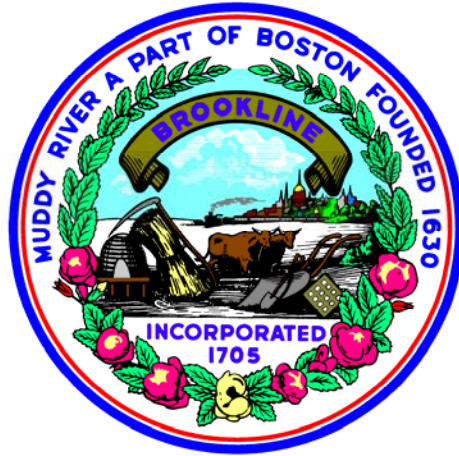


TOWN OF BROOKLINE



FY2011 – FY2015 LONG RANGE FINANCIAL PLAN December 8, 2009

HEADLINES

- FY11: range of ***balanced budget*** to ***deficit of up to \$2M***, depending on State Aid and Collective Bargaining. Deficits projected in each of FY12 – FY15.
- ***Health Insurance*** costs to decline by \$2.8M in FY11. Continue to strain the budget in FY12 – FY15.
- Enhanced **OPEB** funding plan incorporated.
- ***Collective Bargaining*** assumptions have a significant impact for FY12 – FY15.
- ***Debt Service*** reflects the CIP as preliminarily prepared, which includes major school projects.

- ***State Aid*** is certain to be cut. Various scenarios presented.
- ***Local Receipt*** estimates continue to reflect the current economic climate -
- aside from the annualization of local option taxes, a decrease.

RECENT HISTORY

- In FY08, \$3.2M budget gap addressed:
 - \$1.5M in revenue increases (meters, tickets, refuse fee)
 - Health Ins plan design changes (\$755K FY08 impact)
 - DPW Initiatives realized \$369K in savings (reduced sanitation costs, outsourced school grounds maintenance)
 - Budget cuts (\$548K)

- In FY09, voters approved a \$6.2M Override after OSC makes recommendations
 - \$2.1M for structural deficit
 - \$1.5M for infrastructure shortfall
 - \$2.6M for Lengthened School Day & EWL

- In FY10, closed a \$5M budget gap
 - \$4M gap closed in original budget via reorganizations/consolidations/cuts
 - \$1M add'l gap closed at Fall TM
 - Primary cause of deficit = \$3.1M (19%) cut in State Aid
 - EIC recommendations part of budget balancing plan

MOVE TO GIC

- What it does:
 - Makes anticipated FY11 State Aid cuts much more manageable
 - Allows for expansion of OPEB commitment
 - Reduces OPEB liability

- What it doesn't do:
 - Solve deficits in FY12 and beyond

FY11 SCENARIOS – PRIOR TO MOVE TO GIC

<u>SCENARIO A: No Local Aid Cut</u>				<u>SCENARIO B: 10% Local Aid Cut (\$1.32M Total)</u>			
	<u>Town</u>	<u>School</u>	<u>Total</u>	<u>Town</u>	<u>School</u>	<u>Total</u>	
@ 0% Coll Barg	(\$856,567)	(\$1,023,358)	(\$1,879,924)	(\$1,514,567)	(\$1,680,358)	(\$3,194,924)	
@ 1% Coll Barg	(\$1,331,567)	(\$1,572,358)	(\$2,903,924)	(\$1,989,567)	(\$2,230,358)	(\$4,219,924)	
@ 1.5% Coll Barg	(\$1,568,567)	(\$1,847,358)	(\$3,415,924)	(\$2,226,567)	(\$2,505,358)	(\$4,731,924)	
@ 2% Coll Barg	(\$1,805,567)	(\$2,122,358)	(\$3,927,924)	(\$2,464,567)	(\$2,780,358)	(\$5,244,924)	

<u>SCENARIO C: 15% Local Aid Cut (\$1.97M Total)</u>				<u>SCENARIO D: 20% Local Aid Cut (\$2.63M Total)</u>			
	<u>Town</u>	<u>School</u>	<u>Total</u>	<u>Town</u>	<u>School</u>	<u>Total</u>	
@ 0% Coll Barg	(\$1,843,567)	(\$2,010,358)	(\$3,853,924)	(\$2,172,567)	(\$2,339,358)	(\$4,511,924)	
@ 1% Coll Barg	(\$2,318,567)	(\$2,560,358)	(\$4,878,924)	(\$2,647,567)	(\$2,889,358)	(\$5,536,924)	
@ 1.5% Coll Barg	(\$2,555,567)	(\$2,835,358)	(\$5,390,924)	(\$2,884,567)	(\$3,154,358)	(\$6,038,924)	
@ 2% Coll Barg	(\$2,793,567)	(\$3,110,358)	(\$5,903,924)	(\$3,122,567)	(\$3,438,358)	(\$6,560,924)	

FY11 SCENARIOS

	<u>SCENARIO A: No Local Aid Cut</u>		
	<u>Town</u>	<u>School</u>	<u>Total</u>
@ 0% Coll Barg	\$1,275,000	\$1,375,000	\$2,650,000
@ 1% Coll Barg	\$800,000	\$826,000	\$1,626,000
@ 1.5% Coll Barg	\$563,000	\$551,000	\$1,114,000
@ 2% Coll Barg	\$326,000	\$276,000	\$602,000

	<u>SCENARIO B: 10% Local Aid Cut (\$1.32M Total)</u>		
	<u>Town</u>	<u>School</u>	<u>Total</u>
	\$617,000	\$718,000	\$1,335,000
	\$142,000	\$168,000	\$310,000
	(\$95,000)	(\$107,000)	(\$202,000)
	(\$333,000)	(\$382,000)	(\$715,000)

	<u>SCENARIO C: 15% Local Aid Cut (\$1.97M Total)</u>		
	<u>Town</u>	<u>School</u>	<u>Total</u>
@ 0% Coll Barg	\$288,000	\$388,000	\$676,000
@ 1% Coll Barg	(\$187,000)	(\$162,000)	(\$349,000)
@ 1.5% Coll Barg	(\$424,000)	(\$437,000)	(\$861,000)
@ 2% Coll Barg	(\$662,000)	(\$712,000)	(\$1,374,000)

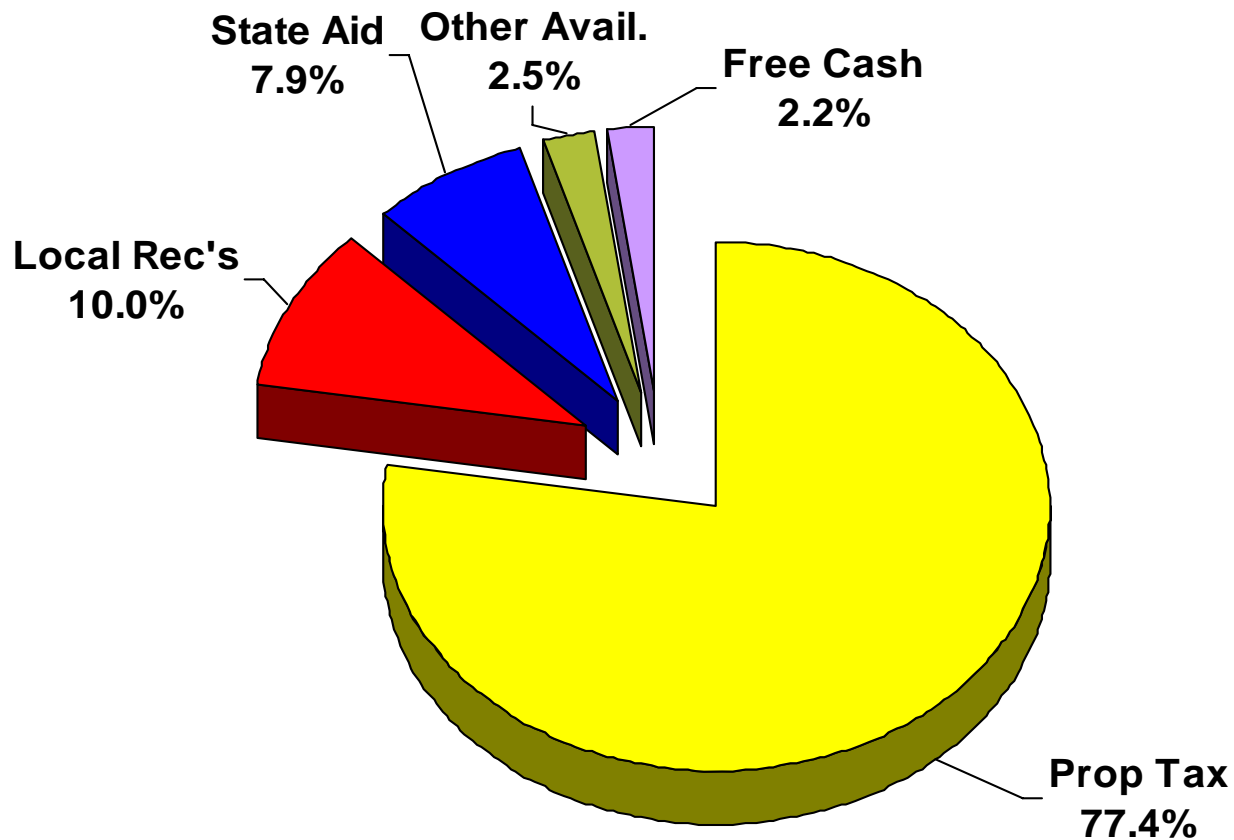
	<u>SCENARIO D: 20% Local Aid Cut (\$2.63M Total)</u>		
	<u>Town</u>	<u>School</u>	<u>Total</u>
	(\$41,000)	\$59,000	\$18,000
	(\$516,000)	(\$491,000)	(\$1,007,000)
	(\$753,000)	(\$756,000)	(\$1,509,000)
	(\$991,000)	(\$1,040,000)	(\$2,031,000)

LRFP SCENARIO: 1% COLL BARG IN FY11 & 2% IN OUT-YEARS + 15% FY11 STATE AID CUT

	2010	2011	2012	2013	2014	2015
REVENUE						
Property Taxes	152,715,046	157,961,458	163,264,343	169,685,135	175,316,691	181,754,416
Local Receipts	20,357,125	20,397,775	20,620,111	20,878,175	21,010,129	21,273,974
State Aid	16,536,492	14,561,586	14,561,586	13,921,077	13,921,077	13,921,077
Other Available Funds	7,420,039	5,071,564	5,198,337	5,300,761	5,414,374	5,549,209
<u>Free Cash</u>	<u>7,053,295</u>	<u>4,590,079</u>	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,750,000</u>
TOTAL REVENUE	204,081,997	202,582,462	207,394,377	213,535,147	219,412,271	226,248,676
\$\$ Increase	4,768,279	(1,499,535)	4,811,915	6,140,770	5,877,124	6,836,405
% Increase	2.4%	-0.7%	2.4%	3.0%	2.8%	3.1%
EXPENDITURES						
Departmental	61,277,425	62,038,005	63,062,588	64,667,974	66,129,306	67,654,235
Collective Bargaining - Town	0	475,000	950,000	950,000	950,000	950,000
Schools	68,823,845	71,123,845	73,523,845	76,473,845	79,423,845	82,323,845
Collective Bargaining - School	0	550,000	1,100,000	1,100,000	1,100,000	1,100,000
Non-Departmental - Benefits	41,064,320	39,898,130	45,017,561	49,116,849	52,698,174	56,546,029
Non-Departmental - General	1,918,402	945,110	2,816,868	587,976	597,698	648,398
Non-Departmental - Debt Service	12,572,215	12,012,861	13,435,131	13,207,441	12,688,088	12,425,477
Non-Departmental - Reserve Fund	1,834,186	1,856,956	1,888,961	1,944,787	1,998,630	2,060,545
Special Appropriations	9,260,572	6,572,000	2,999,969	5,722,891	6,054,944	6,630,941
<u>Non-Appropriated</u>	<u>7,331,033</u>	<u>7,458,951</u>	<u>7,633,585</u>	<u>7,812,585</u>	<u>7,996,060</u>	<u>8,184,122</u>
TOTAL EXPENDITURES	204,081,997	202,930,857	212,428,509	221,584,348	229,636,746	238,523,592
\$\$ Increase	4,768,279	(1,151,140)	9,497,652	9,155,839	8,052,398	8,886,846
% Increase	2.4%	-0.6%	4.7%	4.3%	3.6%	3.9%
CUMULATIVE SURPLUS/(DEFICIT)	0	(348,395)	(5,034,132)	(8,049,201)	(10,224,475)	(12,274,916)
DEFICIT AS A % OF OP REV	0.0%	-0.2%	-2.5%	-3.8%	-4.7%	-5.5%
Surplus / (Deficit) Prior to Coll. Barg.	0	676,606	(2,984,132)	(5,999,201)	(8,174,475)	(10,224,916)
Town Share of Surplus / (Deficit)	0	288,210	(1,441,121)	(2,433,901)	(3,024,113)	(3,547,223)
Town Collective Bargaining	0	475,000	950,000	950,000	950,000	950,000
Total Town Surplus / (Deficit)	0	(186,790)	(2,391,121)	(3,383,901)	(3,974,113)	(4,497,223)
School Share of Surplus / (Deficit)	0	388,396	(1,543,011)	(3,565,300)	(5,150,362)	(6,677,693)
School Collective Bargaining	0	550,000	1,100,000	1,100,000	1,100,000	1,100,000
Total School Surplus / (Deficit)	0	(161,604)	(2,643,011)	(4,665,300)	(6,250,362)	(7,777,693)

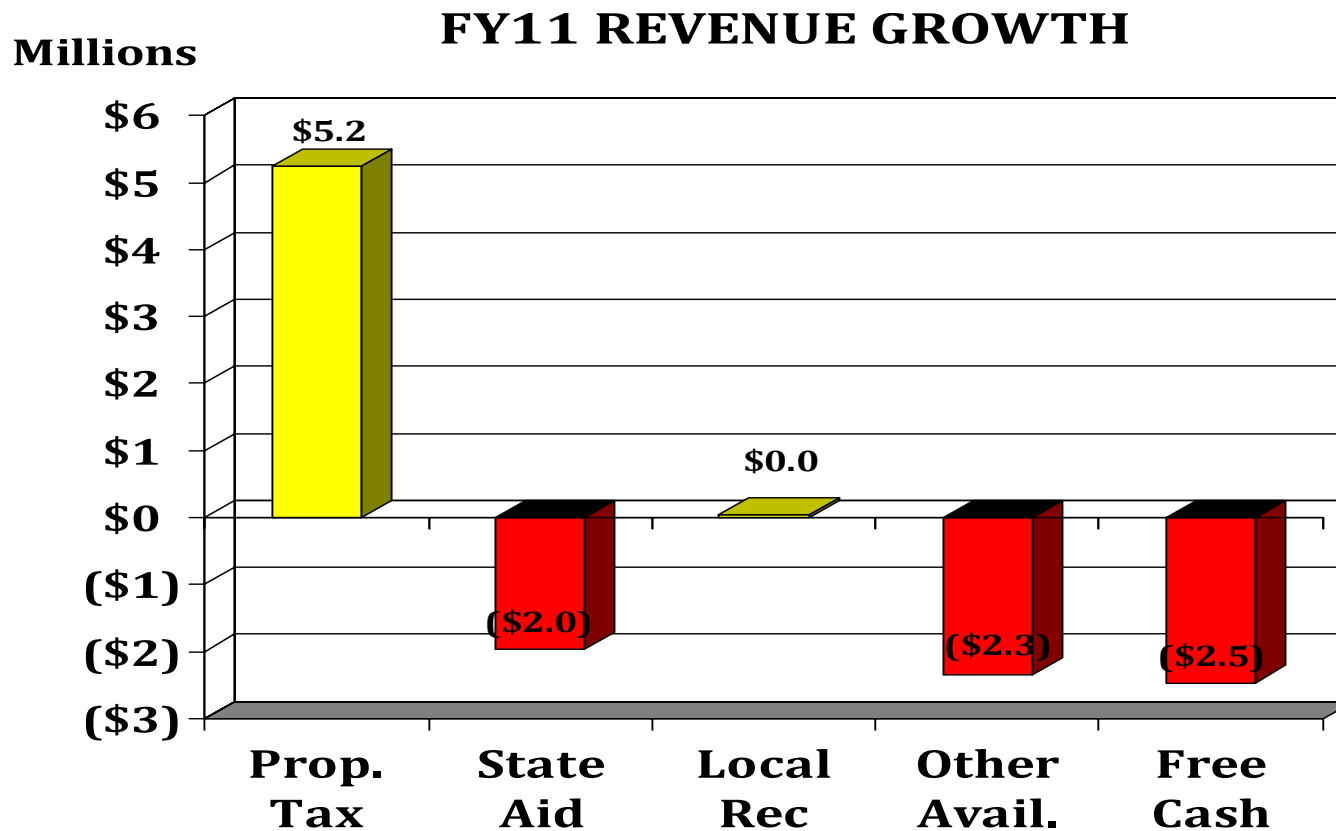
REVENUE COMPOSITION

- In FY10, Property Taxes comprise more than $\frac{3}{4}$'s of the Town's General Fund revenue and more than 80% of Operating Revenue



REVENUE SUMMARY

- At the 15% State Aid cut level:
 - Total FY11 decrease in revenue of \$1.5M (0.7%).
 - Operating Budget revenue increases \$3.3M (1.8%)



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

PROPERTY TAXES

- In FY11, increase \$5.2 million (3.4%)
 - 2 ½% Increase = \$3.8 million
 - New Growth = \$1.5 million
- In the out-years, average annual increases of 3.6%.
 - 2 Brookline PI impact included in FY13-FY15 (add'l New Growth)

PROPERTY TAXES	2011	2012	2013	2014	2015
Prior Year Levy Limit	151,047,972	156,324,171	161,732,276	167,575,583	173,704,972
2 1/2 % Increase	3,776,199	3,908,104	4,043,307	4,189,390	4,342,624
New Growth	1,500,000	1,500,000	1,800,000	1,800,000	2,100,000
121A's to Prop Taxes				140,000	
SUB-TOTAL ANNUAL LEVY LIMIT	156,324,171	161,732,276	167,575,583	173,704,972	180,147,597
ANNUAL LEVY LIMIT	156,324,171	161,732,276	167,575,583	173,704,972	180,147,597
Debt Exclusion (Debt Service Costs)	4,317,532	4,212,313	4,149,289	3,651,456	3,646,556
LESS SBAB Reimb.	(2,680,246)	(2,680,246)	(2,039,737)	(2,039,737)	(2,039,737)
Net Debt Exclusion	1,637,286	1,532,067	2,109,552	1,611,719	1,606,819
ANNUAL LEVY	157,961,458	163,264,343	169,685,135	175,316,691	181,754,416
\$\$ Increase	5,246,412	5,302,885	6,420,792	5,631,557	6,437,724
% Increase	3.4%	3.4%	3.9%	3.3%	3.7%

STATE AID

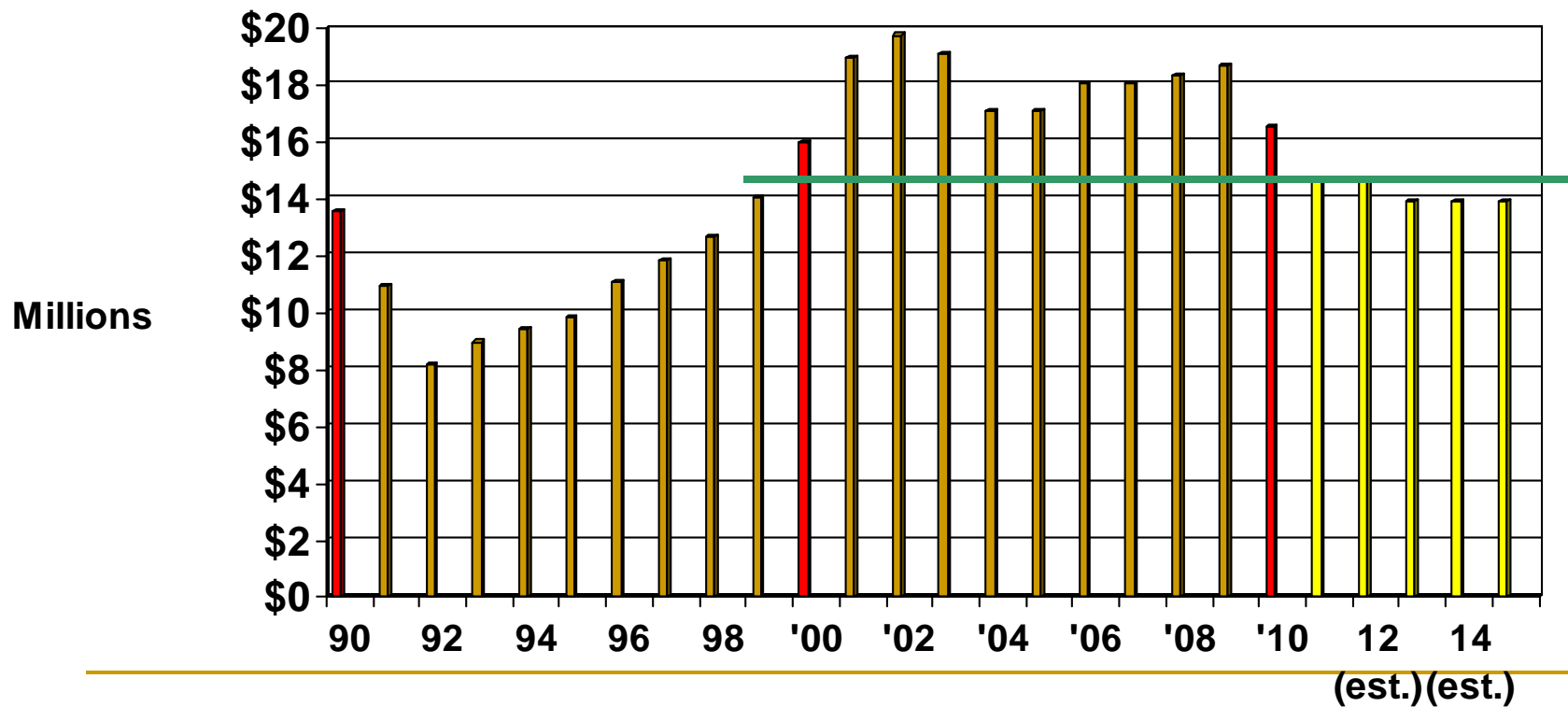
- In FY11, assume a 15% cut

STATE AID	2011	2012	2013	2014	2015
<i>General Government Aid</i>	4,924,089	4,924,089	4,924,089	4,924,089	4,924,089
Unrestricted General Gov't Aid	4,754,713	4,754,713	4,754,713	4,754,713	4,754,713
Veterans' Benefits	58,979	58,979	58,979	58,979	58,979
Quinn	110,397	110,397	110,397	110,397	110,397
<i>School Aid</i>	9,498,806	9,498,806	8,858,297	8,858,297	8,858,297
Chapter 70	6,225,127	6,225,127	6,225,127	6,225,127	6,225,127
SBAB Reimb.	3,267,371	3,267,371	2,626,862	2,626,862	2,626,862
Charter Tuition Assesment Reimb.	6,308	6,308	6,308	6,308	6,308
<i>Tax Abatement Aid</i>	35,612	35,612	35,612	35,612	35,612
Veterans/Elderly/Etc.	35,612	35,612	35,612	35,612	35,612
<i>Offset Aid</i>	103,079	103,079	103,079	103,079	103,079
School Lunch	21,913	21,913	21,913	21,913	21,913
Public Libraries	81,166	81,166	81,166	81,166	81,166
TOTAL STATE AID	14,561,586	14,561,586	13,921,077	13,921,077	13,921,077
\$\$ Increase	(1,974,906)	0	(640,509)	0	0
% Increase	-11.9%	0.0%	-4.4%	0.0%	0.0%

- Level-funded in out-years, except for end of SBA funding in FY13 for the New Lincoln School

STATE AID - HISTORY

- Took a decade to recover from cuts of early-1990's
- Unsure if Town will reach the FY02 pre-cut levels
- If 15% cut in FY11, will be at FY99 levels



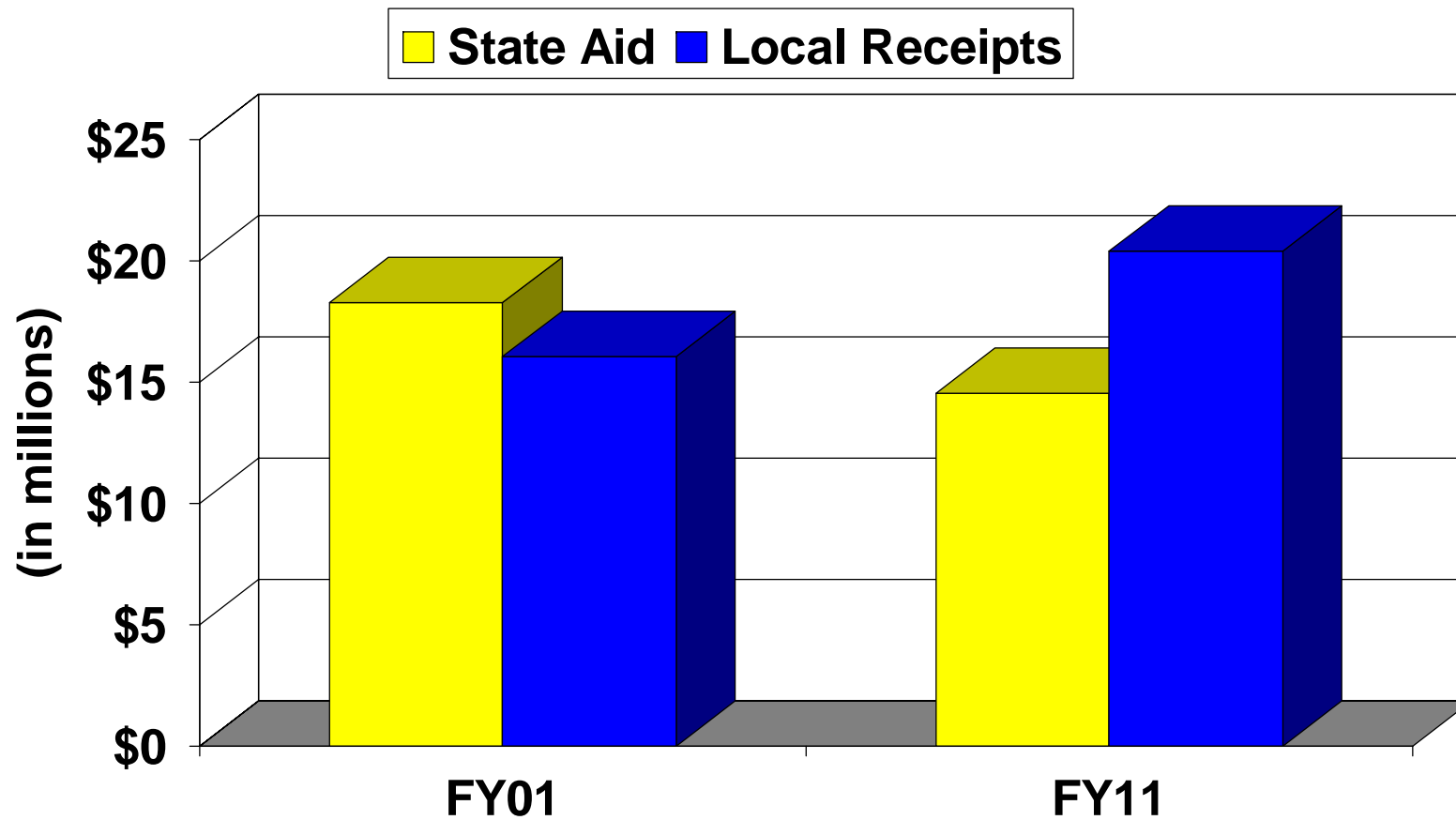
LOCAL RECEIPTS

- In FY11, an increase of just \$40,650
- An increase in Local Option Taxes (\$350K) is offset by decreases in Bldg Permits (-\$300K) & Parking Tickets (-\$90K)

LOCAL RECEIPTS	2011	2012	2013	2014	2015
Motor Vehicle Excise (MVE)	4,850,000	4,971,250	5,095,531	5,222,920	5,353,493
Local Option Taxes	1,735,000	1,755,700	1,776,814	1,798,350	1,820,317
Licenses & Permits	981,625	981,625	981,625	981,625	981,625
Parking / Court Fines	4,600,000	4,625,000	4,650,000	4,650,000	4,650,000
General Government	2,260,000	2,260,000	2,281,875	2,304,042	2,356,384
Interest Income	693,500	710,870	735,902	754,406	773,393
PILOT's	856,650	875,816	895,079	799,441	818,904
Refuse Fee	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Departmental & Other	1,821,000	1,839,850	1,861,348	1,899,346	1,919,859
TOTAL LOCAL REVENUE	20,397,775	20,620,111	20,878,175	21,010,129	21,273,974
\$\$ Increase	40,650	222,336	258,064	131,954	263,845
% Increase	0.2%	1.1%	1.3%	0.6%	1.3%

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

LOCAL RECEIPTS – HISTORY



OTHER AVAILABLE FUNDS

- For FY11, a decrease of \$2.3M (31.7%) due primarily to not using Overlay Surplus (-\$1.5M) or Capital Project Surplus (-\$830K), items that supported the FY10 CIP.

OTHER AVAILABLE FUNDS	2011	2012	2013	2014	2015
Parking Meter Receipts	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000
Walnut Hill Cemetery Fund	50,000	50,000	50,000	50,000	50,000
State Aid for Libraries	41,555	41,555	41,555	41,555	41,555
Golf Enterprise Fund Reimbursement	177,999	202,945	195,099	191,722	202,463
Recreation Revolving Fund Reimb.	222,730	235,360	250,961	267,747	285,810
Water and Sewer Enterprise Fund Reimb.	1,929,280	2,018,476	2,113,146	2,213,350	2,319,381
TOTAL OTHER AVAILABLE FUNDS	5,071,564	5,198,337	5,300,761	5,414,374	5,549,209
\$\$ Increase	(2,348,475)	126,773	102,424	113,613	134,835
% Increase	-31.7%	2.5%	2.0%	2.1%	2.5%

FREE CASH

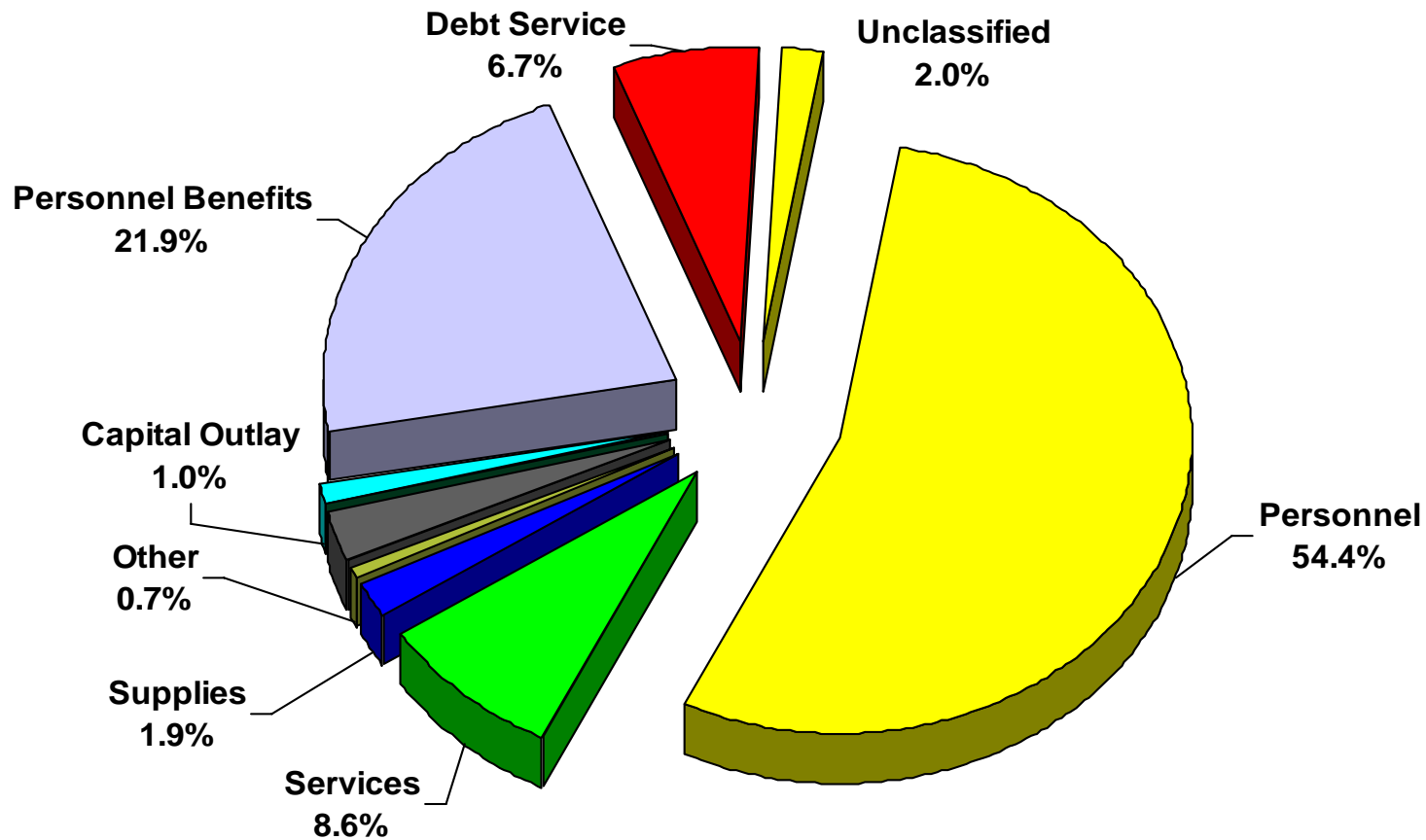
- For FY11, a decrease of \$2.5M (35%).
- Free Cash is used in accordance with the Town's Free Cash Policies.

FREE CASH	2011	2012	2013	2014	2015
Certified Free Cash for Use in:	4,590,079	3,750,000	3,750,000	3,750,000	3,750,000
Free Cash appropriated for:					
Capital Improvements	3,676,271	3,057,340	3,041,094	3,030,665	3,008,210
Operating Budget Reserve	464,239	477,351	491,300	504,768	520,248
Liability Reserve	449,569	15,309	17,606	14,568	21,542
Misc		200,000	200,000	200,000	200,000
TOTAL FREE CASH	4,590,079	3,750,000	3,750,000	3,750,000	3,750,000
\$\$ Increase	(2,463,216)	(840,079)	0	0	0
% Increase	-34.9%	-18.3%	0.0%	0.0%	0.0%

- In the out-years, \$3.75M is used for each year

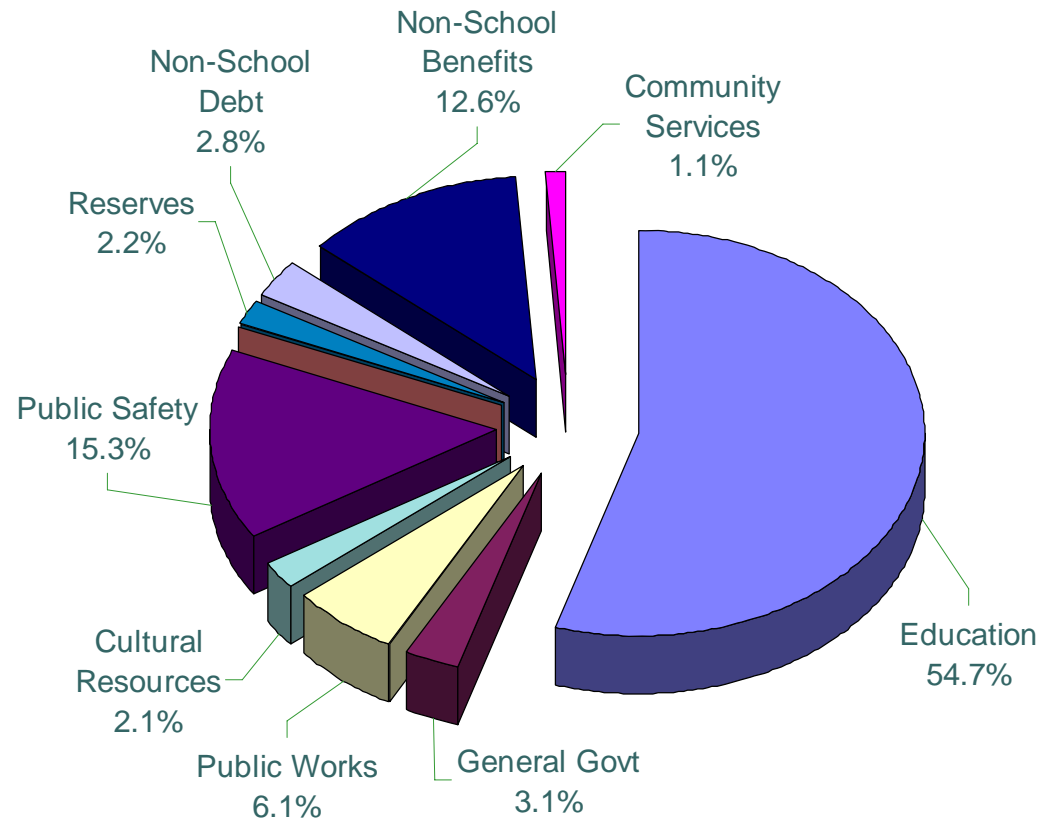
EXPENDITURE COMPOSITION

- In FY10, Personnel costs (wages and benefits) comprise more than 3/4's of the Town's Operating Budget



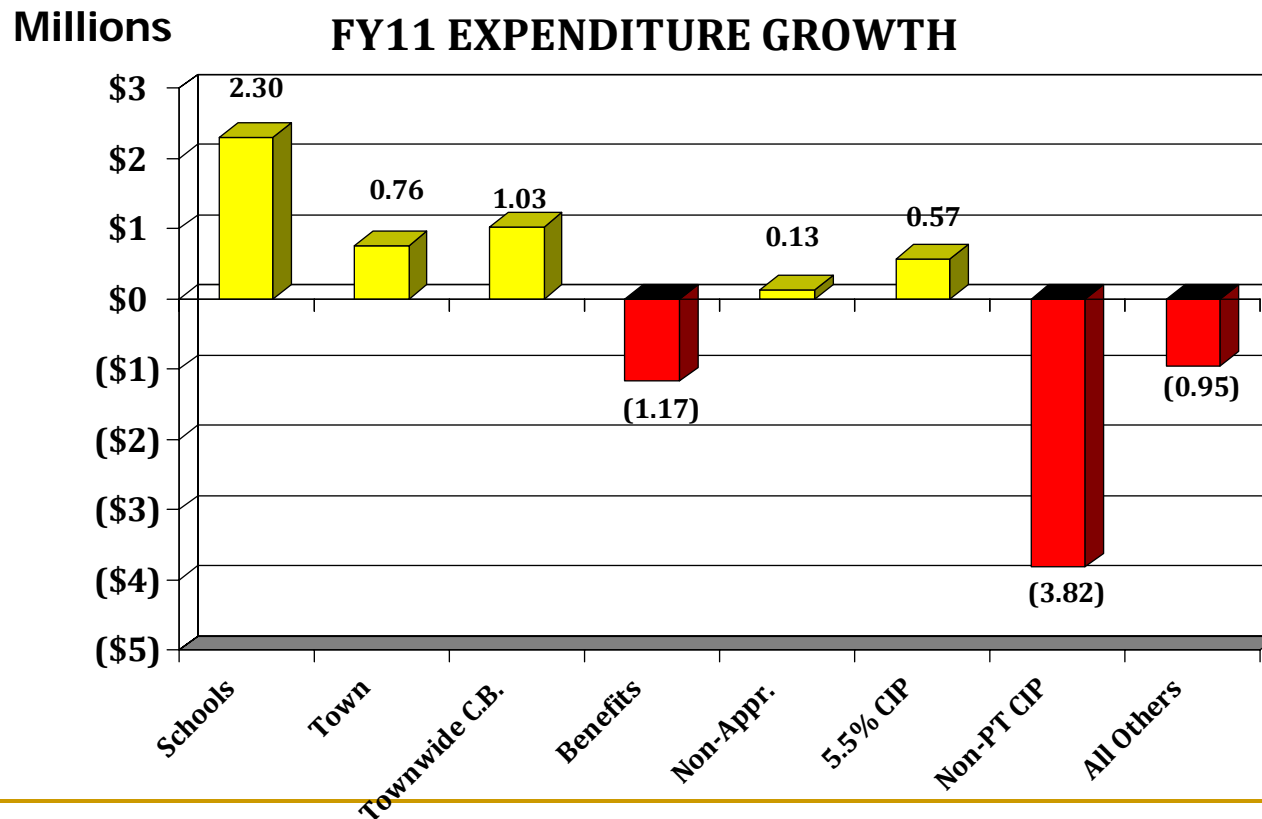
FULLY-ALLOCATED EXPENDITURES

- In FY10, expenses associated with Education comprised more than 50% of the Operating budget.
- The next largest areas were Public Safety and non-School Benefits.



EXPENDITURE SUMMARY

- For FY11, total decrease in expenditures of \$1.2M (0.6%)
- Operating Budget expenditures increase \$3.6M (1.9%)
- Assume FY11 Coll Barg increase of 1% Town & School



- In the out-years, annual increases of 2.7% - 3%

BENEFITS

- Total FY11 decrease of \$1.2M (2.8%).
- In FY02, Benefits comprised 15% of the total Operating Budget. In FY11, this figure could increase to 21%.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Pensions	14,034,954	16,183,724	16,792,273	17,426,364	18,087,019
Group Health	21,227,416	23,751,080	26,832,844	29,368,172	32,111,584
Retiree Group Health (OPEB's)	856,759	1,145,607	1,435,783	1,727,524	2,055,990
EAP	28,000	28,000	33,000	33,000	33,000
Group Life	130,000	130,000	133,250	136,582	139,996
Disability Insurance	16,000	16,000	16,000	16,000	16,000
Workers' Compensation	1,350,000	1,383,750	1,418,344	1,453,802	1,490,147
Public Safety IOD Medical Expenses	320,000	320,000	320,000	320,000	320,000
Unemployment Compensation	350,000	350,000	300,000	250,000	200,000
Medical Disabilities	30,000	30,000	30,000	35,000	35,000
Medicare Coverage	1,555,000	1,679,400	1,805,355	1,931,730	2,057,292
TOTAL	39,898,130	45,017,561	49,116,849	52,698,174	56,546,029
\$\$ Change	(1,166,190)	5,119,431	4,099,288	3,581,325	3,847,854
% Change	-2.8%	12.8%	9.1%	7.3%	7.3%

BENEFITS – MAJOR ACCOUNTS

■ Health Insurance

- Assuming a 9% rate increase for Actives / 8% for Retirees
- Assuming 30 new enrollees (15 T / 15 S)
- Total decrease of \$2.8 million (11.8%)
- Each 1% increase in rates equals approximately \$210,000

■ Pensions

- For FY11, increase of \$756K (5.8%)
- Based on the existing funding schedule & continue the additional funding added to the base in FY10
- FY12 could pose major difficulty

■ OPEB's

- Increase operating budget funding from \$250K to \$750K
 - Begin assessing special revenue funds
-

NON-GIC PROJECTION vs GIC PROJECTION

PROJECTION **PRIOR** TO AGREEMENT TO ENTER GIC

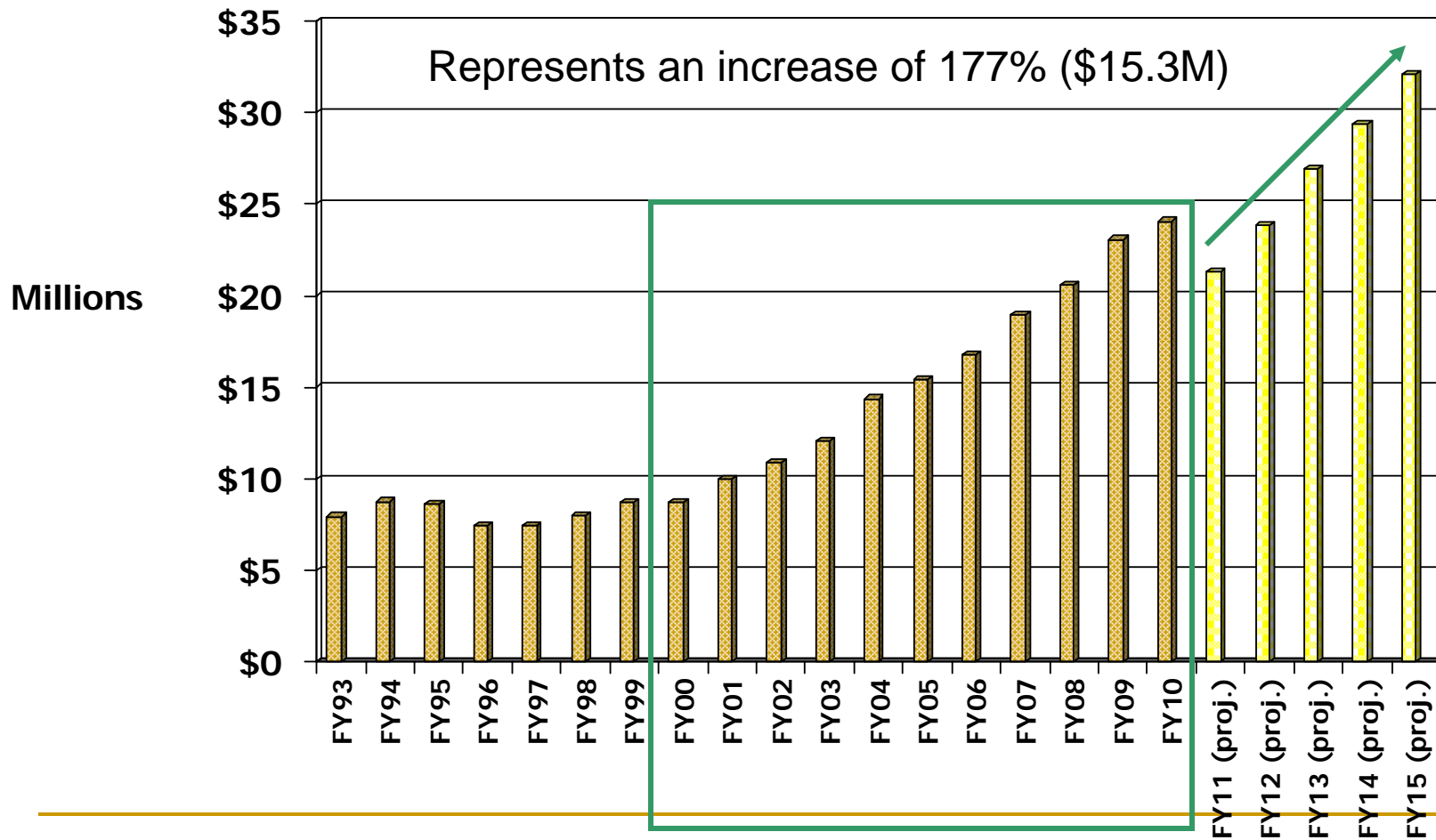
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
Approp.	24,073,604	25,757,341	28,189,016	30,841,451	33,751,735	36,946,052
\$\$ Var.		1,683,737	2,431,675	2,652,435	2,910,284	3,194,317
% Var.		6.99%	9.44%	9.41%	9.44%	9.46%

PROJECTION **AFTER** AGREEMENT TO ENTER GIC

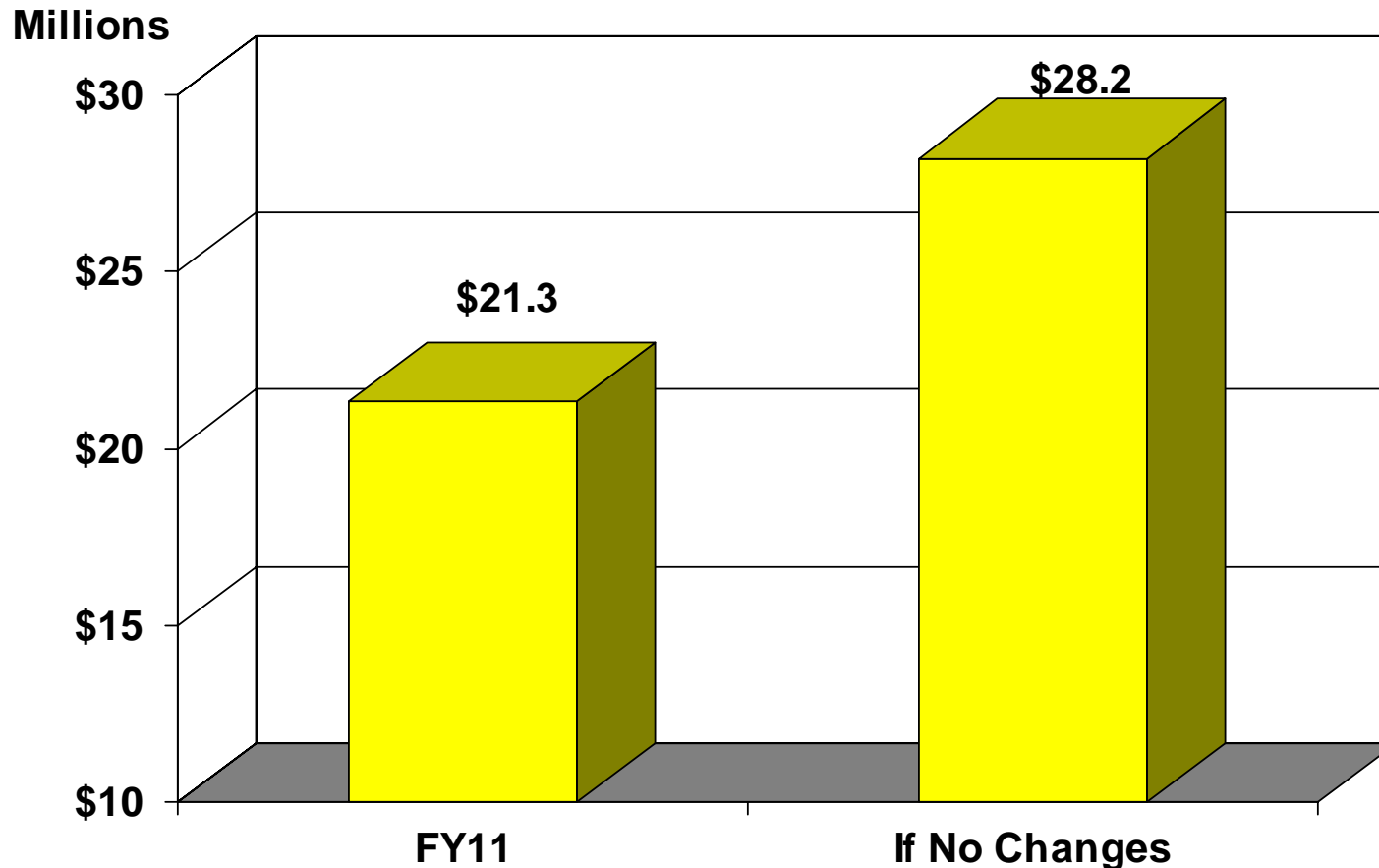
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>
Approp.	24,073,604	21,227,416	23,751,080	26,832,844	29,368,172	32,111,584
\$\$ Var.		(2,846,188)	2,523,664	3,081,764	2,535,329	2,743,412
% Var.		-11.82%	11.89%	12.98%	9.45%	9.34%

\$\$ Var.		(4,529,924)	(4,437,936)	(4,008,607)	(4,383,563)	(4,834,468)
% Var.		-17.6%	-15.7%	-13.0%	-13.0%	-13.1%

BENEFITS – HEALTH INS BUDGET



HEALTH INSURANCE EFFORTS



- Consolidation in FY05 saved approx. \$1.2M (annualized)
- Plan Design Changes in FY08 saved approx. \$1.1M (annualized)
- Move to GIC in FY11 est. to save approx. \$4.6M

OPEB'S

- Recommendations of the OPEB Task Force included:
 - Increase funding from operating revenue by \$250K / yr
 - Assess special revenue funds with personnel
 - Use “run-off” from funding for Non-Contributory retirees

- In addition, adding \$250K from the savings achieved by moving to the GIC.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Non-Contributory (Pensions) Savings	0	30,000	60,000	90,000	120,000
W&S	4,643	10,721	17,711	25,776	35,027
Golf	426	984	1,625	2,365	3,214
Rec Revolving Fund	1,690	3,902	6,447	9,383	12,750
School Spec Rev Funds	100,000	100,000	100,000	100,000	135,000
Operating Revenue	750,000	1,000,000	1,250,000	1,500,000	1,750,000
TOTAL	856,759	1,145,607	1,435,783	1,727,524	2,055,990

UTILITIES

- Overall projected FY11 increase of approx. \$100K (1.8%).
- Total energy budget of approx. \$5.7M represents a \$3.1M (117%) increase since FY00.
- Fixed contracts for electricity (through Dec, '12) and natural gas (through Oct, '12).
- CIP investments paying off (energy efficiency, energy mgmt systems, dual-fuel burners).
 - School bldg's: FY09 = 4% reduction in kwh's; FY10 (YTD) = 1% reduction
 - Town Hall: FY10 vs FY07 = 54% reduction YTD

Townwide Utility Budget (in millions)

	<u>ELECTRICITY</u>	<u>HEATING OIL</u>	<u>NATURAL GAS</u>	<u>GASOLINE/ DIESEL</u>	<u>TOTAL</u>
FY00	\$1.92	\$0.25	\$0.25	\$0.20	\$2.62
FY01	\$2.09	\$0.43	\$0.28	\$0.26	\$3.06
FY02	\$1.84	\$0.41	\$0.23	\$0.26	\$2.73
FY03	\$1.74	\$0.50	\$0.27	\$0.28	\$2.79
FY04	\$1.97	\$0.58	\$0.28	\$0.28	\$3.12
FY05	\$2.21	\$0.75	\$0.36	\$0.43	\$3.76
FY06	\$2.14	\$1.07	\$0.36	\$0.52	\$4.09
FY07	\$2.75	\$0.79	\$0.44	\$0.65	\$4.64
FY08	\$2.85	\$0.85	\$0.59	\$0.64	\$4.93
FY09	\$2.79	\$0.11	\$1.27	\$1.01	\$5.18
FY10 (bud)	\$3.04	\$0.01	\$1.80	\$0.73	\$5.58
FY11 (bud)	\$3.04	\$0.01	\$1.83	\$0.81	\$5.68

DEBT SERVICE / TAX-SUPPORTED CIP

- FY11 total increase of \$568K.
- Debt Service -\$559K and Tax-supported CIP +\$1.1M.
- Within Tax-supported are the 2008 Override funds earmarked for CIP. These increased 2.5% (\$19K) to \$788K.

- In the out-years, the Debt Service supports:
 - Devotion School Renovation (\$33M)
 - Runkle School Renovation/Addition (\$17.6M)
 - Classroom Capacity (\$5M)
 - Rear Landfill Closure (\$4.5M)
 - Town Hall/Main Library Garages + Driveway (\$2.2M)
 - Waldstein / Warren Park Projects (\$1.6M)
 - Roof Replacement / Repairs (\$1.6M)
 - Fisher Hill Reservoir (\$1.35M)
 - UAB Roof / Chimney / etc (\$1.3M)
 - Ladder #2 (\$1M)

- More detailed information included in the CIP presentation.

NON-APPROPRIATED

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
STATE ASSESSMENTS					
County Assessments	638,133	654,087	670,439	687,200	704,380
Retired Empl. Health Ins.	3,498	3,586	3,675	3,767	3,861
Air Pollution Dist.	22,095	22,647	23,213	23,794	24,389
MAPC	16,672	17,088	17,516	17,954	18,402
MBTA	4,600,635	4,715,650	4,833,542	4,954,380	5,078,240
Boston Metro	1,684	1,684	1,684	1,684	1,684
SPED	54,332	55,690	57,083	58,510	59,973
RMV Surcharge	311,200	311,200	311,200	311,200	311,200
Charter School Sending Tuition	32,623	32,623	32,623	32,623	32,623
TOTAL STATE ASSESSMENTS	5,680,872	5,814,256	5,950,975	6,091,111	6,234,751
\$\$ Change	130,131	133,384	136,719	140,137	143,640
% Change	2.3%	2.3%	2.4%	2.4%	2.4%
CHERRY SHEET OFFSETS					
School Lunch	21,913	21,913	21,913	21,913	21,913
Libraries	81,166	81,166	81,166	81,166	81,166
TOTAL Cherry Sheet Offsets	103,079	103,079	103,079	103,079	103,079
OVERLAY	1,650,000	1,691,250	1,733,531	1,776,870	1,821,291
TAX TITLES	25,000	25,000	25,000	25,000	25,000

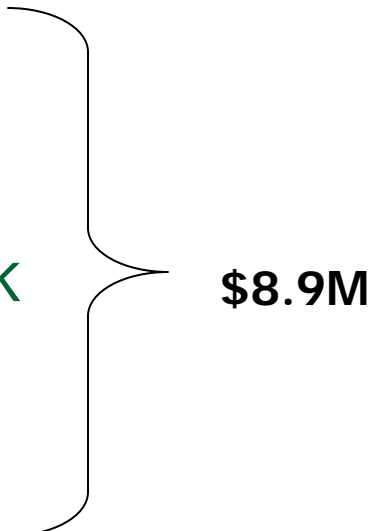
“SIMPLE MATH” FOR FY11

@ 1% Coll Barg + 15% State Aid Cut

(in millions)

Add'l Operating Revenue	\$3.3
less Town / School CB	\$1.0
less Town / School Steps	\$0.8
less Benefit Increase/(Decrease)	(\$1.2)
Remaining Funds Available	\$2.6
less Town Non-Personnel Increases for Maint. Budget	\$0.4
less School Non-Personnel Increases for Maint. Budget	\$1.7
less Utility Increases	\$0.1
less Non-Dept'al Increases	\$0.2
less Debt Svc / Pay-Go CIP Increases	\$0.6
Deficit	(\$0.3)

“SIMPLE MATH” FOR LRFP

- Average Annual Revenue Increases of \$6.7M
 - Average Annual Expenditure Increases:
 - Benefits of \$4M
 - Townwide Coll Barg of \$2M
 - School Non-Personnel of \$1.2M
 - Townwide Steps/Contract. Obl. of \$800K
 - Town Non-Personnel of \$350K
 - Debt Service / Tax-Fin CIP of \$375K
 - State Assessments of \$140K

\$8.9M
 - Town is in a structural deficit situation when on-going expenditures for existing services exceed annual revenue increases
 - Each year, the deficit grows by approx. \$2M - \$3M(except for FY12, when the growth is more than \$4M because of Pensions).
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