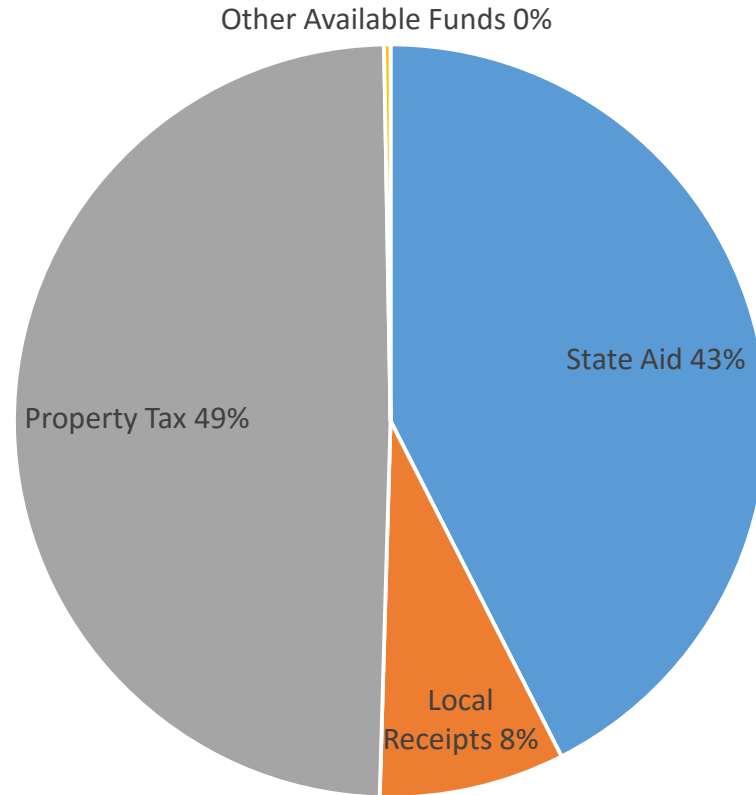


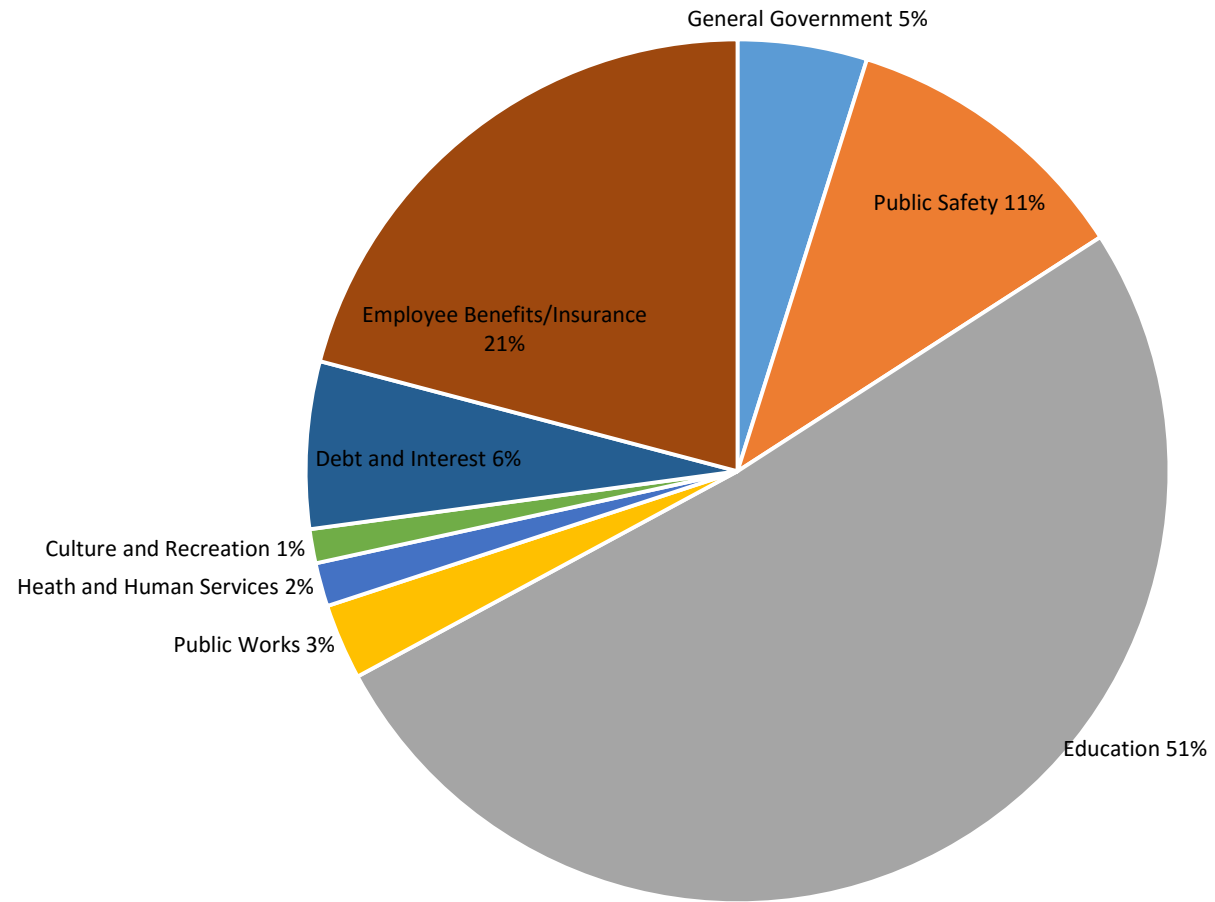
Pre-Budget FY2018
Financial Presentation for
Joint Meeting
With the Board of Selectmen,
School Committee, and Finance
Committee

January 10, 2017

General Fund Revenues
FY17

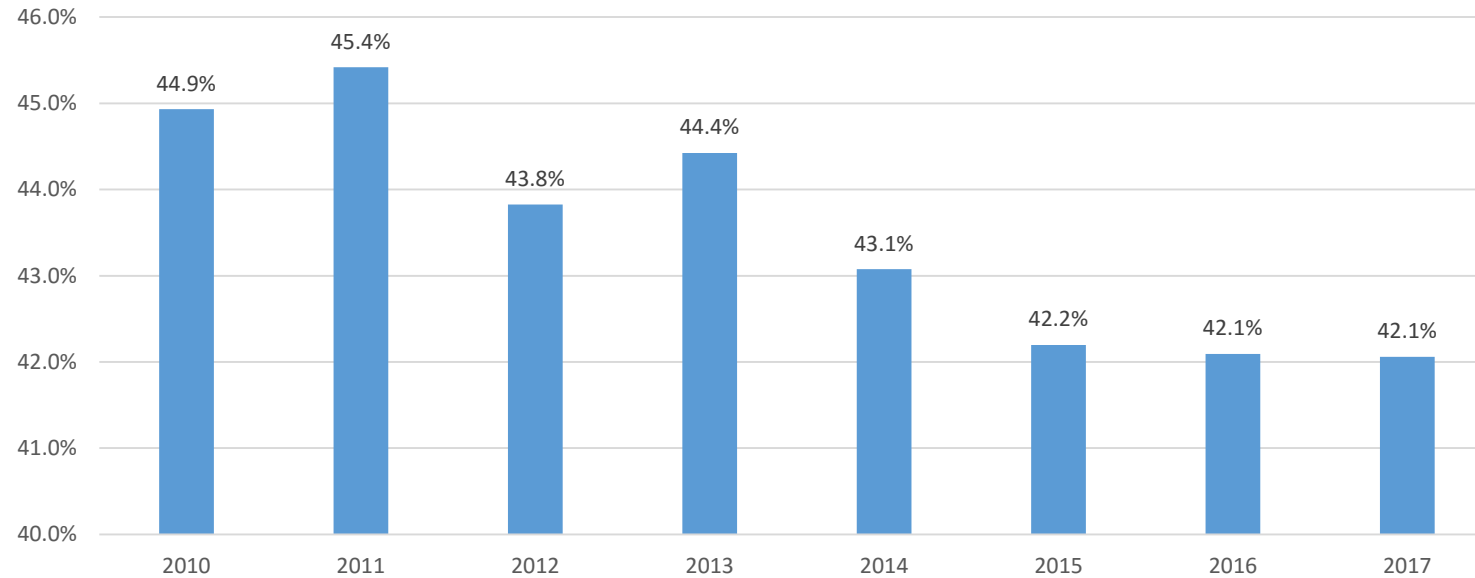


General Fund Expenditures
FY17



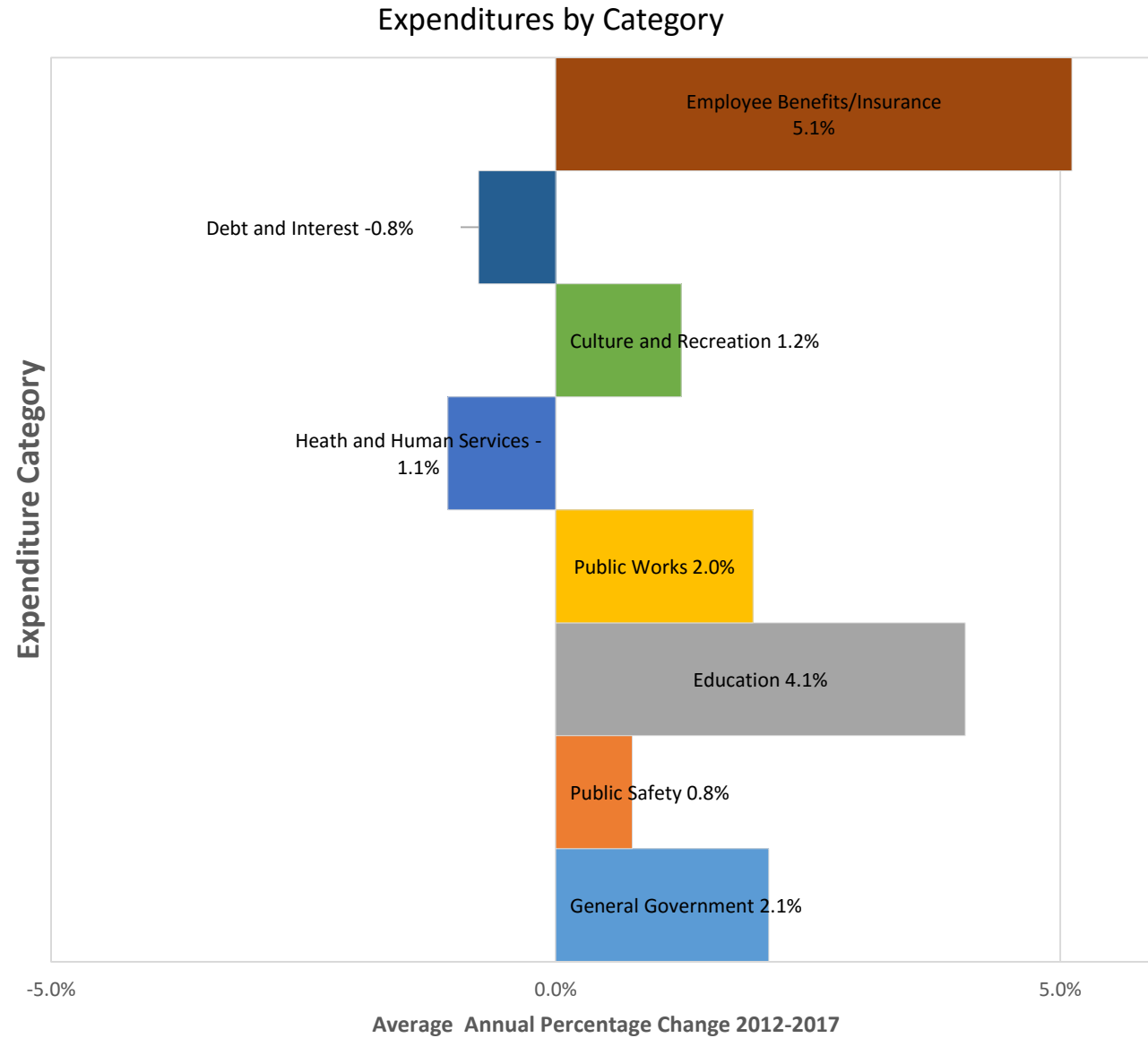
3 – State Aid

State Aid as a Percentage of Operating Revenue



State Aid/Operating Revenue								
Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Gross Operating Revenue	\$ 24,678,362	\$ 24,611,555	\$ 25,470,394	\$ 25,685,002	\$ 26,825,306	\$ 27,148,960	\$ 27,680,489	\$ 28,962,828
Less-Excluded Debt	\$ (184,467)	\$ (143,714)	\$ (98,601)	\$ (52,482)	\$ (388,717)	\$ (353,794)	\$ (309,332)	\$ (257,179)
Net Operating Revenue	\$ 24,493,895	\$ 24,467,842	\$ 25,371,793	\$ 25,632,520	\$ 26,436,590	\$ 26,795,166	\$ 27,371,158	\$ 28,705,649
State Aid	\$ 11,005,232	\$ 11,113,087	\$ 11,119,202	\$ 11,387,305	\$ 11,388,086	\$ 11,307,120	\$ 11,521,389	\$ 12,073,564
State Aid as a % of Operating Revenue	44.9%	45.4%	43.8%	44.4%	43.1%	42.2%	42.1%	42.1%

4 – Expenditure Growth by Category



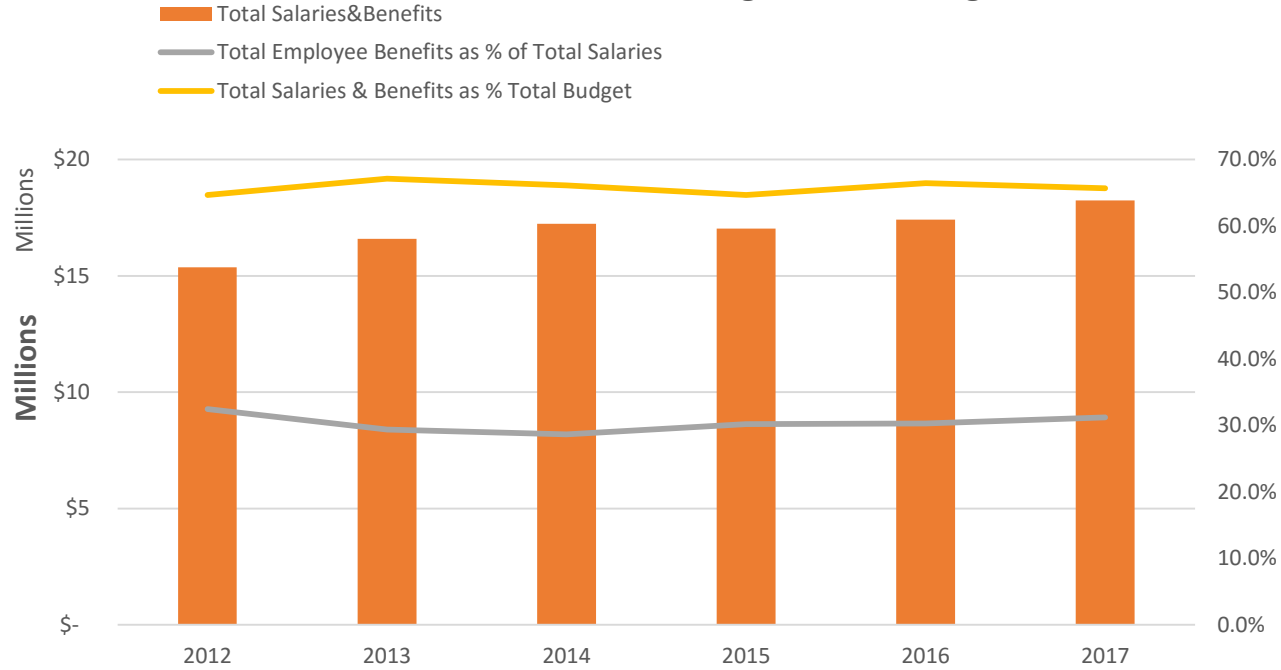
4a – Expenditure Growth by Category

Operating Expenditures

Fiscal Year	2012	2013	2014	2015	2016	2017	Avg Annual
General Government	1,272,438	1,226,796	1,280,279	1,228,637	1,276,184	1,345,582	
Public Safety	2,955,609	2,914,635	3,067,857	3,020,680	2,973,645	3,063,386	
Education	11,679,544	12,675,770	13,289,624	13,363,911	13,816,295	14,227,102	
Public Works	741,177	842,430	877,075	987,548	797,141	786,687	
Health and Human Services	478,273	488,767	463,320	461,179	458,120	452,562	
Culture and Recreation	337,842	303,849	322,888	310,890	348,779	354,200	
Debt and Interest	1,813,058	1,790,957	1,694,599	1,773,926	1,660,159	1,735,000	
Employee Benefits/Insurance	4,548,352	4,518,448	5,151,425	5,227,521	5,404,804	5,802,342	
Total Operating Expenditures	23,826,292	24,761,652	26,147,067	26,374,291	26,735,126	27,766,861	
General Government		-3.6%	4.4%	-4.0%	3.9%	5.4%	1.2%
Public Safety		-1.4%	5.3%	-1.5%	-1.6%	3.0%	0.8%
Education		8.5%	4.8%	0.6%	3.4%	3.0%	4.1%
Public Works		13.7%	4.1%	12.6%	-19.3%	-1.3%	2.0%
Health and Human Services		2.2%	-5.2%	-0.5%	-0.7%	-1.2%	-1.1%
Culture and Recreation		-10.1%	6.3%	-3.7%	12.2%	1.6%	1.2%
Debt and Interest		-1.2%	-5.4%	4.7%	-6.4%	4.5%	-0.8%
Employee Benefits/Insurance		-0.7%	14.0%	1.5%	3.4%	7.4%	5.1%

5 – Salaries & Benefits

Salaries & Benefits as Percentage of Total Budget

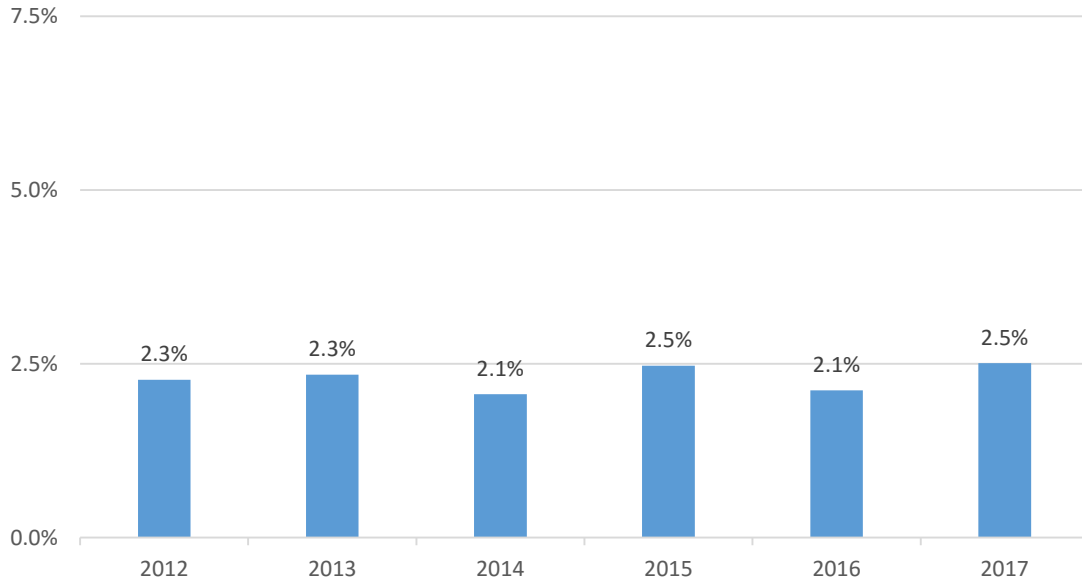


Total Salaries and Benefits as Percentage of Total Budget

Fiscal Year	2012	2013	2014	2015	2016	2017
Total Health Insurance-Active	\$ 2,612,196	\$ 2,555,456	\$ 2,462,410	\$ 2,452,513	\$ 2,500,026	\$ 2,677,628
Total Health Insurance-Retirees	\$ 700,798	\$ 688,612	\$ 740,004	\$ 720,317	\$ 763,934	\$ 783,372
Total Retirement	\$ 1,156,318	\$ 1,210,018	\$ 1,377,740	\$ 1,498,054	\$ 1,546,510	\$ 1,660,342
Total Employee Benefits	\$ 3,768,514	\$ 3,765,474	\$ 3,840,150	\$ 3,950,567	\$ 4,046,536	\$ 4,337,970
Salaries-Municipal	\$ 4,177,724	\$ 4,188,088	\$ 4,380,284	\$ 4,241,270	\$ 4,135,791	\$ 4,311,747
Salaries-School	\$ 7,426,134	\$ 8,634,598	\$ 9,017,497	\$ 8,846,339	\$ 9,230,516	\$ 9,590,719
Total Salaries	\$ 11,603,858	\$ 12,822,686	\$ 13,397,781	\$ 13,087,610	\$ 13,366,307	\$ 13,902,466
Total Salaries & Benefits	\$ 15,372,372	\$ 16,588,160	\$ 17,237,931	\$ 17,038,176	\$ 17,412,843	\$ 18,240,436
Total Employee Benefits as % of Total Salaries	32.5%	29.4%	28.7%	30.2%	30.3%	31.2%
Total Operating Expenditures	\$ 23,775,597	\$ 24,707,114	\$ 26,071,879	\$ 26,335,025	\$ 26,650,770	\$ 27,766,861
Total Salaries & Benefits as % of Total Budget	64.7%	67.1%	66.1%	64.7%	66.5%	65.7%

6 – Debt Service

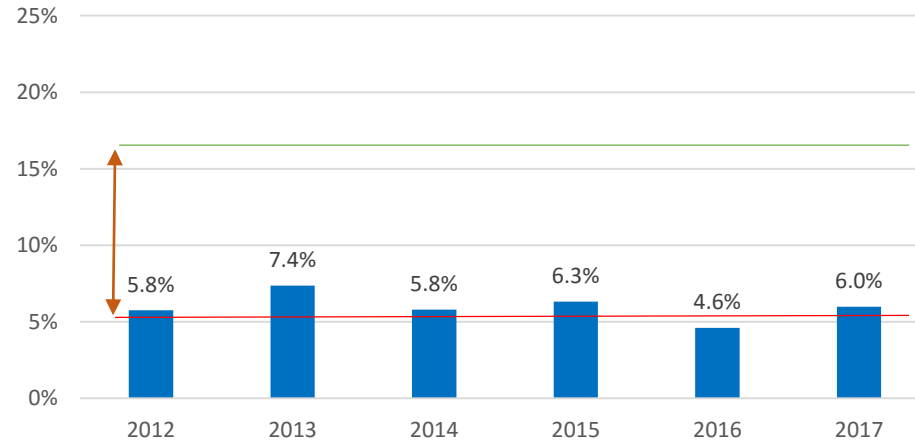
Debt Service as a Percentage of General Fund Revenue



Debt Service as a % of General Fund Revenue

Fiscal Year	2012	2013	2014	2015	2016	2017
Long Term Retired	\$ 1,384,378	\$ 1,384,065	\$ 1,337,795	\$ 1,464,864	\$ 1,402,214	\$ 1,450,000
Long Term Interest	\$ 426,335	\$ 381,614	\$ 323,824	\$ 304,416	\$ 250,518	\$ 250,000
Short Term Interest	\$ 2,345	\$ 25,279	\$ 32,980	\$ 4,646	\$ 7,427	\$ 35,000
Total Debt Service	\$ 1,813,058	\$ 1,790,957	\$ 1,694,599	\$ 1,773,926	\$ 1,660,159	\$ 1,735,000
Less Debt Exclusions/MSBA	\$ (1,263,285)	\$ (1,217,166)	\$ (1,165,173)	\$ (1,130,250)	\$ (1,085,788)	\$ (1,033,635)
Net Total Debt Service	\$ 549,773	\$ 573,791	\$ 529,427	\$ 643,676	\$ 574,371	\$ 701,365
General Fund Revenue (Net of Debt Excl/MSBA Reimb)	\$ 24,207,109	\$ 24,467,836	\$ 25,660,134	\$ 26,018,710	\$ 27,118,059	\$ 27,929,193
Debt Service as a % of General Fund Revenue	2.3%	2.3%	2.1%	2.5%	2.1%	2.5%

Reserves as a Percentage of General Fund Budget
Ideal Range = 5% - 15%



Reserves

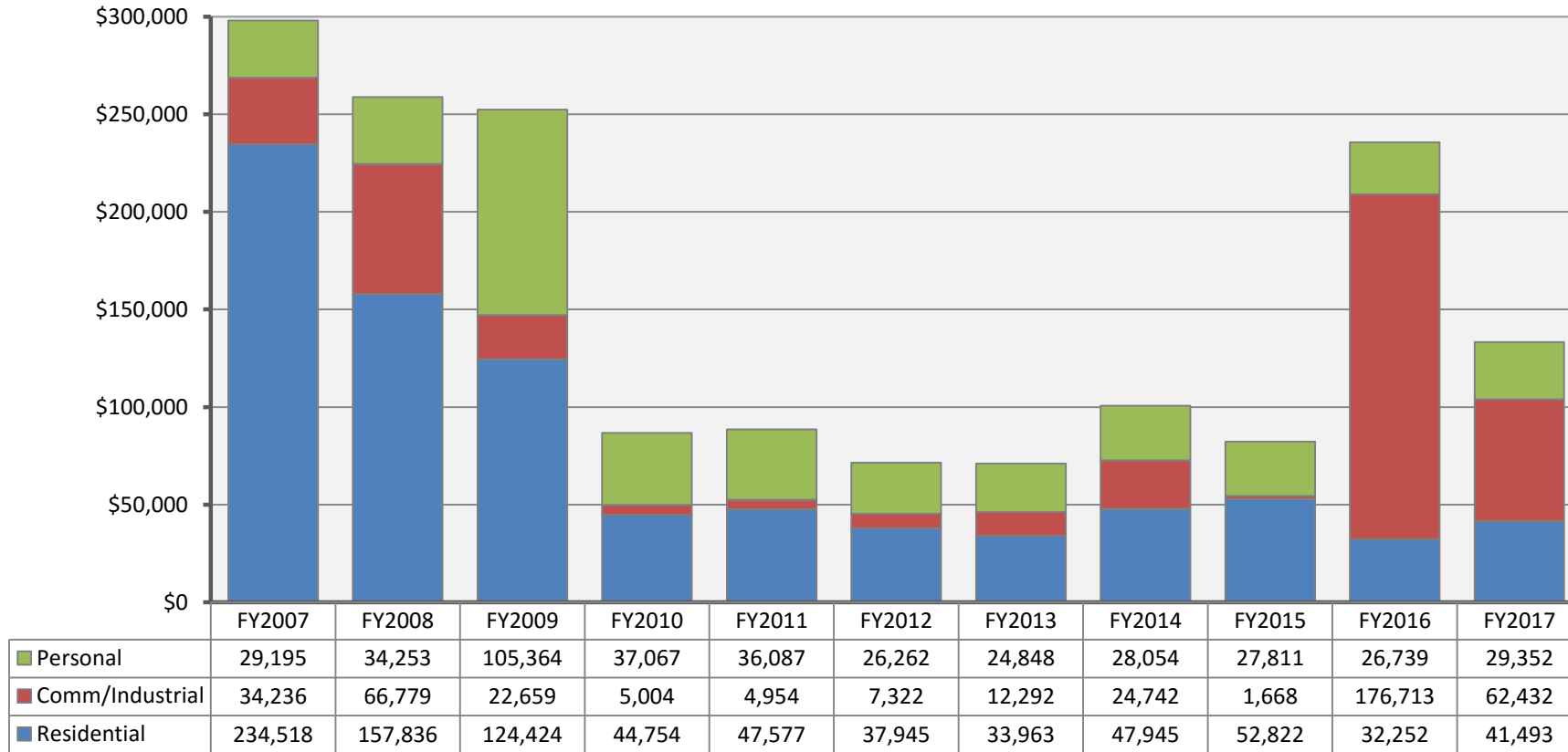
Fiscal Year	2012	2013	2014	2015	2016	2017
Certified Free Cash	\$ 827,983	\$ 1,265,764	\$ 955,027	\$ 1,088,147	\$ 610,521	\$ 952,051
Stabilization Fund	\$ 271,948	\$ 274,471	\$ 273,639	\$ 274,661	\$ 345,632	\$ 383,632
Capital Stabilization Fund	\$ 270,222	\$ 274,803	\$ 277,527	\$ 281,303	\$ 285,859	\$ 323,859
Total Reserves	\$ 1,370,153	\$ 1,815,038	\$ 1,506,193	\$ 1,644,111	\$ 1,242,011	\$ 1,659,541
Total Budget	\$ 23,818,763	\$ 24,659,802	\$ 26,001,433	\$ 26,037,556	\$ 26,932,364	\$ 27,766,861
Free Cash as a % of Total Budget	3.5%	5.1%	3.7%	4.2%	2.3%	3.4%
Stabilization as a % of Total Budget	1.1%	1.1%	1.1%	1.1%	1.3%	1.4%
Capital Stabilization as a % of Total Budget	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%
Reserves as a % of Total Budget	5.8%	7.4%	5.8%	6.3%	4.6%	6.0%

8 – Analysis of Free Cash

Analysis of Free Cash							
	FY12	FY13	FY14	FY15	FY16	5 Year Average	FY17
Certified Free Cash	827,983.00	1,265,764.00	955,027.00	1,088,147.00	610,521.00	949,488.40	952,051.00
<u>Expenditures</u>							
Fall STM	(230,284.04)	(210,319.55)	(168,891.08)	(201,379.00)	(142,540.00)	(190,682.73)	(324,849.29)
Spring STM	-	(196,233.00)	(137,150.00)	(131,247.00)	(35,193.25)	(99,964.65)	
Annual Town Meeting	(481,450.75)	(629,518.01)	(469,000.00)	(580,000.00)	(248,800.00)	(481,753.75)	
Total Expenditures	(711,734.79)	(1,036,070.56)	(775,041.08)	(912,626.00)	(426,533.25)	(772,401.14)	(324,849.29)
Balance at Year End	116,248.21	229,693.44	179,985.92	175,521.00	183,987.75	177,087.26	627,201.71
Required Balance	164,076.00	172,683.00	174,203.00	177,623.00	180,584.00	173,833.80	190,232.00
<u>Free Cash Expenditures</u>							
Operating Budget	(632,029.79)	(959,920.56)	(708,213.11)	(524,926.00)	(287,033.25)	(622,424.54)	(1,129.29)
One Time Extraordinary/Capital	(79,705.00)	(46,150.00)	(66,827.97)	(117,700.00)	(139,500.00)	(89,976.59)	(136,470.00)
Transfers to Stabilization/OPEB	-	(30,000.00)	-	(270,000.00)	-	(60,000.00)	(190,250.00)
	(711,734.79)	(1,036,070.56)	(775,041.08)	(912,626.00)	(426,533.25)	(772,401.14)	(327,849.29)
<u>Percentage Breakdown of Expenditures</u>							
Required Reserve	19.8%	13.6%	18.2%	16.3%	29.6%	18.3%	20.0%
Operating Budget	76.3%	75.8%	74.2%	48.2%	47.0%	65.6%	0.1%
One Time Extraordinary/Capital	9.6%	3.6%	7.0%	10.8%	22.8%	9.5%	14.3%
Transfers to Stabilization/OPEB	0.0%	2.4%	0.0%	24.8%	0.0%	6.3%	20.0%

9 – New Growth History

New Growth History by Property Class



FY 2018 Changes to Revenue and Expense

Estimated Growth in Revenue FY 2018	
State Aid Increase 2%	\$180,000
New Growth	\$80,000
2.5% increase	\$350,000
Total new Revenue	\$610,000
Estimated Growth in Expenses	
Retirement Increase 7%	116,000
Insurance Increase 10%	346,000
Salary increases	200,000
TOTAL additional expense	\$662,000

Budget Goals and Priorities: What Would You Like?

For example:

- Funds for Training
- Additional funds to Repair Roads
- General Fund Assistance to expand Infrastructure
- Education Funding
- Investment in Facilities (Additional Funds toward
Capital Improvements)
- ...