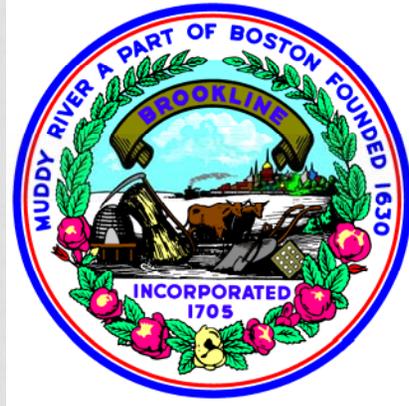


TOWN OF BROOKLINE



FY2017 – FY2021 LONG RANGE FINANCIAL PLAN

December 15, 2015

SUMMARY

- Enrollment growth in the Schools continue to put stress on the School budget.
- Employee Benefits and Collective Bargaining continue to put pressure on Town and School budgets
- Town budget \$482K deficit and the Schools have a FY17 deficit of approx. \$314K (structural deficit).
 - School Cost pressures: SPED, Steps, Collective Bargaining and Transportation
 - Town Cost pressures: Collective Bargaining, Solid Waste and Recycling, Pension and OPEB funding
- Year 2 of Override funding for the Schools
 - \$2.465 allocated to schools

PRIMARY ASSUMPTIONS

Revenue

- Raise Property Taxes to the maximum allowable under Prop 2 ½ (this includes the override funds \$1.465M not raised during FY16) .
- Within the Property Tax projections, additional “New Growth” in FY17 + FY18 from the Red Cab site and 2 Brookline PI:
 - Red Cab = \$500K in FY17 + FY18 \$107K
 - The Village at Brookline converts from 121A to Property Tax (\$350K in FY17)
 - 2 Brookline PI = \$365K in FY18
- An additional \$850K from increased meter rates
- An additional \$143K by FY17 for Lodging Taxes from the Red Cab site.
- \$400K increase in Ch. 70 Aid in FY17 + 2.5% increase in UGGA.

Expenditures

- Health Insurance rate increases of 5% in FY17 and 5% in FY's 18-19 + continued enrollment growth.
- 2% Collective Bargaining increases in each FY
- Continued funding of OPEB's per the Town's funding schedule.
- All formal Financial Policies (CIP, Free Cash, Reserves) are continued.

RECENT HISTORY

- In FY08, \$3.2M budget gap addressed by a combination of revenue increases (\$1.5M), Health Insurance plan design changes (\$755K), DPW Initiatives (\$369K), and Budget cuts (\$548K).
- In FY09, voters approved a \$6.2M Override for structural deficit (\$2.1M), infrastructure shortfall (\$1.5M), Lengthened School Day & EWL (\$2.6M).
- In FY10, closed a \$5M budget gap via cuts and reorganizations/consolidations, many proposed by the EIC. (Primary cause of deficit = \$3.1M (19%) cut in State Aid.)
- In FY11, entered the GIC, saving \$5.6M, thereby avoiding budget cuts and service reductions. Began implementing an enhanced OPEB funding plan. Also realized first full-year of new meals tax and increased lodging tax, which was dedicated to pension funding.
- In FY12 - FY14, Forecast dynamic of balanced Town budget vs \$1.5M - \$2M+ deficit for Schools.
 - Budgets ultimately balanced by a combination of increases in local revenues, realizing additional State Aid, lower growth in Health Insurance rates, and reductions in the School budget.
- In FY15 "Bridge year" GIC rate savings allowed the town to delay implementation of a Parking Meter rate increase
- FY16 Year 1 of a three-year funding plan provided \$6.2M of addl. tax capacity (override funds)

YEAR 2 OF OVERRIDE PLAN

GENERAL FRAMEWORK OF THE THREE-YEAR PLAN

In millions of \$'s

Revenue

\$7.665 Override Funds

\$2.289 Non-property tax efficiencies and revenues

\$9.954 Total Plan

Expenditures

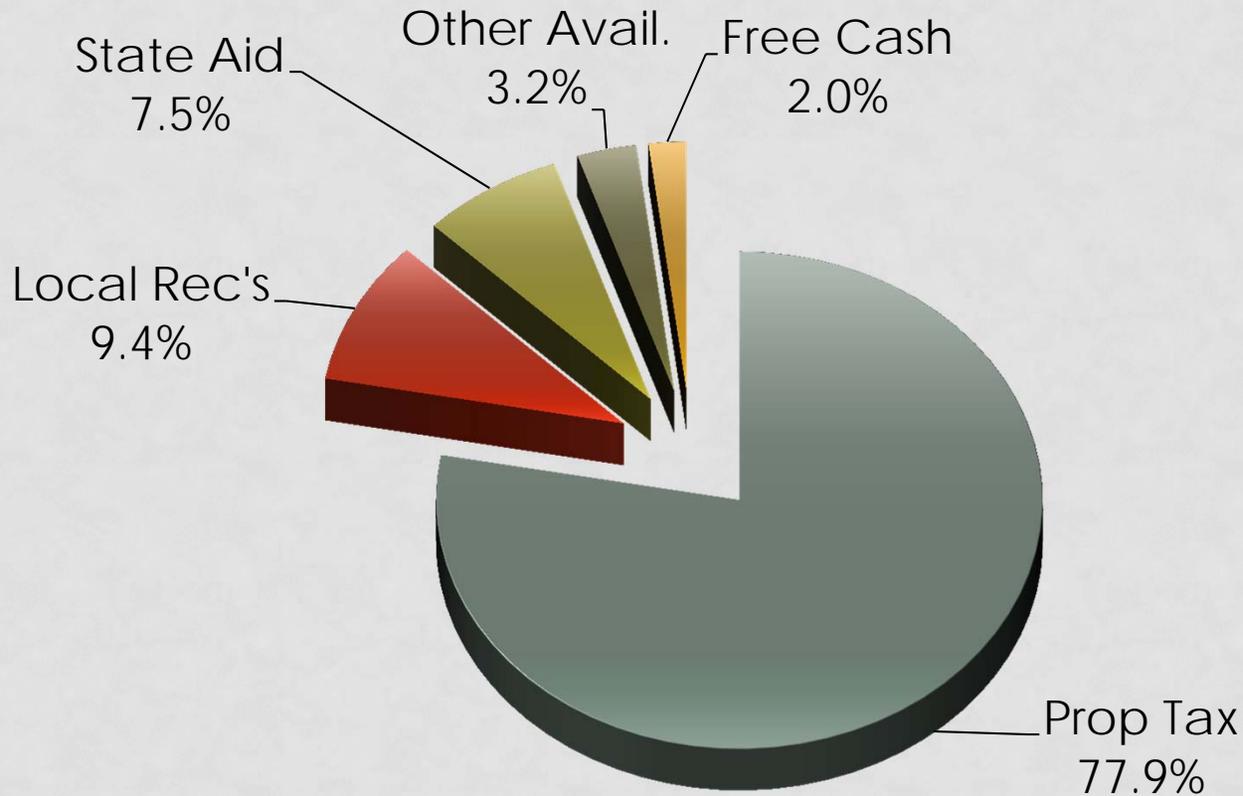
| | Year 1 | Year 2 | Year 3 | Total |
|--------------------|--------|----------------|--------|----------------|
| Override funds | \$6.20 | \$1.465 | \$0 | \$7.665 |
| Non-override funds | | \$1.00 | \$1.29 | \$2.289 |
| | \$6.20 | \$2.465 | \$1.29 | \$9.954 |

- Remaining override funds allocated to schools and \$1M of non-override funds

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| REVENUE | | | | | | |
| Property Taxes | 195,049,924 | 204,023,297 | 211,342,570 | 223,541,553 | 231,459,848 | 237,983,016 |
| Local Receipts | 23,568,685 | 23,492,404 | 23,848,604 | 24,080,890 | 24,375,747 | 24,657,712 |
| State Aid | 18,837,306 | 19,383,626 | 19,848,191 | 20,324,371 | 20,690,360 | 21,190,647 |
| Other Available Funds | 7,925,643 | 7,835,323 | 7,934,540 | 8,038,509 | 8,147,468 | 8,266,165 |
| Free Cash (for Appropriation) | 5,016,500 | 5,311,538 | 4,200,000 | 4,400,000 | 4,500,000 | 4,650,000 |
| TOTAL REVENUE | 250,398,058 | 260,046,188 | 267,173,904 | 280,385,323 | 289,173,424 | 296,747,540 |
| \$\$ Increase | 14,766,001 | 9,648,129 | 7,127,717 | 13,211,418 | 8,788,101 | 7,574,116 |
| % Increase | 6.3% | 3.9% | 2.7% | 4.9% | 3.1% | 2.6% |
| EXPENDITURES | | | | | | |
| Departmental | 68,303,451 | 70,119,733 | 71,840,147 | 73,501,447 | 75,387,829 | 77,302,496 |
| Collective Bargaining - Town | 1,100,000 | 1,130,000 | 1,150,000 | 1,180,000 | 1,200,000 | 1,230,000 |
| Schools | 94,468,094 | 99,495,011 | 104,732,707 | 110,173,606 | 114,581,744 | 119,035,135 |
| Collective Bargaining - School | 1,448,000 | 1,680,000 | 1,720,000 | 1,750,000 | 1,790,000 | 1,820,000 |
| Non-Departmental - Benefits | 54,064,860 | 57,007,291 | 60,521,486 | 64,000,073 | 67,272,888 | 71,553,333 |
| Non-Departmental - General | 741,001 | 907,223 | 693,603 | 704,830 | 728,340 | 745,034 |
| Non-Departmental - Debt Service | 9,478,591 | 10,742,939 | 13,345,868 | 17,332,491 | 18,394,724 | 17,198,093 |
| Non-Departmental - Reserve Fund | 2,200,198 | 2,348,737 | 2,451,497 | 2,532,138 | 2,625,323 | 2,710,439 |
| Special Appropriations from: | 10,191,969 | 8,879,374 | 5,962,205 | 6,134,390 | 5,670,344 | 6,561,691 |
| Non-Appropriated | 8,401,892 | 8,536,501 | 8,739,345 | 8,947,261 | 9,160,374 | 9,378,814 |
| TOTAL EXPENDITURES | 250,398,057 | 260,846,809 | 271,156,859 | 286,256,235 | 296,811,566 | 307,535,035 |
| \$\$ Increase | 14,766,000 | 10,448,752 | 10,310,050 | 15,099,376 | 10,555,330 | 10,723,469 |
| % Increase | 6.3% | 4.2% | 4.0% | 5.6% | 3.7% | 3.6% |
| CUMULATIVE SURPLUS / (DEFICIT) | 0 | (800,621) | (3,982,955) | (5,870,912) | (7,638,142) | (10,787,495) |
| DEFICIT AS A % OF OP REV | 0.0% | -0.3% | -1.5% | -2.1% | -2.7% | -3.7% |
| Surplus / (Deficit) Prior to Collective Bargaining | 2,548,000 | 2,009,379 | (1,112,955) | (2,940,912) | (4,648,142) | (7,737,495) |
| Town Share of Surplus / (Deficit) | 1,100,000 | 647,857 | (286,110) | (164,291) | (56,446) | (584,911) |
| Town Collective Bargaining | 1,100,000 | 1,130,000 | 1,150,000 | 1,180,000 | 1,200,000 | 1,230,000 |
| Total Town Surplus / (Deficit) | 0 | (482,143) | (1,436,110) | (1,344,291) | (1,256,446) | (1,814,911) |
| School Share of Surplus / (Deficit) | 1,448,000 | 1,361,522 | (826,845) | (2,776,621) | (4,591,696) | (7,152,584) |
| School Collective Bargaining | 1,448,000 | 1,680,000 | 1,720,000 | 1,750,000 | 1,790,000 | 1,820,000 |
| Total School Surplus / (Deficit) | (0) | (318,478) | (2,546,845) | (4,526,621) | (6,381,696) | (8,972,584) |

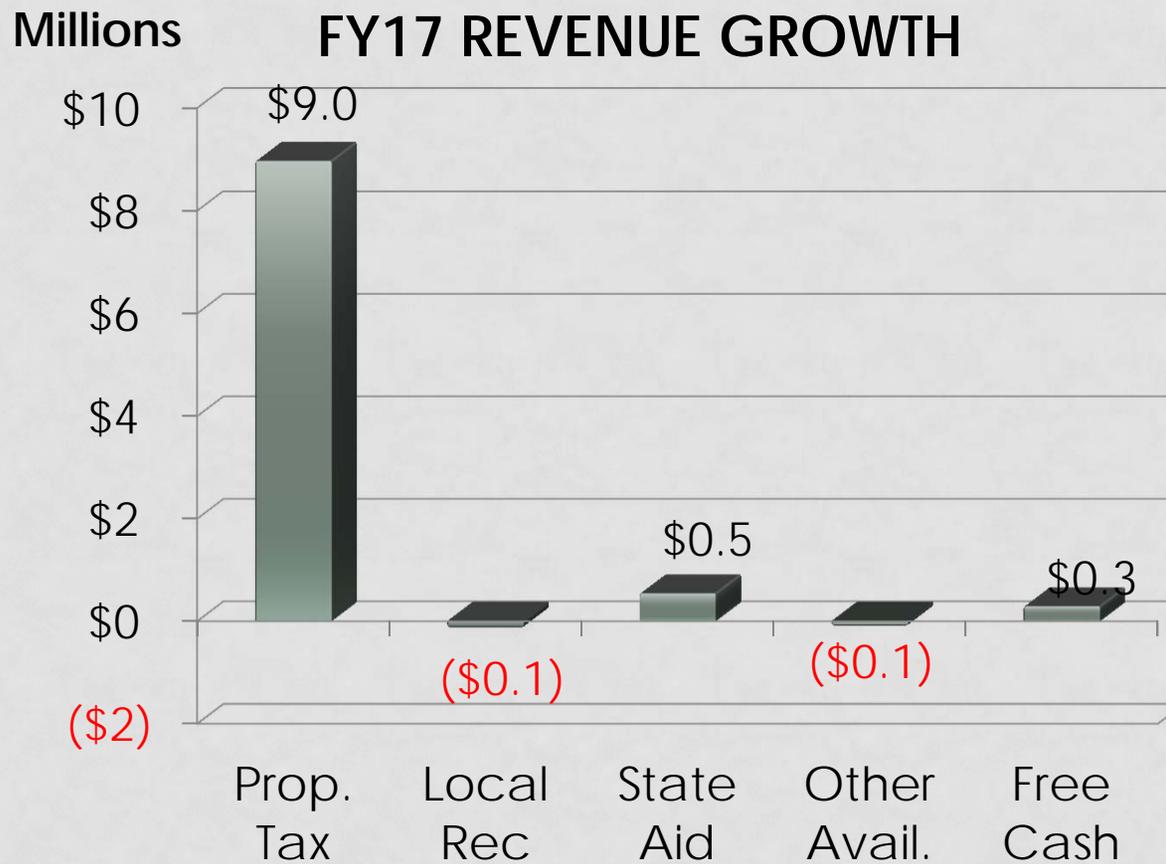
GENERAL FUND REVENUE COMPOSITION

- In FY16, Property Taxes comprise more than $\frac{3}{4}$'s of the Town's General Fund revenue and nearly 80% of Operating Revenue



GENERAL FUND REVENUE SUMMARY

- Total FY17 increase in revenue of \$9.5M (3.8%)



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

PROPERTY TAXES

- In FY17, increase \$8.9 million (4.6%)
- Full impact of override in FY2017 \$1.465M

| PROPERTY TAXES | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Prior Year Levy Limit | 181,154,340 | 195,438,924 | 202,974,897 | 210,321,770 | 219,035,814 | 226,990,709 |
| Amended Growth - Prior Year | | | | | | |
| 2 1/2 % Increase | 4,528,858 | 4,885,973 | 5,074,372 | 5,258,044 | 5,475,895 | 5,674,768 |
| New Growth | 2,090,726 | 2,300,000 | 2,272,500 | 3,456,000 | 2,479,000 | 1,800,000 |
| 121A's to Prop Taxes | | 350,000 | | | | |
| General Override | 7,665,000 | | | | | |
| SUB-TOTAL ANNUAL LEVY LIMIT | 195,438,924 | 202,974,897 | 210,321,770 | 219,035,814 | 226,990,709 | 234,465,477 |
| Excess Capacity | (1,465,000) | | | | | |
| ANNUAL LEVY LIMIT | 193,973,924 | 202,974,897 | 210,321,770 | 219,035,814 | 226,990,709 | 234,465,477 |
| Debt Exclusion (Debt Service Costs) | 1,076,000 | 1,048,400 | 1,020,800 | 4,505,739 | 4,469,139 | 3,517,539 |
| LESS SBAB Reimb. | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Debt Exclusion | 1,076,000 | 1,048,400 | 1,020,800 | 4,505,739 | 4,469,139 | 3,517,539 |
| ANNUAL LEVY | 195,049,924 | 204,023,297 | 211,342,570 | 223,541,553 | 231,459,848 | 237,983,016 |
| \$\$ Increase | 12,810,627 | 8,973,373 | 7,319,272 | 12,198,983 | 7,918,295 | 6,523,168 |
| % Increase | 7.0% | 4.6% | 3.6% | 5.8% | 3.5% | 2.8% |

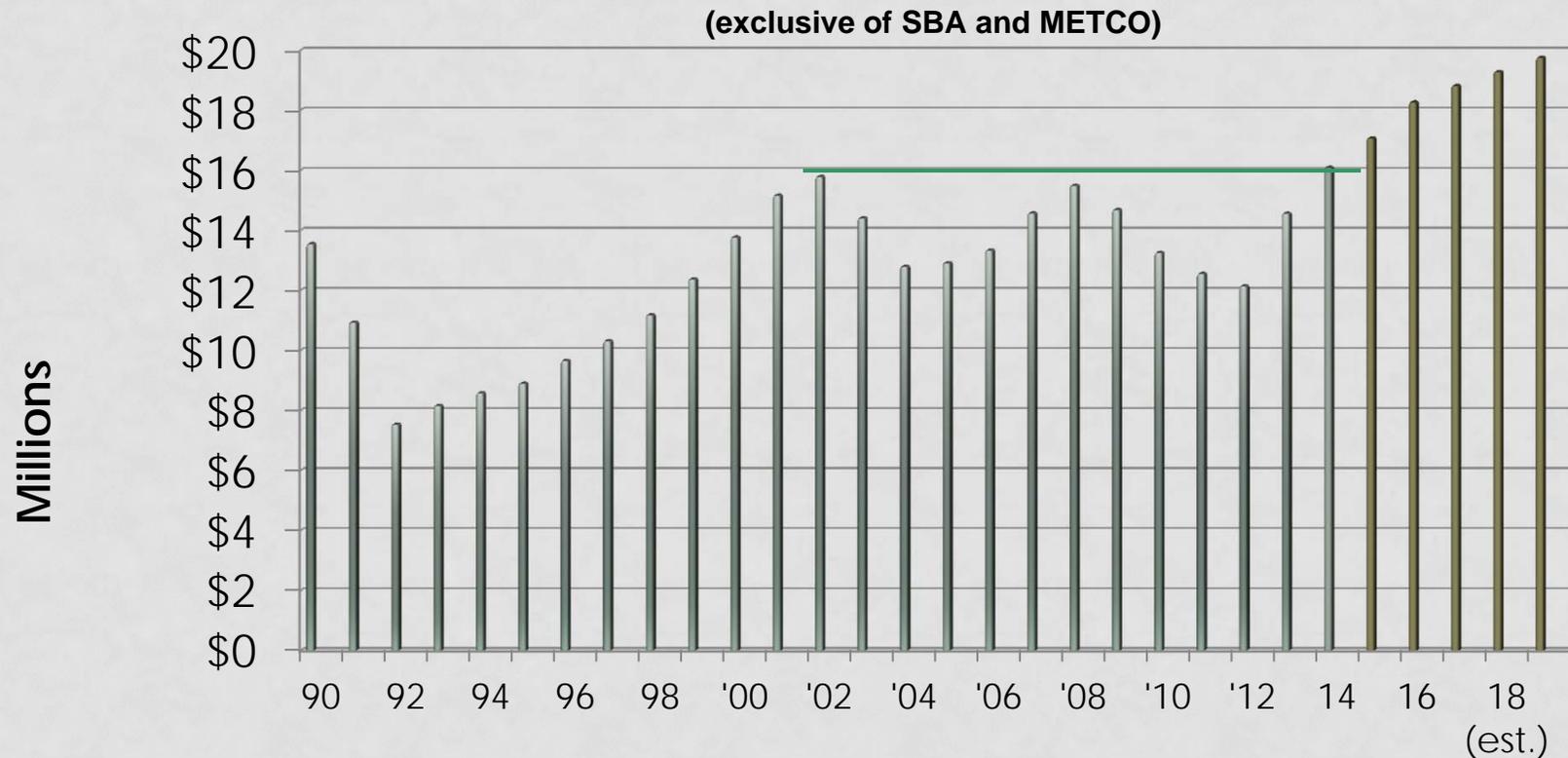
STATE AID

- In FY17, assume a \$400K increase in Ch. 70 aid
 - Brookline is a "Foundation Aid Community" target state share 17.5% of Foundation budget (FY16 17%)
 - Foundation budget inflation -.2% + enrollment growth
 - Uncertain if changes recommended by Commission will be implemented

| STATE AID | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <i>General Government Aid</i> | 5,961,515 | 6,107,835 | 6,257,812 | 6,411,539 | 6,569,110 | 6,730,619 |
| Additional Assistance | 0 | 0 | 0 | 0 | 0 | 0 |
| Lottery | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted General Gov't Aid | 5,852,785 | 5,999,105 | 6,149,082 | 6,302,809 | 6,460,380 | 6,621,889 |
| Veterans' Benefits | 108,730 | 108,730 | 108,730 | 108,730 | 108,730 | 108,730 |
| Quinn | 0 | 0 | 0 | 0 | 0 | 0 |
| Prior Year Overestimates | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>School Aid</i> | 12,745,281 | 13,145,281 | 13,459,869 | 13,782,322 | 13,990,741 | 14,329,518 |
| Chapter 70 | 12,183,520 | 12,583,520 | 12,898,108 | 13,220,561 | 13,551,075 | 13,889,852 |
| SBAB Reimb. | 556,757 | 556,757 | 556,757 | 556,757 | 434,662 | 434,662 |
| School Transportation | 0 | 0 | 0 | 0 | 0 | 0 |
| Charter Tuition Assesment Reimb. | 5,004 | 5,004 | 5,004 | 5,004 | 5,004 | 5,004 |
| Charter School Capital Facility Reimb. | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Tax Abatement Aid</i> | 39,059 | 39,059 | 39,059 | 39,059 | 39,059 | 39,059 |
| Veterans | 39,059 | 39,059 | 39,059 | 39,059 | 39,059 | 39,059 |
| Surviving Spouses | 0 | 0 | 0 | 0 | 0 | 0 |
| Blind | 0 | 0 | 0 | 0 | 0 | 0 |
| Elderly | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Offset Aid</i> | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 |
| Metco | 0 | 0 | 0 | 0 | 0 | 0 |
| School Lunch | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Libraries | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 |
| TOTAL STATE AID | 18,837,306 | 19,383,626 | 19,848,191 | 20,324,371 | 20,690,360 | 21,190,647 |
| \$\$ Increase | 1,202,430 | 546,320 | 464,566 | 476,180 | 365,989 | 500,286 |
| % Increase | 6.8% | 2.9% | 2.4% | 2.4% | 1.8% | 2.4% |

STATE AID - HISTORY

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



LOCAL RECEIPTS

- In FY17, a decrease of \$126K (0.5%) primarily due to conversion of 121A to property tax
- Increases in MVE (\$150K), Building Permits (\$23K), and Local Option Taxes (\$163K)

| LOCAL RECEIPTS | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Motor Vehicle Excise (MVE) | 5,350,000 | 5,500,000 | 5,610,000 | 5,722,200 | 5,836,644 | 5,953,377 |
| Local Option Taxes | 2,475,000 | 2,638,500 | 2,802,410 | 2,858,458 | 2,915,627 | 2,973,940 |
| Licenses & Permits | 1,191,275 | 1,194,775 | 1,194,775 | 1,194,775 | 1,194,775 | 1,194,775 |
| Parking / Court Fines | 4,200,000 | 4,200,000 | 4,200,000 | 4,200,000 | 4,200,000 | 4,200,000 |
| General Government | 3,637,210 | 3,680,179 | 3,688,132 | 3,681,776 | 3,733,542 | 3,775,374 |
| Interest Income | 715,000 | 727,250 | 745,431 | 764,067 | 783,169 | 802,748 |
| PILOT's / 121A's | 1,335,000 | 890,000 | 866,800 | 893,636 | 920,509 | 938,919 |
| Refuse Fee | 2,650,000 | 2,650,000 | 2,650,000 | 2,650,000 | 2,650,000 | 2,650,000 |
| Departmental & Other | 2,015,200 | 2,011,700 | 2,041,055 | 2,065,978 | 2,091,482 | 2,117,580 |
| TOTAL LOCAL REVENUE | 23,568,685 | 23,492,404 | 23,798,604 | 24,030,890 | 24,325,747 | 24,606,712 |
| \$\$ Increase | 798,460 | (76,281) | 306,200 | 232,286 | 294,858 | 280,965 |
| % Increase | 3.5% | -0.3% | 1.3% | 1.0% | 1.2% | 1.2% |

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

OTHER AVAILABLE FUNDS

- For FY17 \$850K increase in Parking Meter Receipts for meter rate increase
- An overall decrease of \$90K (1.%) due primarily to use of Capital project surplus for CIP (re-appropriation of Driscoll School Feas. Study)

| OTHER AVAILABLE FUNDS | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Parking Meter Receipts | 4,300,000 | 5,150,000 | 5,150,000 | 5,150,000 | 5,150,000 | 5,150,000 |
| Walnut Hill Cemetery Fund | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| State Aid for Libraries | 0 | 0 | 0 | 0 | 0 | 0 |
| Golf Enterprise Fund Reimbursement | 177,791 | 182,690 | 187,589 | 192,734 | 198,141 | 205,042 |
| Recreation Revolving Fund Reimbursement | 354,124 | 364,582 | 381,372 | 399,064 | 417,705 | 440,628 |
| Water and Sewer Enterprise Fund Reimbursement | 1,988,729 | 2,063,050 | 2,140,579 | 2,221,711 | 2,306,622 | 2,395,495 |
| Stabilization Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Abatement Reserve Surplus | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Project Surplus | 1,030,000 | 0 | 0 | 0 | 0 | 0 |
| Sale of Town-owned Land Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OTHER AVAILABLE FUNDS | 7,925,643 | 7,835,323 | 7,934,540 | 8,038,509 | 8,147,468 | 8,266,165 |
| \$\$ Increase | 22,136 | (90,320) | 99,217 | 103,969 | 108,959 | 118,697 |
| % Increase | 0.3% | -1.1% | 1.3% | 1.3% | 1.4% | 1.5% |

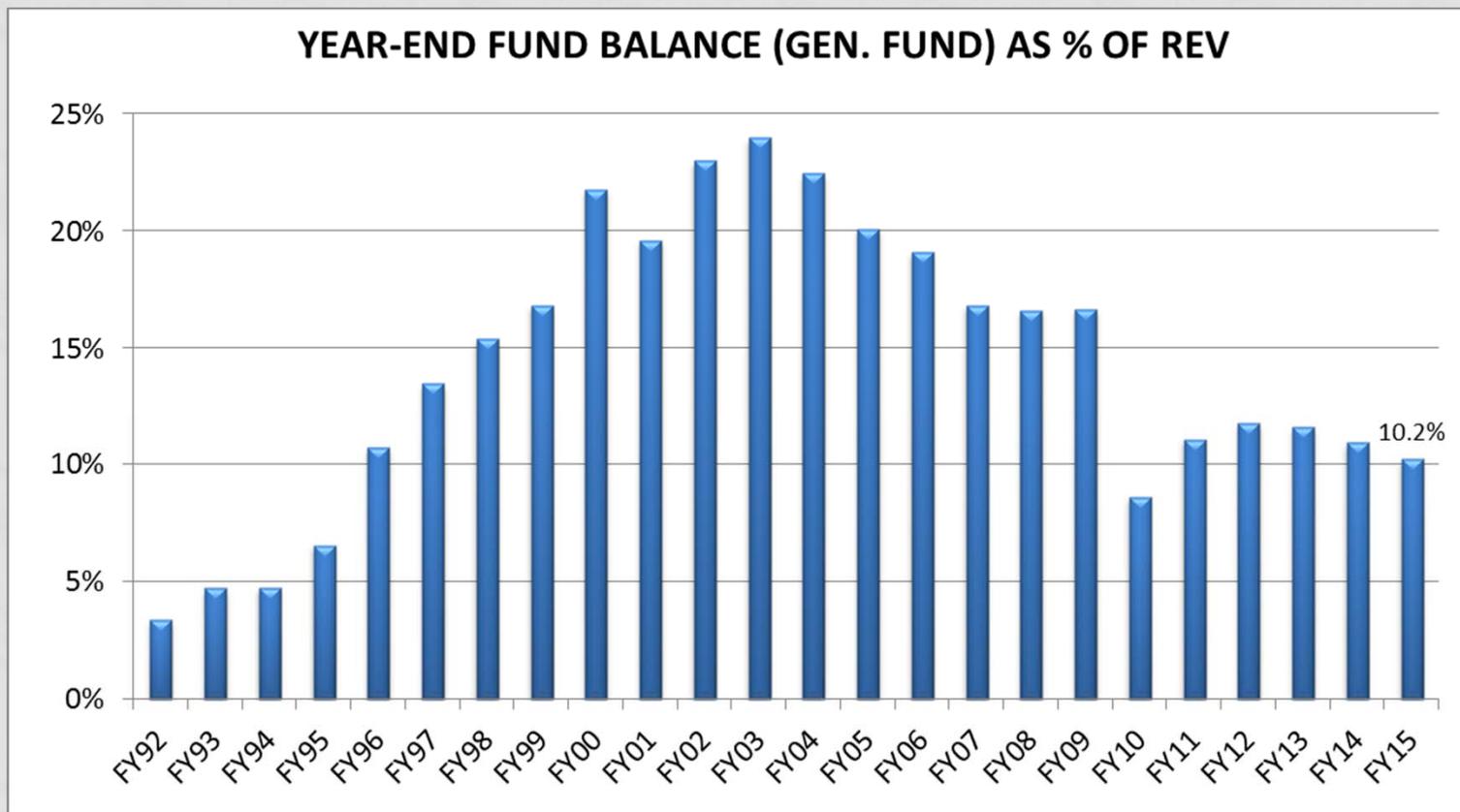
FREE CASH

- Certified at \$7.8M
- Leaving \$2.5M for Fund Balance purposes, leaving \$5.3M for appropriation
- Free Cash is used in accordance with the Town's Free Cash Policies:
 1. Budget Reserve – ¼ of the annual "Reserve Fund"
 2. Unreserved Fund Balance / Stabilization Fund – maintain at a minimum of 10% of revenue
 3. Liability / Catastrophe Fund – maintain at 1% of net revenue
 4. CIP – bring CIP funding up to 7.5% from the 6% CIP Policy
 5. Affordable Housing Trust Fund – deposit if the fund balance is less than \$5M
 6. Special Use – augment trust funds for fringe benefits, unfunded liabilities related to employee benefits, and other one-time uses, including additional funding for the CIP

| | |
|---|--------------------|
| Certification | \$7,811,538 |
| 1. Operating Budget Reserve | \$587,184 |
| 2. Unreserved Fund Balance/Stabilization Fund | \$2,500,000 |
| 3. Liability Reserve | \$144,322 |
| 4. Capital Improvements | \$3,523,105 |
| <u>5. Affordable Housing Trust Fund</u> | <u>\$158,539</u> |
| Sub-Total | \$6,913,150 |
| Amt available for Special Use (#6) | \$898,388 |
| 6. Special Use: | |
| Additional CIP | \$898,388 |
| Amount Appropriated | \$5,311,538 |

UNRESERVED FUND BALANCE

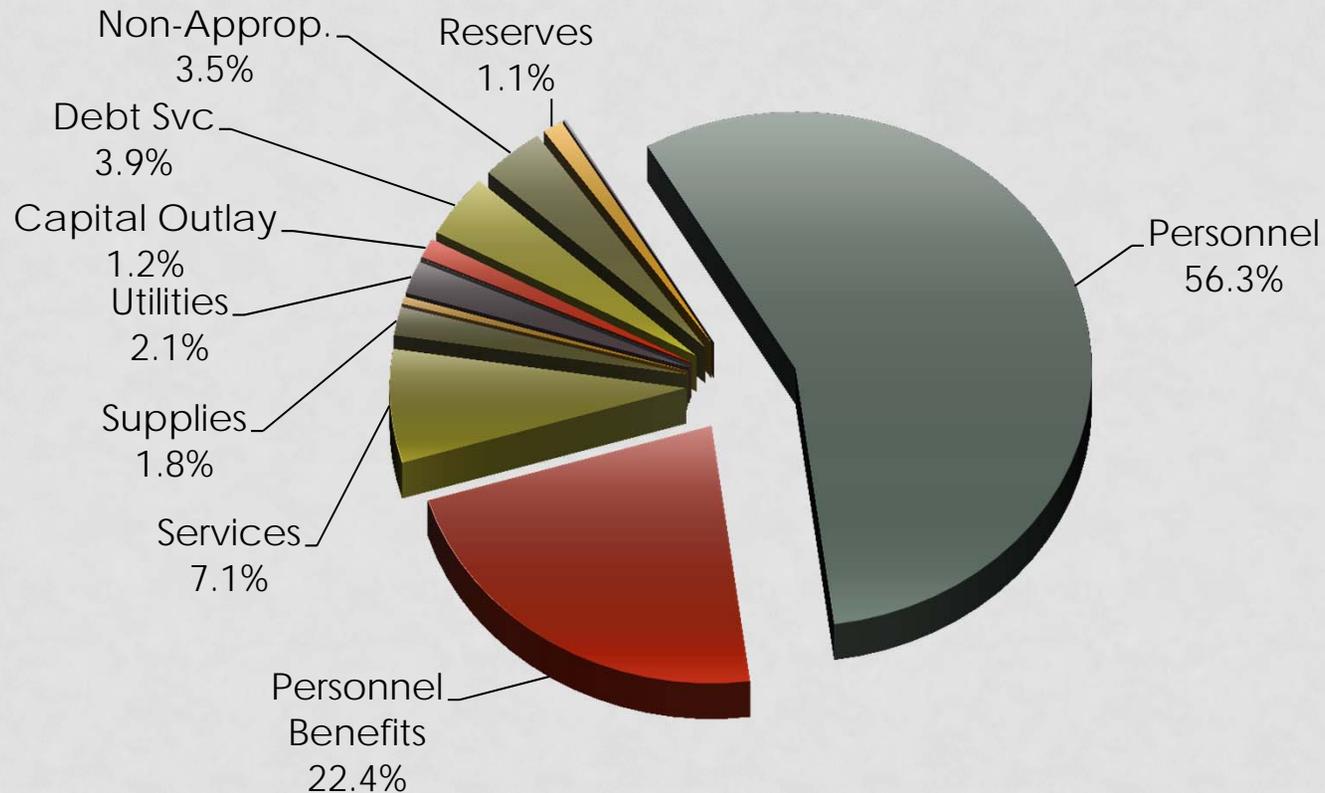
- Ratings agencies look for a Aaa-rated community to have a ratio of Unreserved Fund Balance as a percentage of revenue of approx. 10%
- Year-End FY15 = 10.2% impacted by severe storms and use of reserves to cover snow deficit
- Estimate needing to use \$2.5M of Free Cash to stay above 10%



GENERAL FUND BUDGET

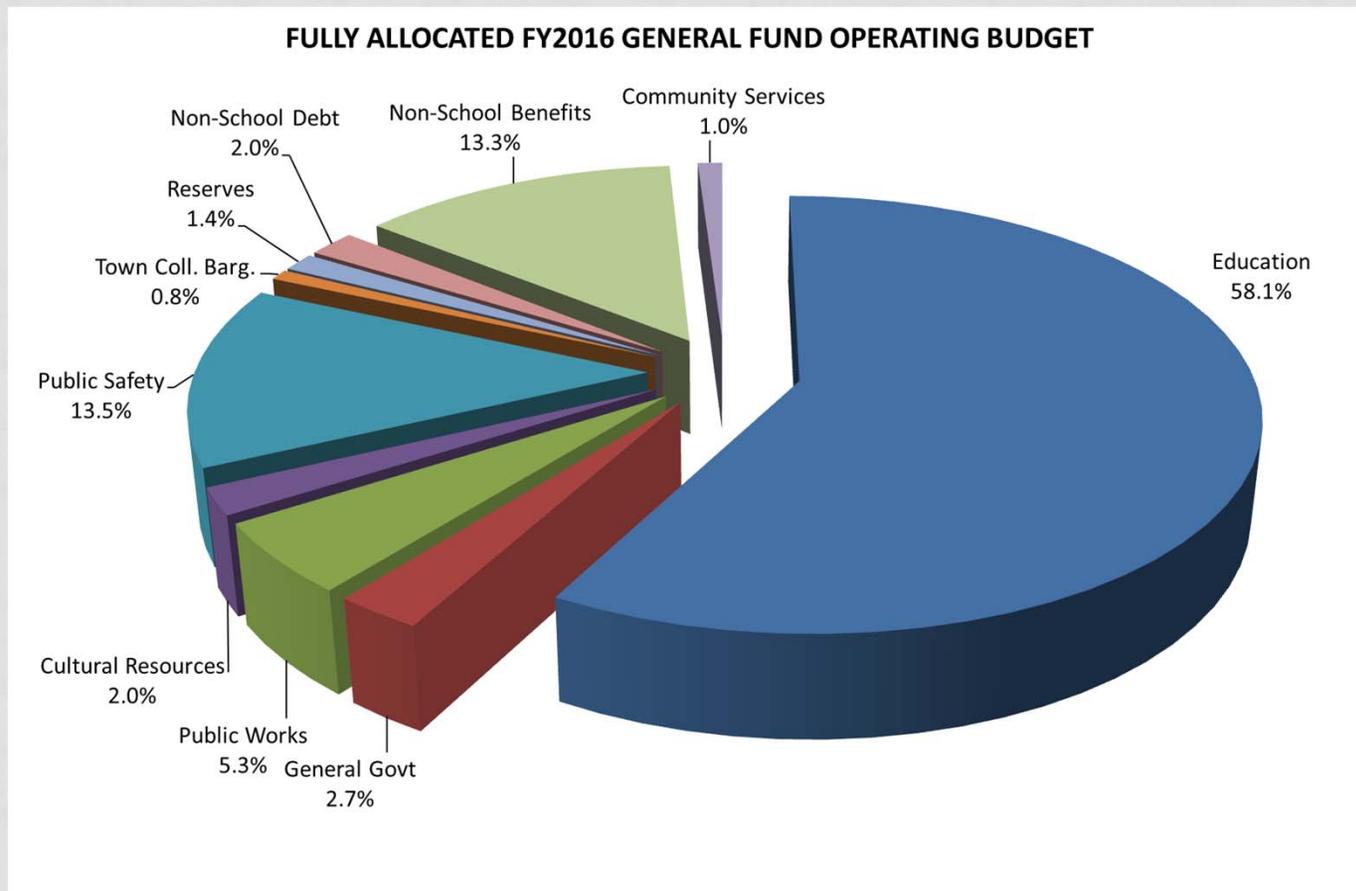
- In FY16, total General Fund budget of \$240M
- Personnel costs (wages + benefits) comprise more than 75% of the Operating Budget

Operating Budget



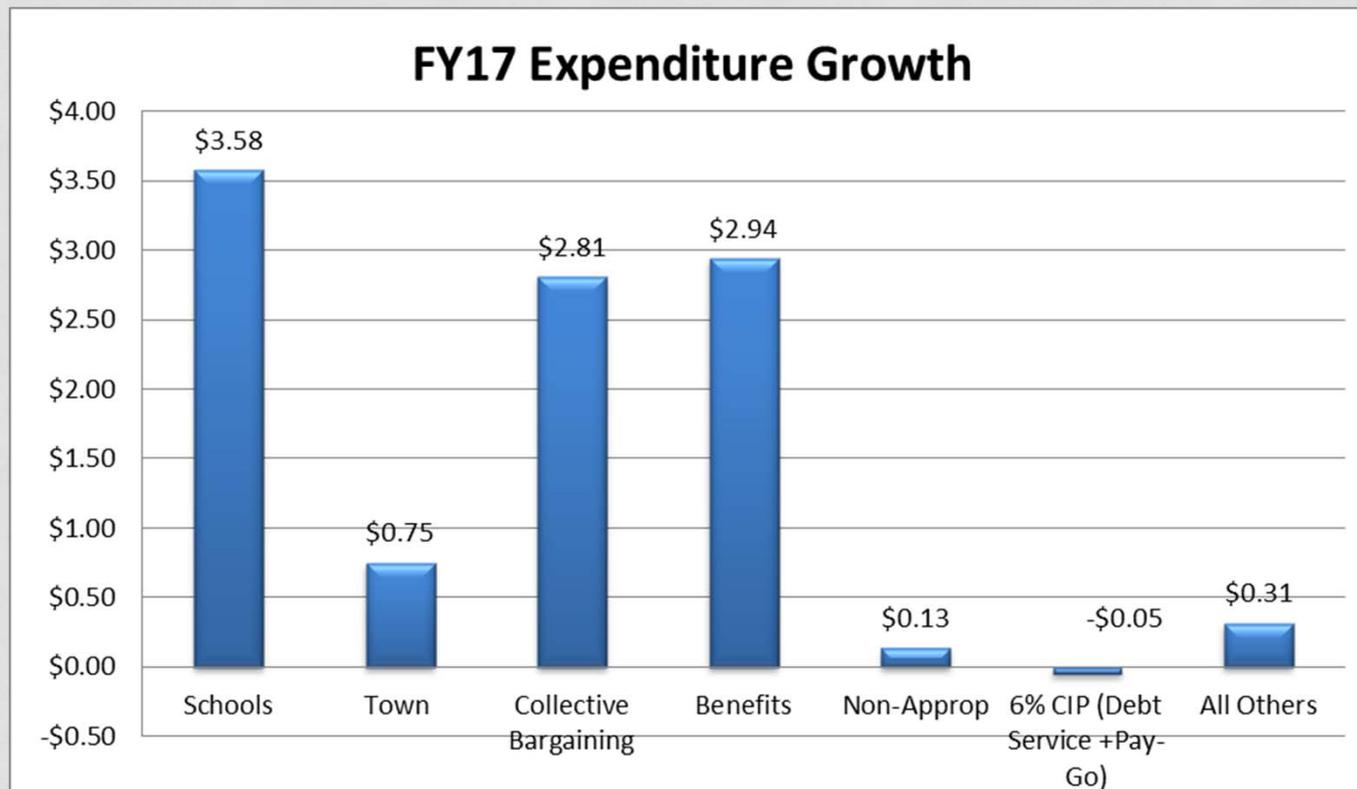
FULLY-ALLOCATED EXPENDITURES

- In FY16, expenses associated with Education comprise 58% of the Operating budget
- The next largest areas are Public Safety and non-School Benefits



EXPENDITURE SUMMARY

- For FY17, est. total increase in expenditures of \$10.4M (3.3%)



In the out-years, annual increase ranges from 3.6% - 4.9%

BENEFITS

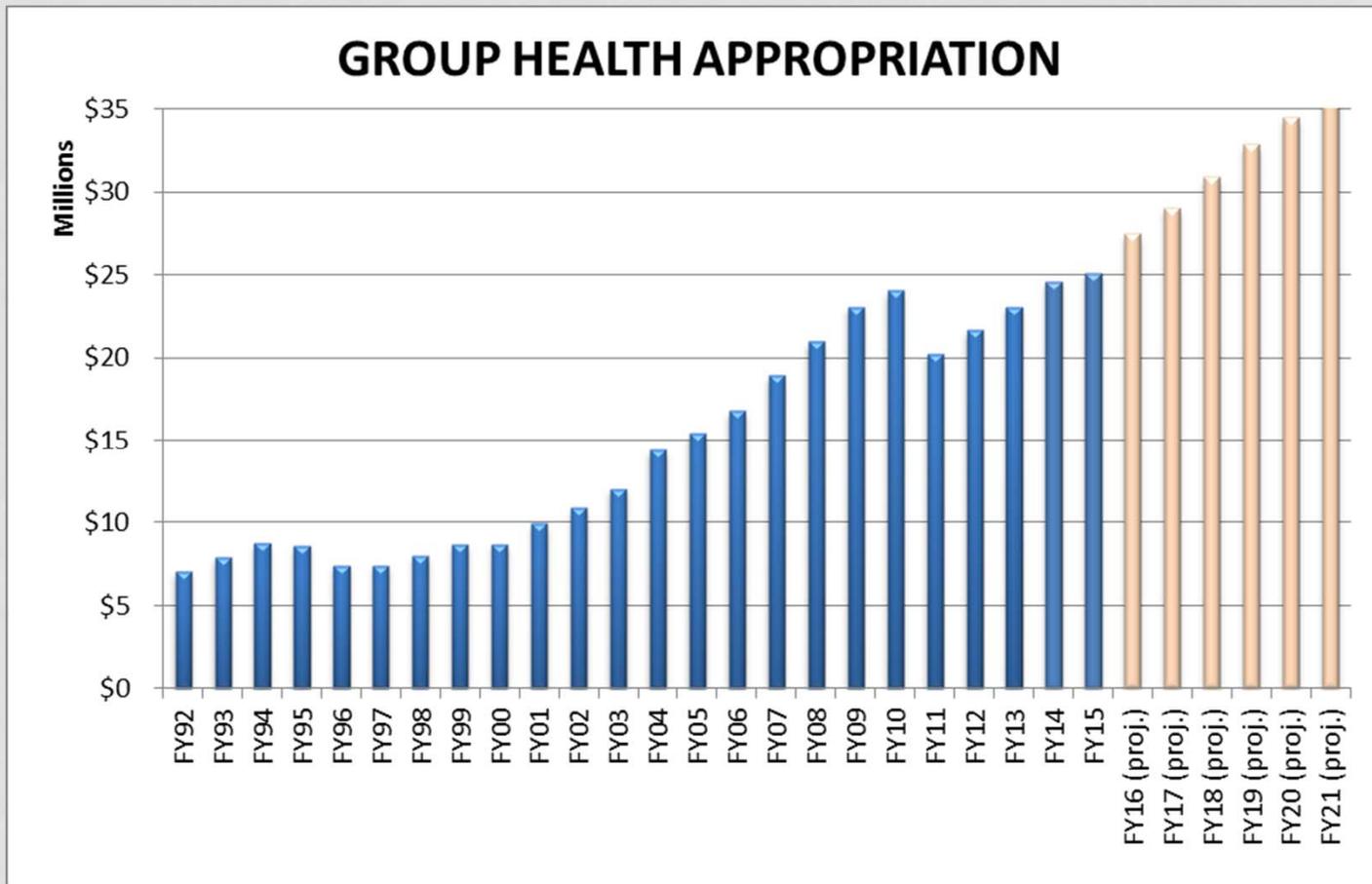
- Total estimated FY17 increase of \$2.94M (5.4%)
- Assuming 5% for Group Health plus 40 enrollees
- Continuation of OPEB funding plan

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Pensions | 17,882,573 | 18,707,021 | 19,718,677 | 20,966,624 | 22,070,558 | 23,242,132 | 24,509,795 |
| Group Health | 25,136,109 | 27,484,720 | 29,067,527 | 30,921,885 | 30,976,897 | 32,612,094 | 35,058,001 |
| Group Health Enrollment Allocation Reserve | | | | | | | |
| Health Reimbursement Account (HRA) | 70,000 | 70,000 | 0 | 0 | 0 | 0 | 0 |
| Retiree Group Health Trust Fund (OPEB's) | 3,311,860 | 3,499,119 | 3,774,838 | 4,030,080 | 4,275,543 | 4,573,651 | 4,831,338 |
| EAP | 28,000 | 28,000 | 28,000 | 33,000 | 33,000 | 33,000 | 33,000 |
| Group Life | 140,000 | 145,000 | 148,625 | 152,341 | 156,149 | 160,053 | 164,054 |
| Disability Insurance | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Workers' Compensation | 1,450,000 | 1,550,000 | 1,550,000 | 1,588,750 | 1,628,469 | 1,669,180 | 1,710,910 |
| Public Safety IOD Medical Expenses | 300,575 | 250,000 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 |
| Unemployment Compensation | 325,000 | 300,000 | 300,000 | 300,000 | 325,000 | 325,000 | 325,000 |
| Medical Disabilities | 40,000 | 40,000 | 45,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Medicare Coverage | 1,800,000 | 1,975,000 | 2,083,625 | 2,187,806 | 2,297,197 | 2,412,056 | 2,532,659 |
| TOTAL | 50,500,116 | 54,064,860 | 57,007,291 | 60,521,486 | 62,103,812 | 65,368,167 | 69,505,757 |
| \$ Change | 399,865 | 3,564,743 | 2,942,432 | 3,514,195 | 1,582,326 | 3,264,354 | 4,137,590 |
| % Change | 0.8% | 7.1% | 5.4% | 6.2% | 2.6% | 5.3% | 6.3% |

BENEFITS – MAJOR ACCOUNTS

- **Health Insurance (\$29M)**
 - Assuming a 5% rate increase
 - Assuming 40 new enrollees (10 T / 30 S)
 - Total increase of \$1.58 million
 - Each 1% increase in rates equals ~\$270,000
- **Pensions (\$19.7M)**
 - For FY17, increase of \$1M (5.4%) based on funding schedule and estimate for Non-Contributory retirees
 - Assuming increase in FY18 as a result of lower than expected returns
- **OPEB's (\$3.8M)**
 - Increase operating budget funding from \$2.7M to \$2.95M
 - Continue assessing special revenue funds, using the run-off from the "Non-Contrib" retirees, and using Medicare Part D Subsidy revenue for OPEB's

BENEFITS - HEALTH INS BUDGET



HEALTH INSURANCE EFFORTS

Consolidation in FY05 saved approx. \$1.2M

Plan Design Changes in FY08 saved approx. \$1.1M

Move to GIC in FY11 saved the Town budget approx. \$5.6M

Since FY11, lower base + lower annual rate increases result in compounded savings

Each % increase in rates = \$270K

PEC Agreement expires at the end of FY16

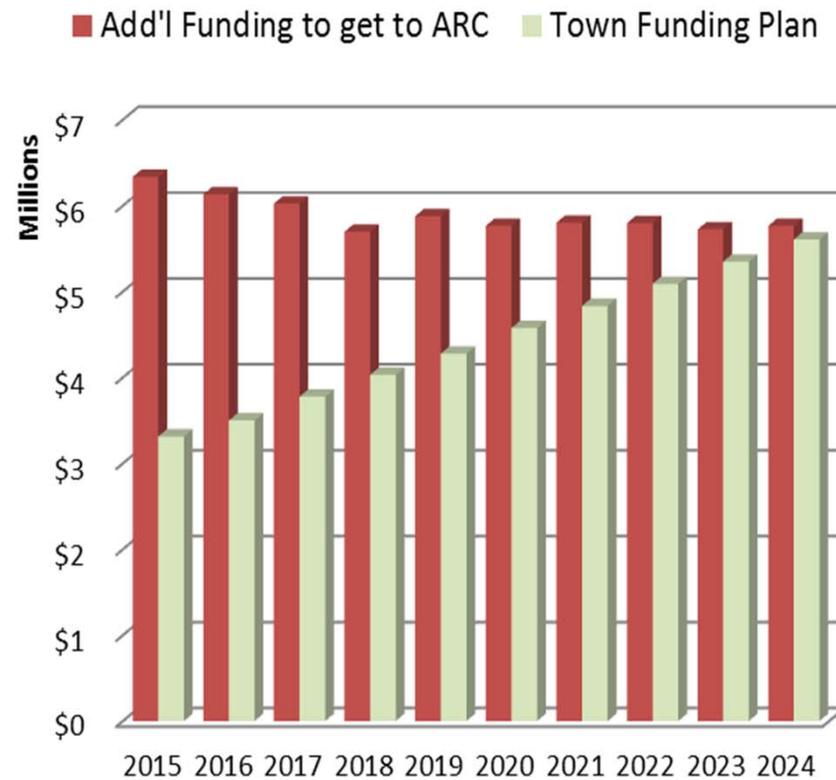
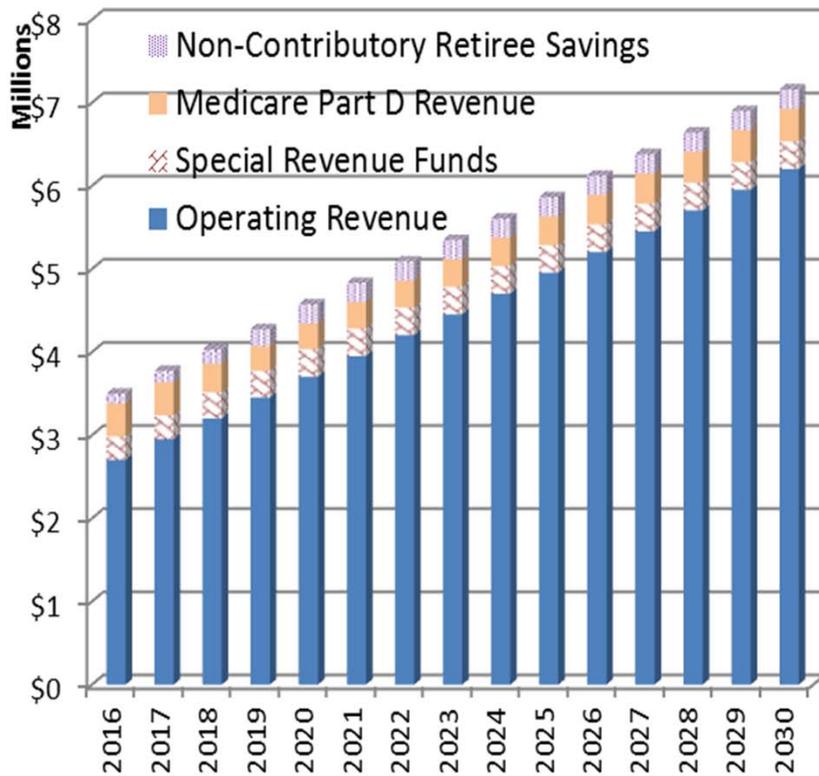
OPEBS

- Continue:
 - Increasing funding from operating revenue by \$250K / yr, to \$2.7M in FY16 and \$2.9M in FY17
 - Assessing special revenue funds with personnel
 - Using the “run-off” from funding for Non-Contributory retirees
 - Using the Medicare Part D refund

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Non-Contributory Savings | 115,000 | 135,000 | 165,000 | 200,000 | 230,000 | 230,000 |
| Free Cash | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Rev Funds | 281,021 | 286,746 | 311,988 | 322,451 | 333,059 | 333,059 |
| Operating Revenue | 2,703,092 | 2,953,092 | 3,203,092 | 3,453,092 | 3,703,092 | 3,953,092 |
| Medicare Part D Revenue | 400,000 | 400,000 | 350,000 | 300,000 | 307,500 | 315,188 |
| TOTAL | 3,499,113 | 3,774,838 | 4,030,080 | 4,275,543 | 4,573,651 | 4,831,338 |
| \$\$ Change | 187,259 | 275,725 | 255,242 | 245,463 | 298,108 | 257,688 |
| Percentage Change | 5.7% | 7.9% | 6.8% | 6.1% | 7.0% | 5.6% |

OPEB FUNDING PLAN

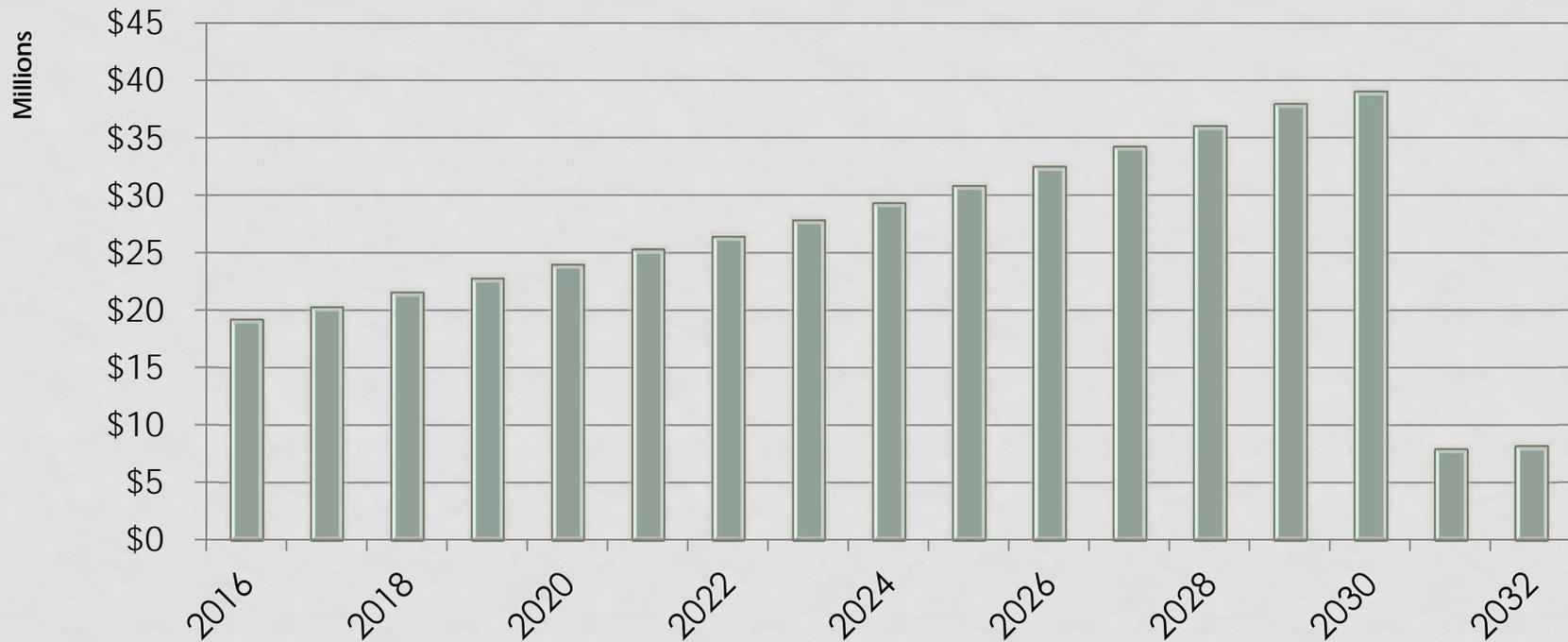
OPEB Funding Plan



PENSION FUNDING

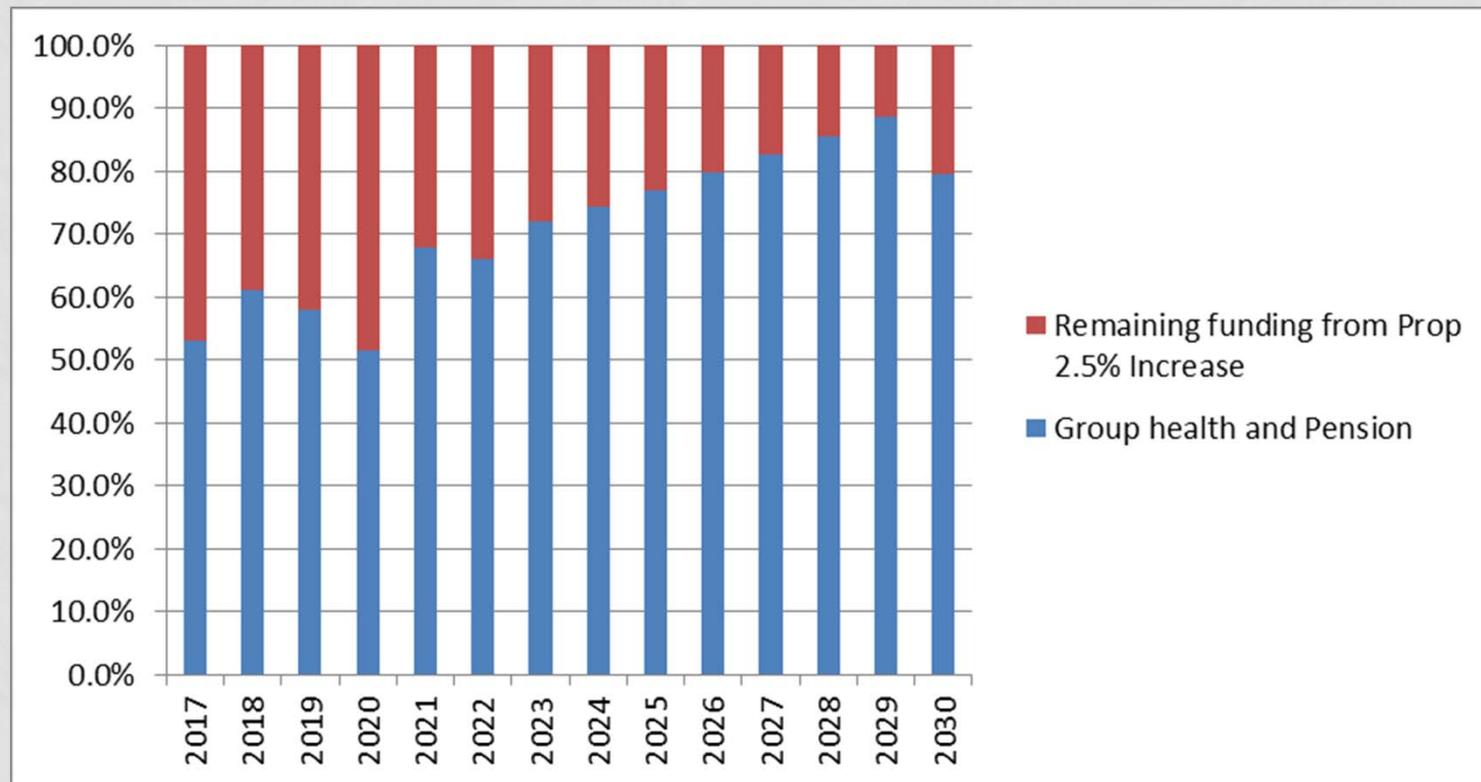
- Full funding date of 2030
- New schedule once actuary completes analysis of the system as of 1/1/16
 - Will impact FY18 budget
- FY17 increase of 1M (5.7%)

PENSION SYSTEM FUNDING SCHEDULE



ANNUAL INCREASE IN BENEFITS

- The annual increase in appropriations for Pensions and Health Insurance is absorbing much of the annual 2 ½% increase in Prop Taxes
- Doesn't account for other increases, such as OPEB's
- Figures assume a 5% annual growth in Health Ins costs (realistic?)



DEBT SERVICE / TAX-SUPPORTED CIP

- All years of Forecast follow CIP Policies
- In FY17, the “6% Policy” total increases \$939K
- In FY17, new debt service for Devotion, Rear landfill, Old Lincoln, Pierce Playground, Roof and Envelope repairs
 - Plan on Spring, 2016 bond sale
- In the out-years, Debt Service supports:
 - Devotion School Renovation (\$43M – Town share of project)
 - BHS (\$35.1M – Town share of project)
 - Driscoll School HVAC(\$3M)
 - Roof /Envelope Repairs (\$13M)
 - Fire Dept Fleet Maintenance / Training Facility (\$4.5M)
- More detailed information included in the CIP presentation.

NON-APPROPRIATED

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| STATE ASSESSMENTS | | | | | | |
| County Assessments | 841,540 | 862,579 | 884,143 | 906,247 | 928,903 | 952,125 |
| Air Pollution Dist. | 28,045 | 28,746 | 29,465 | 30,201 | 30,956 | 31,730 |
| MAPC | 29,255 | 29,986 | 30,736 | 31,504 | 32,292 | 33,099 |
| MBTA | 5,064,774 | 5,191,393 | 5,321,178 | 5,454,208 | 5,590,563 | 5,730,327 |
| Boston Metro | 1,799 | 1,799 | 1,799 | 1,799 | 1,799 | 1,799 |
| SPED | 49,812 | 51,057 | 52,334 | 53,642 | 54,983 | 56,358 |
| RMV Surcharge | 232,380 | 232,380 | 232,380 | 232,380 | 232,380 | 232,380 |
| School Choice Sending Tuition | 3,953 | 3,953 | 3,953 | 3,953 | 3,953 | 3,953 |
| Charter School Sending Tuition | 68,157 | 68,157 | 68,157 | 68,157 | 68,157 | 68,157 |
| TOTAL STATE ASSESSMENTS | 6,319,715 | 6,470,050 | 6,624,144 | 6,782,091 | 6,943,986 | 7,109,928 |
| CHERRY SHEET OFFSETS | | | | | | |
| Libraries | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 |
| TOTAL Cherry Sheet Offsets | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 | 91,451 |
| Overlay Reserve | 1,965,726 | 1,950,000 | 1,998,750 | 2,048,719 | 2,099,937 | 2,152,435 |
| Tax Titles | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| TOTAL | 8,401,892 | 8,536,501 | 8,739,345 | 8,947,261 | 9,160,374 | 9,378,814 |
| \$\$ Change | 31,813 | 134,610 | 202,844 | 207,915 | 213,113 | 218,441 |
| % Change | 0.4% | 1.6% | 2.4% | 2.4% | 2.4% | 2.4% |

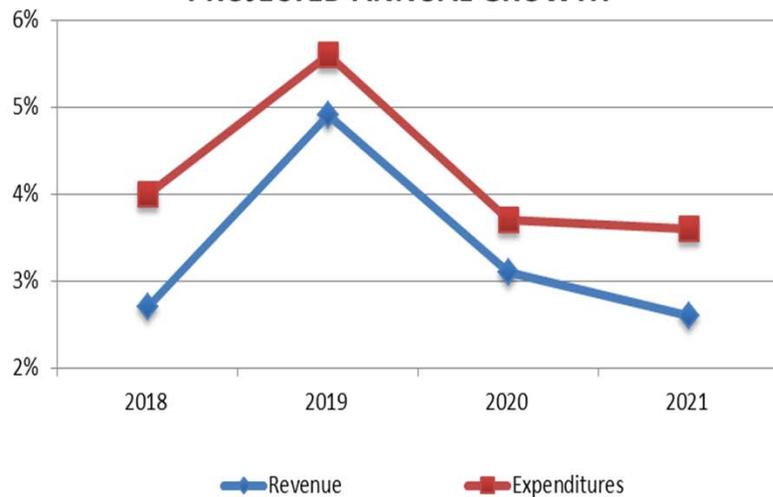
DEFICIT CALCULATION

| | |
|---|-----------------|
| Add'l Operating Revenue | \$9.65 |
| - Health Insurance | \$1.58 |
| - Other Pers Bene's | \$1.36 |
| - Town Coll Barg / Steps | \$1.36 |
| - Town Dept'al Non-Personnel Increases* | \$0.38 |
| - School Coll Barg / Steps | \$2.38 |
| - School Non-Coll Barg/Step Increases | \$2.88 |
| - Utilities | \$0.15 |
| - Debt Svc/Tax-Financed CIP | (\$0.05) |
| - Non-Appropriated | \$0.13 |
| - Misc | \$0.31 |
| Total Growth in Expenditures | \$10.48 |
| SURPLUS / (DEFICIT) | (\$0.83) |

* Exclusive of Utilities

FUTURE REVENUE & EXPENDITURE GROWTH

PROJECTED ANNUAL GROWTH



PROJECTED CUMULATIVE GROWTH

