

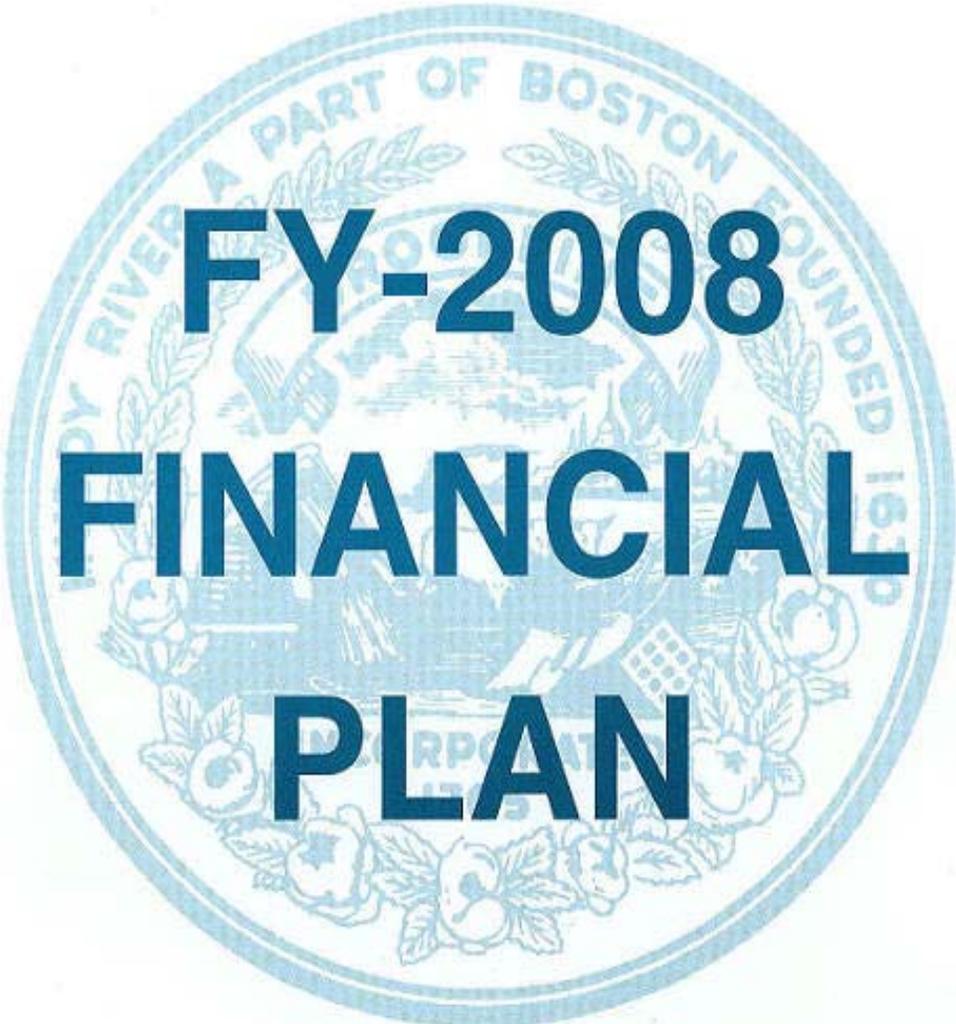
TOWN OF BROOKLINE

BOARD OF SELECTMEN

Robert L. Allen, Jr.
Chairman

Gilbert R. Hoy, Jr.
Michael W. Merrill
Nancy A. Daly
Betsy DeWitt

Richard J. Kelliher
Town Administrator

The seal of the Town of Brookline is a circular emblem. It features a central figure, likely a Native American, holding a bow and arrow. The figure is surrounded by a wreath of leaves and berries. The outer ring of the seal contains the text "THE RIVER A PART OF BOSTON FOUNDED 1630".

FY-2008 FINANCIAL PLAN



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Brookline
Massachusetts**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

FY08 BUDGET MESSAGE

- \$3.2 million deficit
- \$1.2 million deficit for Town Departments
- \$2+ million deficit for the Schools
- Benefits budget increase of 12.8%
- Operating Revenue up \$6 million; Wages / Benefits up \$7.6 million

TOWN BUDGET REDUCTIONS

DEPT	PRE-CUT BUDGET	PRE-CUT BGT AS % OF ALL DEPT'AL BGTS	CUT	POST-CUT BUDGET	CUT AS % OF DEPT'S BUDGET
Police	13,847,352	22.9%	(207,563)	13,639,789	1.5%
DPW	12,645,102	20.9%	(170,402)	12,474,700	1.4%
Fire	11,671,454	19.3%	(118,411)	11,553,043	1.0%
Building	6,260,617	10.3%	(25,500)	6,235,117	0.4%
Library	3,364,873	5.6%	(36,346)	3,328,527	1.1%
Finance	2,932,980	4.8%	(24,229)	2,908,751	0.8%
ITD	1,403,553	2.3%	(25,000)	1,378,553	1.8%
Health	1,050,399	1.7%	(44,000)	1,006,399	4.4%
Rec *	1,011,782	1.7%	(98,884)	912,898	10.8%
Econ Devel	192,716	0.3%	(12,000)	180,716	6.6%

* \$37,437 Shifted to the Revolving Fund

CUTBACK STRATEGY

- Cutbacks have been spread among departments to the extent feasible. Public safety, public works, human/leisure services, and general administration all are being asked to absorb reductions.
- No single service is targeted for elimination, but several functions will be significantly curtailed.
- Vacancies have been identified for attrition, thereby avoiding layoffs for any permanent full-time personnel.
- Consistent with the approach of service curtailment as opposed to elimination, part-time positions, to the greatest extent possible, have been reduced.
- To lessen the extent of reductions in the operating budget, the CIP is proposed to be cut by \$420,000.

MITIGATION PLAN

\$1M in Fee / Fine Increases – Adopt increases in various fees / fines, including parking enforcement / regulation, meter rates, and refuse fee.

\$1M in Health Insurance Savings – all unions would have to agree to changes in plan design -- whether through traditional bargaining or through coalition bargaining -- to save \$1.9 million -- \$1.425 million in the Town budget and \$475K for employees.

FEE / FINE INCREASES

Permit Parking Fee	(\$25 x 2,000 permits)	\$50,000
2-Hour Parking Fine	(Increase from \$15 to \$30)	\$123,450
Misc. Other Fines	(Various adjustments)	(\$21,195)
Misc. Other Fees	(Various adjustments)	\$41,000
Increase Late Penalty	(From \$10 to \$15)	\$112,500
Gross Parking Revenue		\$305,755
Less up to \$50,000 for Permit Program Admin costs		(\$50,000)
Net Parking Revenue Increase		\$255,755
Increase Meter Rates	(From \$0.50/hr to \$0.75/hr)	\$700,000
Increase Refuse Fee	(From \$165 to \$205)	\$509,000
TOTAL Revenue Increase		\$1,464,755

HEALTH INSURANCE PLAN DESIGN CHANGES

	<u>CURRENT</u>	<u>PROPOSED</u>	<u>SAVINGS</u>
Office Visits	\$5	\$15	\$496,099
ER	\$25	\$50	\$22,550
Rx	\$5 / \$10	\$10 / \$20 / \$40	\$631,399
Outpatient	NA	\$75/procedure	\$248,049
In-Patient	NA	\$500	\$473,549
Misc			\$22,584

TOTAL SAVINGS	\$1,894,230
Town	\$1,420,673
Employees	\$473,558

ADD-BACK STRATEGY

- **Public Schools** – receive 50% of add-back revenue. Balance allocated among Town departments.
- **Public Safety** – police and fire personnel will receive priority consideration for restoration. Approx. \$225K of Town add-backs would be utilized to fill the 2 police officer positions and 2 firefighter positions to be unfilled for attrition. This is a particularly appropriate linkage for funding that might result from parking regulation revenue.
- **Non-Public Safety** – approx. \$75K is recommended for restoration of non-public safety positions and accounts.
- **Building R & M** – it is recommended that after the above restorations, up to \$200K be earmarked for the Bldg Dept's R&M account. The capacity of this account, which has been level-funded since the 1994 Override, has been eroded by inflation over time. Significant shortfalls this year are being covered by balances in other Bldg Dept accounts, and a Reserve Fund transfer could be required.
- **Collective Bargaining** – add back revenue over \$500K for Town departments should be reserved for collective bargaining purposes.

MUNICIPAL PARTNERSHIP ACT

- Highlights
 - Add'l up to 1% Hotel Excise Tax (Local Option)
 - New up to 2% Meals Tax (Local Option)
 - Telecomm Tax Loophole Closings
 - Municipal entry to the GIC
 - Property Tax Exemption Fund
 - Underperforming Pension Systems' asset transfer to PRIT
 - Borrowing flexibility
- While these initiatives could provide longer-term relief / flexibility, minimal or no relief is anticipated for FY08.
- If (a) these were enacted as proposed and (b) the Town took full advantage of them, the Hotel Excise Tax, Meals Tax, and Telecomm Taxes could generate close to \$2M in new revenue on an annual basis.
- In addition, entry into the GIC could potentially provide additional group health savings.

LONG-RANGE STRATEGY

- A \$6M FY09 deficit
- Municipal Partnership Act
- Revenue Sharing (Local Aid)
- Group Health and Other Savings
- Override

FISCAL POLICIES

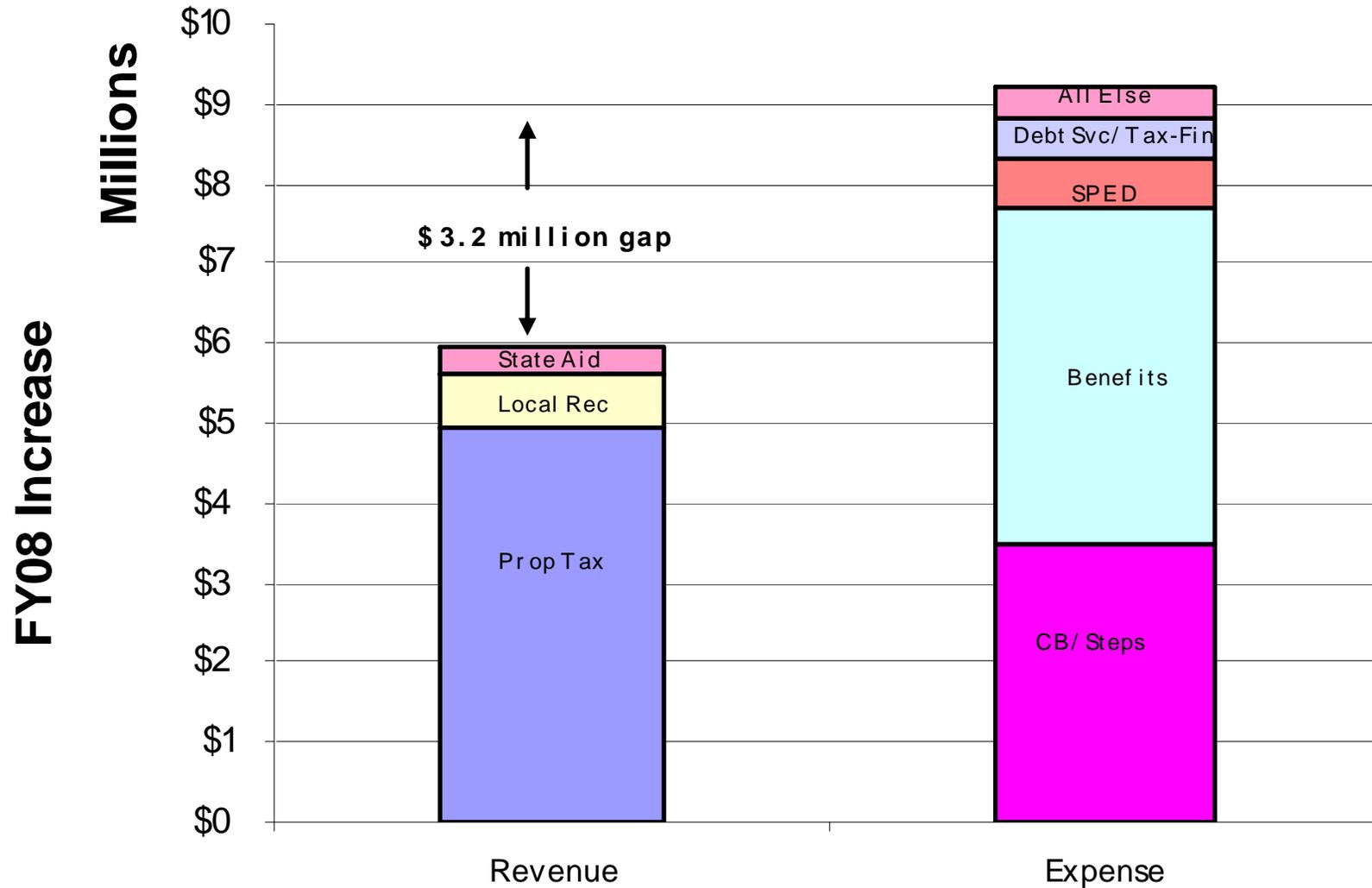
- The Financial Plan is guided by formally adopted fiscal policies:
 - Use of Free Cash
 - CIP Financing **
 - Reserves
- Also follows annual practices in place since 1994:
 - Town / School Partnership
 - Position freeze on number of Town employees
 - 1994 Override requirements

** For FY08, it is being recommended to reduce the 5.5% financing policy to 5.25%, which frees-up \$420K for the Operating Budget.

BUDGET SUMMARY

- Financial Plan Total = \$208.2 million
 - Operating Budget = \$173.5 million (+3.1%)
 - Special Approp. (Rev-Fin CIP) = \$5.9 million
 - Enterprise /Revolving Funds = \$21.6 million (net of Overhead)
- Town Departments Increase = 1.1% (after fixed costs)
- School Department Increase = 2.1% (after fixed costs)
- Non-Departmental Increase = 7.8%
 - Benefits Budget increases 12.8%
- Cuts 13.9 FTE's, from the Town budget

FY08 DEFICIT CALCULATION



FY2008 CHALLENGE

- **Collective Bargaining & Steps** – total \$3.5 million town-wide
- **Health Insurance** – 12% rate increase + 55 new enrollees (\$2.7 million)
- **Pensions** – \$1.1 million increase per schedule approved by PERAC
- **SPED** – growth of \$600K in the School budget
- **Operating Revenue** – grows \$5.7 million, an amount less than the growth in fixed costs.
 - Net State Aid growth of just \$54K, or 0.4%.

FORECAST vs FINANCIAL PLAN

- Virtually unchanged:
 - Health Ins came in at 12% (Medex came in at 7%, so there was a \$160K savings -- \$83K School / \$77K Town)
 - No net change in estimates for Local Receipts
- The major revenue change was a decrease of \$134K in Net State Aid (aid minus assessments)
- The major expenditure change was a \$384K reduction in Utility expenses (+\$190K Schools / +\$194K Town)

FORECAST vs FINANCIAL PLAN (con't.)

Town Deficit per Forecast	(1,251,031)
----------------------------------	--------------------

Change in Health Insurance Rate Increase (Town Share)	(76,546)
--	-----------------

Reduction in Utilities (Town Share)	(193,806)
--	------------------

Net State Aid Loss (Town Share)	66,781
--	---------------

Revised Town Deficit	(1,047,460)
-----------------------------	--------------------

Eliminate Certain Inflation/Maint. Growth	(25,125)
--	-----------------

Additional Special Revenue Fund Transfer (to support Ceme.)	(50,000)
--	-----------------

CIP Cutback (Town Share)	(210,000)
---------------------------------	------------------

Departmental Budget Cuts	(762,335)
---------------------------------	------------------

Surplus / (Deficit)	0
----------------------------	----------

CUTS TO BALANCE BUDGET

DEPT	ITEM	FTE	AMT.
Building	Capital		(25,500)
	Sub-Total Building	0.00	(25,500)
DPW	Laborer (LN-1)	(1.00)	(37,885)
DPW	Park Maint. Craftsman (LN-3)	(1.00)	(41,779)
DPW	Civil Engineer III (EN-3)	(1.00)	(58,192)
DPW	Seasonals - Park	(0.70)	(16,546)
DPW	Engineering Coop Student Intern	(0.36)	(11,000)
DPW	Pest Control Svcs		(5,000)
	Sub-Total DPW	(4.06)	(170,402)
Econ. Devel.	Intern	(0.50)	(12,000)
	Sub-Total Econ Devel	(0.50)	(12,000)
Purchasing	Telephone Operator (C-4)	(1.00)	(24,229)
	Sub-Total Finance	(1.00)	(24,229)
Fire	2 Firefighters (Apparatus Out-of-Service)	(2.00)	(101,411)
Fire	Capital		(17,000)
	Sub-Total Fire	(2.00)	(118,411)
Health	Capital		(24,000)
Health	Intern	(0.14)	(3,000)
Health	Mental Health Contract		(10,000)
Health	Misc Svcs/Supp		(7,000)
	Sub-Total Health & Human Svcs	(0.14)	(44,000)

CUTS TO BALANCE BUDGET (con't.)

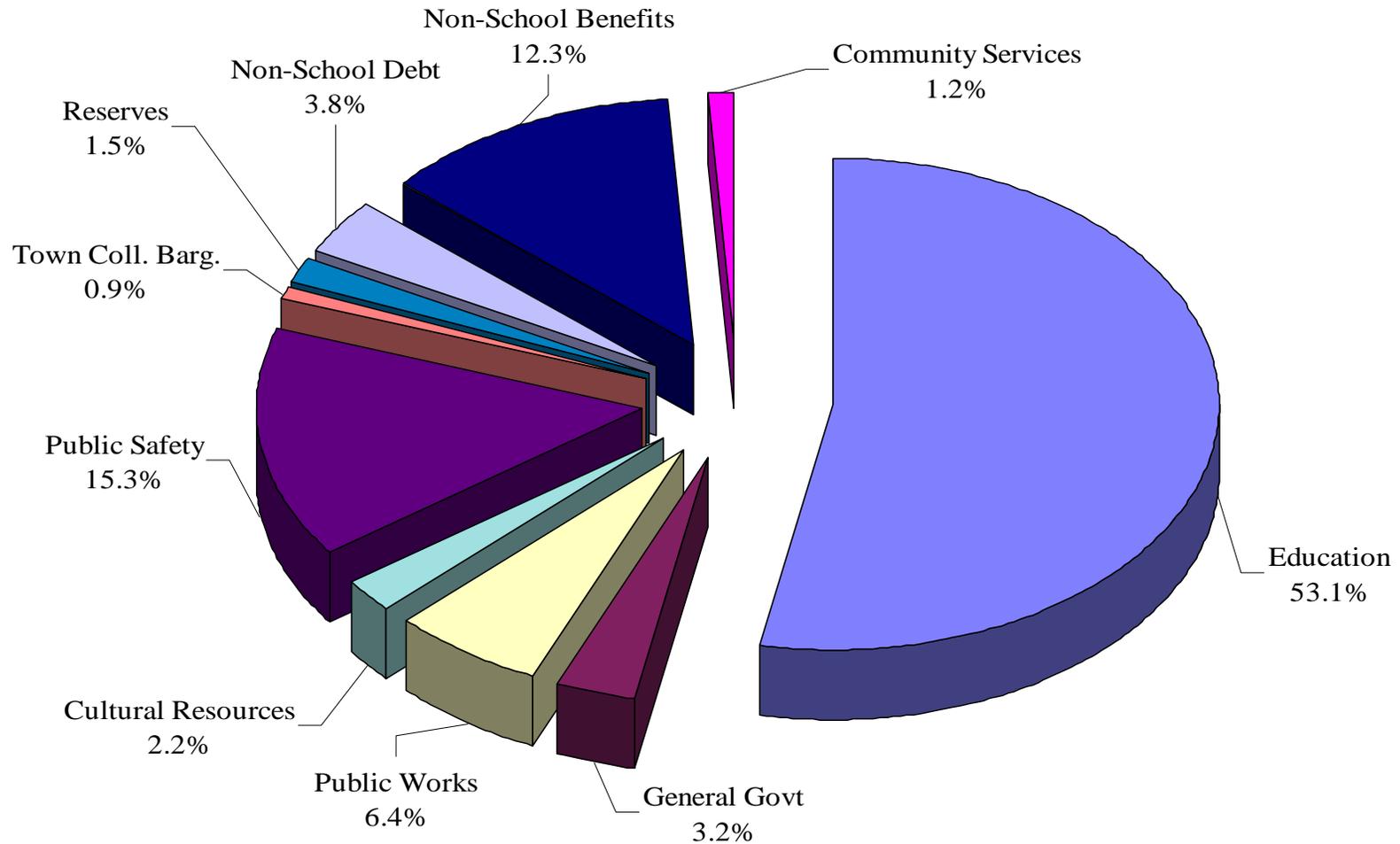
DEPT	ITEM	FTE	AMT.
ITD	Consulting		(20,000)
ITD	Training		(5,000)
Sub-Total ITD		0.00	(25,000)
Library	Library Assistant II	(1.00)	(36,346)
Sub-Total Library		(1.00)	(36,346)
Police	2 Police Officers	(2.00)	(113,355)
Police	Capital		(68,054)
Police	TPT Clerical Workers	(1.20)	(26,155)
Sub-Total Police		(3.20)	(207,563)
Recreation	Recreation Supervisor I (T-6)	(1.00)	(61,441)
Recreation	Locker Attendent	(1.00)	(37,443)
Sub-Total Recreation		(2.00)	(98,884)
TOTAL		(13.90)	(762,335)

FY2008 TOWN & SCHOOL BUDGET GROWTH

SCHOOL				
	<u>FY07</u>	<u>FY08</u>	<u>\$ Change</u>	<u>% Change</u>
Appropriation	60,096,385	61,329,714	1,233,329	2.1%
Pers Benefits	12,867,218	14,809,517	1,942,299	15.1%
Bldg Dept Exp's	4,195,289	4,226,528	31,240	0.7%
TOTAL	77,158,892	80,365,759	3,206,868	4.2%

TOWN				
	<u>FY07</u>	<u>FY08</u>	<u>\$ Change</u>	<u>% Change</u>
Town Dept's	59,255,307	59,442,678	187,371	0.3%
Less Sch Dept Exp in Bldg Bgt	<u>(4,195,289)</u>	<u>(4,226,528)</u>		
Net Town Dept's	55,060,019	55,216,150	156,131	0.3%
Pers Benefits	19,040,900	21,225,869	2,184,969	11.5%
TOTAL	74,100,919	76,442,019	2,341,101	3.2%

FULLY ALLOCATED FY2008 GENERAL FUND OPERATING BUDGET



FINANCIAL PLAN SUMMARY - BY FUND

FY2008 FINANCIAL SUMMARY BY FUND

REVENUES	General Fund *	Water & Sewer Enterprise Fund	Golf Enterprise Fund	Recreation Revolving Fund	Parking Meter Fund	Cemetery Trust	State Library Aid	Tax Abatement Reserve Surplus	TOTAL
Property Taxes	134,994,153								134,994,153
Local Receipts	21,187,100								21,187,100
State Aid	18,326,854								18,326,854
Parking Meter Receipts					2,000,000				2,000,000
Walnut Hill Cemetery Fund						100,000			100,000
State Aid for Libraries							41,555		41,555
Golf Receipts			1,253,168						1,253,168
Recreation Program Revenue				1,489,440					1,489,440
Water and Sewer Receipts		23,935,597							23,935,597
Tax Abatement Reserve Surplus								850,000	850,000
Capital Project Surplus	169,155								169,155
Free Cash	3,814,792								3,814,792
TOTAL FINANCIAL PLAN REVENUE	178,492,054	23,935,597	1,253,168	1,489,440	2,000,000	100,000	41,555	850,000	208,161,814
EXPENDITURES **									
General Government	7,161,566								7,161,566
Public Safety	30,176,210				1,000,000				31,176,210
Public Works	11,311,084	19,421,937			1,000,000	100,000			31,833,021
Library	3,285,890						41,555		3,327,445
Health & Human Services	2,101,714								2,101,714
Recreation	914,656		880,167	1,303,085					3,097,908
Schools	61,329,714								61,329,714
Personal Services Reserve	750,000								750,000
Collective Bargaining (Town)	1,600,000								1,600,000
Personnel Benefits **	34,142,373	1,891,384	65,273	186,355					36,285,385
Non-Departmental **	2,280,957		113,198						2,394,155
Debt Service **	11,236,105	2,622,276	194,530						14,052,910
Special Appropriations (Revenue-Financed CIP)	5,078,000							850,000	5,928,000
Non-Appropriated	7,123,786								7,123,786
TOTAL FINANCIAL PLAN EXPENDITURES	178,492,054	23,935,597	1,253,168	1,489,440	2,000,000	100,000	41,555	850,000	208,161,814

* Includes revenue from property taxes, local receipts, state aid, Free Cash, and Capital Project Surplus.

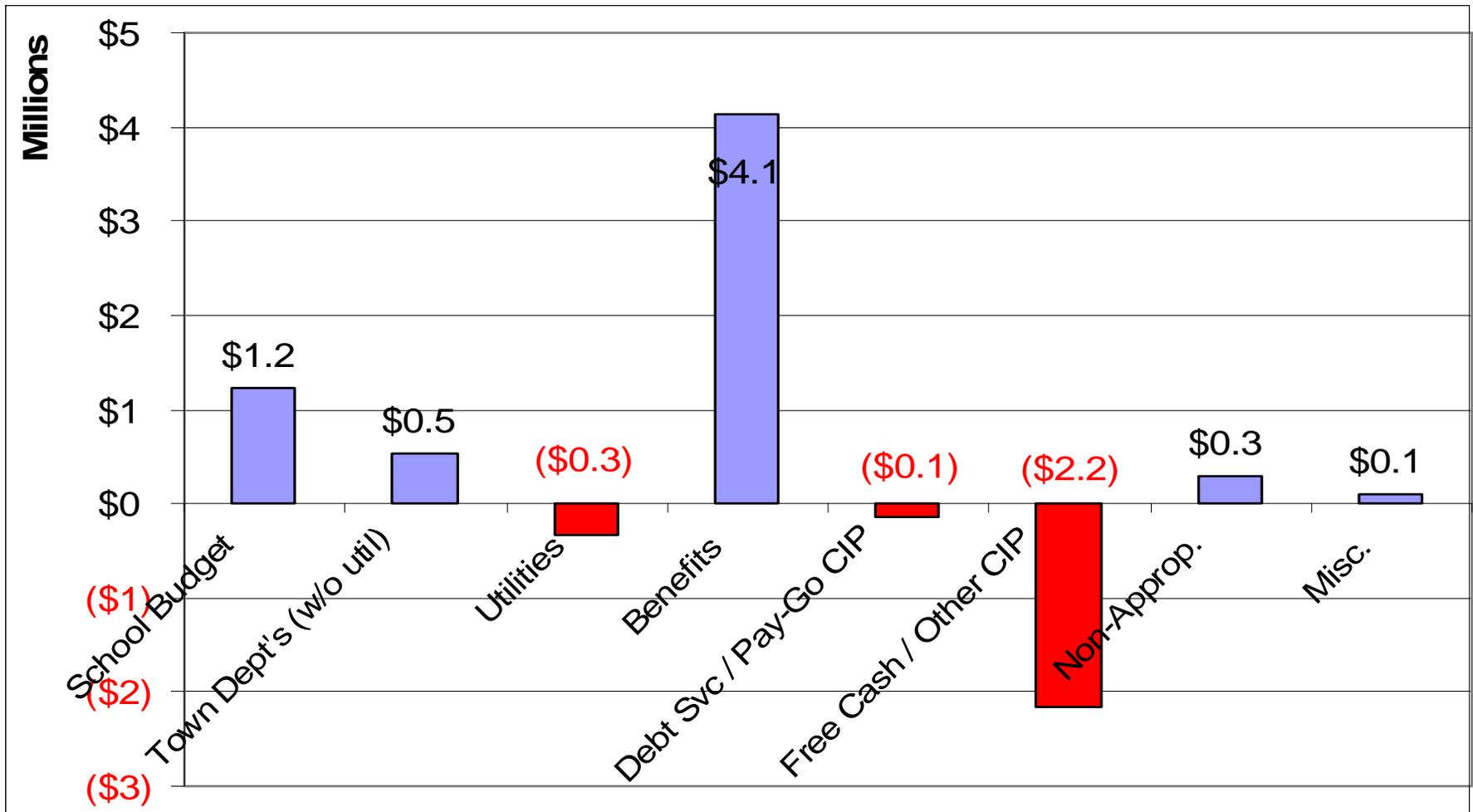
** For purposes of this analysis, the reimbursements from the enterprise funds and revolving fund are deducted from the General Fund and re-allocated within that particular fund. Accounts with an ** had amounts deducted from them in the General Fund.

GENERAL FUND SUMMARY

	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL	FY2007 BUDGET	FY2008 BUDGET	INCREASE/DECREASE	
						\$	%
REVENUE							
Property Tax	114,247,135	119,549,759	121,812,454	130,076,534	134,994,153	4,917,619	3.8%
Local Receipts	19,033,233	21,229,625	22,986,108	20,477,229	21,187,100	709,871	3.5%
State Aid	17,298,584	17,420,087	17,951,657	18,021,104	18,326,854	305,750	1.7%
Free Cash	5,602,961	6,966,241	4,606,534	5,387,435	3,814,792	(1,572,643)	-29.2%
Other Available Funds	7,884,671	11,116,554	7,691,658	8,948,052	8,233,729	(714,323)	-8.0%
TOTAL REVENUE	164,066,584	176,282,266	175,048,412	182,910,354	186,556,628	3,646,274	2.0%
(LESS) NON-APPROPRIATED EXPENSES							
State & County Charges	5,460,231	5,352,984	5,084,477	117,738	116,835	(903)	-0.8%
Tax Abatement Overlay	1,500,000	1,800,995	1,490,442	5,229,723	5,481,951	252,228	4.8%
Deficits & Judgments	6,387	0	0	1,451,262	1,500,000	48,738	3.4%
Cherry Sheet Offsets	1,013,561	1,157,237	1,280,287	25,000	25,000	0	0.0%
TOTAL NON-APPROPRIATED EXPENSES	7,980,179	8,311,216	7,855,206	6,823,723	7,123,786	300,063	4.4%
AMOUNT AVAILABLE FOR APPROPRIATION				176,086,630	179,432,843	3,346,213	1.9%
APPROPRIATIONS							
Town Departments	52,336,452	53,769,760	56,348,332	59,255,307	59,442,678	187,371	0.3%
School Department	53,774,922	56,220,591	58,236,785	60,096,385	61,329,714	1,233,329	2.1%
Non-Departmental Total	40,461,741	41,754,453	43,682,516	48,860,375	52,732,451	3,872,076	7.9%
General Fund Non-Departmental	35,108,540	36,548,193	38,628,700	43,506,915	47,659,432	4,152,516	9.5%
Water and Sewer Enterprise Fund Overhead *	4,849,472	4,750,571	4,554,526	4,836,456	4,513,660	(322,796)	-6.7%
Golf Enterprise Fund Overhead *	376,581	342,908	379,553	371,402	373,004	1,602	0.4%
Recreation Revolving Fund Overhead *	127,148	112,781	119,737	145,602	186,355	40,753	28.0%
OPERATING BUDGET SUBTOTAL	146,573,115	151,744,804	158,267,633	168,212,068	173,504,843	5,292,775	3.1%
Revenue-Financed Special Appropriations	7,066,117	11,438,709	6,060,803	7,874,562	5,928,000	(1,946,562)	-24.7%
TOTAL APPROPRIATIONS	153,639,232	163,183,513	164,328,436	176,086,630	179,432,843	3,346,213	1.9%
BALANCE				0	0	0	

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

GENERAL FUND SUMMARY - AREAS OF GROWTH



FY2008 WATER & SEWER ENTERPRISE FUND

FY2008 RECOMMENDED WATER & SEWER ENTERPRISE FUND SUMMARY

	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL	FY2007 BUDGET	FY2008 BUDGET	INCREASE/DECREASE	
						\$	%
REVENUE							
Rate Revenue	19,307,653	20,227,052	20,267,005	22,750,286	23,674,463	924,177	4.1%
Late Payment Fees	105,165	114,604	76,347	120,000	120,000	0	0.0%
Water Service Charges	125,070	105,009	67,841	120,000	120,000	0	0.0%
Rate Relief (State Aid)	0	0	21,134	21,134	21,134	0	0.0%
Insurance / Damage Recovery	2,563	1,639	3,009	0	0	0	-
Transfers In	341,779	38,191	0	0	0	0	-
TOTAL REVENUE	19,882,230	20,486,495	20,435,336	23,011,420	23,935,597	924,177	4.0%
EXPENDITURES							
Personnel	1,841,126	1,909,084	2,003,575	2,143,518	2,200,116	56,597	2.6%
Services	113,977	135,519	332,363	320,019	360,560	40,541	12.7%
Supplies	125,604	185,263	160,644	178,612	158,989	(19,623)	-11.0%
Other	3,100	2,549	3,000	3,600	3,600	0	0.0%
Capital	166,102	226,848	309,683	302,100	324,800	22,700	7.5%
Inter-Governmental (MRWA)	12,599,219	12,771,580	13,659,215	14,370,439	16,136,886	1,766,447	12.3%
Debt Service *	2,422,855	2,629,240	2,360,636	2,732,455	2,622,276	(110,179)	-4.0%
Benefits *	2,426,617	2,121,331	2,193,890	2,104,001	1,891,384	(212,617)	-10.1%
Reserve	0	0	0	0	236,986	236,986	-
Year-End Negative Fund Balance (need to cover)	0	0	0	856,676	0	(856,676)	-100.0%
TOTAL EXPENDITURE	19,698,601	19,981,414	21,023,006	23,011,420	23,935,597	924,177	4.0%
BALANCE				0	0	0	

* These comprise the Intra-Governmental Expense, which is the reimbursement to the General Fund. These amounts are accounted for in the General Fund under the "Other Available Funds" category.

FY2008 GOLF COURSE ENTERPRISE FUND

FY2008 RECOMMENDED GOLF COURSE ENTERPRISE FUND SUMMARY

	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL	FY2007 BUDGET	FY2008 BUDGET	INCREASE/DECREASE	
						\$	%
REVENUE							
Greens Fees	964,554	984,684	1,005,503	986,000	1,030,168	44,168	4.5%
Golf Cart Rentals	110,126	86,923	72,795	110,000	85,000	(25,000)	-22.7%
Pro Shop Sales	92,742	90,387	87,406	95,000	100,000	5,000	5.3%
Concessions	0	0	15,672	15,000	20,000	5,000	33.3%
Other	1,555	15,965	15,155	16,128	18,000	1,872	11.6%
TOTAL REVENUE	1,168,977	1,177,959	1,196,531	1,222,128	1,253,168	31,040	2.5%
EXPENDITURES							
Personnel	169,680	216,770	365,210	403,320	415,984	12,664	3.1%
Services	607,863	518,846	165,041	176,949	183,435	6,486	3.7%
Supplies	54,397	88,946	127,205	140,777	151,815	11,038	7.8%
Other	2,147	599	2,167	4,100	3,350	(750)	-18.3%
Capital	0	0	85,089	85,580	85,580	0	0.0%
Debt Service *	214,848	208,744	209,219	202,566	194,530	(8,036)	-4.0%
Benefits / Other*	161,733	134,164	170,334	168,836	178,474	9,638	5.7%
Reserve	0	0	0	40,000	40,000	0	0.0%
TOTAL EXPENDITURE	1,210,668	1,168,069	1,124,265	1,222,128	1,253,168	31,040	2.5%
BALANCE				0	0	0	

* These comprise the Intra-Governmental Expense, which is the reimbursement to the General Fund. These amounts are accounted for in the General Fund under the "Other Available Funds" category.

FY2008 RECREATION REVOLVING FUND

FY2008 RECOMMENDED RECREATION REVOLVING FUND SUMMARY

	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL	FY2007 BUDGET	FY2008 BUDGET	INCREASE/DECREASE	
						\$	%
REVENUE							
After School Activities	212,854	316,971	382,055	420,154	406,054	(14,100)	-3.4%
Amory & Main Gym	9,668	0	7,250	37,000	47,031	10,031	27.1%
Aquatic	194,338	218,828	204,211	63,040	307,612	244,572	388.0%
Environmental Programs	0	0	24,778	30,000	25,378	(4,622)	-15.4%
Facility Program	34,549	47,247	27,191	103,336	83,795	(19,541)	-18.9%
Ice Skating	40,857	34,492	27,221	84,422	65,288	(19,134)	-22.7%
Retained Earnings	0	0	0	25,500	0	(25,500)	-100.0%
Ski Programs and Trips	11,405	14,898	13,580	24,895	17,350	(7,545)	-30.3%
Summer Camp	8,910	11,960	0	325,145	258,000	(67,145)	-20.7%
Teen Programs	17,962	15,140	28,825	38,907	30,000	(8,907)	-22.9%
Youth Soccer	118,383	117,060	116,460	171,100	136,840	(34,260)	-20.0%
Youth Sports Leagues	71,397	87,194	107,201	93,703	112,092	18,389	19.6%
Misc.	273	1,041	0	0	0	0	-
TOTAL REVENUE	720,596	864,831	938,772	1,417,202	1,489,440	72,238	5.1%
EXPENDITURES							
Personnel	439,598	506,662	586,544	879,933	941,017	61,084	6.9%
Services	55,207	83,540	100,475	181,350	185,401	4,051	2.2%
Supplies	105,897	116,218	91,025	143,397	140,897	(2,500)	-1.7%
Other	7,283	8,285	8,308	30,100	32,100	2,000	6.6%
Capital	1,620	111	7,144	36,820	3,670	(33,150)	-90.0%
Benefits / Other*	82,886	112,781	119,737	145,602	186,355	40,753	28.0%
TOTAL EXPENDITURE	692,491	827,597	913,234	1,417,202	1,489,440	72,238	5.1%
BALANCE				0	0	0	

* These comprise the Intra-Governmental Expense, which is the reimbursement to the General Fund. These amounts are accounted for in the General Fund under the "Other Available Funds" category.

CAPITAL IMPROVEMENT PROGRAM (CIP)

- Developed within the parameters of the Board of Selectmen's CIP Policies, with one exception:
 - 5.5% of the prior year's net revenue allocated to the CIP is reduced to 5.25% (frees-up \$420K for the Operating Budget)
- Financing plan includes outside funding sources and grant opportunities
- Calls for an investment of \$146.5 million over the next six years, for an average of \$24.4 million per year

CIP FINANCING STRATEGY

- **5.5% funding policy**

- In FY08, reduced to 5.25%, with 4.05% is earmarked for debt service and 1.2% to pay-as-you-go

- **Free Cash**

- \$2.9 million of Free Cash is used to support the CIP
- Free Cash estimate for the out-years of the CIP is lowered, resulting in less funding available for projects

- **“Other” Funds / Grant Funds**

- \$3.25 million from the sale of the Town-owned Fisher Hill Reservoir to be used to fund the construction of a playing field on the State-owned site across the street
- \$45.1 million in State grants (SBA) and \$1.9 million in CDBG funds

IMPACT OF GOING TO 5.25%

	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Path Reconstruction	(110,000)	110,000				
Parking Lot Rehab.	(115,000)	115,000		(75,000)	75,000	
Larz Anderson Park	(100,000)	100,000				
Waldstein Building	(120,000)	120,000				
Tennis Courts / Basketball Courts		(100,000)	100,000			
Underground Wires Feas Study		(30,000)	30,000			
Library Interior Painting / Facelift		(50,000)	50,000			
Comfort Stations		(50,000)	50,000			
Commercial Areas Streetscape Improv.		(150,000)	150,000			
Gateway West (Chestnut Hill) District Plan		(75,000)	75,000			
Public Bldg Furnishings & Equipment			(25,000)	25,000		
Parking Meter System Replacement - delay 1 yr (savings in debt svc)			(191,750)	6,175	6,175	6,175
UAB - Roof&Chimney/Pointing/Gutters & Downsp.			(120,000)	120,000		

MAJOR CIP PROJECTS

- Devotion School - \$27.65 million of Town funding plus the possibility of \$27.65 million of State funding in FY10-FY13 for feasibility, design, and construction.
- Town Hall - \$15.95 million in FY08.
- Runkle School - \$13.2 million of Town funding plus the possibility of \$13.2 million of State funding in FY09-FY10 for design and construction.
- Newton St. Landfill - \$3.8 million in FY10 to complete the closure of the rear landfill.
- Fisher Hill Reservoir Re-Use - \$4.6 million in FY08-FY09, of which \$3.25 million comes from outside funding.
- High School projects - \$4 million in FY09 for roof, pointing, floors, and the Tappan St. Gym windows.
- Village Square - \$2 million in FY09, funded primarily with outside funding (i.e., CDBG and state/federal grants).
- Baldwin School - \$2 million in FY13 for HVAC, electrical, elevator, windows, and ADA.
- UAB - \$1.4 million in FY11-FY12 for roof, chimney pointing, and gutters / downspouts.
- Parking Meters - \$1.3 million in FY10.

THE FUTURE

- A number of key budget accounts pose difficulties for future budgets.
- As the Forecast shows, a projected deficit for FY09 of \$5.8M, driven primarily by:
 - collective bargaining, including the proposal for an extended school day
 - health insurance
 - pensions
 - SPED
 - minimal growth in State Aid and Local Receipts.

	2008	2009	2010	2011	2012
REVENUE					
Property Taxes	134,994,153	140,052,976	145,240,124	150,553,427	155,924,875
Local Receipts	21,187,100	21,380,751	21,583,213	21,761,116	21,942,784
State Aid	18,326,854	18,644,391	18,962,367	19,280,792	19,599,677
Other Available Funds	8,233,729	7,127,236	7,188,550	7,251,609	7,278,754
Free Cash	3,814,792	3,750,000	3,750,000	3,750,000	3,750,000
TOTAL REVENUE	186,556,628	190,955,354	196,724,253	202,596,943	208,496,090
\$\$ Increase	3,646,273	4,398,726	5,768,899	5,872,690	5,899,147
% Increase	2.0%	2.4%	3.0%	3.0%	2.9%

EXPENDITURES					
Departmental	58,442,678	59,982,035	61,388,001	63,000,741	64,540,425
Collective Bargaining - Town	1,000,000	1,010,000	1,010,000	1,030,000	1,050,000
Schools	61,329,714	62,771,714	68,126,714	70,794,714	73,485,714
Collective Bargaining - School	0	3,910,000	1,170,000	1,190,000	1,220,000
Non-Departmental - Benefits	36,285,386	39,573,355	43,196,927	46,872,994	50,673,479
Non-Departmental - General	719,041	521,576	550,781	589,942	624,849
Non-Departmental - Debt Service	14,052,910	15,370,532	15,782,816	17,005,809	16,234,477
Non-Departmental - Reserve Fund	1,675,113	1,730,299	1,783,726	1,839,960	1,897,232
Special Appropriations	5,928,000	4,552,381	4,473,228	3,535,727	4,461,833
Non-Appropriated	7,123,786	7,290,658	7,461,702	7,637,021	7,816,724
TOTAL EXPENDITURES	186,556,629	196,712,552	204,943,894	213,496,909	222,004,732
\$\$ Increase	3,646,273	10,155,923	8,231,343	8,553,015	8,507,823
% Increase	2.0%	5.4%	4.2%	4.2%	4.0%

CUMULATIVE SURPLUS/(DEFICIT)	0	(5,757,197)	(8,219,642)	(10,899,966)	(13,508,642)
DEFICIT AS A % OF OP REV	0.0%	-3.1%	-4.3%	-5.5%	-6.6%

Surplus / (Deficit) Prior to Collective Bargaining	2,520,000	(837,196)	(6,039,642)	(8,679,966)	(11,238,642)
Town Share of Surplus / (Deficit)	1,000,000	2,180	(706,104)	(1,564,409)	(1,432,085)
Town Collective Bargaining	1,000,000	1,010,000	1,010,000	1,030,000	1,050,000
Total Town Surplus / (Deficit)	0	(1,007,820)	(1,716,104)	(2,594,409)	(2,482,085)
School Share of Surplus / (Deficit)	1,520,000	(839,377)	(5,333,537)	(7,115,557)	(9,806,557)
School Collective Bargaining	1,520,000	3,910,000	1,170,000	1,190,000	1,220,000
Total School Surplus / (Deficit)	0	(4,749,377)	(6,503,537)	(8,305,557)	(11,026,557)

IMPACT OF FIXED COSTS

- Over the past few budgets, growth in fixed costs -- benefits and utilities -- have driven the budget decision making process.
- Since FY06, growth in these items have been greater than the growth in the normal 2.5% Prop Tax levy increase.

	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>TOTAL</u>
Growth in Personnel Benefits	1,572,983	3,184,431	4,127,268	8,884,682
Growth in Utilities	1,108,531	1,223,180	(328,534)	2,003,177
Total	2,681,514	4,407,611	3,798,734	10,887,858
2.5% Growth in Prop. Tax Levy	2,954,709	3,084,730	3,211,590	9,251,030
Growth in Bene's and Utilities as a % of 2.5% Growth in Property Tax Levy	90.8%	142.9%	118.3%	117.7%

HEALTH INSURANCE

- Health insurance now consumes 12.5% of the Operating Budget vs 6% in FY00.
- Budgetary growth of \$13M (149%) during the same period.
- Since 2000, enrollment has grown by 295 (11.2%), due to school employment, compounding the cumulative growth of 120% in premiums.
- FY08 total cost of Blue Choice family plan \$19,114.

