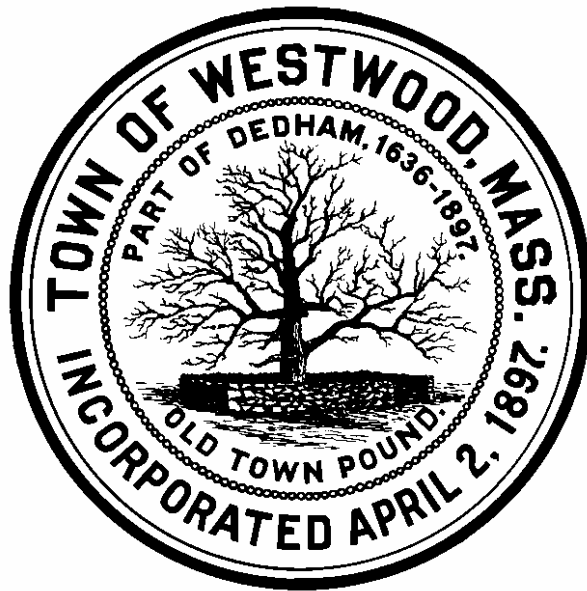
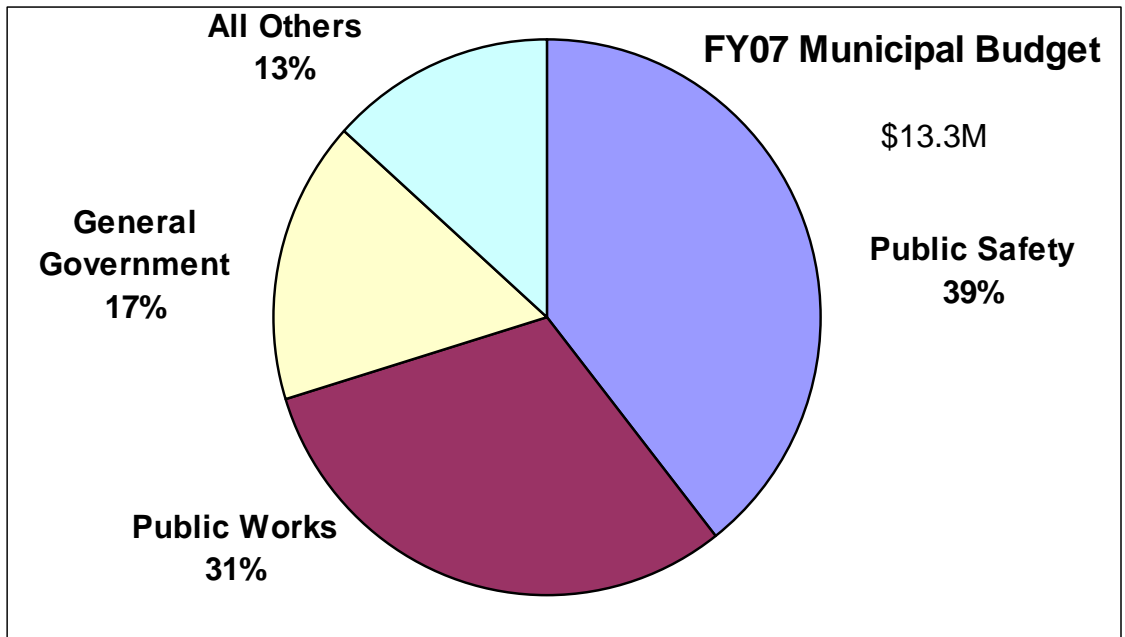


Municipal Budget Summary



Pamela Dukeman, Finance Director
Finance Commission Public Hearing
February 27, 2006

Municipal Budget Proposed for FY07

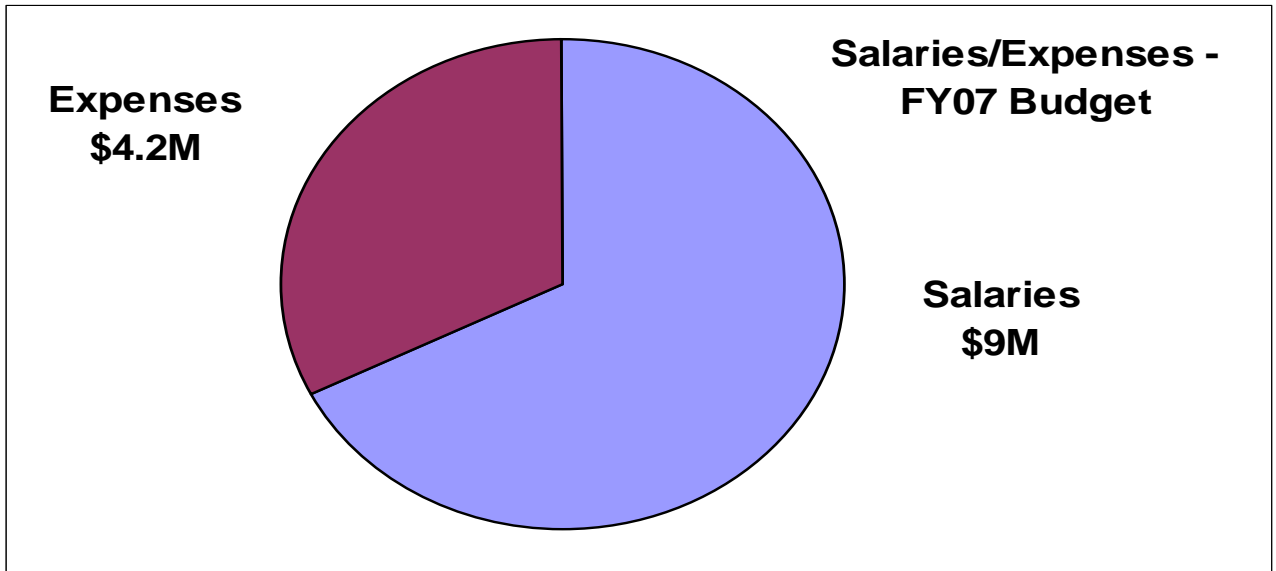


What we do:
 FY07 Municipal Budget \$13.3M
 70% or \$9M provides for:

- Police and Fire public safety protection.
- Ambulance services.
- Public Works services.
- Trash/recycling.

Function	Amount	% of Total
Public Safety	\$5,256,142	39%
Public Works	\$4,076,688	31%
General Government	\$2,215,612	17%
Library, Recreation and All Others	\$1,755,525	13%
Total	\$13,303,967	100%

Municipal Budget Proposed for FY07

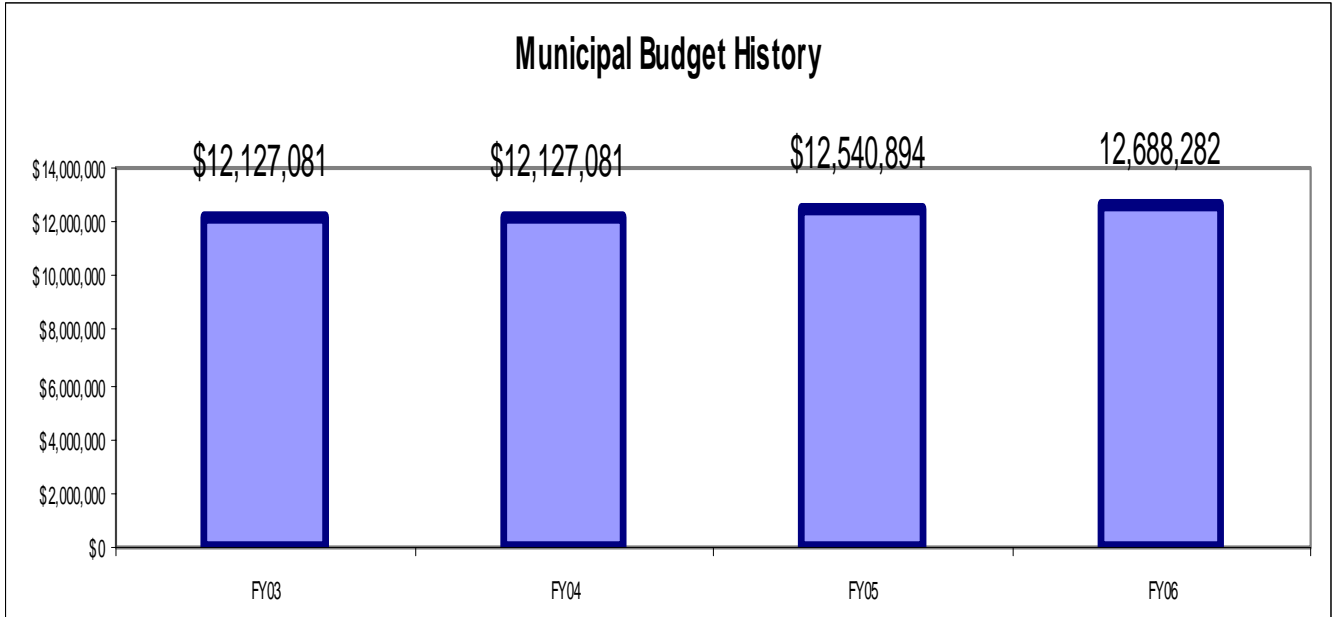


Salary is 68% of budget.

The major portion of the municipal budget is spent on personnel for providing Police, Fire, and DPW services.

There are approximately 132 full time and 40 part-time employees.

Municipal Budget FY06



Budget	% Change in Budget			
	FY03	FY04	FY05	FY06
Municipal Budgets	4.5%	0.0%	3.4%	1.2%

FY06 Municipal Budget Cuts	
1 Police Position	1 Part-time Assessors Office Position
1 Fire Position	Town Funding – Housing Authority Staff
Reduction to IS Staffing	Reduction to Library Services
Reduction to Council on Aging Expense Budget	Reduction to Salary Cost of Living Adjustment
Reduction to Youth and Family Services Expense Budget	Reduction to Municipal Capital

These cuts were in addition to the non-funding of over \$775,000 in requested needs by the municipal departments.

FY07 Municipal Budget Detail of Salary Changes

	Expended FY2005	Current FY2006 Budget	FY2007 Budget	\$ Change FY07 vs. FY06	% Change FY07 vs. FY06
Salaries	\$8,445,048	\$8,574,704	\$9,069,011	\$494,307	5.8%
Expenses	\$4,455,033	\$4,113,578	\$4,234,956	\$121,378	3.0%
Total	\$12,900,081	\$12,688,282	\$13,303,967	\$615,685	4.9%

Major Salary Changes		
Department	Item	Amount
All departments	Salary/COLA increases	\$245,000
All departments	Salary step/other increases	\$120,000
Police	Restore 1 position cut in FY06	\$50,000
Fire	Restore 1 position cut in FY06	\$50,000
Police	State funded education incentive	\$10,000
Personnel	Increase to full time Director requested	\$16,000
	Total Major Salary Increases	\$491,000

Increases in ambulance/other fees will fund
\$110,577 of this increase.

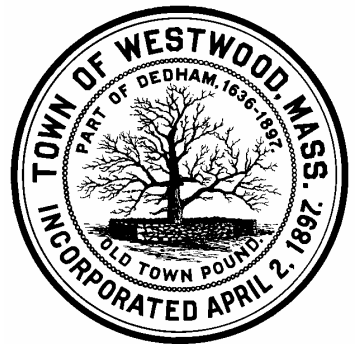
FY07 Municipal Budget Detail of Expense Changes

	Expended FY2005	Current FY2006 Budget	FY2007 Budget	\$ Change FY07 vs. FY06	% Change FY07 vs. FY06
Salaries	\$8,445,048	\$8,574,704	\$9,069,011	\$494,307	5.8%
Expenses	\$4,455,033	\$4,113,578	\$4,234,956	\$121,378	3.0%
Total	\$12,900,081	\$12,688,282	\$13,303,967	\$615,685	4.9%

Major Expense Changes	
	Amount
Utilities – estimated increase	\$100,000
Town Clerk – election cycle	\$13,050
Public Works expense – budget reduction	(\$30,100)
Trash disposal	\$42,500
Personnel – cut to offset salary increase	(\$11,000)
Council on Aging – restore FY06 cut	\$6,900
Total	\$121,350

FY07 Overall Budget Update

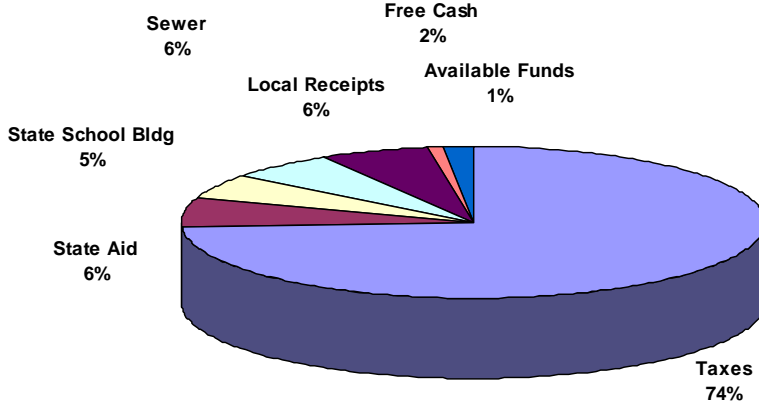
- Revenue
- Taxes
- School Building Reimbursement
- Fixed Costs
- Current Budget Status



Pamela Dukeman, Finance Director
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FY2007 Projected Budget Revenue

\$59.2M

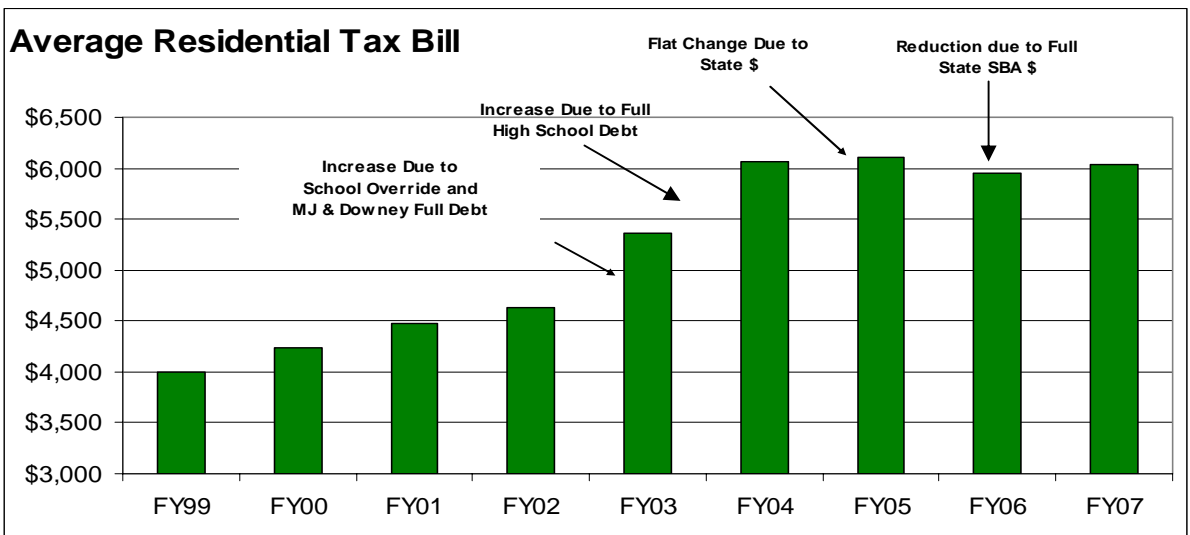


FY2007 Projected Budget Revenue				
	FY2006 Budget	FY2007 Projection	\$ Increase	% Increase
Taxes	\$42,197,019	\$43,808,218	\$1,611,199	3.8%
State Aid	\$3,425,166	\$3,777,148	\$351,982	10.3%
State School Bldg Reimbursement	\$3,600,190	\$3,193,029	(\$407,161)	-11.3%
Sewer Enterprise	\$4,025,935	\$3,433,381	(\$592,554)	-14.7%
Local Receipts	\$3,573,959	\$3,583,505	\$9,546	0.3%
Available Funds	\$739,765	\$529,671	(\$210,094)	-28.4%
Free Cash	\$885,349	\$935,000	\$49,651	5.6%
Total Revenue	\$58,447,383	\$59,259,952	\$812,569	1.4%

FY07 Taxes

	FY02	FY03	FY04	FY05	FY06	Projected FY07
Average Tax Bill Increase	3.74%	15.57%	13.2%	0.67%	(3.84%)	3.11%
Savings to Average Tax Bill Resulting from Split Tax Rate	\$502.6	\$651.2	\$767	\$663	\$673	
Average Residential Tax Bill Home Value	\$334,339	\$468,075	\$468,075	\$510,202	\$566,324	\$566,324
*Average Tax Bill	\$4,637	\$5,359	\$6,065	\$6,107	\$5,873	\$6,055

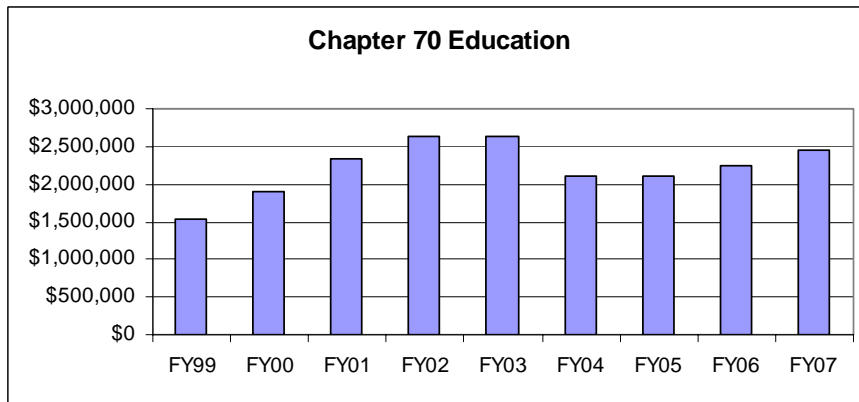
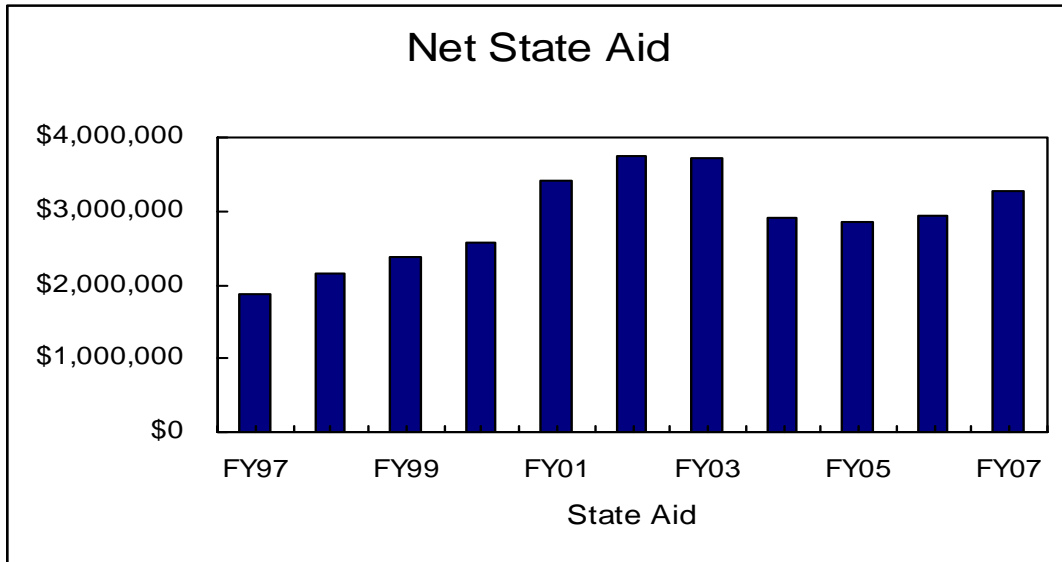
- Total FY07 levy - \$43.8M.
- Proposition 2 ½ plus new growth - \$1.3 M in new taxes.



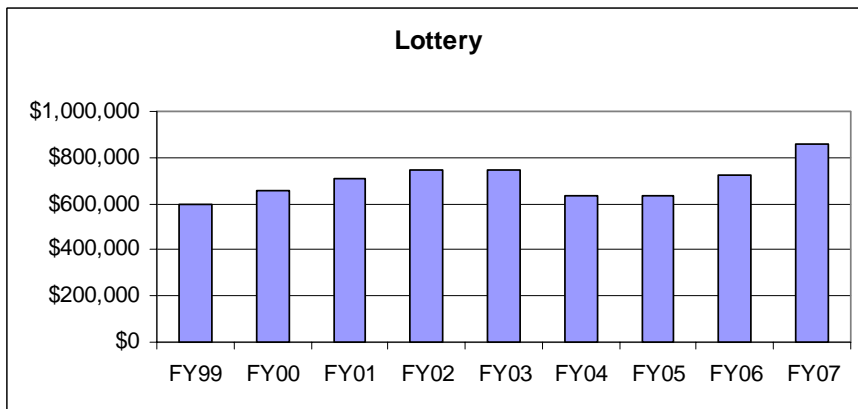
*Amounts shown for average home.

Individual tax bills may increase/decrease differently due to specific change in valuation.

FY07 State Aid



- FY07 - \$210,001 increase – Governor’s proposed budget.

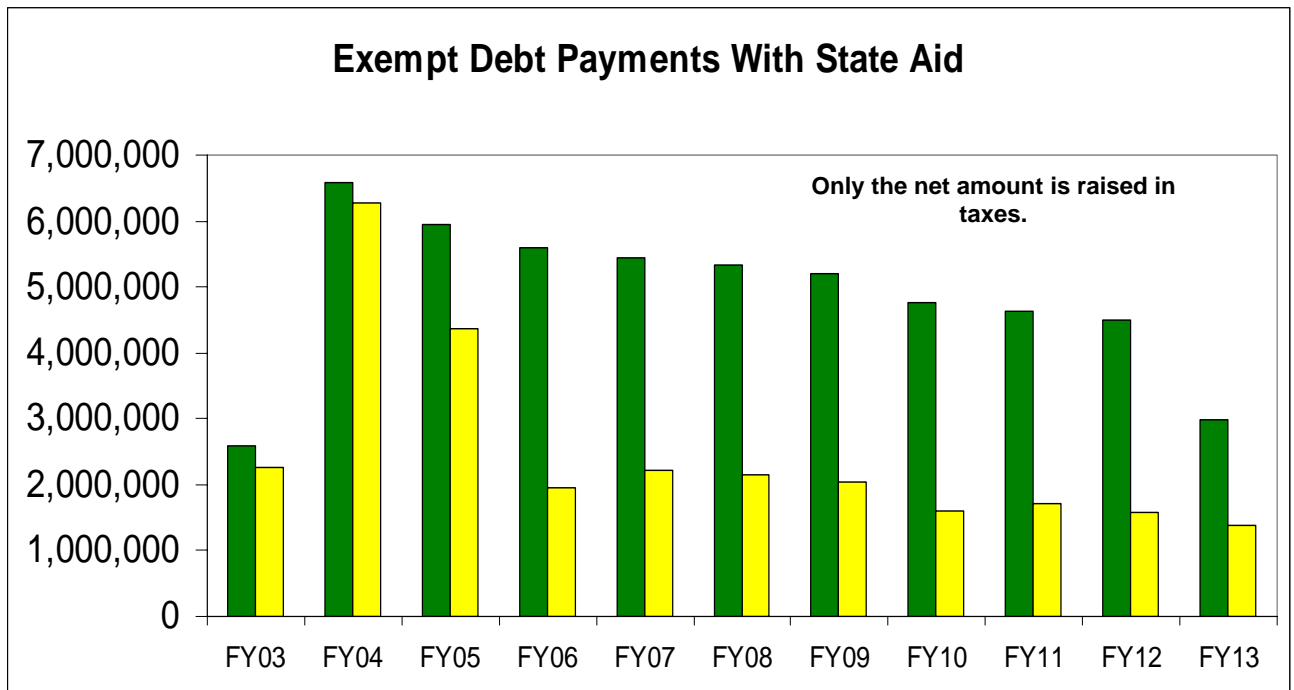


- FY07 - \$136,079 increase – Governor’s proposed budget.

School Building Reimbursement

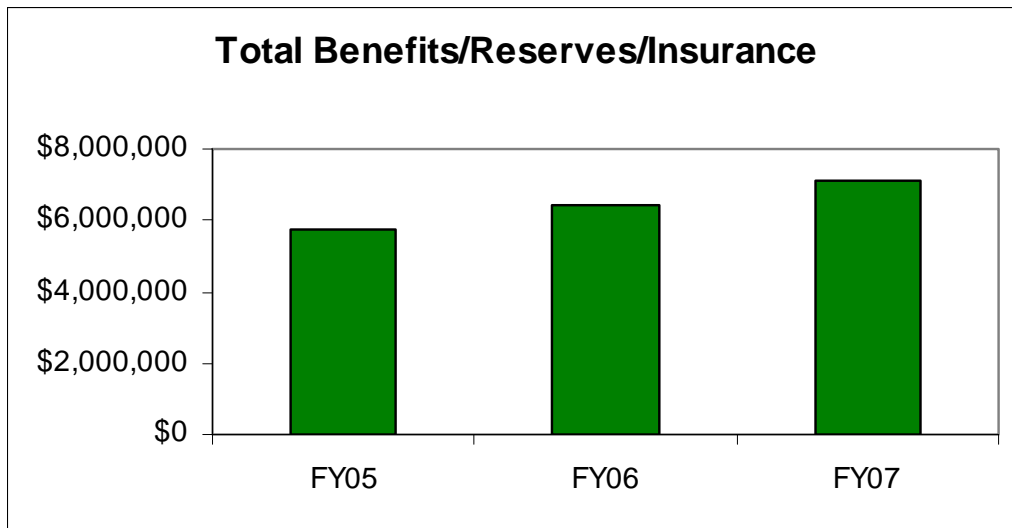
Project	Total State Reimbursement (59% of Project)	State Payments Remaining	
1997 Middle School	\$2,396,493	\$248,732/yr	FY06 – FY2010
Downey School	\$5,006,352	\$625,794/yr	FY06 – FY2012
Martha Jones School	\$5,537,952	\$692,249/yr	FY06 – FY2012
High School-Annual Payments	\$29,254,572	\$1,626,254/yr	FY06 – FY2023

Total FY07 payments - \$3,193,029. This significant state revenue directly reduces the taxes collected for these projects. Residents pay only the net amount of the debt.

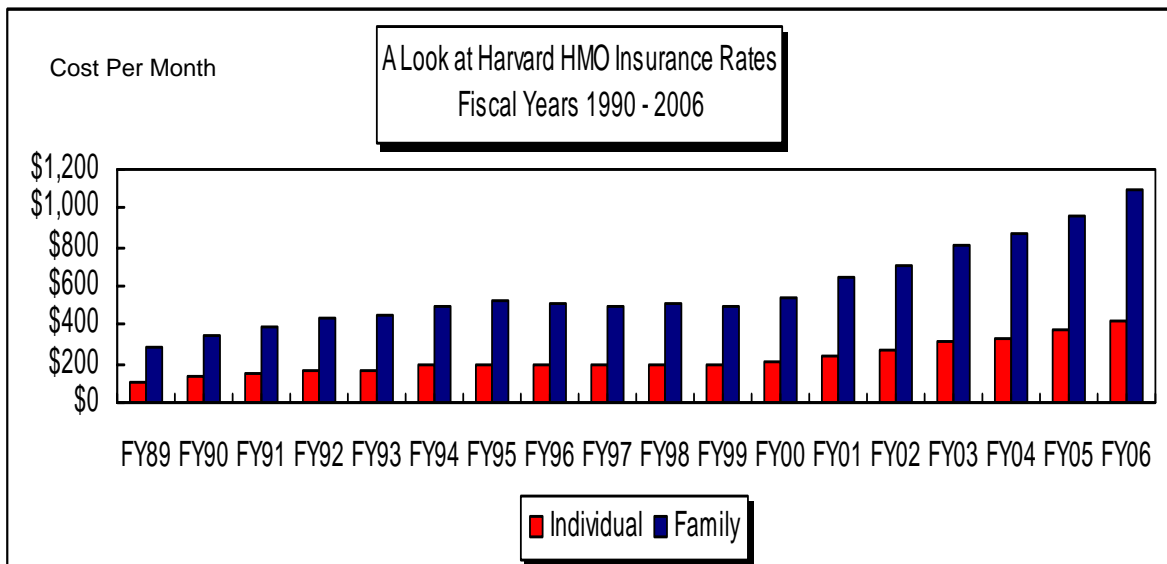


Fixed Costs – Significantly Increasing

Total Benefits/Reserves/Insurance				
FY05	FY06	FY07	\$ Change	% Change
\$5,767,904	\$6,413,450	\$7,088,450	\$675,000	10.5%



- Fixed costs include health insurance, pension, comprehensive insurance and payroll taxes.
- Total fixed costs increasing 10-15% per year.



Net Available Funds – FY07

FY07 Available Budget Funds

Change in Revenue FY06 to FY07	
Taxes – per Proposition 2 ½	\$1,275,000
New Growth	\$300,000
Increased Tax Money	\$1,575,000
Local Receipts	\$0
State Aid	\$490,000
Available Funds-Ch 70 from FY06	\$142,000
Available Funds-Ambulance	\$100,000
Free Cash	(\$135,000)
Total Increase in Revenue	\$2,172,000

Increases in Fixed Costs For all School and Municipal Employees	
Benefit/Employment Costs	\$650,000
Insurance/Reserve	\$25,000
Total	\$675,000

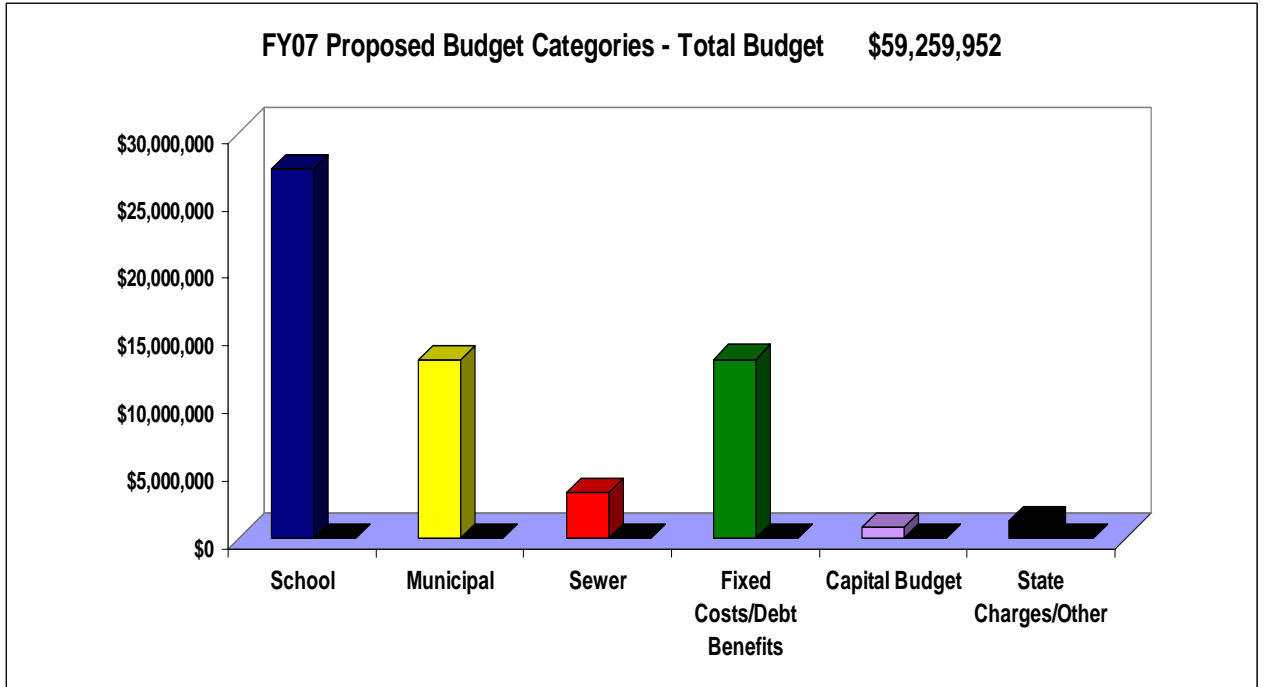
Net New Revenue – \$1,500,000

Available for School and Municipal Operating Budgets.

To balance budget today:

- 3.9% increase - school budget (\$1,015,000).
- 3.9% increase – municipal budget (\$500,000).
 - Capital budget level funded.

The FY07 Proposed Budget Categories



School	\$27,285,984
Municipal	\$13,188,701
Sewer	\$3,433,381
Fixed Costs/Debt/Benefits	\$13,253,042
Capital Budget	\$823,000
State Charges/Other	\$1,275,844
Total	\$59,259,952

FY07 Current Budget Status

Current available funds within Proposition 2 ½ can fund:				
FY06 Budget		FY07 Budget Can Be Funded	Current Budget Requested	Budget Gap
\$26,060,095	FY07 School Operating Budget	\$27,075,297	\$27,269,125	(\$193,828)
\$12,688,282	FY07 Municipal Operating Budget	\$13,188,701	\$13,303,967	(\$115,266)
\$115,653	FY07 Blue Hills Budget	\$115,653	\$136,932	(\$21,279)
\$6,413,450	FY07 Fixed Costs Budget	\$7,088,450	\$7,235,758	(\$147,308)

These budget gaps must be resolved in order to present a balanced budget to Town Meeting. Updated information will be provided as the budget process moves forward.