

# Board of Selectmen Meeting

## January 12, 2009

### FY10 Budget Update

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Finance Director

# FY10 Budget Considerations

- In November, Selectmen reviewed several budget scenarios.
- Subsequently, Selectmen voted a “0” dollar budget increase for FY10 and informed all municipal and school departments of budget targets:
  - Municipal Budget - \$14,546,821
  - School Budget - \$32,488,684

### FY2010 Budget Scenarios

Best → Worst

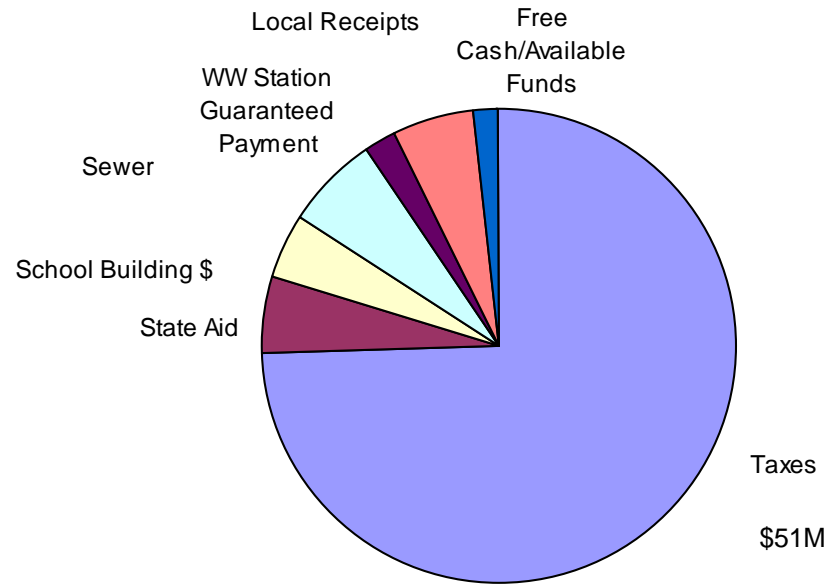
Revenue Alternatives:	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
• WW Station Payment	\$2.75M	\$2.75M	\$1.75M	\$1.75M	\$0
• State Aid	Level funded (except for lottery)	Cut 20%	Level funded (except for lottery)	Cut 20%	Cut 20%
<b>Resulting Budgets:</b>					
• Operating Budgets	3.5% Increase	1.5% Increase	1.34% Increase	-.61% Decrease	-4.31% Decrease
• Reserves/Additional Capital	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
<b>Alternate Resulting Budgets:</b>					
• Operating Budgets	4.7% Increase	2.77% Increase	2.6% Increase	.66% Increase	-3.04% Decrease
• Reserves/Additional Capital	\$0	\$0	\$0	\$0	\$0

<b>Current Scenario</b>
\$1.5M
Cut 20%
-1.27% Decrease \$600,000
\$0
\$0

Current budget projections, \$1.5M WW Station, 20% cut local aid, puts us right at the \$0, level funded budget.

# Budget Revenue

## FY10 Projected Revenue



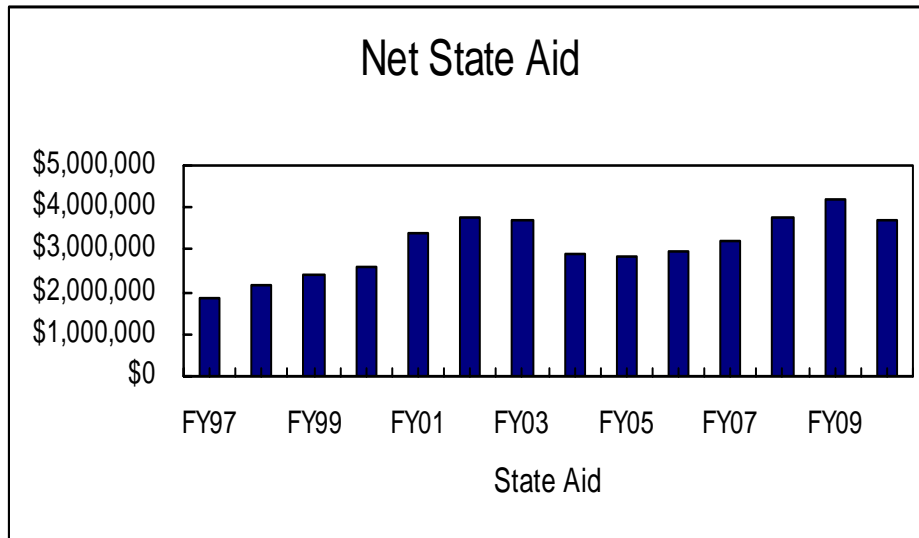
FY09/FY10 Revenue			
	Total Revenue FY09	Projected Revenue FY10	\$ Change
Taxes	\$50,446,121	\$51,513,788	\$1,067,667
State Aid	\$4,732,859	\$3,693,687	(\$1,039,172)
School Building \$	\$3,008,895	\$3,008,895	\$0
Sewer	\$4,491,563	\$4,491,563	\$0
WW Station Guaranteed Payment	\$1,750,000	\$1,500,000	(\$250,000)
Local Receipts	\$3,812,483	\$3,812,483	\$0
Free Cash/ Available Funds	\$1,892,260	\$1,238,631	(\$653,629)
<b>Total</b>	<b>\$70,134,181</b>	<b>\$69,259,047</b>	<b>(\$875,134)</b>

### FY10 Projections

- Full tax levy utilized.
  - Tax increase \$1,504,114
  - Exempt debt (\$436,447)
  - Net tax change \$1,067,667
- FY10 State aid – lottery cut to base (-\$115,000) as well as additional 20% reduction.
- Westwood Station potential \$1.5M payment.
- Level funding for local receipts and base free cash.

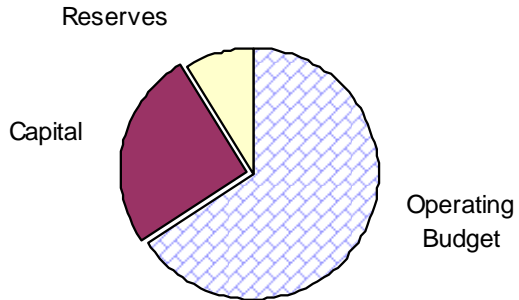
## State Aid

	FY08	FY09		FY10 Base	FY10 w/20% Cut
Chapter 70	\$3,096,779	\$3,547,941		\$3,547,941	\$2,838,352
Lottery	\$871,741	\$755,991		\$755,991	\$604,792
Lottery "Gap"	\$0	\$115,750		\$0	\$0
Other	\$288,790	\$313,177		\$313,177	\$250,541
<b>Total</b>	<b>\$4,257,310</b>	<b>\$4,732,859</b>		<b>\$4,617,109</b>	<b>\$3,693,685</b>

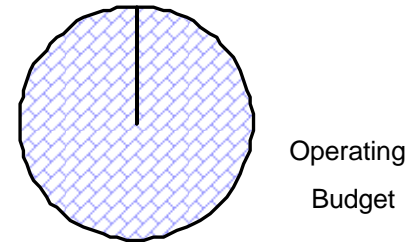


- FY10 Projection:
  - Lottery "Gap" eliminated – base cut of \$115,750.
  - Further cuts – 20%?? - \$923,424.
- Governor's FY10 budget due end of January.
- FY09 Mid-Year Cuts?
  - Expect to hear within two weeks.

# Westwood Station Guaranteed Payment



**FY09 - \$1.75M**

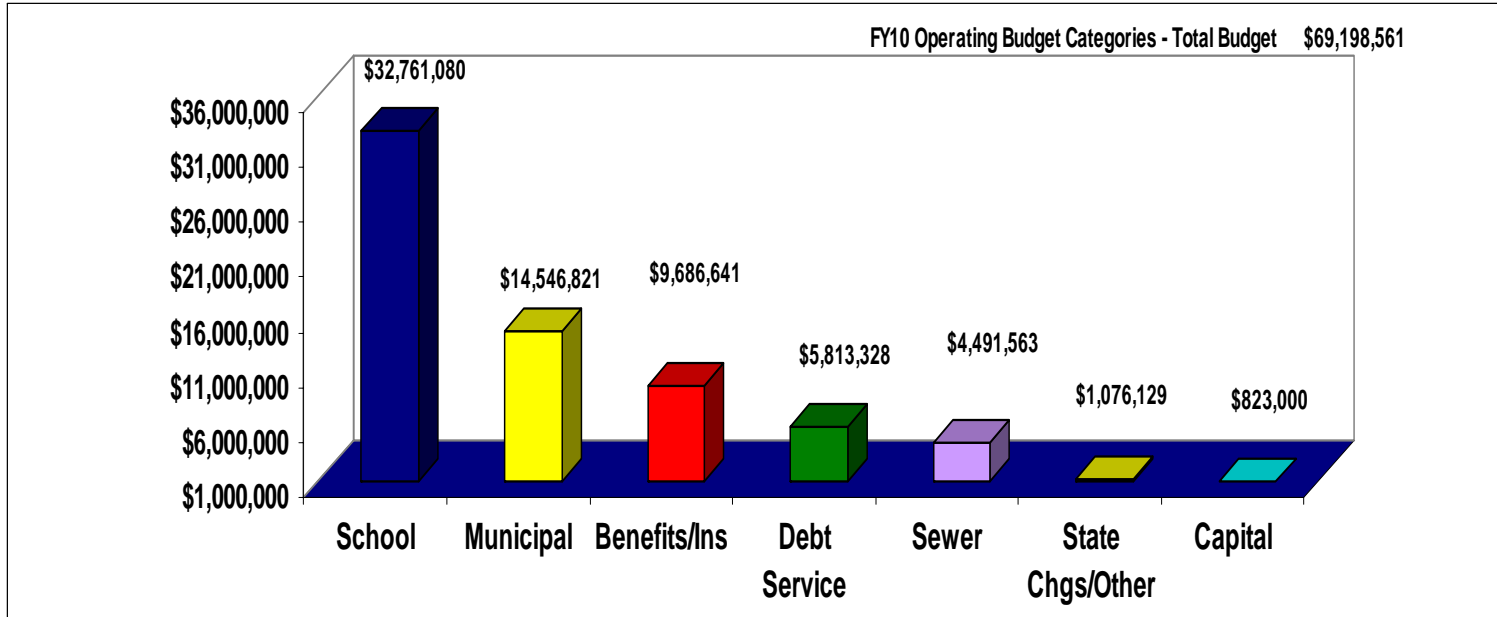


**FY10 - \$1.5M**

Used to Fund	FY09	FY10
Operating Budget	\$1,150,000	\$1,500,000
Capital	\$450,000	
Reserves	\$150,000	
<b>Total</b>	<b>\$1,750,000</b>	<b>\$1,500,000</b>

FY10 full payment applied to operating budget.

# How Will We Spend the Money?



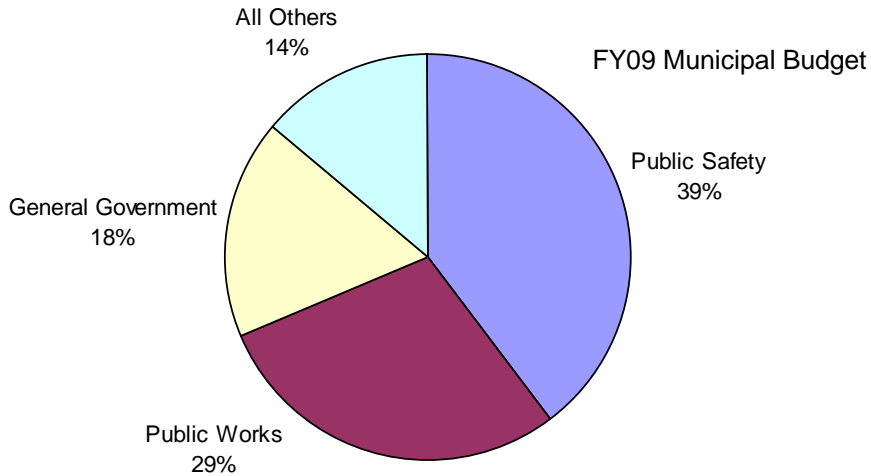
FY09/FY10 Operations Budget			
	FY09	FY10	\$ Change
Total School**	\$32,761,080	\$32,761,080	\$0
Municipal	\$14,546,821	\$14,546,821	\$0
Reserves/Benefits/ Insurance	\$8,806,037	\$9,686,641	\$880,604
Debt	\$6,372,806	\$5,813,328	(\$559,478)
Sewer*	\$4,491,563	\$4,491,563	\$0
State Charges/Other	\$1,809,842	\$1,076,129	(\$733,713)
Capital	\$1,273,000	\$823,000	(\$450,000)
Total	\$70,061,149	\$69,198,562	(\$862,587)

- Level fund school and municipal operating.
- Benefits/Insurance fixed budget – 10% increase.
- Base municipal/school capital maintained at \$823,000.
- No additional capital.
- No appropriation to reserve accounts.

\*Sewer enterprise budget and revenue level at this point – to be updated.

\*\*Total School – includes Westwood public school, Blue Hills, and Traffic Supervisors' budgets.

# Municipal Budget



- Municipal Budget provides for:
  - Police and Fire public safety protection.
  - Ambulance services.
  - Public Works services.
  - Trash/recycling.
  
- Salaries are 70% of budget.
  - The budget is spent on police officers, firefighters, public works employees.

Municipal Budget		
	FY09	Target FY10
<b>Total</b>	<b>\$14,546,821</b>	<b>\$14,546,821</b>

- As current staffing is appropriate, the goal is to maintain current level.
- No employee contracts in place for FY10.
- Budgets must cover required salary step increases.
- Some expense budgets must increase, such as trash services, veterans' benefits, etc.

Preliminary FY10 municipal budget not yet at target.



## Next Steps

- Reinforce “0” dollar increase to school and municipal budgets:

FY10 Target

<input type="checkbox"/> Municipal	\$14,546,821
<input type="checkbox"/> School	\$32,488,684

- State aid data:
  - FY09 impact in next two weeks.
  - FY10 budget – Governor’s budget due at end of January.
- Confirm Westwood Station payment.
- Continue to update fixed costs budget.
- Produce budget document February 1, 2009.