



FY2011 Operating Budget

2010 Annual Town Meeting

Article 27



How much revenue in FY2011?

- **Estimated total revenue: \$211,639,789**
 - Based on House final budget state aid
 - Lower estimate for state PILOT and excise taxes
- Initial projection in January was \$208,600,851
 - Estimated 3% to 4% cuts in state aid from FY10 levels
- **This is \$7,124,916 more than FY2010**
 - Growth of 3.5%



How much revenue from Taxes?

- **Total Tax revenue is \$157,833,311**
- This assumes property tax levy at the maximum growth: 2.5%
- FY10 total tax levy: $\$152,568,049 \times .025 = \$156,382,250$
- Taxes from new growth are estimated at \$1,451,061
 - This is \$510,000 or 26% decrease from FY10
- **Total increase in revenue from taxes is \$5,265,262**



How much revenue from State Aid?

- **Total state aid is \$31,882,413**
 - **This is \$2,250,681 more than FY10 (7.6%)**
 - Chapter 70 aid is \$19.6 million, 16.9% increase
 - General Gov't Aid is \$8.4 million, 4% decrease
- The Blue budget book revenue assumed a 3% reduction in Ch 70 aid
 - State aid is \$3,338,937 higher than the blue book



How much revenue from Local Receipts?

- Total local revenue is \$17,465,881
- This is **\$572,032** less than FY10 (-3.2%)
 - Motor vehicle excise tax revenue is decreasing more than 13%
 - Investment income is decreasing 60%
 - State PILOT monies dropping 3.3%
 - The increase in room and meals tax is included in this revenue (\$1.5 million)



How much revenue from Indirect Charges?

- Total indirect revenue is \$2,563,897
 - This is \$74,677 or 3% more than FY10
 - Indirect charges are the overhead costs charged to the Water and Sewer Enterprise Funds for the General Fund support of those programs



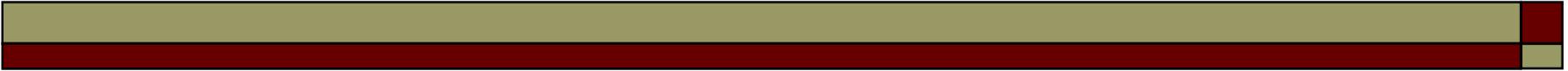
How much revenue from Free Cash?

- Total FY09 Certified Free Cash: \$1,765,820
 - Free cash used in FY11 revenue: \$1,606,328
 - \$1,500,000 general use revenue
 - \$106,328 to the Stabilization Fund
 - Town policy dictates no more than \$1.5 million for general operating budget
 - Town policy stated 40% of remaining balance to Stabilization fund

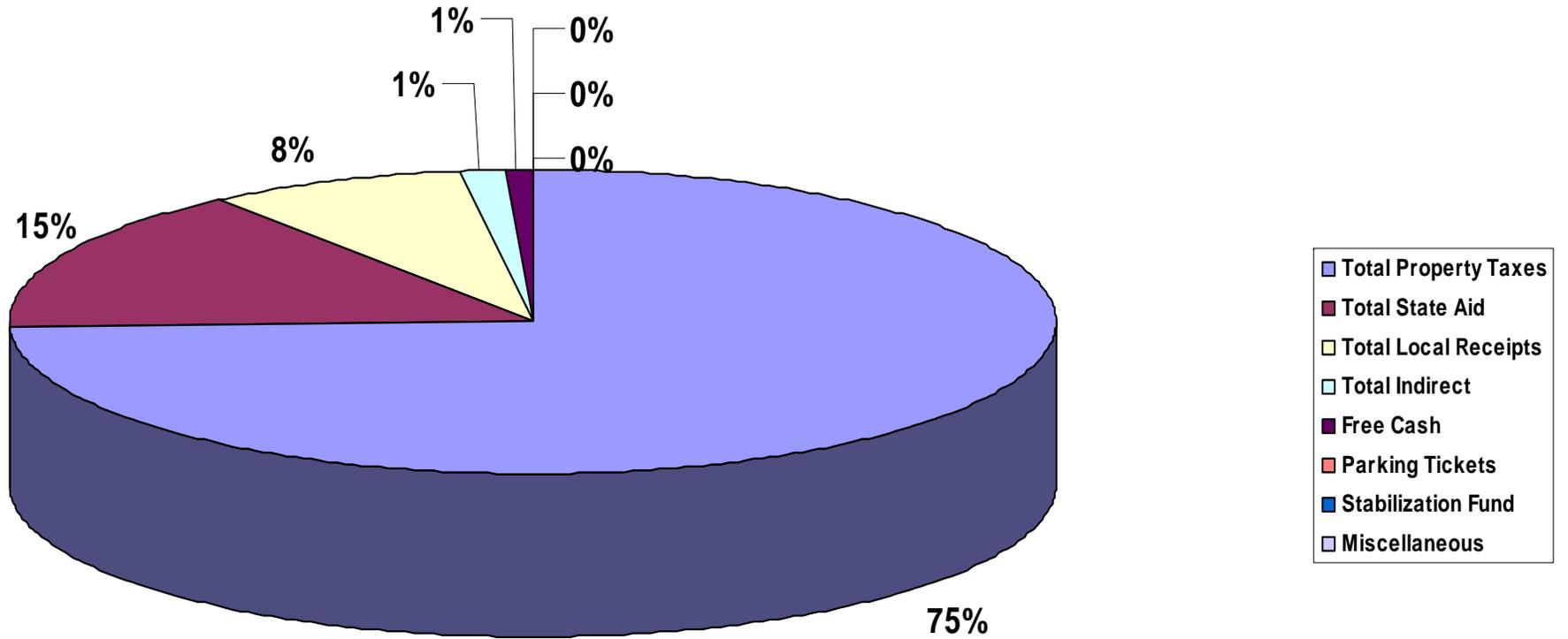


How much miscellaneous revenue?

- Total miscellaneous revenue is \$287,958
- This is the same amount as FY10

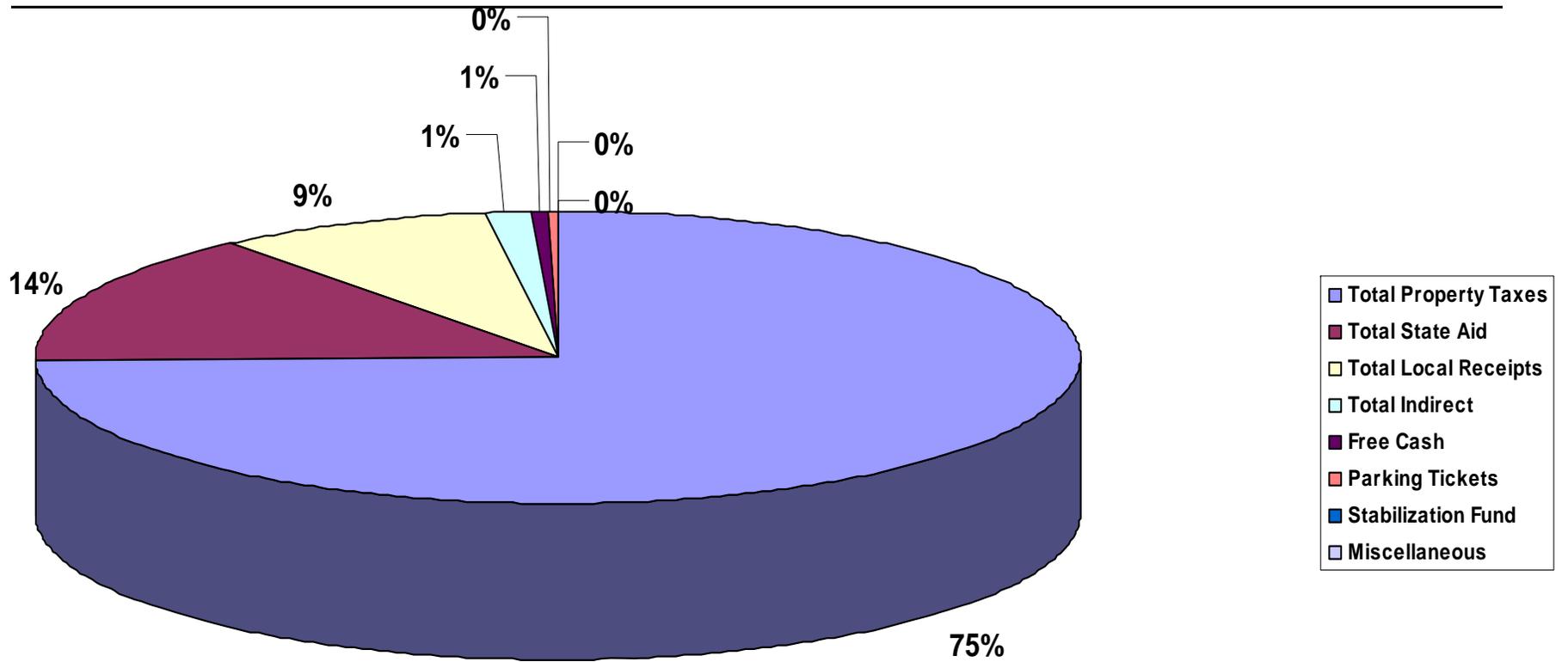


FY11 Revenue by Type





FY10 Revenue by Type





How the Budget was developed

- Preparation starts the end of October with budgets due the end of December
- Every Department was required to prepare and submit three budget scenarios:
 - 8% cut from FY10 funding
 - 4% cut from the FY10 budget
 - Budget needed to provide level service
- The School Department was also advised that this was the budget preparation plan



How the budget was developed

- All budget proposals were reviewed from end of December through February
 - Final review by Town Manager
- Budget recommendation due to Finance Committee 60 days before Town Meeting
 - Budget was submitted March 3rd
 - Budget was based on \$208.6 million in revenue
 - School recommendation was \$85.6 million
 - Town Departments cut by more than 2.4%



How the budget was developed

- In mid April House issued state aid numbers that increased state aid
 - Total revenue increased \$3 million
- \$2,050,000 (67%) was added to the school budget
- \$482,536 was added to Town Department budgets
- \$150,000 was added to town-wide unemployment
- \$198,699 was added to snow and ice removal budget



Final Spending Recommendation

□ Police Division: \$11,925,830

\$136,207 less than FY10; \$508,208 less than level service

Fire Department: \$11,910,781

\$116,031 less than FY10; \$313,980 less than level service

□ DPW Division: \$8,955,512

\$335,670 less than FY10; \$228,149 less than level service



Final Spending Recommendation

- Park & Rec Division: \$3,017,645
\$19,104 less than FY10; \$141,280 less than level service
- Human Resources: \$219,316
\$127,902 less than FY10 ; \$151,902 less than level service
- Planning Board: \$200,877
\$9,746 less than FY10; \$13,591 less than level service
- Planning Department: \$286,348
\$13,637 less than FY10; \$25,025 less than level service



Final Spending Recommendation

- Building Inspection: \$697,106
\$61,973 less than FY10; \$75,879 less than level service
- Technology Services: \$1,238,781
\$69,646 less than FY10; \$61,155 less than level service
- Building Services: 1,484,706
\$7,174 less than FY10; \$47,893 less than level service



Final Spending Recommendation

- Merge School and Town Payroll functions within the Town Accounting Department: \$130,400
 - Will save \$17,900 in salary costs
 - Will create more efficient processing that should reduce payroll errors
- Move Capital Project Building Management to Town Manager budget: \$102,542
 - Change from capital of operating dollars saves debt service costs
 - Includes 1.4 FTEs



Final Spending Recommendation

- School budget recommendation has increase over time from \$85.6 million to \$88.3 million
 - Due to increases in anticipated revenue, decreased Keefe Tech assessment and decreased health insurance estimates
 - School voted budget is \$830,000 higher than budget target at this time



Impact on Single Family Tax Bill

- This budget assumes the tax levy increases by the full 2.5%
- FY10 total tax levy: $\$152,568,049 \times .025 = \$156,382,250$
- We anticipate commercial property value to decrease more substantially than residential value
 - CIP value would decrease 10%
 - Single family would decrease 6%



Impact on Single Family Tax Bill

- Calculate a tax rate that raises the amount of the voted levy when multiplied by the value per thousand
 - Residential value/\$1,000 X **R**rate = R\$\$
 - Commercial value/\$1,000 X **C**rate = C\$\$
- $R\$\$ + C\$\$ = \text{Tax Levy (FY11; \$156,382,250)}$



Impact on Single Family Tax Bill

- At maximum shift the residential tax rate would be \$16.23
 - FY2010 rate was \$14.52
- The estimated average value of a single family home would be \$322,314 a drop of \$20,573
- $\$322,314/\$1,000 = \$322 \times \$16.23 = \$5,231.15$
 - Increased \$252.43 or 5%

Impact on Single Family Tax Bill

Average Single Family Home Tax Bill

