

# FY2014 Recommended Budget

## A Strategic Investment in Framingham's Future

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Annual Town Meeting  
May 2013

Robert Halpin, Town Manager  
Mary Ellen Kelley, CFO

Choose  
**FRAMINGHAM**

# Overview

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- FY 2014 Total Revenue: \$236,548,526
- FY 2013 Revenue: \$228,133,676
- Dollar Change: \$8,414,850
- Percent increase: 3.69%

# BUDGET FORECAST IMPROVEMENT

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- Leadership Meetings
- FinComm/SCWM/Capital Budget/  
Selectmen/School Committee
- Town Mgr/CFO/Supt/Business Manager
- Consensus on Revenue Projections in March
- Quick Review in early April
- Commit to the estimate
- Hope this has added to the process here  
tonight

# FINANCIAL GOALS

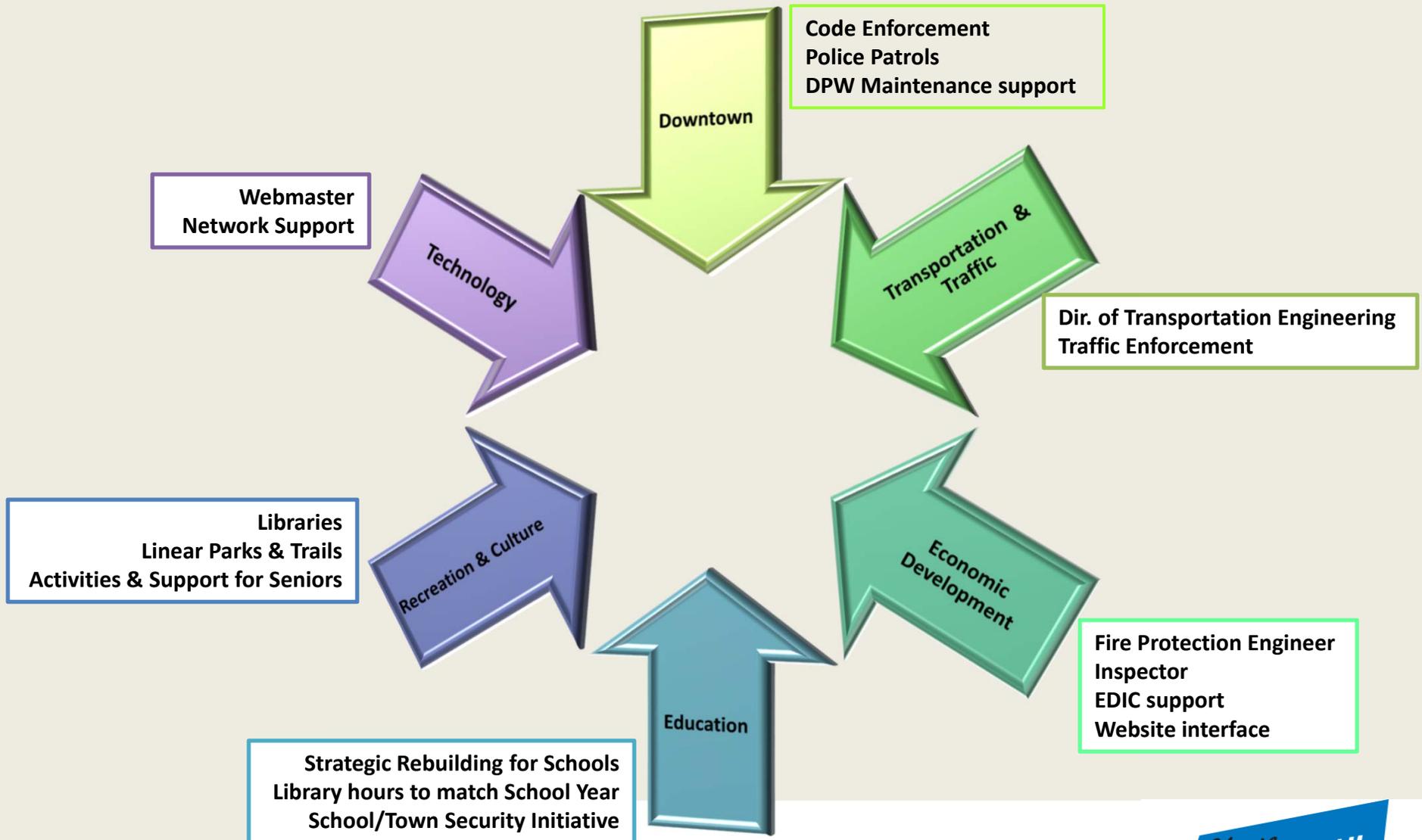
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- Maintain 5% Stabilization Fund
- Reduce our use of Free Cash (Fund Balance) to support Free Cash - eliminate over several years
- Direct Free Cash towards a Capital Reserve
- Direct Free Cash toward unfunded liabilities such as OPEB
- Maintain Free Cash (Fund Balance) at approximately \$590K

# Global Strategy

- Realistic revenue estimate
  - Careful not to overestimate State Aid
- Fund Level Service budget for all departments
  - In some cases this is a reduction in spending
  - There are Departments that are still operating at FY2009 reduced service levels
- Make strategic investments in core services that will provide measurable improvement in six broad areas:

# Strategic Investment Goals



# Budget Process

Departments presented level funded, level service and top three priority needs



Total revenue determined to assess capacity improvements/investments



Department requests reviewed for effectiveness and need



Total requests evaluated for impact and sustainability



Final recommendations chosen to live within revenue estimate

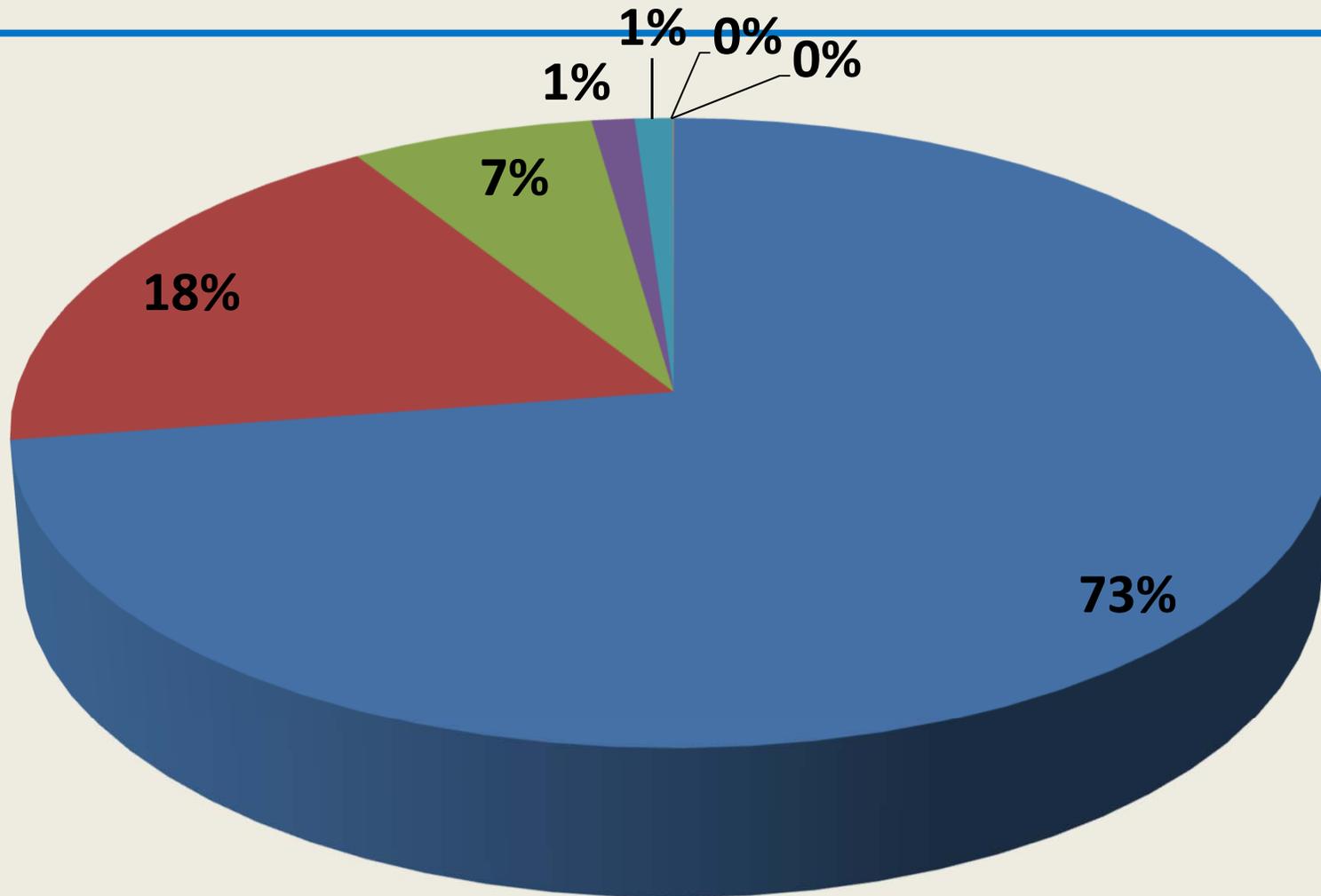
# Revenue Estimate

- Total Revenue: \$236,548,526
  - Overall revenue increase of \$8.4 million
- Assumptions:
  - 2.5% tax levy (\$4.16 million)
  - Modest new development tax growth (\$884,000)
  - 11.9% (\$3.3M) increase in Ch. 70 aid
  - 2.1% increase in local receipts (\$334,788)
  - 3% increase in Enterprise Indirect charges
  - \$1.3M in Free Cash (\$200,000 reduction)

# Revenue Estimate

- Weakness:
  - Chapter 70 aid increased by \$3.3 million has moderate risk
    - House Budget recommends Ch 70 aid of \$30.4M
    - This is \$982,092 less than our revenue estimate
    - House Charter School revenue offsets loss by \$176,481
    - Net revenue risk is \$805,611
  - Senate Budget still pending
    - Senate Ch 70 aid should be in line with what we are expecting

# Revenue Estimate



■ Property Tax

■ State Aid

■ Local Receipts

■ Enterprise Indirects

■ Free Cash

■ Parking Revenue

■ Miscellaneous

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# Recommended Spending

- For most Departments and centralized costs Level Service budgets are recommended
  - Adds or subtracts funds to provide the same quantity and quality of service to residents and taxpayers
  - Does not add new programs or staff
  - Level Service funding for FY14 is a total increase of \$4.4 million
    - An increase of just under 2%

# Recommended Spending

- Strategic Investments to improve and/or increase effective, quality services
  - Adds \$3.4 million to the total FY14 budget
  - Places 15.6 added FTEs in critical functions
- Additional Requested Priority Investments which total \$2.4 million were deferred
  - Requests for 13 FTEs were declined

# Strategic Investment Highlights

- Framingham Schools:
  - \$4.55 million from FY13 increased budget
    - \$3.3 million increase to Level Service
    - \$1.2 million for district improvements
- Police Department:
  - 7 additional patrolmen: \$382,396
    - increase traffic enforcement,
    - adds School resource officer
  - Step 1 toward staffing Police Department to national standards for Town demographics

# Strategic Investment Highlights

- Building Inspection
  - Code Enforcement Task Force dedicated staff  
Inspector: \$61,392; Coordinator: \$49,031
  - Joint HOME Rehab program/Code Enforcement  
Inspector: \$42,676
- Fire Department
  - Fire Protection Engineer: \$72,520
  - Inspector: \$70,515
  - Expedite permitting and allocate resources more effectively

# Strategic Investment Highlights

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- Public Works Division

- DPW- Engineering Dept.

- Director of Transportation Engineering: \$79,964

- DPW - Highway Dept.

- Dedicated Medium Equipment Operator for Downtown Maintenance and Support: \$38,731

- DPW - Sanitation

- Add Hazardous Waste Collection Event: \$30,000

# Strategic Investment Highlights

- Community & Economic Development
  - EDIC Project development funding: \$110,000
  - Funds are an allocation of 9.2% of Room and Meals Tax revenue
- Libraries
  - Add Sunday hours to match School year: \$15,146
  - Collection HQ software program: \$17,500
  - RFID tagging of Collection: \$42,779

# Strategic Investment Highlights

- Park & Recreation Division
  - Council on Aging
    - Increase in Activities Manager hours: \$21,873
  - Park & Recreation
    - Create Deputy Director position: \$87,753
    - Downgrade Operations Manager position: (\$16,463)
    - Engineering Consulting: \$30,000
    - Administrative resource increase: \$13,892

# Strategic Investment Highlights

- Technology Services
  - Reorganize department to more effectively manage town wide networks and resources: (\$67,644)
  - Hire a Webmaster to manage expanding web services and access: \$74,000
  - Add a Network Technician to provide addition support for increasingly intricate town wide fiber and wireless networks: \$57,800
  - Part Administrative Assistant: \$15,864 (.3 FTE)

# Strategic Investment Highlights

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- School/Town Security Initiative: \$250,000
  - Provide equipment, materials, and training for enhanced security in Schools and Town buildings
  - A separate Article: #32
  - Special purpose account means funds do not expire at the end of the fiscal year or close out to free cash

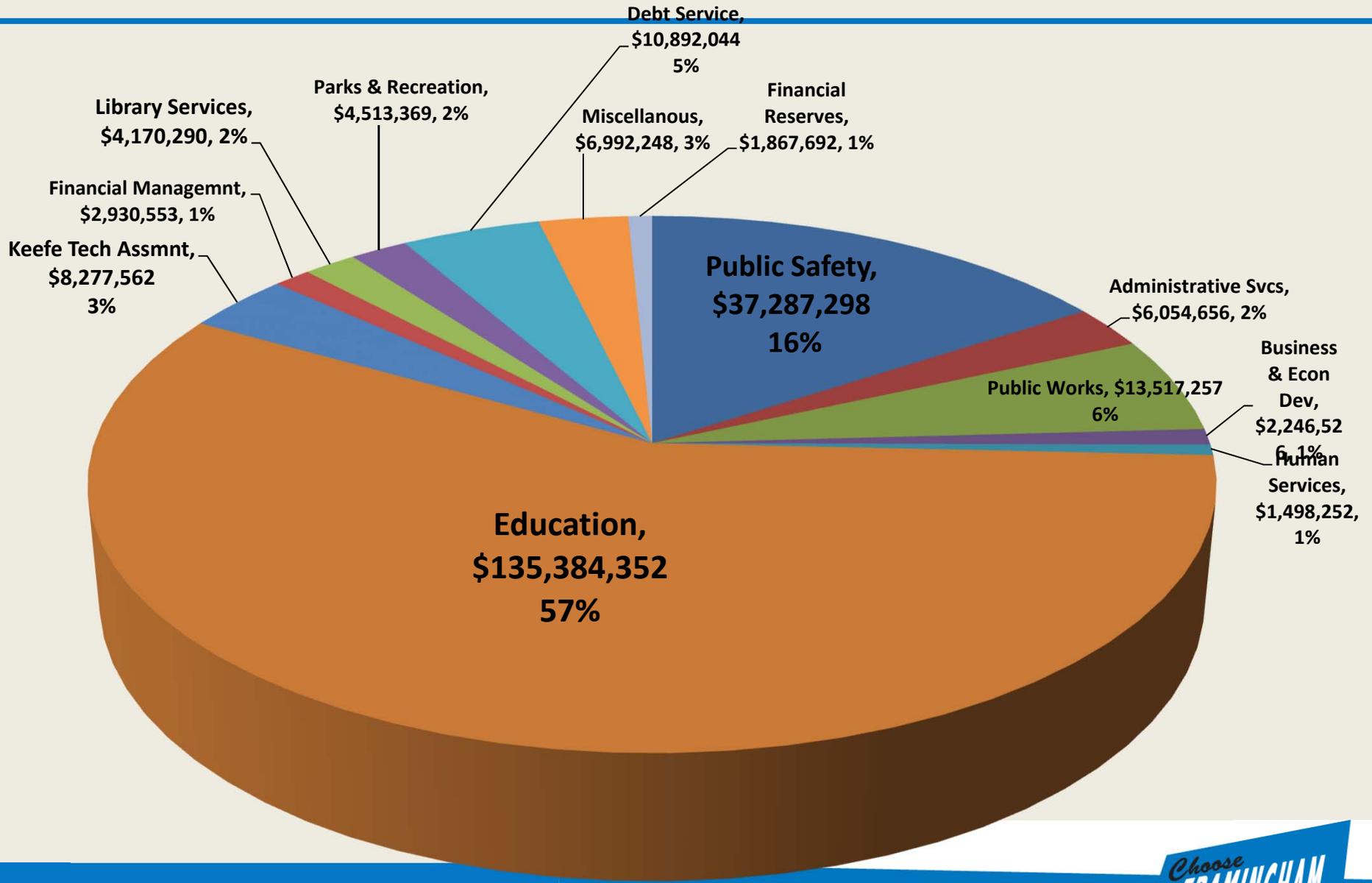
# Centralized Cost Changes

- Health Insurance: \$35.2 million
  - Increase \$2.1 million, 6.3%
- Retirement: \$11.2 million
  - Increased \$517,252, 4.8%
- Debt Service: \$10.9 million
  - Bond costs increased \$381,758 (3.9%)
  - Short term interest increased \$83,315
  - Abatement interest level funded
- Liability Insurance: \$1.3 million
  - Increased \$135,622 (12%)

# Centralized Cost Changes

- Stabilization Fund: \$589,965
  - Decreased \$1.6 million
  - Free cash allocation only
  - Maintains 5% policy minimum
- OPEB Trust: \$700,565
  - Decreased \$799,535
- Salary Reserve: \$878,000
  - Includes estimated cost of class and comp grade changes and funding for COLA for collective bargaining costs in FY14
- Snow and Ice Removal: \$1,532,717
  - Increase in salt and contractor costs

# Total Cost of Services



# Estimated Impact on Taxes

- Increase in average single family tax bill is \$110 (1.9%)
  - increase in town wide value of \$120.5 million
  - Commercial values are increasing at a higher rate than residential
    - Tax burden moves slightly toward commercial sector
    - Commercial and multi-unit dwellings increasing more than single family homes and absorbing more tax impact
  - Estimated tax rates would be \$18.00 for residential and \$40.52 for commercial
  - Elimination of tax increase would require a \$3.4 million budget cut