



Town Budget Summary

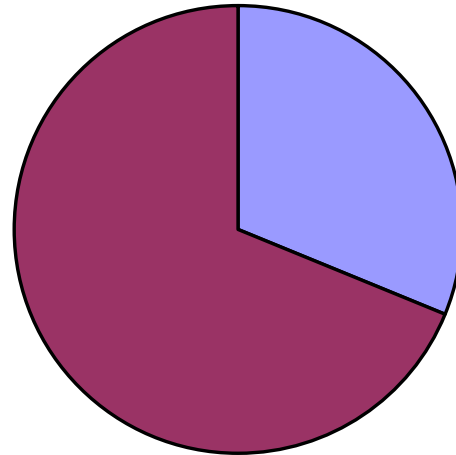
Finance Commission
Public Hearing
February 25, 2008



A Look at the Current Year's Total Budget.....

Total Budget - \$65M

Operating Budgets
 Municipal - \$13.8M
 School - \$30.9M



FY08 Non
 School/Municipal
 Operating Budgets
 31%

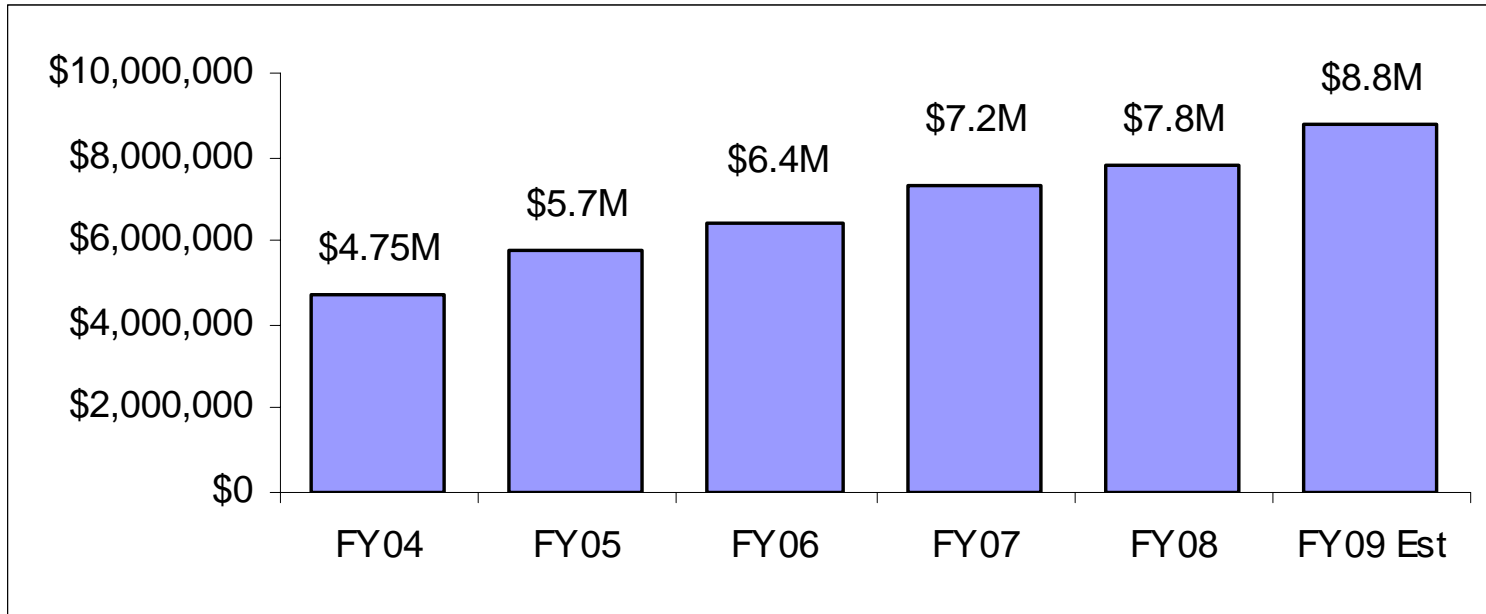
- Municipal budget - \$13,804,145
- School budget - \$30,978,154
- Total - **\$44,782,299**

FY08 Non Operating Budget Obligations	
Capital	\$978,000
State Charges/Overlay/Other	\$1,453,416
Sewer	\$3,845,601
Debt	\$6,124,069
Fixed Costs	\$7,839,004
	\$20,240,090

Fixed Costs – Fastest Growing Component of Overall Budget

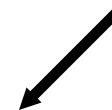
Fixed Costs Budget - \$8.8M for FY09.

Covers Employee Benefits for all Municipal and School Employees.



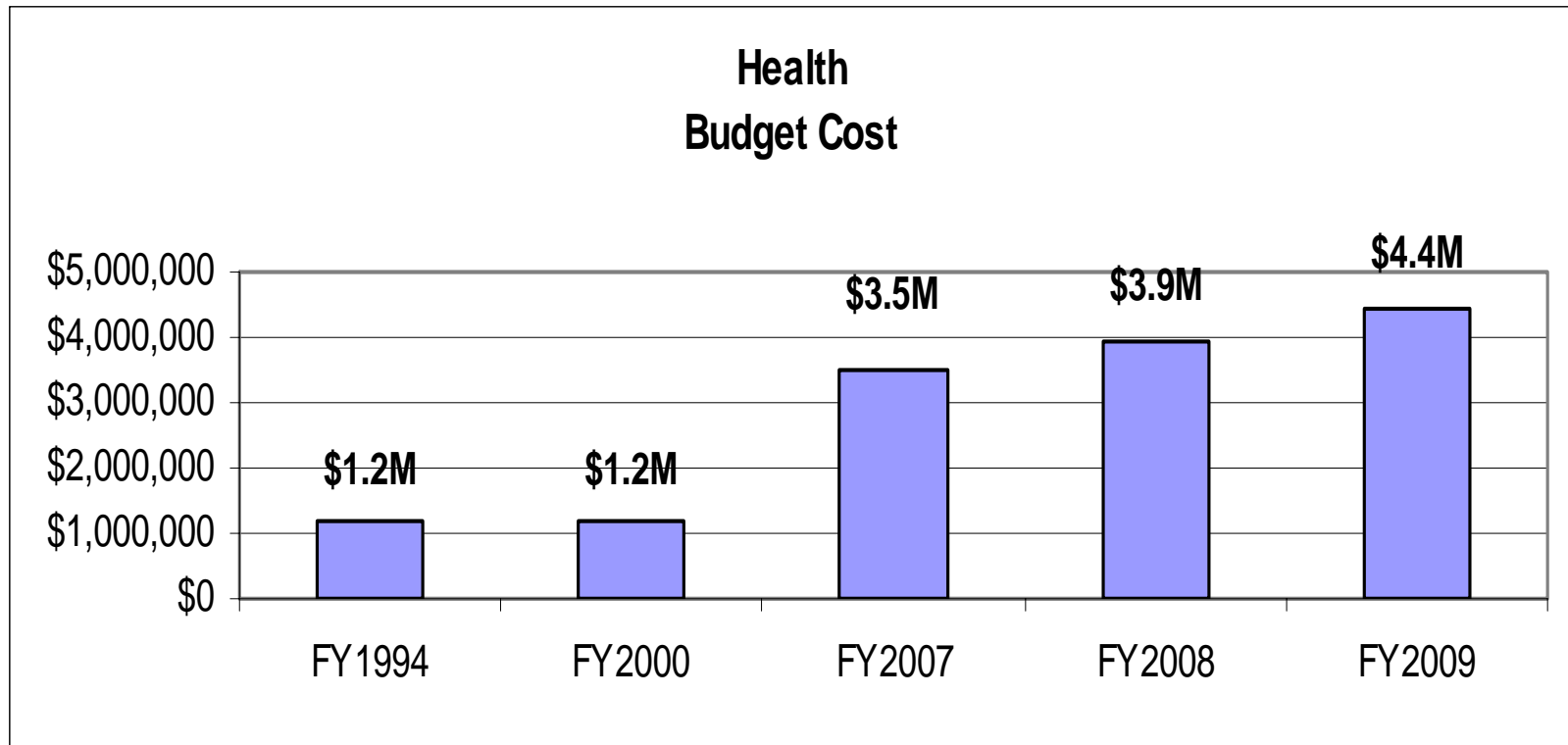
Fixed costs increases:

- Health insurance.
- Pension costs.
- Payroll taxes.
- Comprehensive insurance.



□ Overall FY09 increase – 13% - \$967,033.

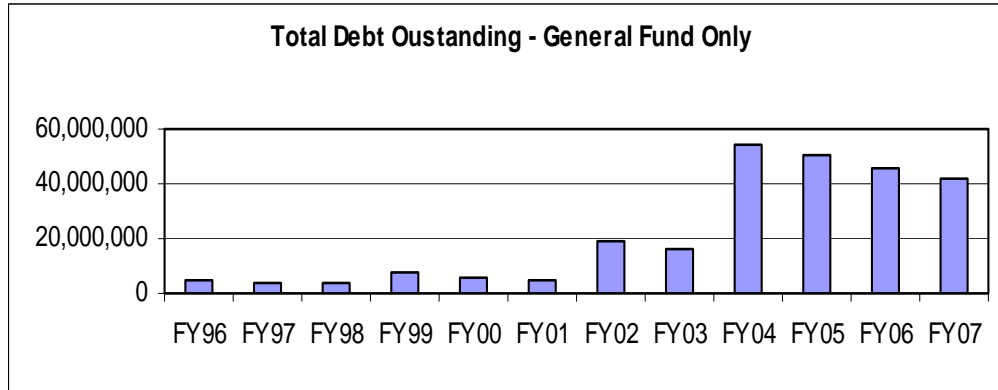
Health Insurance – For all School and Municipal Employees and Retirees



Health insurance increases:

- Rate increases.
- Increasing number of employees and retirees covered.

A Look at Debt.....



Debt to be Issued Long Term:

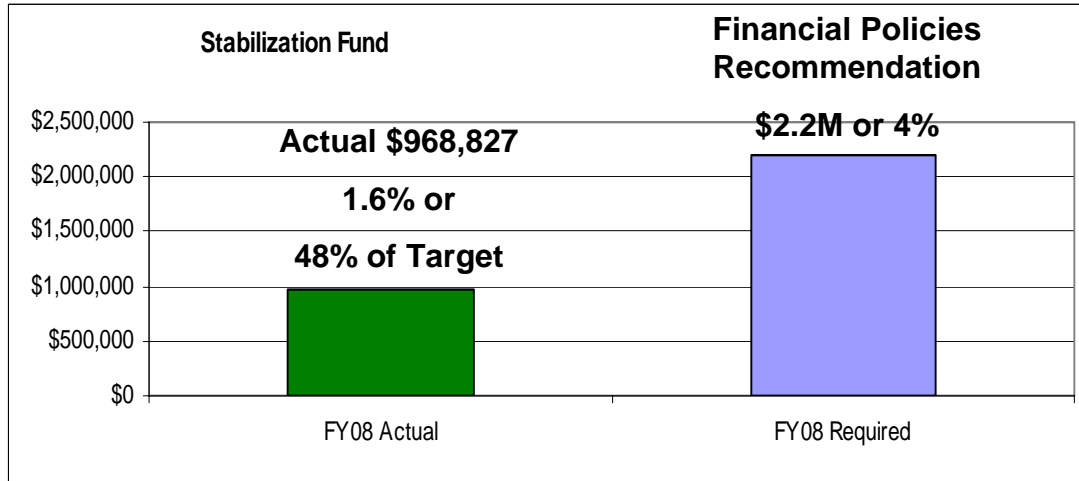
- \$1,950,000 High School completion
- \$195,000 High Street lighting.
- \$1,000,000 High Street construction.
- \$245,000 eminent domain land purchase.
- \$475,000 High School fields.
- **\$3,865,000 Total**

Annual Debt Payments			
	FY08	FY09	\$ Change
School	\$5,438,748	\$5,485,093	\$46,345
Municipal	\$685,321	\$887,713	\$202,392
Total	\$6,124,069	\$6,372,806	\$248,737

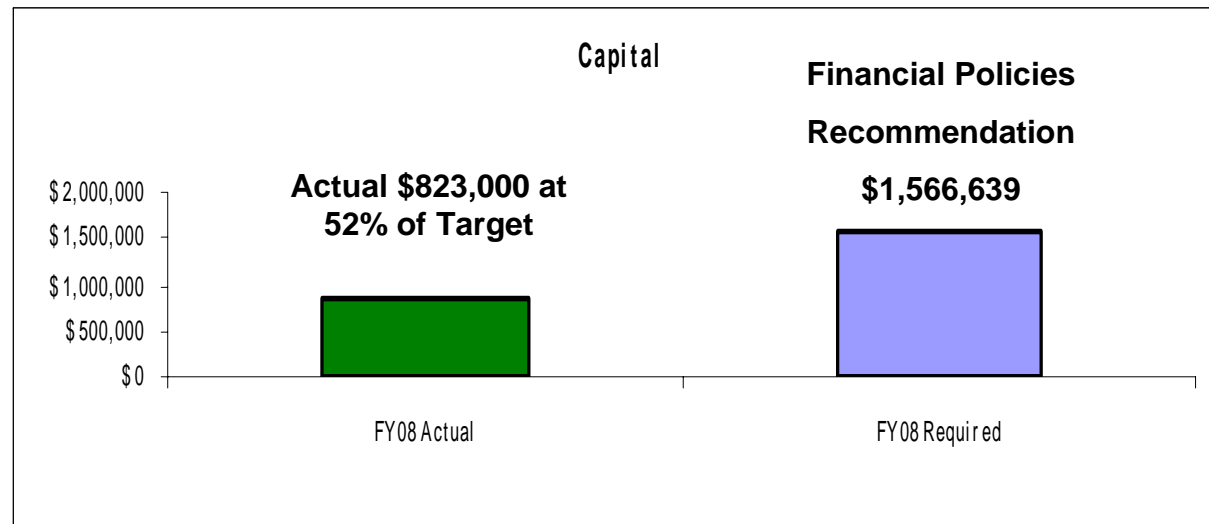
FY09 Debt Change	
Change in debt within Prop 2 ½	\$372,165
Change in exempt debt	(\$123,428)
Total debt change	\$248,737



A Look at Reserves and Capital – Not Meeting Financial Targets

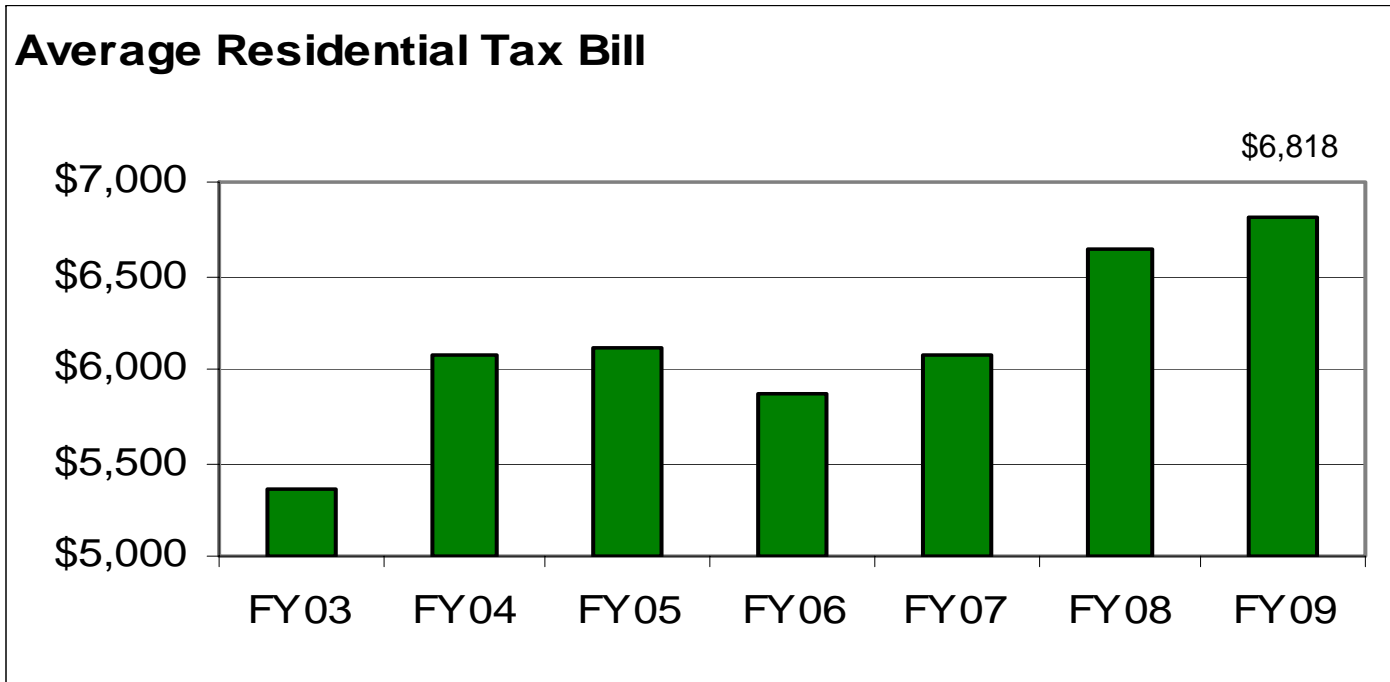


- Must improve or credit rating could be downgraded.
- Financial Policies target new tax revenue.



Average Residential Tax Bill

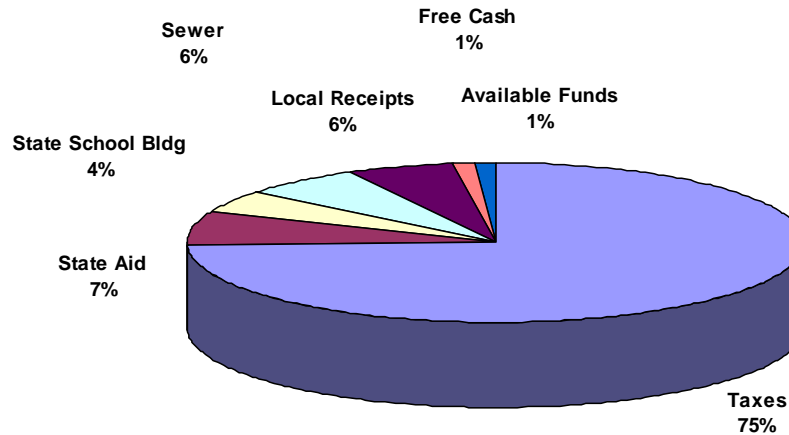
The FY09 budget proposal will increase the average tax bill by 2.56%.



A Look at Revenue

FY2009 Projected Budget Revenue

\$67.1M

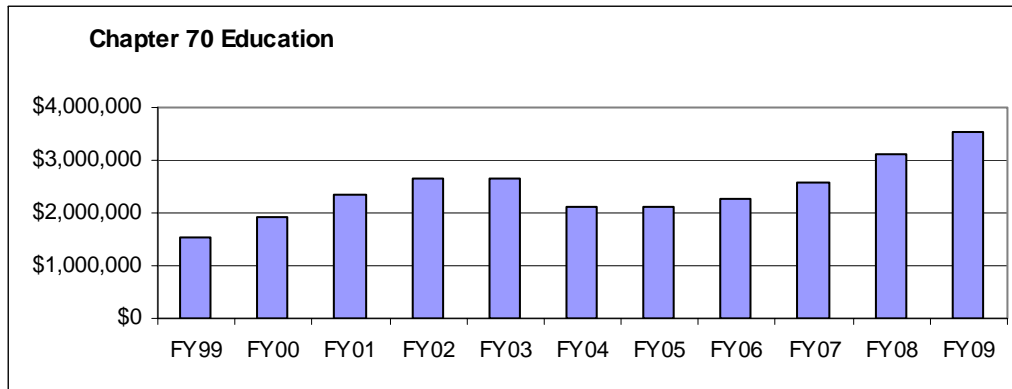


FY2009 Projected Budget Revenue				
	FY2008 Budget	FY2009 Projection	\$ Increase	% Increase
Taxes	\$48,519,937	\$50,062,121	\$1,542,184	3.2%
State Aid	\$4,257,310	\$4,616,644	\$359,334	8.4%
State School Bldg Reimbursement	\$3,089,590	\$3,008,895	(\$80,695)	-2.6%
Sewer Enterprise	\$4,000,601	\$4,162,563	\$161,962	4.0%
Local Receipts	\$3,812,483	\$3,812,483	\$0	0.0%
Available Funds	\$567,540	\$777,579	\$210,039	37.0%
Free Cash	\$1,131,648	\$725,000	(\$406,648)	-35.9%
Total Revenue	\$65,379,109	\$67,165,285	\$1,786,176	2.7%

- Tax increase \$1.5M
- State aid?
- Free cash decrease.

State Aid – Difficult to Predict in Timely Manner

The two main sources of state revenue are the Chapter 70 education aid and the lottery receipts.

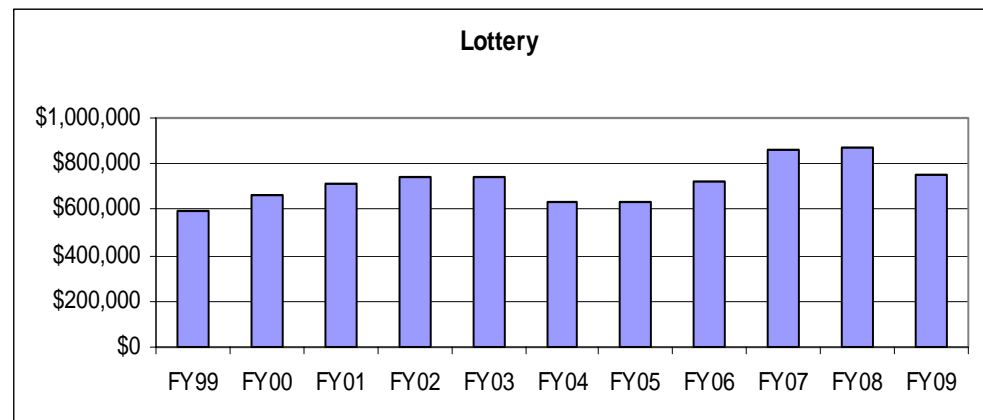


Chapter 70:

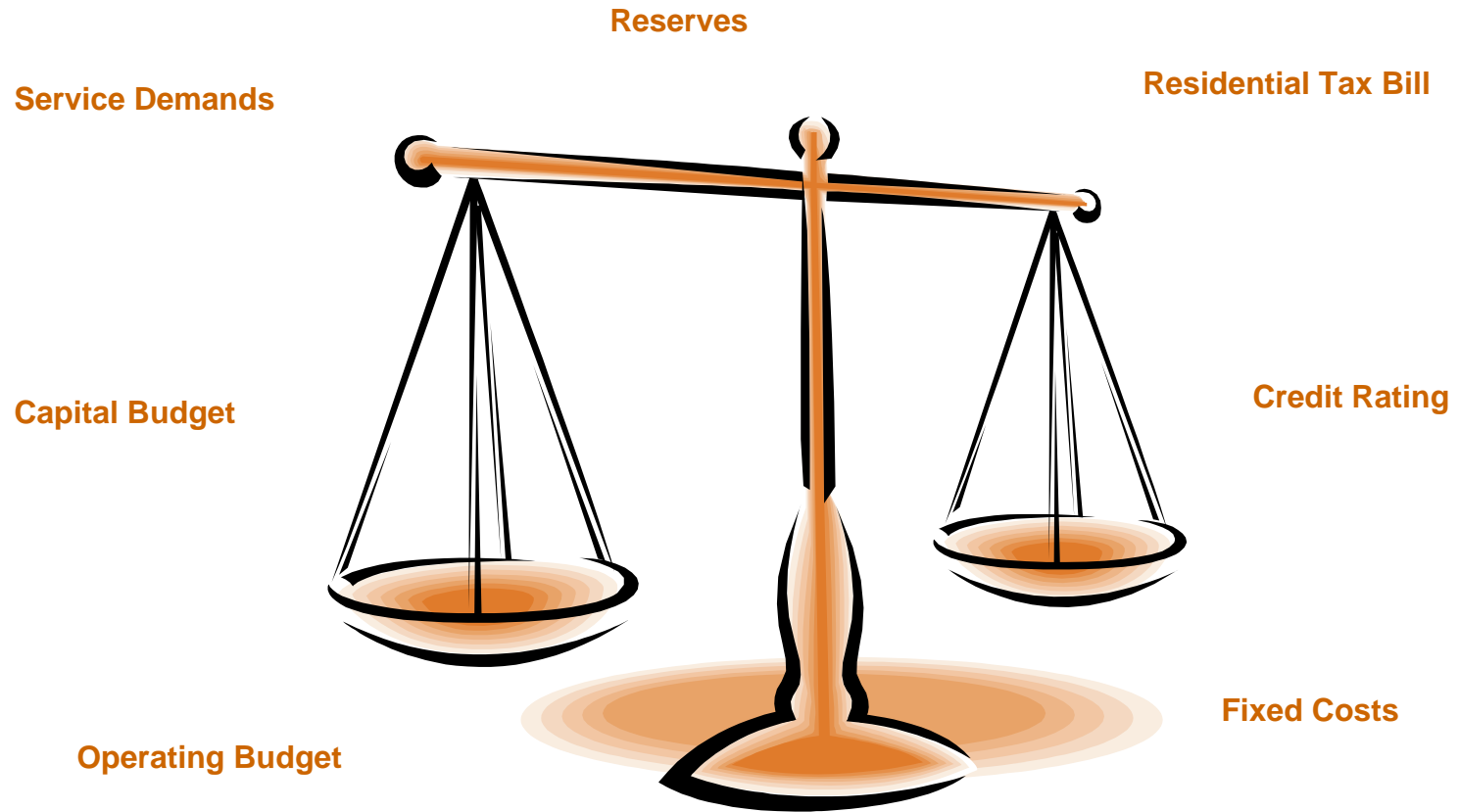
- The Town has benefited from a change in Chapter 70.
- The Governor's budget includes an increase of \$451,000 in Chapter 70 for FY09.
- Unclear as to final FY09 amount?

Lottery:

- The Governor's budget includes a \$115,750 reduction for FY09 which would be restored by appropriating new state gaming revenue receipts. Current budget conservatively uses the lower lottery estimate.
- Unclear as to final FY09 amount?



Difficult to Balance All the Financial Issues of a Community.....





Budget Status – Next Steps

- **Current gap between available revenue and budget requests - \$1.69M to \$2M depending on State aid.**
- **Available revenue only funds less than 1% increase to school and municipal operating budgets.**

Next Steps:

- Review of school and municipal operating budget requests to determine appropriate budgetary levels.
- Monitor state budget process and determine levels of state aid.
- Support commitment to capital and reserves with actual appropriation increases.

Westwood Station:

- Available revenue.
- Timing is significant issue.