	1,254,000	1,189,975	9,000	0.8%

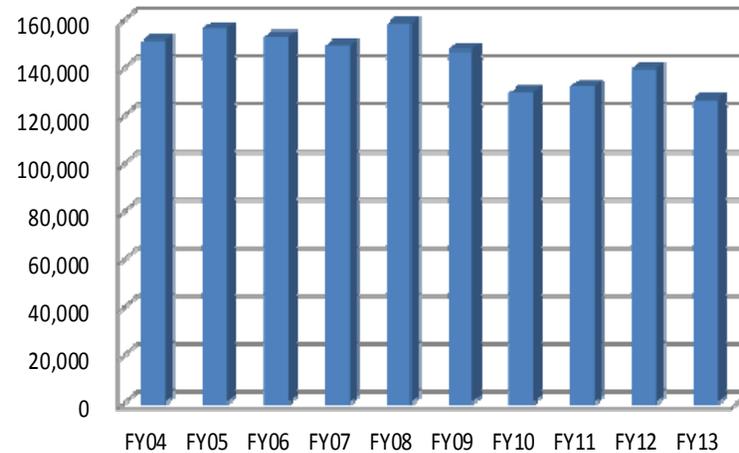
PARKING AND COURT FINES

Parking and Court Fines are the second largest local receipt of the Town. Approximately 85% of the revenue is derived from parking tickets for expired meters, violation of the Town's overnight parking ban, and violation of 2-hour parking restrictions. In September of 2002, the Board of Selectmen increased the fines for certain parking violations, including doubling the Overnight Parking fine from \$15 to \$30 and increasing the fine for expired meters from \$15 to \$25. This was made possible by the passage of Home Rule legislation, approved by the 2001 Annual Town Meeting and signed into law in November, 2001, that allowed the Board of Selectmen to raise parking violations to a maximum of \$50. In March, 2007 and July, 2007, the Selectmen further revised the schedule by adopting additional fine increases, including doubling the fine for violating the 2-hour parking rule from \$15 to \$30 and increasing the late fee from \$10 to \$15. This Financial Plan recommends an increase in a number of parking fines, most notably for unpaid/expired meters, from \$25 to \$30. A total of \$150,000 in additional fine revenue is estimated from this proposal.

PARKING/COURT FINE COLLECTIONS



TICKET ISSUANCE



While there is a significantly higher amount of parking fine revenue being collected than prior to the fine increases (the \$4.2 million estimate is \$1.2 million, or approximately 40%, higher than the average annual collections prior to the fine increases), there has been a decrease in issuance since the FY02 peak, when 204,000 tickets were issued. By FY04, there were 53,000 fewer tickets written. Since then, the number of tickets written has dropped to approximately 127,000 in FY13. This represents a decrease of 38% since the peak in FY02 and a 20% decline since FY08.

<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2013 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$</u>	<u>%</u>
Parking and Court Fines	4,306,184	4,246,169	4,200,000	4,400,000	4,350,000	150,000	3.6%

GENERAL GOVERNMENT

Revenues derived from this category are expected to increase \$172,359 (5.2%) from the FY14 budgeted amount, due primarily to a \$136,000 (6.8%) increase in **Building Permits**. As shown in the graph to the right, Building Permit collections are a large revenue source and are quite volatile. Because of the recession, Building Permit activity declined in FY09 and FY10, but rebounded in FY11 - FY13. Year-to-date experience indicates that the budget can be increased to \$2.14 million. **Damage/Legal Recovery** revenue results from the receipt of reimbursements for storms or from certain legal actions undertaken by the Town. The amounts collected vary greatly year-to-year because they are derived from unpredictable events that are the basis for the Town's recoveries. **Town Clerk Fees** include fees for records and certified copies and the budget for those are decreased \$5,000 (5%) to \$95,000. The budget for **Collector's Fees**, which consist primarily of Municipal Lien Certificates (MLC's) and Tailings, is increased \$20,000 (16.7%) to \$140,000. **Plan Design Review** fees are charged by the Building Department when a project requires approval from the Zoning Board of Appeals (ZBA). That revenue source is estimated to decrease \$5,000 (16.7%) to \$25,000 based on recent experience.



The **Medicare Part D Subsidy** was an outcome of the Medicare Prescription Drug Improvement and Modernization Act of 2003, which added a prescription drug coverage component for seniors. The subsidy serves as an incentive for those employers that currently offer prescription drug coverage to its retirees to continue to offer the coverage. As part of the plan design changes to the Town's health insurance plans that were agreed to by the Town and its employees in mid-2007, a three-tiered co-pay Prescription Drug Program (PDP) Medicare supplement plan for retirees was chosen. As a result, the subsidy went to the insurance company, with the Town receiving the benefit through reduced premiums rather than through direct receipt of the subsidy. By joining the GIC, the Town began receiving the subsidy directly in FY13. For FY15, the estimate is \$400,000, an amount that represents level-funding.

Benefits Reimbursements from special revenue/grant funds are increased \$30,359 (6.1%). Those monies reimburse the General Fund for benefitted employees whose salaries are paid for out of non-General Funds. The Payments from the two companies that have built **Distributed Antenna Systems (DAS)** in town are expected to total \$75,000 in FY15. The **All Others** category is comprised of Zoning Board of Appeals fees, fees for copying documents of various departments, and many one-time reimbursements for miscellaneous expenditures. The budget for those is decreased \$4,000 (6.4%) to \$58,750.

REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$\$	%
Building Permits and Inspections	2,523,020	2,528,184	2,000,000	2,500,000	2,136,000	136,000	6.8%
Damage/Legal Recovery	346,874	395,401	5,000	95,000	5,000	0	0.0%
Town Clerk's Fees	97,811	96,030	100,000	95,000	95,000	(5,000)	-5.0%
Collector's Fees	162,958	172,388	120,000	120,000	140,000	20,000	16.7%
Plan Design Review	25,730	26,875	30,000	30,000	25,000	(5,000)	-16.7%
Medicare Part D Subsidy	0	436,083	400,000	452,826	400,000	0	0.0%
Benefits Reimbursement	190,451	214,547	494,641	494,641	525,000	30,359	6.1%
Distributed Antenna System (DAS) Fees	80,356	62,032	75,000	80,000	75,000	0	0.0%
All Others	801,717	583,642	62,750	130,000	58,750	(4,000)	-6.4%
Total	4,228,916	4,515,181	3,287,391	3,997,467	3,459,750	172,359	5.2%

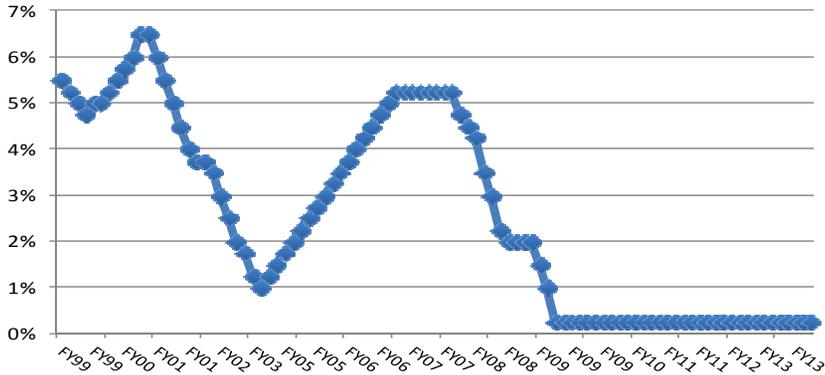
INTEREST INCOME

Interest Income is comprised of revenue from two sources: interest penalties on delinquent property taxes and fees and monies earned on the Town's available cash. The Town Treasurer regularly invests any cash not required for current disbursements and the amount of investment income earned in any given year is dependent upon a number of variables, the most important of which are available cash balances, anticipated cash flows, cash management policies and practices, and market interest rates. Investment income accounted for only 29% of the interest income earned in FY13, a significant change from the 62% it represented in FY09.

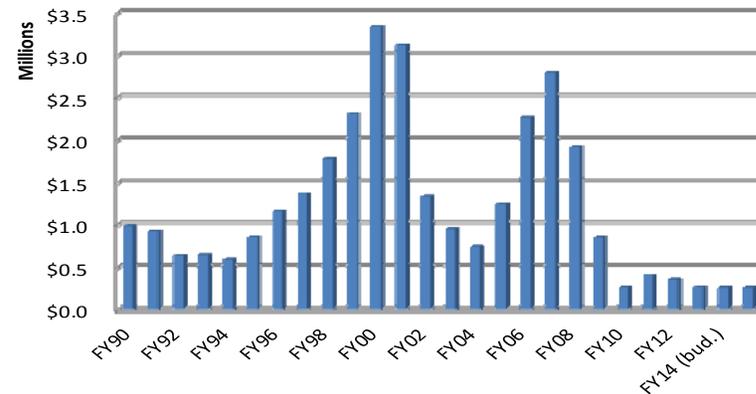
The estimate for interest earned on investments for FY14 is level-funded at \$250,000. This reflects an incredible \$2.5 million (91%) decrease from the FY07 actual. The large decrease is the result of actions taken by the Federal Reserve Bank to help improve the nation's economy. For historical context, between January, 2001 and June, 2003, the Federal Reserve lowered the Federal Funds Rate 13 times, from 6.5% to 1%. Since funds available for investment in FY04 were earning only approximately 1%, actual earnings were well below the levels realized during FY's 00-02. From FY00 to FY04, there was a downturn of \$2.6 million, or 78%. Between June, 2003 and June, 2006, the Federal Reserve increased rates 17 times, bringing the rate to 5.25%. The Town's earnings increased in conjunction with those actions.

The rate stayed at 5.25% until September, 2007, when the rate was dropped 50 basis points to 4.75%. Since then, it has been lowered nine more times to virtually 0%. This included an extraordinary week in late-January, 2008 when the rate dropped 75 basis points on January 22 and another 50 basis points on January 30. With such a dramatically reduced rate of return, the Town cannot expect to earn as much as it did during the FY07 - FY09 period. The \$250,000 estimate continues to reflect this reality. The two graphs below show the changes in the Federal Funds rate (left) and the historical Investment Income earnings (right).

FEDERAL FUNDS RATE



HISTORICAL GENERAL FUND INVESTMENT EARNINGS



The amount budgeted in FY15 for interest earned from delinquent taxpayers is increased \$40,000 (8.9%) from the FY14 budgeted amount to \$490,000.

REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015 BUDGET	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE		\$\$	%
Interest Income	343,841	255,765	250,000	260,000	250,000	0	0.0%
Delinquent Tax Interest	580,881	639,428	450,000	450,000	490,000	40,000	8.9%
Total	924,722	895,193	700,000	710,000	740,000	40,000	5.7%

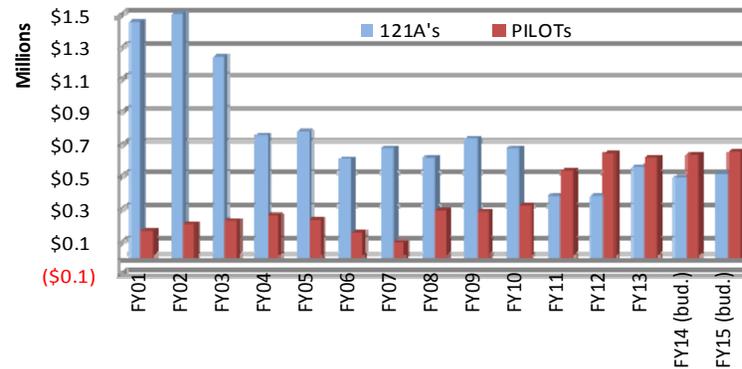
PAYMENTS IN LIEU OF TAXES

This category of Local Receipts consists of payments made by corporations that have entered into a State authorized Chapter 121A agreements and payments made in lieu of taxes (known as "PILOTs") by tax-exempt institutions.

In 1945, the Massachusetts General Court approved legislation that allowed cities and towns to enter into contracts with certain corporations in order to encourage development considered to be in the public interest. The corporations formed to carry out those projects are taxed as Urban Redevelopment corporations under Chapter 121A of the General Laws. Urban Redevelopment corporations pay an excise to the Commonwealth in lieu of a local property tax imposed by a city or town and in lieu of the general corporate excise. The Urban Redevelopment excise is applied by the sum of: 5% of gross income for the preceding calendar year and \$10 per thousand upon the fair cash value of real and tangible personal property as determined by the assessors. The amount of the fair cash value can be agreed upon within the provisions of section 6A of the chapter. A tax supplement payment agreement made directly to the town is also permitted. All 121A excise amounts collected by the Commissioner of Revenue are distributed back to cities and towns within the fiscal year. In FY15, there will be one Ch. 121A agreement: 55 Village Way, which is estimated at \$510,000. Overall this category increases \$20,000 (4.1%).

PILOTs are agreements the Board of Selectmen have entered into with non-profits in Brookline, the purpose of which is to help cover a portion of the cost of public safety and public works services. They are estimated to yield \$655,000 for FY15, an increase of \$20,000 (3.1%) from FY14 budgeted amounts.

HISTORICAL CH. 121A + PILOT PAYMENTS



<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$\$</u>	<u>%</u>
Chapter 121A Projects	378,757	554,116	490,000	520,000	510,000	20,000	4.1%
PILOT's	550,406	549,809	550,000	560,000	575,000	25,000	4.5%
Brookline Housing Authority (BHA) PILOT	93,627	69,853	85,000	70,000	80,000	(5,000)	-5.9%
Total	1,022,789	1,173,779	1,125,000	1,150,000	1,165,000	40,000	3.6%

**TOWN OF BROOKLINE
FY2015 FINANCING PLAN**

FUND: General Fund

**REVENUE GROUP: Local Receipts
SUB-GROUP: Departmental and Other**

DEPARTMENTAL AND OTHER

All other local receipt sources combined are expected to total \$1.94 million, an amount that is \$14,500 (0.8%) more than the FY14 budgeted amount. A summary of the items that comprise this category are as follows:

- Public Safety Fees - these include Towing Fees and Firearms Licenses and are level-funded at \$62,000.
- Health and Sanitation - these fees, which include Tobacco and Asbestos Fees, are collected by the Health Department. They decreased \$500 (1.1%) to \$44,500.
- Public Works Fees - these consist primarily of street cutting permits and are decreased \$5,000 (6.5%) to \$72,000.
- On-Line Parking Ticket Convenience Fee - this is derived from the \$1.99 convenience fee charged to users of the On-Line Parking Ticket Payment application. (The fee is added to the fine amount in an effort to fully recover the costs of the application.) This is level-funded at \$72,000.
- Parking Fees - these fees include revenues from various parking permits, including the residential and commercial permit parking programs and municipal parking space rentals. They are increased \$20,000 (4.5%) to \$460,000.
- Medicaid Reimbursement (Schools) - this is the Medicaid reimbursement for medical services provided to qualified Brookline special education students. It is level-funded at \$340,000.
- Library - these consist of overdue fines and miscellaneous fees and are level-funded at \$100,000.
- Detail Surcharge - this represents the 10% surcharge imposed on private police detail rates, the maximum percentage allowed under Massachusetts General Law, Chapter 44, Section 53C. It is level-funded at \$140,000.
- Cable Television Franchise Fee - this is a 3% tax on the gross receipts of the local cable television companies. It is level-funded at \$635,000.
- Pension Reimbursement - this includes the annual reimbursement from the State for cost of living adjustments (COLA's) for Brookline's non-contributory retirees, along with reimbursements from other Massachusetts pension systems for retirees who worked in other municipalities at some time during their career. It is level-funded at \$15,000.

REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Public Safety	83,150	70,105	62,000	40,000	62,000	0	0.0%
Health and Sanitation	45,262	48,522	45,000	45,000	44,500	(500)	-1.1%
Public Works	82,868	93,915	77,000	120,000	72,000	(5,000)	-6.5%
On-Line Parking Ticket Convenience Fee	0	0	72,000	70,000	72,000	0	0.0%
Parking Fees	508,018	526,911	440,000	540,000	460,000	20,000	4.5%
Medicaid Reimbursement (Schools)	485,689	364,617	340,000	350,000	340,000	0	0.0%
Library	105,855	104,299	100,000	105,000	100,000	0	0.0%
Detail Surcharges	144,218	184,838	140,000	225,000	140,000	0	0.0%
Cable TV Franchise	633,879	639,481	635,000	645,000	635,000	0	0.0%
Pension Reimbursement	31,355	23,695	15,000	20,000	15,000	0	0.0%
Total	2,120,294	2,056,382	1,926,000	2,160,000	1,940,500	14,500	0.8%

STATE AID SUMMARY

Since the passage of Proposition 2 ½, municipalities have been dependent upon the State to provide an equitable share of all growth tax revenues, which include income, sales, and corporate taxes. Since the intergovernmental relationship between municipalities and the State is a vital component of a municipality’s ability to fund the delivery of services, any reductions in State Aid could well lead to service cuts at the local level. This is especially true in Massachusetts, where the only local tax revenue is property tax; no local sales (other than the 0.75% allowed on meals) or income taxes are allowed under current law. Therefore, it is important that the State and municipalities work toward an equitable distribution of state revenue.

After sustaining major cuts in the early-1990's, local aid began to increase significantly in FY94 when the Legislature adopted a major Education Reform bill. Another source of the increase was Lottery revenue, which began in FY93 when the cap on disbursements to municipalities was phased out. (The cap was put into effect in the early-1990's to help balance the State budget.) Unfortunately, reductions in State Aid began a decade later in FY03, both for Cherry Sheet programs (e.g., Education Aid, General Government Aid) and discretionary grant programs (e.g., Education Grants, MWRA Debt Assistance). The cuts came as the State grappled with consecutive multi-billion dollar deficits. At the beginning of FY02, Cherry Sheet aid totaled \$5.14 billion; by FY04, it had been reduced by more than 6% (\$327.9 million) to \$4.81 billion. For Brookline, over this same period Cherry Sheet aid was cut by 15% (\$2.9 million) to \$17.1 million.

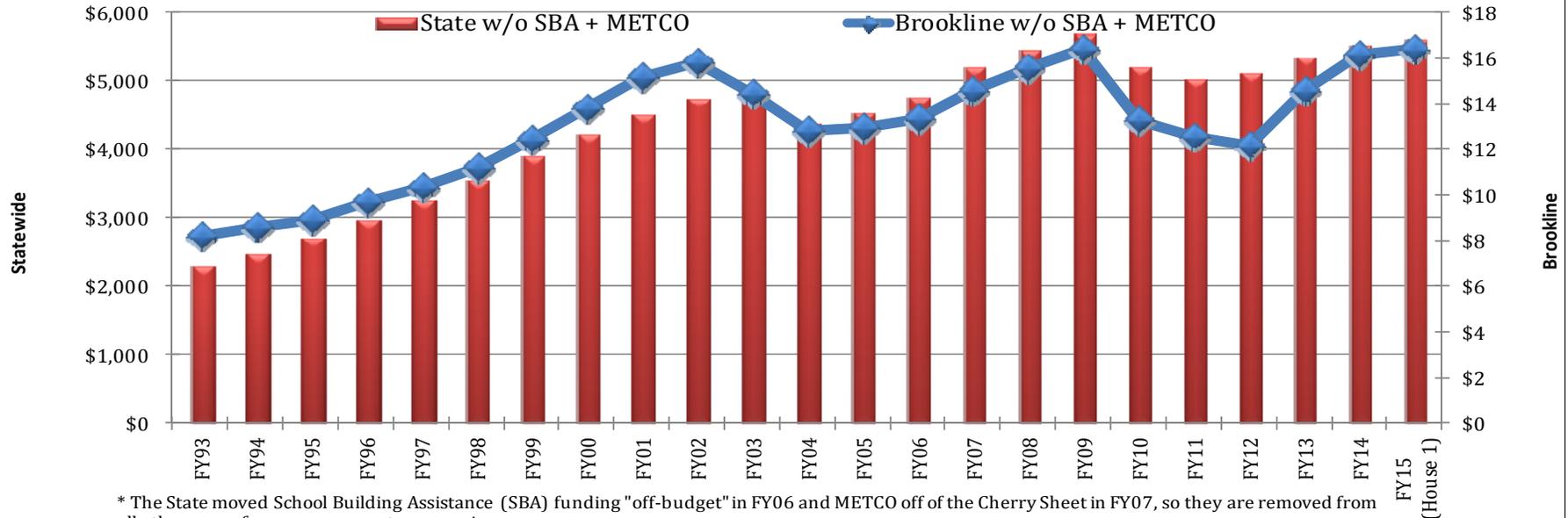
The final FY05 State budget increased State Aid by \$142.3 million (3%), but Brookline's State Aid increased by less than one-half of 1% (\$44,000). In FY06, the State began restoring some of the cuts it imposed in FY03 and FY04. This restoration continued into FY09, until the Governor announced \$128 million of mid-year "9C cuts" to Lottery and Additional Assistance in January, 2009, which reduced aid for Brookline by \$770,000. In FY10, the Town sustained a devastating State Aid cut of \$3.1 million (19%), followed by cuts of \$700,213 (5.3%) in FY11 and \$412,979 (3.3%) in FY12. In FY13, total Cherry Sheet Aid increased \$254 million (5%) to \$5.4 billion, driven mainly by increases in Chapter 70 Aid (\$180 million, 4.5%) and Unrestricted General Government Aid (UGGA) (\$65 million, 7.8%). For Brookline, Cherry Sheet Aid grew \$2.4 million (20%), due to a \$2 million (28.9%) increase in Ch. 70 Aid and a \$388,275 (7.8%) increase in UGGA. Similarly, in FY14 total Cherry Sheet Aid increased \$166 million (3%) to \$5.5 billion, driven mainly by increases in Chapter 70 Aid (\$130 million, 3.1%) and UGGA (\$21.3 million, 2.4%). For Brookline, Cherry Sheet Aid grew \$1.5 million (10.5%), due to a \$1.4 million (15.9%) increase in Ch. 70 Aid and a \$126,936 (2.4%) increase in UGGA.

The Governor's FY15 budget proposal increases total Cherry Sheet Aid by \$108 million (2%) to \$5.6 billion, driven by a \$99.5 million (2.3%) increase in Chapter 70 Education aid (to \$4.4 billion). Unrestricted General Government Aid (UGGA) is level-funded at \$920 million. All other Cherry Sheet accounts are level-funded, except for increases in Veterans Benefits (\$5.9M, 13.3%), School Choice Receiving Tuition (\$5.2M, 7.2%), Regional Library Aid (\$493K, 5.3%), and Public Library Aid (\$136K, 2%), and a \$500K (1.9%) reduction in PILOT’s. For Brookline, the result is an increase of \$817,754 (4.9%), due primarily to the increase in Ch. 70 funding. It should also be noted that funding for the Special Education Circuit Breaker and METCO, both critical non-Cherry Sheet accounts, were level-funded at \$252 million and \$18.6 million, respectively.

Since both the House and Senate need to offer their own versions of a FY15 State budget, it is likely that final State Aid figures will be different by the time a final FY15 State budget is approved.

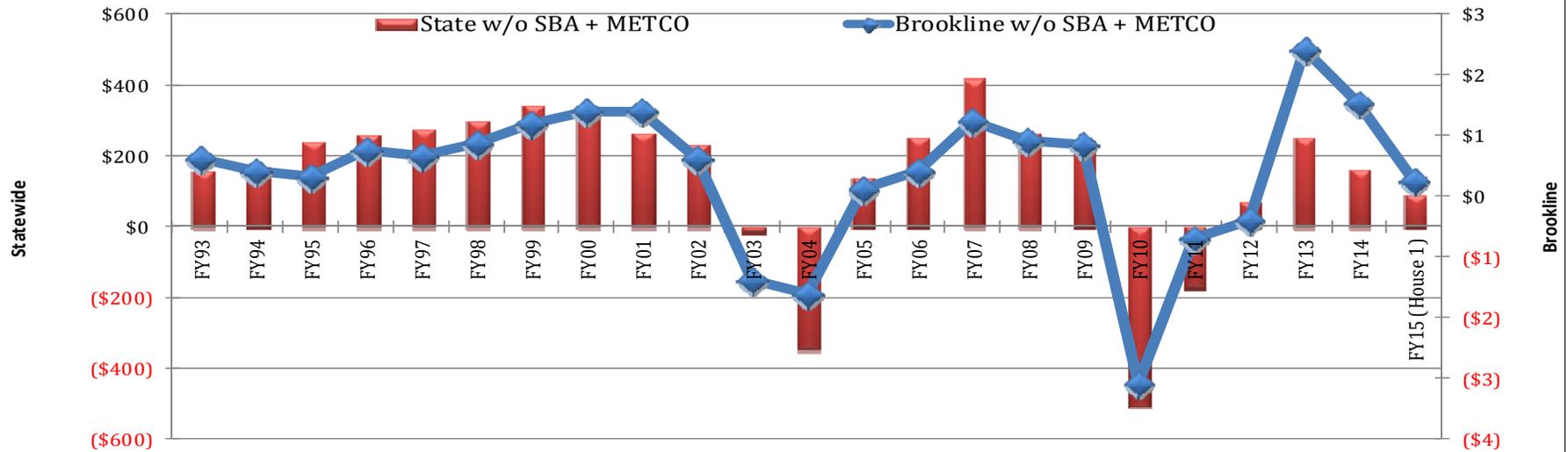
<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$\$</u>	<u>%</u>
General Government Aid	5,474,269	5,464,358	5,579,223	5,579,223	5,598,478	19,255	0.3%
School Aid	6,950,005	8,955,386	10,373,426	10,373,426	11,169,220	795,794	7.7%
School Construction Aid	1,227,634	556,757	556,757	556,757	556,757	0	0.0%
Tax Exemptions	38,228	39,398	38,730	38,730	40,402	1,672	4.3%
Education Offset Items	106,839	109,160	111,026	111,026	112,059	1,033	0.9%
Total	13,796,975	15,125,059	16,659,162	16,659,162	17,476,916	817,754	4.9%

CHERRY SHEET AID HISTORY (in millions)

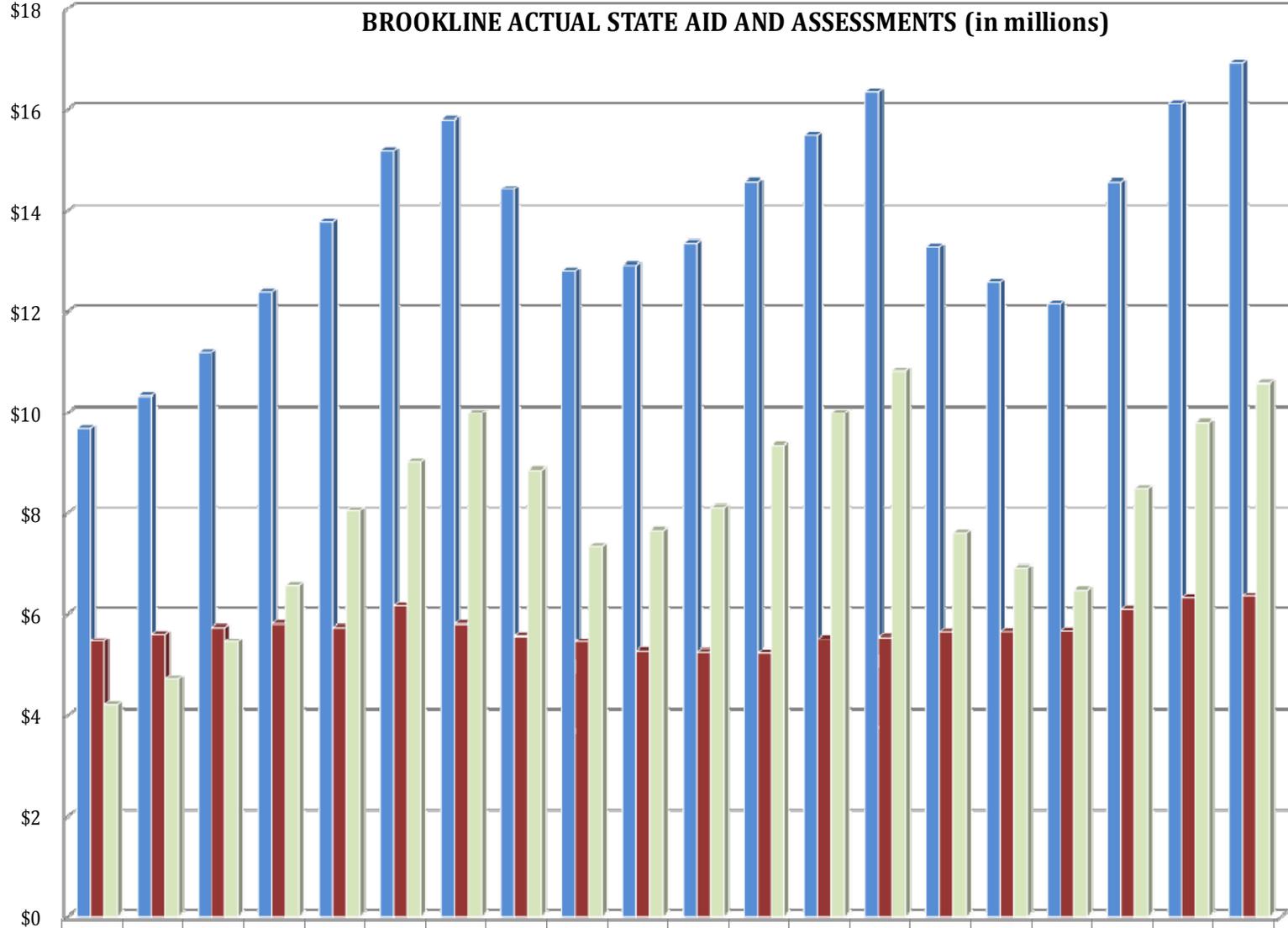


* The State moved School Building Assistance (SBA) funding "off-budget" in FY06 and METCO off of the Cherry Sheet in FY07, so they are removed from all other years for a more accurate comparison.

CHERRY SHEET AID HISTORY - ANNUAL CHANGE (in millions)



* The State moved School Building Assistance (SBA) funding "off-budget" in FY06 and METCO off of the Cherry Sheet in FY07, so they are removed from all other years for a more accurate comparison.



	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15 (H1)
■ STATE AID	9.67	10.33	11.19	12.38	13.78	15.17	15.80	14.42	12.81	12.92	13.34	14.58	15.50	16.36	13.27	12.57	12.16	14.57	16.10	16.92
■ ASSESSMENTS	5.47	5.60	5.74	5.81	5.74	6.16	5.81	5.57	5.45	5.26	5.24	5.23	5.51	5.55	5.65	5.66	5.67	6.09	6.31	6.35
■ NET STATE AID	4.20	4.73	5.45	6.57	8.04	9.01	9.99	8.84	7.35	7.66	8.10	9.35	9.99	10.81	7.62	6.91	6.48	8.49	9.79	10.57

UNRESTRICTED GENERAL GOVERNMENT AID (UGGA)

Prior to FY10, unrestricted general government aid consisted of Additional Assistance and Lottery. Additional Assistance was intended to provide flexible unrestricted aid to cities and towns. In the 1980's, the Legislature adopted a needs-based formula to allocate the then-new Resolution Aid. Prior to the Education Reform Act of 1993, additional aid was the difference between Chapter 70 Aid and the needs-based Resolution Aid. After the Education Reform Act was enacted, Additional Assistance became a static Cherry Sheet program, but nonetheless considered a critical component of the "base aid" for the 159 eligible cities and towns. Proceeds from the State Lottery, net of prizes and expenses, are intended to be distributed to cities and towns through a formula that is meant to be "equalizing", which means that communities with lower property values receive proportionately more aid than communities with higher values. The formula is based on population and Equalized Property Valuations (EQV), shown below:

$$\text{LOTTERY AID} = (\text{State Wide EQV Per Capita/Local EQV Per Capita}) \times \$10 \text{ per Capita}$$

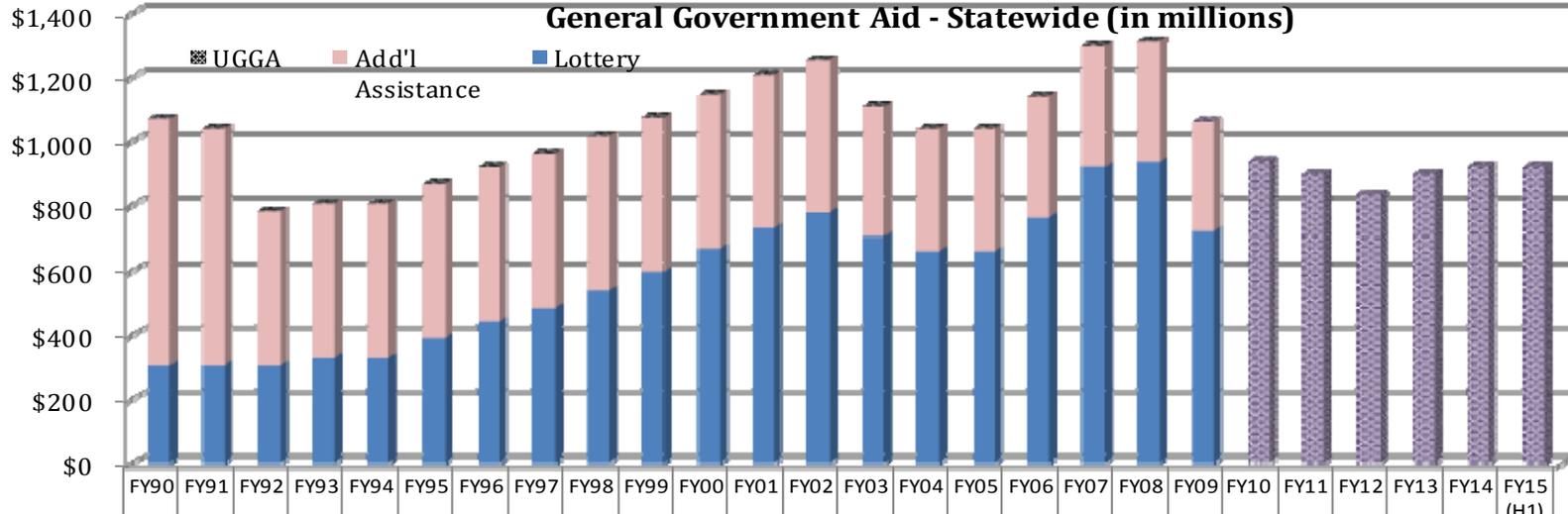
In FY10, the final State budget eliminated the separate accounts and replaced them with a single Unrestricted General Government Aid (UGGA) account and cut them by \$377 million (29%) statewide, which meant a loss of \$2.3 million for Brookline. Historically, Additional Assistance sustained significant cuts during State budget crises. In FY90, the account stood at \$765 million statewide but was cut to \$476.3 million by FY92. By FY04, it was at \$378.5 million, ultimately reaching \$341.6 million in FY09. Similarly, Brookline's share dropped from \$6.9 million in FY90 to \$3.2 million by FY09.

The Lottery account was also used to help balance the State budget. In FY90, the State placed an artificial cap on the distributions to cities and towns and used the balance of the revenues for State budgetary purposes in disregard of the original Lottery enabling legislation. In FY91 and FY92, the Legislature capped the Lottery distributions at \$306 million, the FY90 level. By FY94, it reached \$329 million, at which point the "diversion" totaled \$170 million. In FY95, the Legislature authorized an additional \$42 million and pledged to continue to add, in the minimum, \$20 million per year for the next four years to restore the previously diverted growth proceeds. This commitment expired with the FY00 distribution, which totaled \$670 million. In FY01, Lottery proceeds increased to \$730 million and in FY02 it increased further to \$778 million. During this period, Brookline's share of Lottery proceeds increased 73%, from \$2.3 million to \$3.98 million. In January, 2003, the State again began to divert Lottery revenue when the Governor issued his mid-year cuts, which included reducing the amount of Lottery revenue sent to municipalities to \$661.4 million. Starting in FY06, the diversion began to be reduced and total Lottery proceeds sent to municipalities reached \$935 million in FY08, with Brookline's share ultimately increasing from \$3.6 million to \$4.4 million. Unfortunately, mid-year FY09, Lottery proceeds were cut again, to \$843.9 million, with Brookline's share dropping to \$4 million.

As previously stated, the final FY10 State budget eliminated the separate accounts and replaced them with a single Unrestricted General Government Aid (UGGA) account and cut them by \$377 million (29%) statewide and by \$2.3 million for Brookline. Cuts were also sustained in FY11 (\$37.4 million, 4%; \$223,751 for Brookline) and FY12 (\$65 million, 7.2%; \$388,275 for Brookline). FY13 and FY14 saw some of those cuts restored, with \$65 million added in FY13 (a 7.8% increase) and \$21.3 million added in FY14 (a 2.4% increase). For Brookline, the increases in those years were \$388,275 (FY13) and \$126,936 (FY14). Based on the Governor's FY15 budget proposal, UGGA is level-funded statewide at \$920M and at \$5.5 million for Brookline.

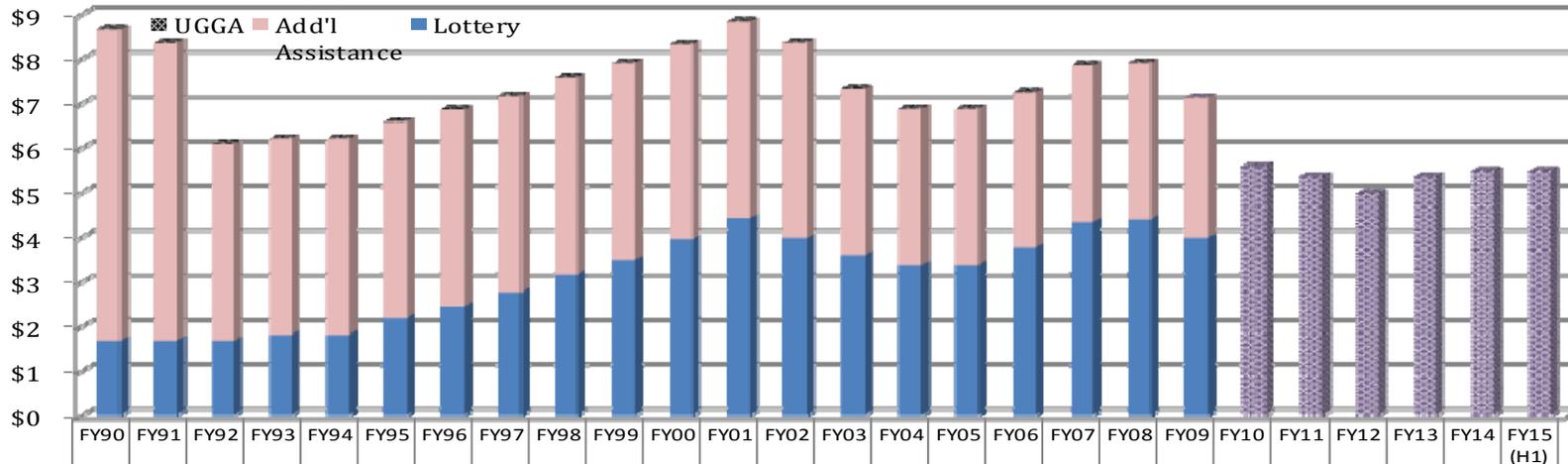
The graphs on the following page show the history of General Government Aid, both statewide and for Brookline.

<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$</u>	<u>%</u>
Unrestricted General Government Aid (UGGA)	5,395,837	5,370,029	5,496,965	5,496,965	5,496,965	0	0.0%
Veteran's Benefits	78,432	94,329	82,258	82,258	101,513	19,255	23.4%
Total	5,474,269	5,464,358	5,579,223	5,579,223	5,598,478	19,255	0.3%



UGGA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	936.4	899.0	834.0	899.0	920.2	920.2
Add'l Assistance	765.0	734.6	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	476.3	403.7	378.5	378.5	378.5	378.5	378.5	341.6	0.0	0.0	0.0	0.0	0.0	0.0
Lottery	306.0	306.0	306.0	329.0	329.0	391.6	442.6	484.2	539.7	597.5	670.0	730.0	778.1	705.3	661.4	661.4	761.4	920.0	935.0	719.8	0.0	0.0	0.0	0.0	0.0	0.0

General Government Aid - Brookline (in millions)



UGGA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.6	5.4	5.0	5.4	5.5	5.5
Add'l Assistance	7.0	6.7	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	3.7	3.5	3.5	3.5	3.5	3.5	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Lottery	1.7	1.7	1.7	1.8	1.8	2.2	2.5	2.8	3.2	3.5	3.9	4.4	4.0	3.6	3.4	3.4	3.8	4.3	4.4	4.0	0.0	0.0	0.0	0.0	0.0	0.0

VETERANS' BENEFITS

Chapter 115, Section 6, provides for reimbursement to communities for amounts expended to assist needy veterans and/or their dependents. Benefits paid out in accordance with state guidelines and approved by the Commissioner of Veterans' Services are reimbursed 75%. Total statewide funding in FY14 was \$44.2 million, with Brookline's share being \$82,258. The Governor's FY15 budget proposal increases statewide funding by \$5.9 million (13.3%) to \$50 million. Based on the Preliminary Cherry Sheets, Brookline will receive \$101,513, an increase of \$19,255 (23.4%).

SCHOOL AID - CHAPTER 70

Chapter 70 Aid was revised in FY94 as a result of the historic enactment of the Education Reform Act of 1993. Education reform was undertaken in an effort to ensure both fair and adequate funding through a universal "foundation budget" formula to establish base spending levels for all of the Commonwealth's public school systems. The law seeks to ensure a constitutionally adequate educational opportunity for all public school students regardless of the property wealth of the community in which they live. Fundamental to the goal of funding equity is the creation of a school finance structure that includes a base spending level that becomes an annual spending target known as the Foundation Budget. Over a seven-year period ending in FY00, through increased state and local funding, all communities were expected to bring their education spending up to the minimum foundation budget level.

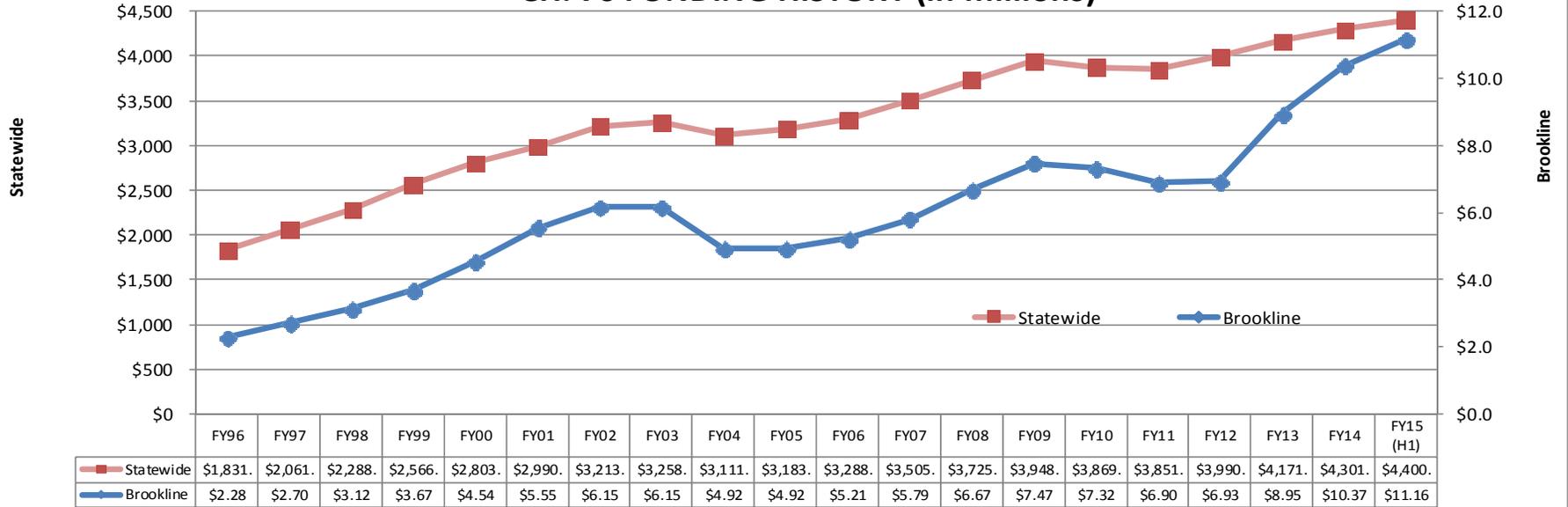
The reform legislation targeted the majority of funds to poorer communities and required them to increase school spending. School districts with relatively higher property wealth, such as Brookline, tended to be classified as "Minimum Aid" communities and were originally entitled to a minimum increase of \$25 per student. The Legislature changed this to \$100 per student for FY99, \$150 per student for FY00, and \$175 per student for FY01. Starting in FY07, the State moved to the "Aggregate Wealth Model" to distribute new Ch. 70 monies. This complex distribution formula aims to move all districts toward receiving at least 17.5% of their foundation budget in State aid.

Between FY93 and FY03, the amount of Ch. 70 aid appropriated by the State increased significantly, as the charts on the following page show. Total funding increased nearly 153%, going from \$1.29 billion in FY93 to \$3.26 billion in FY03. For Brookline, during that same period, funding increased \$4.7 million (316%), increasing from \$1.48 million to more than \$6 million. In FY04, the State reduced Ch. 70 funding by more than \$147 million (1.5%), with Brookline losing \$1.2 million, or 20%. Between FY05 - FY09, there were statewide annual increases in the \$100 million - \$200 million (2% - 6%) range, totaling \$837.7 million (26.9%), bringing the total appropriation to \$3.95 billion. For Brookline, the increase during that period totaled \$2.6 million (51.8%), bringing the Town's appropriation to \$7.5 million. That trend changed in FY10, when Chapter 70 funding was cut by \$79 million, or 2%. For Brookline, the reduction was \$149,463 (2%). In FY11, statewide funding was cut another \$18.7 million (0.5%), with Brookline losing \$427,849 (5.8%). In FY12, funding was increased \$139.6 million (3.6%) to \$3.99 billion, with Brookline's appropriation increasing \$37,020 (0.5%).

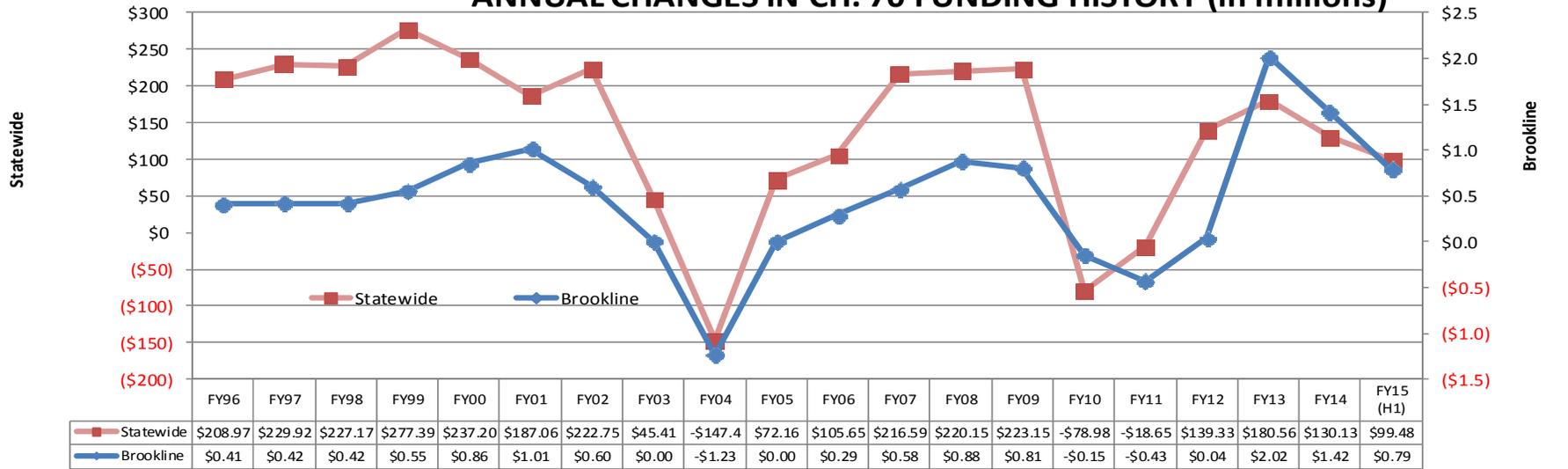
In FY13 total funding was increased by \$180.6 million (4.5%) statewide to \$4.17 billion. For Brookline, the increase was \$2 million (29.1%) to \$8.9 million. In FY14, Ch. 70 aid was increased by \$130.1 million (3.1%) statewide to \$4.3 billion, with Brookline's share increasing \$1.4 million (15.9%) to \$10.4 million. The Governor's FY15 budget proposal increases this account by \$99.5 million (2.3%) to \$4.4 billion, with Brookline's share increasing \$789,996 (7.6%).

<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$</u>	<u>%</u>
School Aid Chapter 70	6,932,850	8,949,381	10,369,466	10,369,466	11,159,462	789,996	7.6%
School Construction Aid	1,227,634	556,757	556,757	556,757	556,757	0	0.0%
Charter Tuition Assessment Reimbursement	17,155	6,005	3,960	3,960	9,758	5,798	146.4%
Total	8,177,639	9,512,143	10,930,183	10,930,183	11,725,977	795,794	7.3%

CH. 70 FUNDING HISTORY (in millions)



ANNUAL CHANGES IN CH. 70 FUNDING HISTORY (in millions)



**TOWN OF BROOKLINE
FY2015 FINANCING PLAN**

FUND: General Fund

**REVENUE GROUP: State Aid
SUB-GROUP: School Aid**

The key factor that has positively impacted Brookline is the aggregate wealth model, first used in FY07, continues to be in effect. This is reflected in the FY13 - FY15 increases. The Governor's FY15 budget proposal continues to make progress on the Ch. 70 equity reforms of 2007 by reducing by 50% the gap that exists to be fully implemented, meaning all municipalities with required contributions above their targets, such as Brookline, have half of the gap eliminated. So while the goal of the aggregate wealth model (increase Ch. 70 aid so that it represents 17.5% of each district's foundation budget) is not reached, the gap is reduced. This funding level brings Brookline's Ch. 70 figure to 16.3% of foundation.

With the Foundation Budget increasing so significantly, Brookline became a "Foundation Aid Community", meaning Ch. 70 aid is required to bridge the gap between the foundation budget and the district's required contribution. The table below shows how, over the past few years, the district has gone from Required Net School Spending (NSS) as a percent of the Foundation Budget of 140% down to 100%:

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Foundation budget	46,243,375	49,807,109	52,046,875	55,448,798	55,383,764	57,861,962	63,110,212	66,334,276	68,558,217
Required net school spending	64,819,179	63,319,142	60,268,078	60,526,653	59,137,816	59,481,712	63,110,212	66,334,276	68,558,217
NSS a % of Foundation	140.17%	127.13%	115.80%	109.16%	106.78%	102.80%	100.00%	100.00%	100.00%

This is important because once NSS is equal to the Foundation Budget, Foundation Aid is required to get the district to the Foundation Budget. This is shown below, using the FY12 - FY15 calculations.

<u>Prior Year Aid</u>							
1 Chapter 70 +SFSF FY11	6,932,850	1 Chapter 70 FY12	6,932,850	1 Chapter 70 FY13	8,949,381	1 Chapter 70 FY14	10,369,466
<u>Foundation Aid</u>		<u>Foundation Aid</u>		<u>Foundation Aid</u>		<u>Foundation Aid</u>	
2 Foundation budget FY12	57,861,962	2 Foundation budget FY13	63,110,212	2 Foundation budget FY14	66,334,276	2 Foundation budget FY14	68,558,217
3 Required district contribution FY12	52,548,862	3 Required district contribution FY13	54,160,831	3 Required district contribution FY14	55,964,810	3 Required district contribution FY14	57,398,755
4 Foundation aid (2 -3)	5,313,100	4 Foundation aid (2 -3)	8,949,381	4 Foundation aid (2 -3)	10,369,466	4 Foundation aid (2 -3)	11,159,462
5 Increase over FY11 (4 - 1)	0	5 Increase over FY12 (4 - 1)	2,016,531	5 Increase over FY13 (4 - 1)	1,420,085	5 Increase over FY13 (4 - 1)	789,996
<u>Non-Operating District Reduction to Foundation</u>		<u>Non-Operating District Reduction to Foundation</u>		<u>Non-Operating District Reduction to Foundation</u>		<u>Non-Operating District Reduction to Foundation</u>	
6 Non-operating district reduction to foundation	0	6 Reduction to foundation	0	6 Reduction to foundation	0	6 Reduction to foundation	0
<u>Chapter 70 Aid FY12</u>		<u>Chapter 70 Aid FY13</u>		<u>Chapter 70 Aid FY14</u>		<u>Chapter 70 Aid FY15</u>	
sum of line 1 and 5 minus line 6	6,932,850	sum of line 1 and 5 minus line 6	8,949,381	sum of line 1 and 5 minus line 6	10,369,466	sum of line 1 and 5 minus line 6	11,159,462

SCHOOL CONSTRUCTION AID

In 2004, the State enacted a major overhaul of the School Building Assistance (SBA) program, which provides for the partial reimbursement of the costs of local school construction projects. By the late-1990's, the level of local participation began to outstrip the State's ability to finance the program. In FY04, more than \$400 million was appropriated to fund the program, an amount that was more than double the amount required in FY97. (Brookline's share increased nearly \$3 million, or 479%, during the same period.) Therefore, on July 1, 2003, the State put in place a moratorium that assured a.) none of the 425 approved projects on the wait list would be funded and b.) no new projects could be added to the wait list. The moratorium ended on July 1, 2007.

The Massachusetts School Building Authority (MSBA), an independent state authority, was created to operate the new program, which is governed by a seven-member board led by the State Treasurer. The new law provided an "off-budget" revenue stream for future projects: roughly one cent of the sales tax revenue is dedicated to a special trust fund to finance the State's share of projects. Projects that were already receiving payments continued to receive annual reimbursement of principal and interest for the rest of the payment period for the project. For projects constructed under the new program, municipalities borrow only for the local share of any project and receive the State's share on a real-time basis rather than being repaid for principal and interest payments after-the-fact over the life of the bond (normally 20-25 years).

Reimbursement rates for all new projects were reduced by 10 percentage points. The reform legislation cut the "base rate" for all projects by eight points and eliminated the two incentive points that had applied to projects when a project manager was hired. (Separate construction reform legislation requires that a project manager be hired for all projects costing more than \$1.5 million.) Separate reimbursement rules apply to racial balance projects. The maximum state reimbursement rate was reduced from 90% to 80% while the minimum state contribution was decreased from 50% to 40%. The minimum state contribution was further reduced in CY09, when the 40% minimum was stricken from the statute. A community's reimbursement rate is now totally dependent on the base rate plus income and poverty factors, as shown below:

$$\text{Reimbursement Rate} = 31\% \text{ base rate} + \text{income factor} + \text{property wealth factor} + \text{poverty factor}$$

There are incentive points that can be added for things such as re-use versus building new, energy efficiency/"green buildings", maintenance, regionalization, and use of "model schools".

Under the new program, the Town continues to receive payments under the existing schedule, which total \$556,757 in FY15. That funding reimburses the Town for principal and interest costs for the following two projects:

1. Heath School - between FY00 and FY04, the Town received annual payments of \$286,161. For FY05-FY19, the Town will receive \$122,095 per year. The total (\$3.26 million) represents the State's 61% share of the project.
2. Baker School - between FY03 and FY08, the Town received annual payments of \$489,896. For FY09-FY12, the payments were \$465,031 per year. For FY13-FY22, the payments will be \$434,662 per year. (The amount was reduced after the bond was re-financed.) The total (\$9.15 million) represents the State's 61% share of the project.

TAX EXEMPTION AID

Chapter 59, Section 5, includes so-called "clause exemptions" that provide property tax exemptions for veterans, blind persons, surviving spouses, elderly persons, and others. Each of these are detailed below:

Veterans - Chapter 59, Section 5, Clauses 22-22E provide for tax exemptions for veterans that meet certain criteria. The amount of the exemption ranges from \$400 to \$1,500. Chapter 58, Section 8A provides a total tax exemption to paraplegic veterans who have been certified as such by the Veterans Administration. Exemptions that qualify under these provisions are partially reimbursed by the State.

Blind Persons - Chapter 59, Section 5, Clause 37A, which was accepted by the Town, provides for a tax exemption of \$500 for eligible blind persons. The State reimburses the Town \$87.50 for each exemption granted.

Surviving Spouses and Others - Chapter 59, Section 5, Clause 17D, which was accepted by the Town, provides a tax exemption to persons over the age of 70, to minors with a parent deceased, or to widows or widowers. The amount of the exemption is \$175. To be eligible, the person must meet certain requirements, including a provision that his/her total estate does not exceed \$40,000 exclusive of the value of the domicile except so much of the domicile as produces income and exceeds two dwelling units. At the November, 2003 Special Town Meeting, the Town adopted the state statute that allows cities and towns to increase the \$40,000 estate provision annually by a cost of living adjustment (COLA) as determined by the Commissioner of the Department of Revenue (DOR). In FY14, the combined impact of the COLAs since FY04 has increased the estate provision to \$54,095. The State partially reimburses the Town for this exemption.

Elderly Persons - Chapter 59, Section 5, Clause 41C, provides that a person who has reached his/her 70th birthday prior to the fiscal year for which an exemption is sought, and who owns and occupies property, may qualify for a tax exemption of \$500 from the tax bill. In determining eligibility, gross income of said person for the preceding calendar year must be less than \$13,000, if single, or if married, combined income must be less than \$15,000. In addition, the whole estate, real and personal, less the value of the domicile, except so much of the domicile as produces income and exceeds two dwelling units, cannot exceed \$28,000, if single, or, if married, combined income cannot exceed \$30,000. If the applicant receives Social Security, a deduction is applied to determine income eligibility. At the November, 2003 Special Town Meeting, the Town adopted the state statute that allows cities and towns to increase the income and whole estate provisions annually by a cost of living adjustment as determined by the Commissioner of the Department of Revenue (DOR). Then at the 2011 Annual Town Meeting, further adjustments were made, including reducing the eligibility age to 65 and increasing the income and asset limits. In FY14, the combined impact of these changes since FY04 has increased the income provision to \$20,879 single / \$31,319 married and increased the asset provision to \$41,758 single / \$57,417 married.

In FY14, the total appropriation for all of these exemption reimbursements was \$25 million, with Brookline receiving \$38,730. In the Governor's FY15 budget proposal, total statewide funding is level-funded. For Brookline, the reimbursement is estimated at \$40,402, an amount that is \$1,672 (4.3%) more than FY14.

All of the above exemptions have been doubled annually by Town Meeting in accordance with Chapter 73, Section 4 of the Acts of 1986, as amended by Chapter 126 of the Acts of 1988.

<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$\$</u>	<u>%</u>
Veterans/Blind/Surviving Spouse	38,228	39,398	38,730	38,730	40,402	1,672	4.3%
Total	38,228	39,398	38,730	38,730	40,402	1,672	4.3%

CHERRY SHEET OFFSETS

Cherry Sheet Offsets are amounts that constitute categorical aid and must be spent for specific municipal and regional school district programs. Funds received under programs designated as Offset items may be spent without appropriation in the local budget. The School Department reserves the Lunch Program funds for direct expenditure while the Library does the same with the Public Libraries appropriation. The School Department expends the Lunch Programs monies above and beyond the appropriated budget while the Library uses the funds to augment the Town's appropriation.

Lunch Programs - Under Chapter 871 of the Acts of 1970, the State reimburses cities and towns a small portion of the costs of providing breakfasts and lunches to school children. The majority of funding for the lunch programs comes from the federal government and fees paid by the diners. Statewide FY14 funding totaled \$5.4 million. The Governor's FY15 budget proposal level-funds the account. For Brookline, funding is estimated at \$29,385, an increase of \$719 (2.5%).

Public Libraries – Public Libraries include three programs: the Library Incentive Grant (LIG), the Municipal Equalization Grant (MEG), and the Non-resident Circulation Offset. The LIG is intended to maintain and promote improved services. The MEG is meant to provide for some equalization amongst communities based upon their relative revenue raising capacities. Non-resident Circulation helps offset costs incurred through permitting non-residents access to the community's library facilities.

Three different funding formulas are used to distribute these funds. The LIG formula provides for \$0.50 per capita to communities who have populations over 2,500 and who have appropriated at least \$1,250 for public library services during the preceding year. The MEG formula is the same as the lottery formula, which is related to a community's comparative wealth and can be found on page III-26. The Non-resident Circulation Offset is determined annually by the (State) Board of Library Commissioners, based upon each community's share of the total statewide-circulated items. Statewide FY14 funding totaled \$6.8 million. The Governor's FY15 budget proposal increases the account by \$136,473 (2%). For Brookline, funding is estimated at \$82,674, an increase of \$314 (0.4%).

<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$\$</u>	<u>%</u>
Lunch Programs	26,417	27,780	28,666	28,666	29,385	719	2.5%
Public Libraries	80,422	81,380	82,360	82,360	82,674	314	0.4%
Total	106,839	109,160	111,026	111,026	112,059	1,033	0.9%

FREE CASH

Free Cash, which is certified as of July 1 each year by the Commonwealth's Department of Revenue (DOR), represents the portion of General Fund surplus revenue that is unrestricted and available for appropriation. Free Cash is generated when the actual operating results compare favorably with the budget, such as when actual revenues exceed the original estimates and/or when actual expenditures are less than appropriated. It is also affected by increases or decreases in uncollected property taxes, non-General Fund deficit balances, and any other legally incurred operating deficits. These funds, once certified, may be used to support supplemental appropriations during the year, to support the ensuing fiscal year's budget, or to reduce the tax levy. The Town's Free Cash Policy, which can be found in its entirety in the Appendix of this Financial Plan, prioritizes the use of Free Cash in the following manner:

1. Budget Reserve – 25% 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. Capital Improvement Program (CIP) – bring CIP funding up to 7.5% from the 6% CIP Policy
5. Affordable Housing Trust Fund (AHTF) – deposit if the fund balance is less than \$5 million
6. Special Use – augment trust funds related to fringe benefits, unfunded liabilities related to employee benefits, and other one-time uses, including additional funding for the CIP



From FY91 through FY93, Free Cash was certified with negative balances, as can be seen in the graph above. Very tight budgeting and unusually large delinquent tax balances created this situation. This condition began to improve in FY94. Since then, the combination of adopting prudent fiscal policies, more conservative revenue estimates, and closely monitoring expenditures have contributed to the favorable levels of Free Cash. The Free Cash certification for funds available for use in FY15 (i.e., Free Cash as of 7/1/13) is \$7,084,861. However, as discussed in the Town Administrator's Budget Message, this Financial Plan spends \$5.08 million, leaving \$2 million unappropriated to help improve the Town's undesignated fund balance position. The breakout below shows where Free Cash is allocated in accordance with the Town's Free Cash policy.

REVENUE SOURCE	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 BUDGET	FY2014 ESTIMATE	FY2015 BUDGET	BUDGET INCREASE	
						\$\$	%
Free Cash appropriated for:							
Operating Budget Reserve Fund	469,288	486,736	507,190	507,190	530,584	23,394	4.6%
Stabilization Fund	0	0	250,000	250,000	0	(250,000)	-100.0%
Liability Reserve	141,959	253,669	154,115	154,115	234,839	80,724	52.4%
Capital Improvements	4,413,752	3,947,729	4,818,744	4,818,744	4,148,339	(670,404)	-13.9%
Affordable Housing Trust Fund	355,264	251,363	555,106	555,106	170,390	(384,716)	-69.3%
OPEB's	0	211,256	500,000	500,000	0	(500,000)	-100.0%
Public Safety IOD Medical Expenses Trust Fund	0	185,660	0	0	0	0	-
Worker's Comp. Trust Fund	0	0	270,000	270,000	0	(270,000)	-100.0%
Pension Fund	0	0	500,000	500,000	0	(500,000)	-100.0%
Unemployment Trust Fund	0	0	100,000	100,000	0	(100,000)	-100.0%
Operating Budget	0	0	0	0	0	0	-
Total	5,380,264	5,336,413	7,655,155	7,655,155	5,084,152	(2,571,002)	-33.6%

OTHER AVAILABLE FUNDS

Other Available Funds are derived from legally restricted funds and can only be used to offset related appropriations. The anticipated amount available to defray FY15 appropriations is \$8.75 million, an increase of \$1.91 million (27.9%) from the amount available in FY14.

1. **Parking Meter Receipts** - an increase of \$1.05 million (25.6%) is anticipated, with \$200,000 related to the 2013 vote of the Selectmen to increase rates for long-term parking spots and \$850,000 associated with the proposal to increase meter rates from \$1.00/hr to \$1.25/hr.
2. **Walnut Hills Cemetery Funds** - these are receipts from the sale of lots and services. The transfer from these funds to the General Fund is to reimburse the General Fund for a portion of the expenses associated with the operation of the cemetery, which is funded in the DPW budget. It is level-funded at \$75,000, which covers approximately 25% of cemetery operating costs.
3. **State Aid for Libraries** - this is the portion of the Cherry Sheet Offset aid, previously described under the "Cherry Sheet Offsets" section, that is used as a direct offset to the Library. It is level-funded at \$41,555.
4. **Golf Enterprise Fund Reimbursement** - this reimbursement to the General Fund consists of the fringe benefit costs associated with those employees whose salaries are charged to the Enterprise Fund, supervision/overhead, re-payment of both the FY01 Town loan (operating losses) and the FY13 Town loan (new maintenance facility), and property insurance. The reimbursement increases \$12,633 (8.4%) to \$163,049.
5. **Recreation Revolving Fund Reimbursement** - this reimbursement to the General Fund represents the fringe benefit costs associated with those employees whose salaries are funded in the Revolving Fund. Massachusetts General Law, Chapter 44, Section 53E ½, the statute under which the Recreation Revolving Fund was established, mandates that "[N]o revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees unless such revolving fund is also charged for the costs of fringe benefits associated with the wages or salaries so paid." Therefore, with full-time employees being charged to the fund, fringe benefits must be charged. The FY15 reimbursement decreases \$3,783 (1.1%) to \$349,934.
6. **Water and Sewer Enterprise Fund Reimbursement** - this reimbursement to the General Fund consists of fringe benefits and certain interdepartmental expenses. The reimbursement decreases \$151,776 (7.1%) to \$1.97 million.
7. **Tax Abatement Reserve Surplus** - also known as the Overlay Reserve Surplus, the Town's Fiscal Policies dictate that these funds be used to support one-time expenses. In FY15, \$1 million is being used to support the CIP.
8. **Capital Project Surplus** - \$560,000 of remaining balances from old capital projects was used in FY13 to support the CIP. No such use is planned for FY15.
9. **Sale of Town-owned Land Fund** - Chapter 44, Section 63 of Massachusetts General Laws requires the proceeds from the sale of any publicly-owned land, except for property acquired through tax title foreclosures, be placed in a separate fund and be used for paying any debt service associated with the acquisition of the land. If no indebtedness exists, then the proceeds can be used for any purpose for which a municipality is authorized to incur debt. In FY13, \$3.25 million was available from the proceeds generated by the sale of the Fisher Hill Reservoir and they were used in the CIP to pay for the park/playground that will be constructed across the street on the old State-owned reservoir site that the Town purchased.

REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Parking Meter Receipts	3,800,000	3,950,000	4,100,000	4,100,000	5,150,000	1,050,000	25.6%
Walnut Hill Cemetery Fund	50,000	50,000	75,000	75,000	75,000	0	0.0%
State Aid for Libraries	41,555	41,555	41,555	41,555	41,555	0	0.0%
Golf Enterprise Fund Reimbursement	163,852	155,037	150,416	150,416	163,049	12,633	8.4%
Recreation Revolving Fund Reimbursement	295,912	281,764	353,717	353,717	349,934	(3,783)	-1.1%
Water and Sewer Enterprise Fund Reimbursement	1,867,647	1,855,987	2,125,747	2,125,747	1,973,970	(151,776)	-7.1%
Tax Abatement Reserve Surplus	400,000	1,750,000	0	0	1,000,000	1,000,000	-
Capital Project Surplus	0	560,000	0	0	0	0	-
Sale of Town-owned Land Fund	0	3,250,000	0	0	0	0	-
Total	6,618,966	11,894,344	6,846,435	6,846,435	8,753,508	1,907,073	27.9%

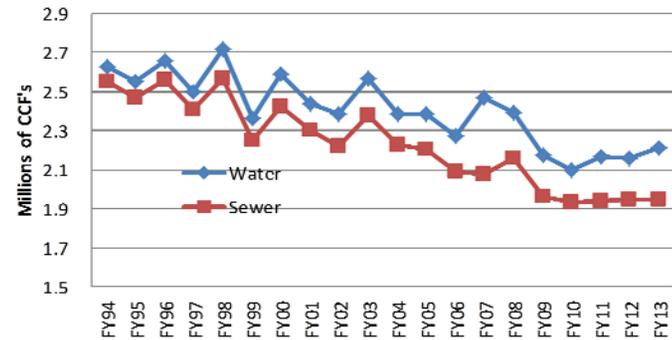
WATER AND SEWER ENTERPRISE

The Department of Public Works is responsible for the operation of the Water and Sewer Division. The Division is responsible for maintaining and operating the municipal water distribution system in accordance with industry standards promulgated by the American Water Works Association and all applicable state and federal regulations, as well as for maintaining and operating the municipal sewer and surface water drain systems in accordance with all applicable state, federal, and MWRA regulations for the collection and discharge of wastewater.

The operation is treated as an enterprise fund under Massachusetts General Laws, Ch. 44, Sec. 53F½. The Enterprise Fund was established by Town Meeting in 2001. Prior to that vote, the Water and Sewer operation was accounted for in the General Fund. Treating the operation as an enterprise fund allows for the use of the full accrual basis of accounting, a requirement of the Government Accounting Standards Board's (GASB) financial reporting standard statement #34. The Enterprise Fund fully reimburses the General Fund for expenses incurred on behalf of its operation, including fringe benefits. The Fund covers 100% of its expenses. Early indications are that the costs for water and sewer services for FY15 will decrease \$102,076 (0.4%) from FY14. The decrease is driven primarily by reductions in Capital (\$268,500, 46.1%), Debt Service (\$226,078, 9.6%), and the Reimbursement to the General Fund (\$151,776, 7.1%), partially offset by an increase in the MWRA Assessment (\$459,027, 2.5%).

Consumption plays a major role in the financial condition of the Enterprise Fund: when consumption estimates (i.e., sales estimates) are not met, revenue is not generated at the estimated levels and a revenue deficit occurs. As shown in the chart to the right, there has been a gradual decrease in consumption, although it appears to have leveled-off recently. This trend is factored in each year when the new rates are set. In order to reduce the revenue volatility resulting from swings in consumption, a new rate structure was enacted by the Board of Selectmen in FY12 that included a base fee, which took approximately one-third of the rate off of consumption dependence. As a result, if there is a significant reduction in consumption during the course of the fiscal year, then approximately one-third of the revenue is not impacted. The new rate structure also included tiered rates, with the first seven hundred cubic feet (hcf) being charged at a lower rate than any consumption above that level.

CONSUMPTION HISTORY



Please see the Enterprise Fund section of the Department of Public Works' budget in Section IV of this Financial Plan for a breakdown of the expenditures associated with the Water and Sewer Division.

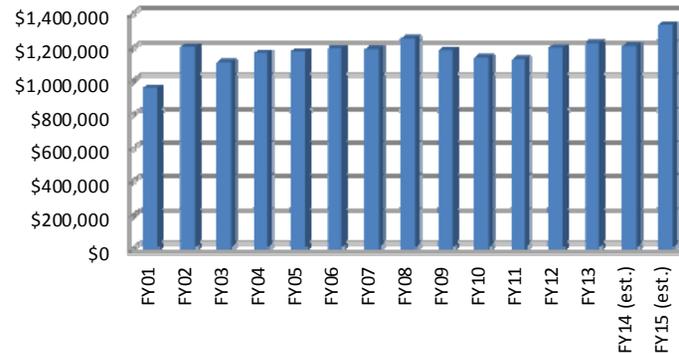
REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Water and Sewer Charges	24,485,212	25,850,955	26,491,495	26,491,495	26,389,419	(102,076)	-0.4%
Late Payment Fees	79,727	89,197	80,000	80,000	80,000	0	0.0%
Service Fees	92,059	130,600	115,500	115,500	115,500	0	0.0%
Fire Service Fee	219,792	237,977	225,000	225,000	225,000	0	0.0%
Misc	137,825	85,061	16,500	16,500	16,500	0	0.0%
Gross Total	25,014,615	26,393,790	26,928,495	26,928,495	26,826,419	(102,076)	-0.4%
less Reimbursement to the General Fund	1,867,647	1,855,987	2,125,747	2,125,747	1,973,970	(151,776)	-7.1%
Net Total	23,146,968	24,537,803	24,802,748	24,802,748	24,852,449	49,700	0.2%

GOLF COURSE ENTERPRISE

The Recreation Department is responsible for the operation of the Town-owned Robert T. Lynch Municipal Golf Course at Putterham Meadows. In doing so, the Department collects golf course revenues for green fees, golf cart rentals, concessions, and Pro Shop sales that are deposited into the Golf Course Enterprise Fund, as allowed for under Massachusetts General Laws, Ch. 44, Sec. 53F½. The golf course operation has been treated as an enterprise fund since FY91. Treating the operation as an enterprise fund allows for the use of the full accrual basis of accounting, a requirement of the Government Accounting Standards Board's (GASB) financial reporting standard statement #34. The Enterprise Fund fully reimburses the General Fund for expenses incurred on behalf of the golf operation, including fringe benefits.

In FY15, collections are estimated to total \$1.33 million, an increase of \$121,923 (10.1%) from the FY14 budget, driven primarily by an increase in the estimate of the number of rounds played (greens fees and cart rentals). This reflects the experience of the past golf season, which is due, in part, to the significant capital improvements that have been completed at the course, including extensive drainage restoration and bunker renovation. In addition, the employee golf benefit was changed to better utilize the golf course at peak times and will further increase revenue. Lastly, management revised the Pro Shop marketing plan and has since realized a 40% increase in sales. Please see the Enterprise Fund section of the Recreation Department's budget in Section IV of this Financial Plan for a breakdown of the expenditures associated with the Golf Course.

GOLF COURSE ENTERPRISE FUND REVENUE



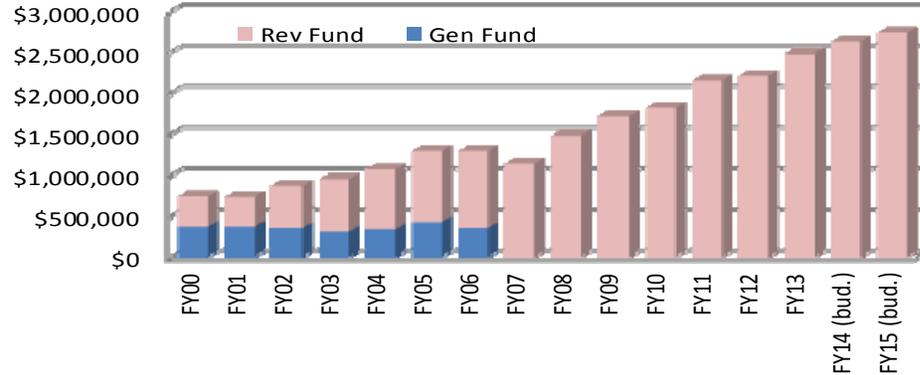
REVENUE SOURCE	FY2012	FY2013	FY2014	FY2014	FY2015	BUDGET INCREASE	
	ACTUAL	ACTUAL	BUDGET	ESTIMATE	BUDGET	\$	%
Green Fees / Permits	970,239	914,792	985,000	985,000	1,005,000	20,000	2.0%
Cart Rentals	83,282	140,679	80,000	140,000	140,000	60,000	75.0%
Pro Shop	49,891	72,132	47,740	70,000	80,000	32,260	67.6%
Concessions	36,785	42,000	43,260	43,260	45,423	2,163	5.0%
Golf Clinics	21,386	22,230	25,000	25,000	25,000	0	0.0%
Other	37,361	33,335	29,000	29,000	36,500	7,500	25.9%
Gross Total	1,198,944	1,225,168	1,210,000	1,292,260	1,331,923	121,923	10.1%
less Reimbursement to the General Fund	163,852	155,037	150,416	150,416	163,049	12,633	8.4%
Net Total	1,035,092	1,070,131	1,059,584	1,141,844	1,168,874	109,290	10.3%

RECREATION REVOLVING FUND

Established by Town Meeting in 1992 per the provisions of Massachusetts General Laws Chapter 44, Section 53E½, the Recreation Revolving Fund holds the fees collected for the programs the Recreation Department sponsors. Prior to FY07, Recreation Department revenue was split between the General Fund and the Revolving Fund; from that point forward, all Recreation revenue has been deposited into the Revolving Fund. This was made possible by the passage of Chapter 79 of the Acts of 2005, which enabled the Town to have a revolving fund revenue ceiling equal to 2 1/2% of the property tax levy instead of the 1% ceiling imposed by the State statute.

Approved every year by Town Meeting as part of the annual appropriations article, the FY15 estimate for the Revolving Fund is \$2.74 million, an increase of \$114,476 (4.4%). Please see the Revolving Fund section of the Recreation Department's budget in Section IV of this Financial Plan for a breakdown of the expenditures associated with the programs accounted for under the Revolving Fund.

RECREATION REVENUE



<u>REVENUE SOURCE</u>	<u>FY2012 ACTUAL</u>	<u>FY2013 ACTUAL</u>	<u>FY2014 BUDGET</u>	<u>FY2014 ESTIMATE</u>	<u>FY2015 BUDGET</u>	<u>BUDGET INCREASE</u>	
						<u>\$</u>	<u>%</u>
Aquatic	524,847	564,654	535,000	535,000	542,684	7,684	1.4%
Eliot Center	149,791	131,863	149,609	149,609	88,078	(61,531)	-41.1%
Environmental Programs	49,334	52,589	52,030	52,030	52,589	559	1.1%
Ice Skating	153,113	135,302	172,724	172,724	141,086	(31,638)	-18.3%
Off-Site Out of Town Trip	0	28,246	63,619	63,619	36,970	(26,649)	-41.9%
Outdoor Recreation	535,072	636,367	563,317	563,317	624,270	60,953	10.8%
Outdoor Athletics	213,514	221,282	213,479	213,479	230,991	17,512	8.2%
Soule Center	453,534	522,528	654,735	654,735	787,184	132,449	20.2%
Soule Gym	39,482	52,572	34,438	34,438	69,796	35,358	102.7%
Tappan Facility	141,410	188,173	188,923	188,923	168,702	(20,221)	-10.7%
Misc Revenue	(49,841)	(52,719)	0	0	0	0	-
Gross Total	2,210,256	2,480,857	2,627,874	2,627,874	2,742,350	114,476	4.4%
less Reimbursement to the General Fund	295,912	281,764	353,717	353,717	349,934	(3,783)	-1.1%
Net Total	1,914,344	2,199,093	2,274,157	2,274,157	2,392,416	118,259	5.2%