

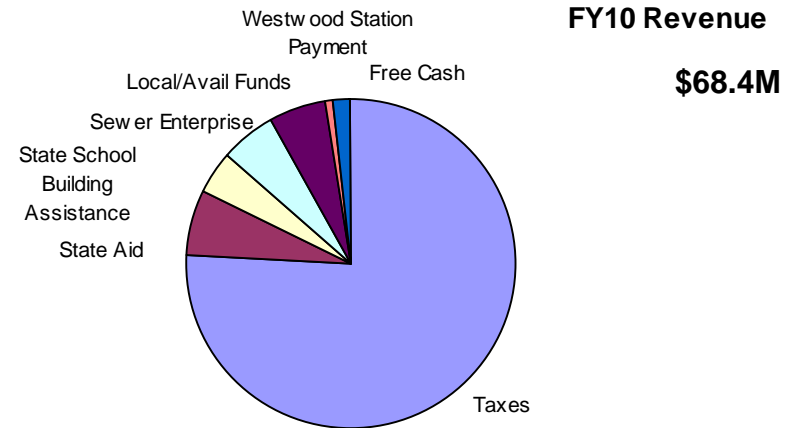


## **Budget Update**

**Board of Selectmen Meeting  
October 5, 2009**

**Pam Dukeman  
Finance Director**

# FY10 Revenue/FY11 Projections



	FY10 Revenue	← FY11 Projection/Comment →	
Taxes	\$51,825,844	Known - Prop 2 1/2 Formula	\$1.5M Increase
State Aid	\$4,334,151	??? - State Budget	Best case - Level; Further Reduction?
State School Building Assistance	\$3,008,895	Known - Guaranteed	\$2,760,163
Sewer Enterprise	\$3,730,730	Known - Offset Sewer Budget	Match Sewer Budget
Local Receipts	\$3,182,000	Concern MV/Bldg Permits (\$2.3M)	Best case - Level; Further Reduction?
Available Funds	\$428,631	Known - Few Accts/Amb	\$426,662
Available Funds for Misc Articles/Prior Years	\$211,000	N/A Prior Yrs	N/A
Westwood Station Guaranteed Payment	\$615,000	Known - \$0	\$0
Free Cash	\$1,075,000	Expect \$1.13M; use \$700,000	Needed for mid-year cut?
		Capital/\$110,000 Energy Reserve	
	<b>\$68,411,251</b>		

## State Aid – Final FY10 Budget

		<b>Final</b>	<b>FY09 - FY10</b>	<b>FY09 - FY10</b>
<b>FY10 State Aid</b>	<b>FY09</b>	<b>State Aid</b>	<b>\$ Difference</b>	<b>% Difference</b>
Chapter 70	\$3,547,941	\$3,476,983	-\$70,958	-2.0%
Municipal Aid (Old Lottery and Additional Assistance)	\$908,004	\$642,792	-\$265,212	-29.2%
Police Career Incentive - "Quinn Bill" (Approx.)	\$144,724	\$25,515	-\$119,209	-82.4%
Other - reimbursement programs - i.e., veterans	\$101,360	\$140,858	\$39,498	39.0%
Offset/Restrictions	\$30,830	\$48,003	\$17,173	55.7%
<b>Total</b>	<b>\$4,732,859</b>	<b>\$4,334,151</b>	<b>-\$398,708</b>	<b>-8.4%</b>

- FY10 Final Budget:

- Chapter 70 reduced by 2%.
- Municipal Aid reduced 30%.

- FY10 Mid Year Cut:

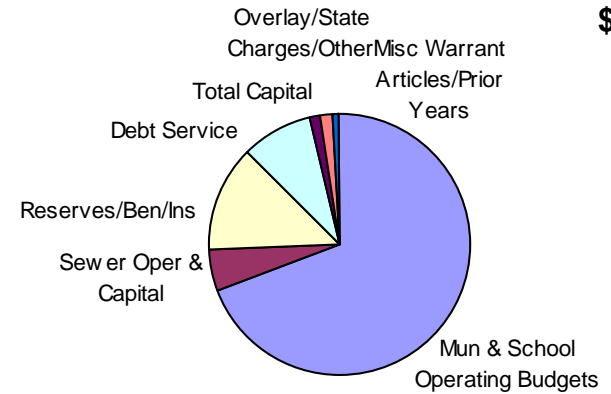
- State's September revenue short of projection.
- Governor must revise budget by October 15.
- Size and timing of potential FY10 mid year cut?

<b>FY11 Projections</b>		
<b>State Aid</b>		
Chapter 70	\$3.47M	Each 10% decline \$347K
Municipal Aid	\$642K	Each 10% decline \$64K

# FY10 Expenditures/FY11 Projections

FY10 Expenditures

**\$68.4M**



	FY10 Expenditures	← FY11 Projection/Comment →	
Total Municipal & School Operating Budgets	\$47,315,451	\$0 Increase in FY10	Each 1% Change - \$470K
Sewer Operating & Capital	\$3,439,752	Sewer Revenue Will Cover Expenses	
Reserves/Benefits/Insurance	\$9,130,428	Concerns - Pension/Health	
Debt Service	\$6,127,341	Known - \$5.9M (reduction - exempt drop)	
Capital Budget - School & Municipal	\$823,000	Should Maintain at this Level - Ability to do so?	
Overlay/State Charges/Other	\$1,082,670	Known - Slight increase - \$1.110M	
Misc Warrant Articles/Prior Years	\$476,000	Prior Year - N/A	
	\$68,394,642		

## FY10 Reserves/Benefits/Insurance/FY11 Projections

	FY10	← FY11 Projection/Comment →	
Health Insurance	\$4,698,175	Increase in Rates and Number of Employees/Retirees Covered	Potential 5/10/15% Increases
Norfolk County Retirement Assessment	\$2,329,423	Concern with mkt performance impact	Potential 10/15/25% Increases
Compr Insurance/Unemployment/Payroll Taxes/Other	\$1,452,831	Avg 5% Increase/Unemployment??	
Energy Reserve	\$225,000	Maintain in FY11?	
Reserve for Special Town Meeting	\$25,000	Maintain in FY11?	
Fincom Reserve Fund	\$400,000	Level Fund in FY11?	
	<b>\$9,130,429</b>		

# FY2011 Possible Budget Scenarios - Draft

Best



Worst

<b>Alternatives:</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
<ul style="list-style-type: none"> <li>• State Aid</li> </ul>	Level Funded	10% Reduction Ch 70 30% Reduction Municipal Aid	25% Reduction Ch 70 30% Reduction Municipal Aid
<ul style="list-style-type: none"> <li>• Local Receipts</li> </ul>	Level funded	20% Reduction MV 10% Reduction Bldg Permits	30% Reduction MV 30% Reduction Bldg Permits
<ul style="list-style-type: none"> <li>• Free Cash for Capital</li> </ul>	\$700K	\$350K	\$0
<ul style="list-style-type: none"> <li>• Fixed Costs Total</li> </ul>	\$9.67M	\$10.01M	\$10.48M
<b>Resulting Budgets:</b>			
<ul style="list-style-type: none"> <li>• Operating Budgets</li> </ul>	1% Increase	2% Decrease	4% Decrease
<ul style="list-style-type: none"> <li>• Capital – School &amp; Municipal</li> </ul>	\$823,000	\$473,000	\$123,000