



**FY 2011 and FY 2012
Budget Update to Board of
Selectmen & Advisory Board**

January 10, 2011



Agenda

- Purpose of Update
- FY 2011 Budget
 - ▶ Current state revenue news
 - ▶ Town Budget - Snow & Ice YTD
- FY 2012 Budget
 - ▶ Available revenues
 - ▶ Draft Budget overview



FY 2011

Budget Update

(Budget period we are currently in)






FY11 State Revenues

- As of 12/31, \$755M ahead of projections
 - ✓ FY2012 structural deficit of \$1-\$2B still exists
 - 12/14 report from MA Taxpayers Foundation
- Unemployment rate declining – 9.4%



FY11 Snow & Ice Budget

-  Approximately \$100,000 left in budget for remainder of season
-  Duration and timing of storms have impact on budget
-  Adjustment at STM to avoid carrying deficit into FY 12 *if necessary*





FY 2012
Budget Update
July 1, 2011 to June 30, 2012

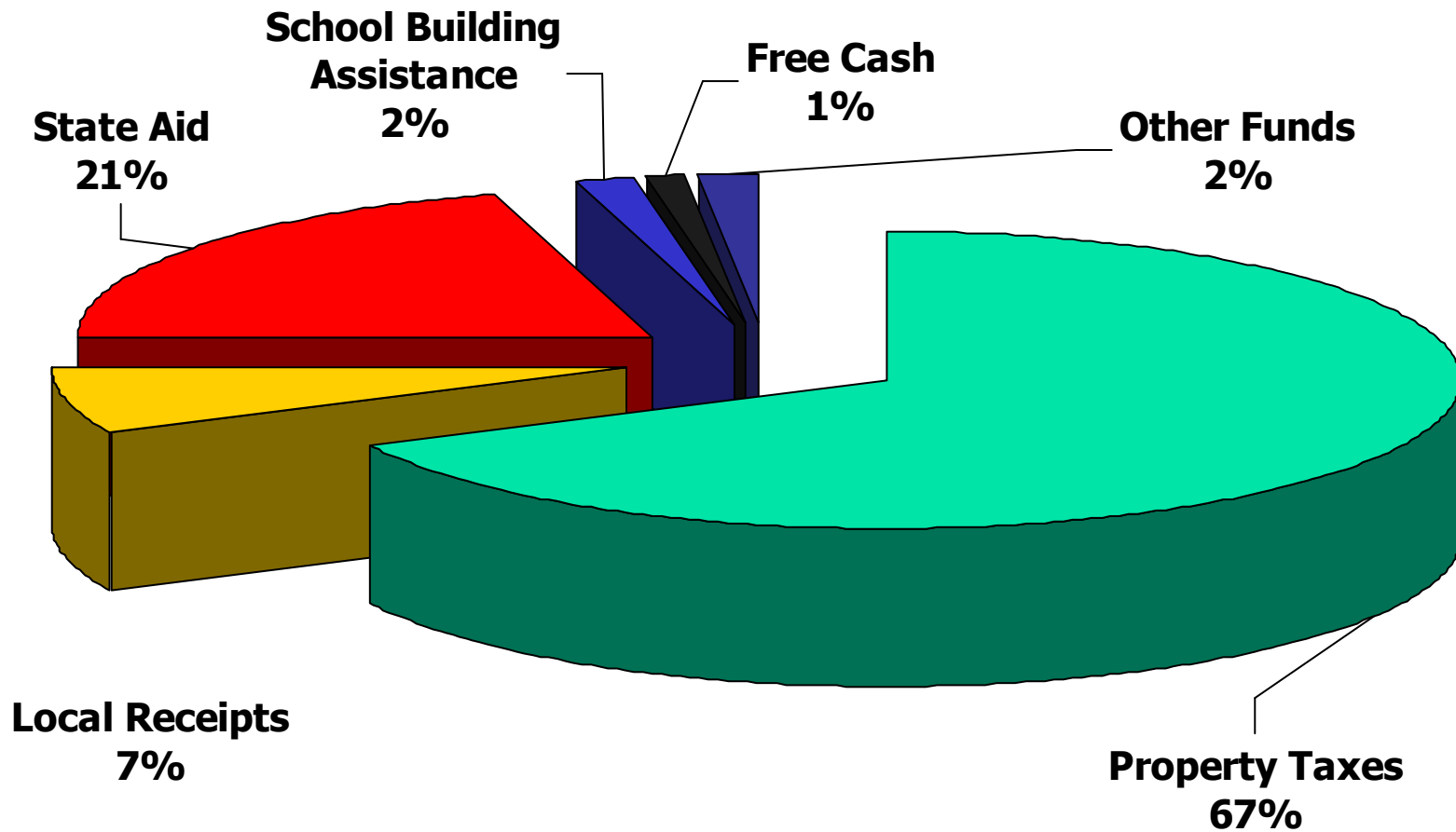


FY 2012 Budget Key Issues

- Governor's Budget to be released 1/26/2011
 - ▶ Guidance on FY12 state aid level critical
- Health insurance costs
- Collective bargaining
- Next update on 1/31/2011



FY 2012 Revenue Sources





FY12 **Estimated** Revenues

- Tax Levy - +\$1,611,920
- State Aid – **(\$794,018)**
- Local Receipts – **(\$326,000)**
- Other Sources – no estimated change
- Reserves – **(\$150,000)**



Revenue: Tax Levy

	Estimated
	FY 2012
Prior Year Levy Limit	\$ 47,113,627
Add 2.5%	\$ 1,177,841
New Growth	\$ 400,000
Levy Limit	\$ 48,691,468
Debt Exclusion (FB/Mart)	\$ 708,929
Maximum Allowable Levy	\$ 49,400,397

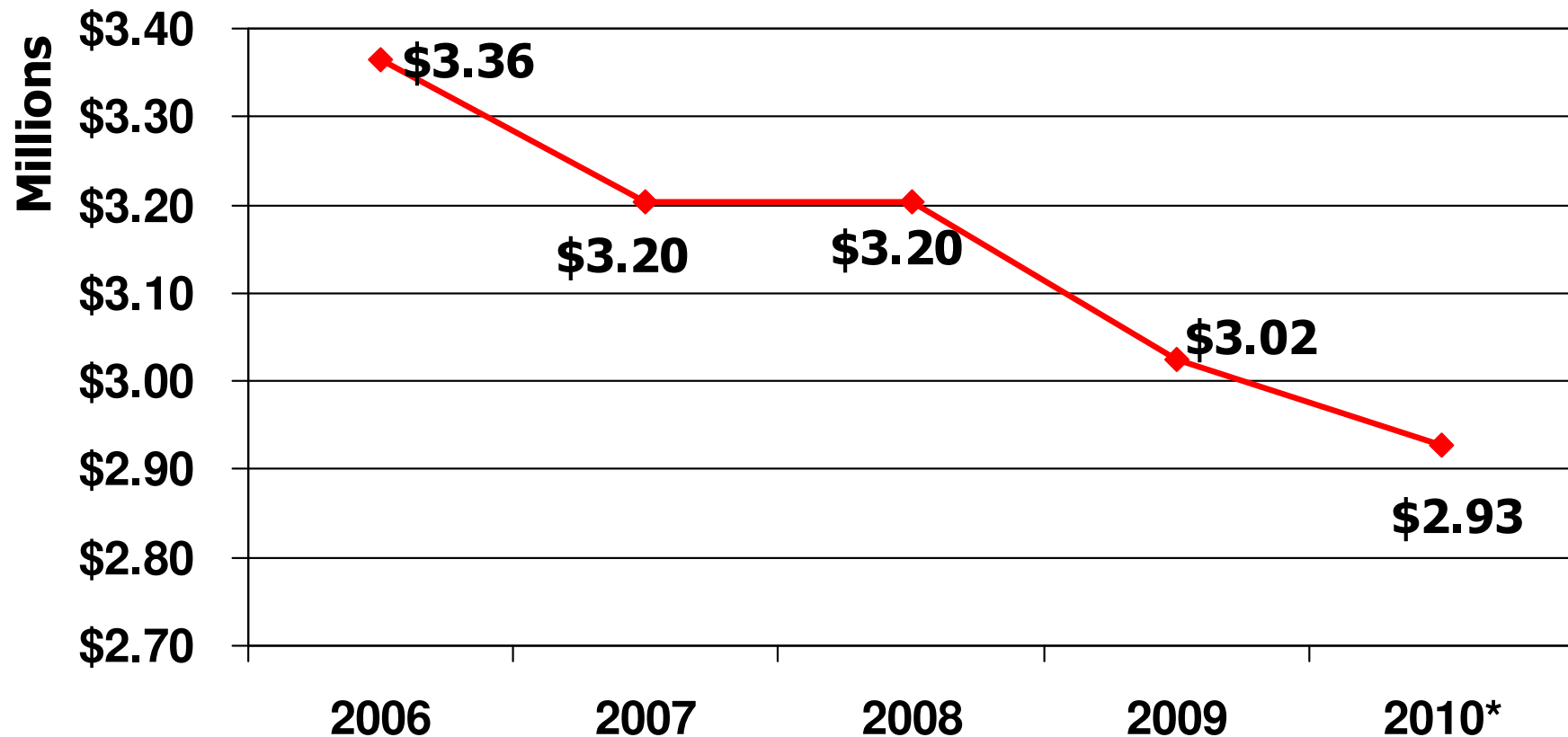


Revenue: Local Receipts

	FY 2012 Estimated
Motor Vehicle Excise	\$2,800,000
Other Excise	\$68,000
Penalties & Interest on Taxes	\$258,000
Payments in Lieu of Taxes	\$30,000
Ambulance	\$768,000
Fees	\$235,000
Dept Revenue - Libraries	\$17,000
Dept Revenue - Cemeteries	\$32,000
Other Dept Revenue	\$102,000
Licenses & Permits	\$538,000
Fines & Forfeits	\$24,000
Investment Income	\$125,000
Misc Recurring - Medicaid	\$187,000
Total	\$5,184,000



Motor Vehicle Excise Commitments - 2006-2010 YTD

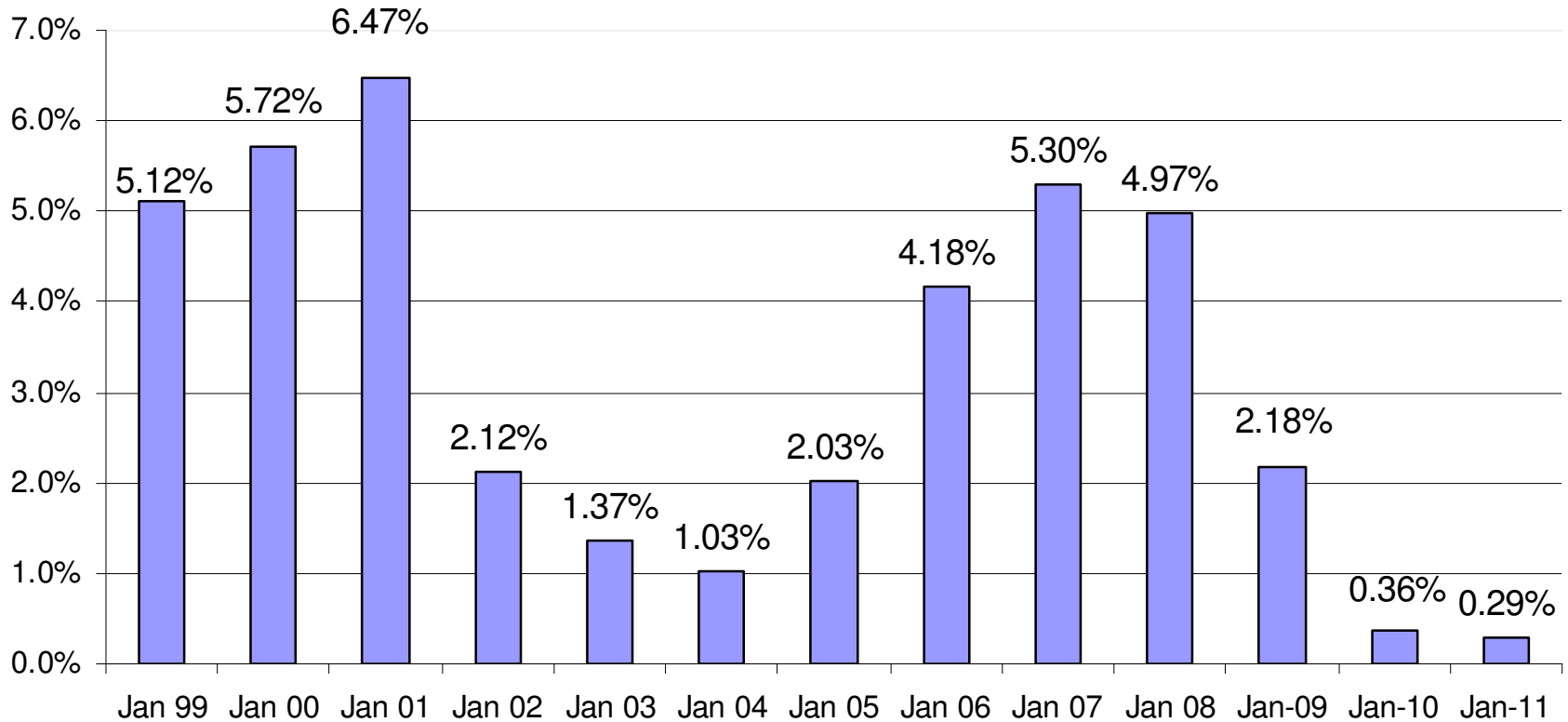


*2010 YTD; 6 of 10 commitments received



Investment: MMDT Rates

MMDT Historical Comparison 30 Day Yield January 1999 through Present - Annual





Revenue: State Aid

	FY 11	FY 12
	Amount	Estimate
		5% reduction
State Aid Description		
CHAPTER 70 - SCHOOL AID	\$ 13,494,608	\$ 12,819,878
CHARTER SCHOOL REIMBURSEMENT	\$ 51,239	\$ 48,677
SCHOOL LUNCH - OFFSET	\$ 17,530	\$ 16,654
SCHOOL CHOICE-Receiving Tuition (offset)	\$ 12,500	\$ 11,875
GENERAL MUNICIPAL AID (old Lottery)	\$ 1,832,321	\$ 1,740,705
POLICE CAREER INCENTIVE	\$ 13,919	\$ 13,223
VETERANS' BENEFITS	\$ 332,643	\$ 316,011
EXEMPTIONS (Veterans & Elderly)	\$ 103,317	\$ 98,151
STATE OWNED LAND	\$ 1,521	\$ 1,445
PUBLIC LIBRARIES - OFFSETS	\$ 20,765	\$ 19,727
Gross Aid	\$ 15,880,363	\$ 15,086,346



Revenue: Other Sources

Estimated

CEMETERY PERPETUAL CARE INTEREST	35,000
LICENSING & KEEPING OF DOGS	47,000
WETLAND PROTECTION FUND	26,000
WATERWAY IMPROVEMENT FUND	20,000
ENTERPRISE FUND INDIRECT COSTS (estimated)	1,167,947
TOTAL OTHER AVAILABLE FUNDS	1,295,947

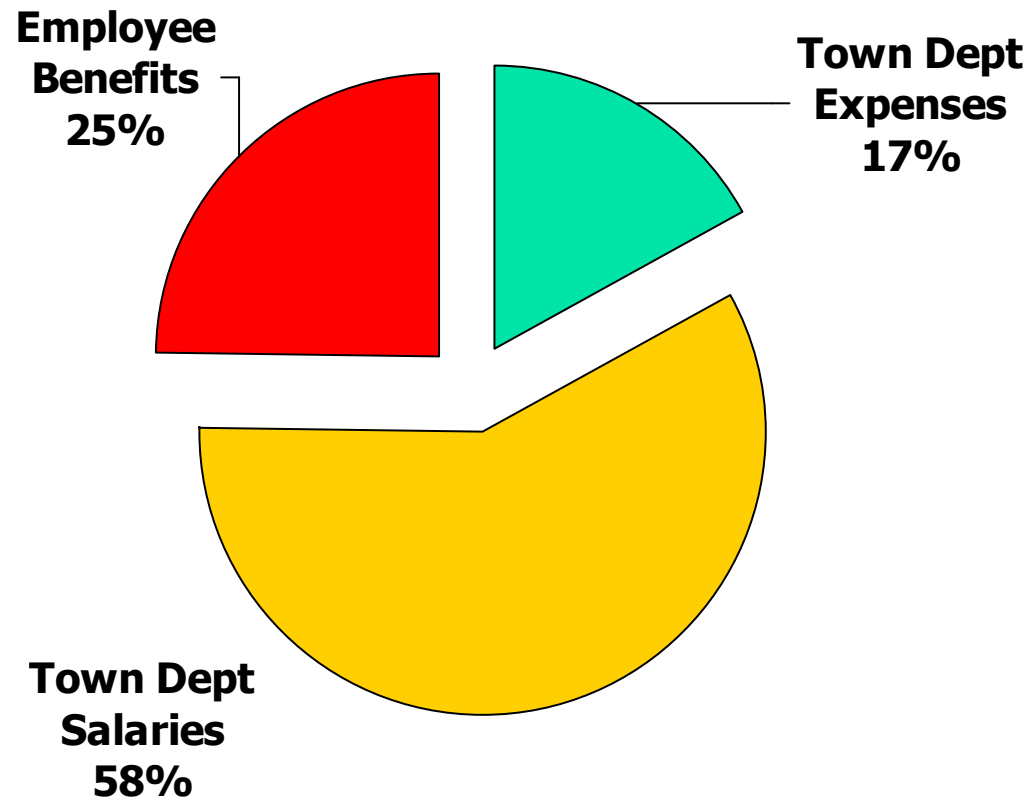


Estimated Use of Reserves

- Free Cash for Operational Budgets
 - ▶ One time revenue – creates structural deficits
 - ✓ \$2.3M used in FY 2007
 - ✓ Reduced to \$1.6M in FY 2008
 - ✓ Reduced to \$1.3M in FY 2009
 - ✓ Reduced to \$900K in FY 2010
 - ✓ Maintained at \$900K in FY 2011
 - ✓ Reduce to \$750K in FY 2012
 - ▶ Eliminate use by 2015



FY 2012 Town Departments





GENERAL GOVERNMENT

- No layoffs proposed
- Elections savings estimated at \$27,000



Public Safety

- No layoffs proposed
- Police Department collective bargaining agreement included



Public Works

- No layoffs proposed



Health / Human Services

- No layoffs proposed
- Library collective bargaining agreement included



Fixed Costs

➤ Shared 50/50 town and school

Department	FY11 Budget	FY12 Proposed	Change
Snow & Ice	\$ 375,000	\$ 400,000	\$ 25,000
General Insurance	\$ 702,580	\$ 760,809	\$ 58,229
Reserve Fund	\$ 100,000	\$ 100,000	\$ -
Retirement	\$ 3,768,238	\$ 3,736,165	\$ (32,073)
Employee Benefits	\$ 5,431,015	\$ 5,756,876	\$ 325,861
Unemployment	\$ 243,000	\$ 150,000	\$ (93,000)
Medicare	\$ 625,000	\$ 650,000	\$ 25,000
Annual Audit	\$ 50,000	\$ 60,000	\$ 10,000
Facilities (Director)	\$ -	\$ 100,000	\$ 100,000
Debt Service	\$ 4,720,000	\$ 4,720,000	\$ -
Total Fixed Costs	\$ 16,014,833	\$ 16,433,850	\$ 419,017



“A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.”

-Winston Churchill



FY11 Update & FY12 Overview

➤ Questions/comments ??