

# FY 2018 Tax Levy Discussion

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Special Town Meeting  
October 20, 2016  
Article 19

# Property Tax Levy is the Net to be Raised

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- (+) Total Annual Budget Expenditures
- (-) Minus State Revenue Sharing (Ch. 70, etc.)
- (-) Minus Local Revenues (Permits, MVET, etc)
- (-) Minus Free Cash & other available funds
- (=) Equals Amount to be funded by Property Tax
- Must be less than Maximum Levy allowed by state law –compounded 2.5% per year

# Building the Levy

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- **(Base)** Current Year's Total Tax Levy – certified by MA DOR
- **(X)** Increase by 2.5 %
- **(+)** Add New Growth from development certified by MA DOR
- **(=)** Equals Next Year's Maximum Allowable Levy

# Estimated Maximum Levy in FY 2018

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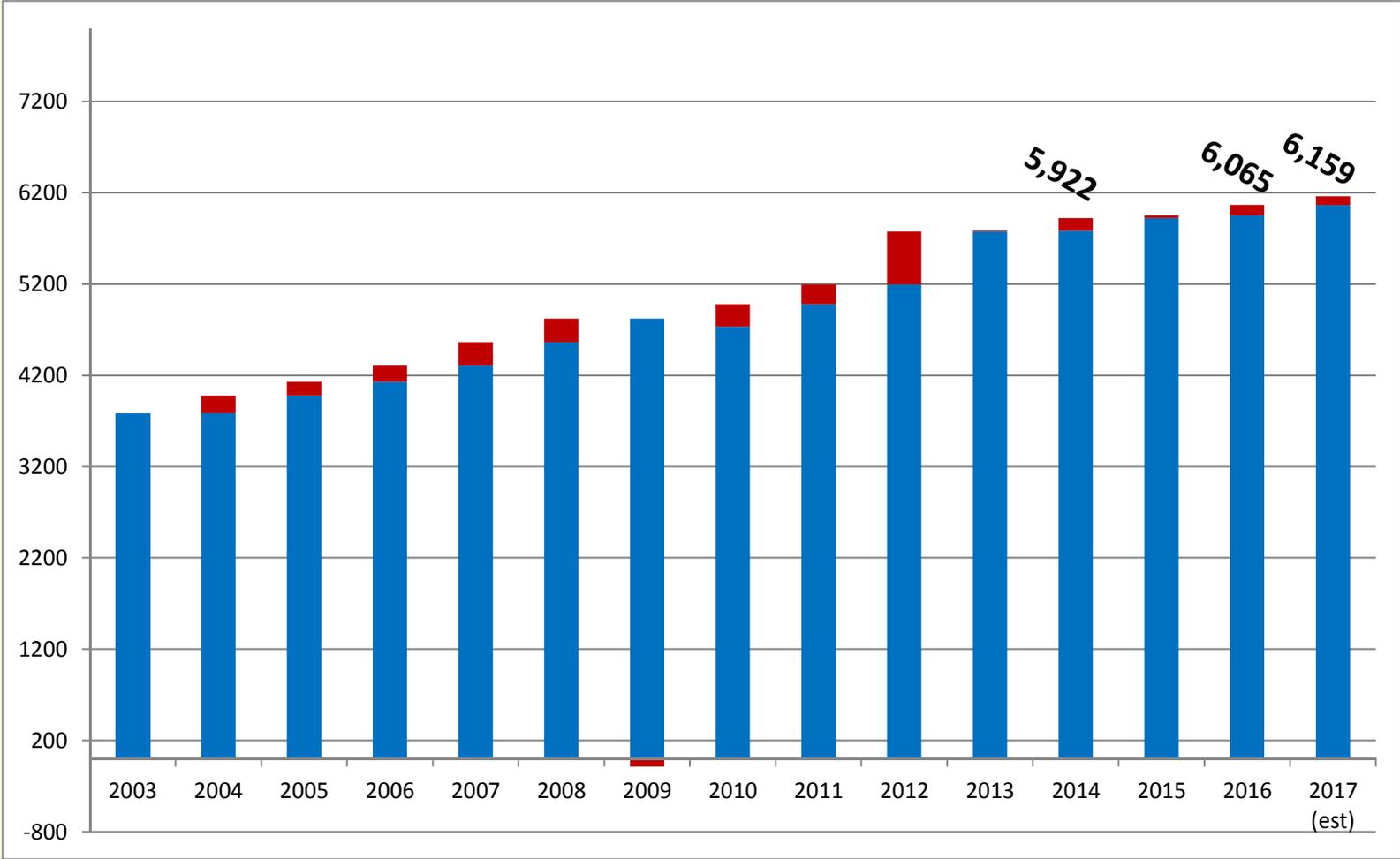
- FY 17 Total Levy (uncertified)      \$182,405,388
- 2.5% increase      \$186,965,523
- Projected FY18 New Growth      \$ 2,997,363
- Projected FY18 Maximum Levy      \$189,962,886

# Budget Policy and Goals FY '15 – '17

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- Moderate Residential Tax Bills – goal of less than \$300 increase Average SF Home ✓
- Protect residents against sudden shift in tax burden between tax classes ✓
- Hit our highest spending priorities ✓
- Prepare for major capital outlays ✓
- Sustainable Budget ✗
  - Lower levy decreases future levies, is unsustainable

# History of SF Tax Bill Increases

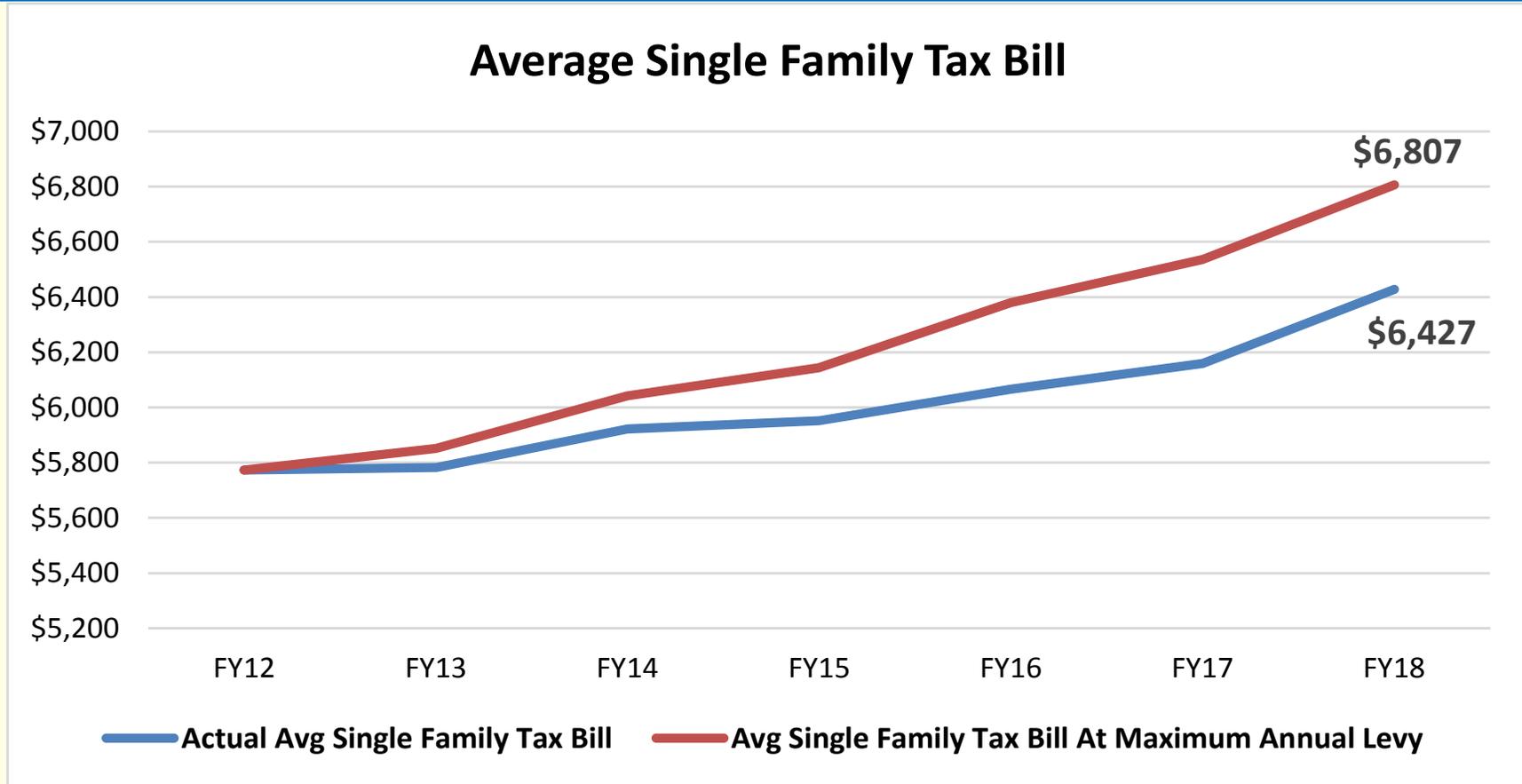


2003	n/a
2004	5.0%
2005	3.8%
2006	4.3%
2007	6.0%
2008	5.6%
2009	-1.8%
2010	5.2%
2011	4.4%
2012	11.1%
2013	0.2%
2014	2.4%
2015	0.5%
2016	1.9%
2017(est.)	1.5%

From Long Range Forecast

Choose  
**FRAMINGHAM**

# The Taxpayer keeps the \$\$\$

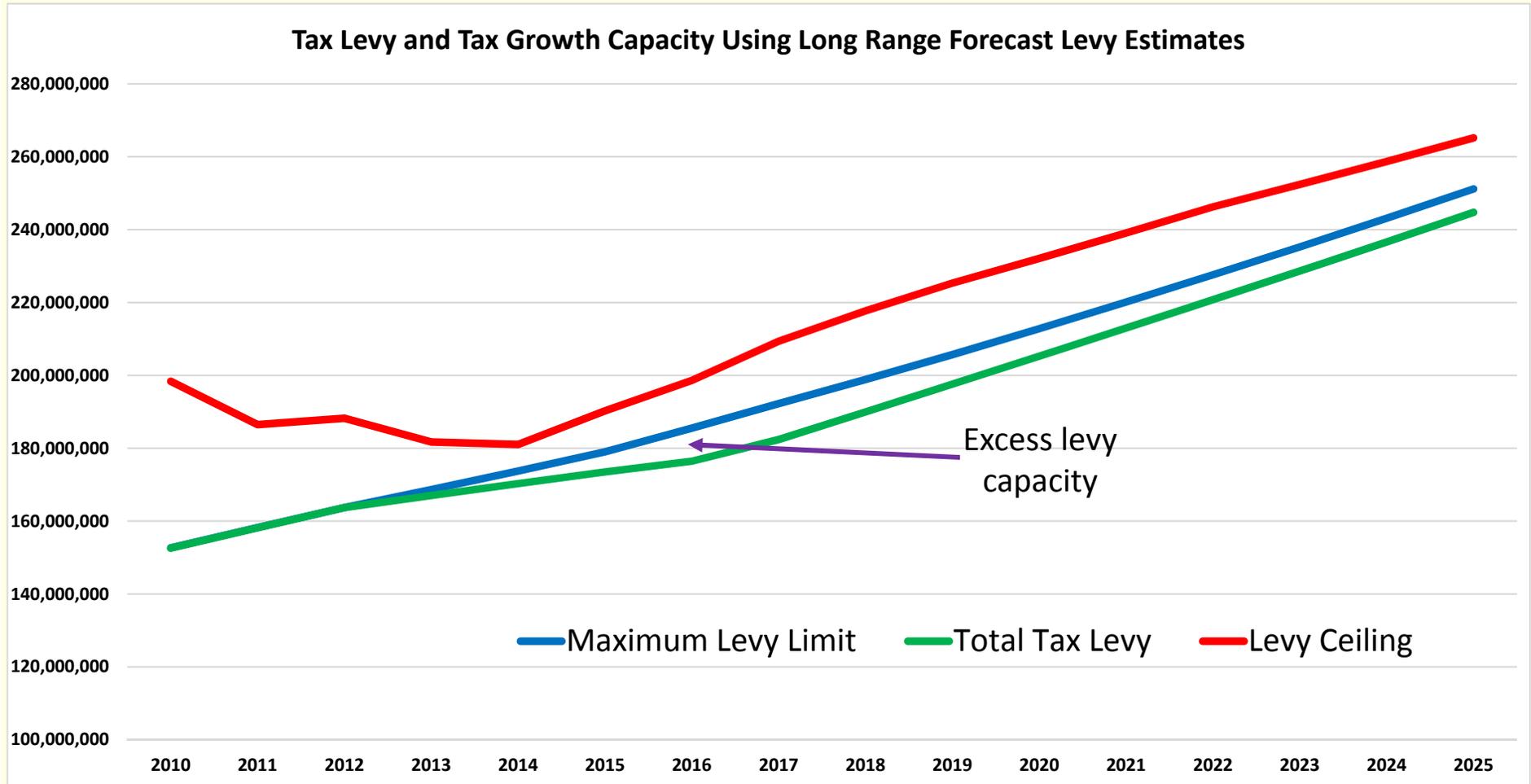


**If we taxed to the maximum 2.5% levy, the average residential taxpayer would have paid \$883 more from FY13 to FY18**

From Long Range Forecast

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# Tax Levy and Tax Ceiling



From Long Range Forecast

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# Expenditure Projections FY 18

Expenditures	FY17 Budget	FY18 Forecast
Municipal Departments	\$60,632,642	\$62,551,679
Framingham School District	\$122,550,690	\$128,065,471
Keefe Technical Assessmnt	\$8,997,424	\$9,267,347
Group Health Insurance	\$30,763,428	\$31,686,330
Other Insurances	\$4,867,512	\$5,155,676
Retirement	\$12,982,123	\$13,630,654
OPEB Trust	\$751,710	\$522,873
Debt Service	\$13,839,340	\$15,647,276
Stabilization/Reserves	\$2,043,193	\$1,362,823
Miscellaneous (EDIC Article)	\$95,000	\$0
Non Appropriations	\$9,953,121	\$9,575,840
Total Expenditures	\$267,476,182	\$277,465,969
<i>Expenditure Growth Rate</i>		3.7%

**Projected Budget Shortfall: \$1,903,161**

From Long Range Forecast

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## Recommended Levy: FY18

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- FY 17 Total Levy (Uncertified): \$182,405,388
- Recommend **2.5%** increase: \$186,965,523
- Projected New Growth \$ 2,997,363
- Recommended FY18 Levy: \$189,962,886
- **Budget shortfall will be resolved by reducing spending or alternative revenues, NOT from the tax levy**