

**OFFICE OF THE
TOWN MANAGER**



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Town of Shrewsbury
MASSACHUSETTS 01545-5398

March 13, 2007 (revised)

To: Board of Selectmen
Finance Committee

From: Daniel J. Morgado

Re: Revised Revenue and Charge Projections

I have updated all revenue and charge projections based on the latest information. In addition, I have enclosed a draft of potential reductions among the several departments and among proposed warrant article and capital budget proposals. Finally, I have outlined a series of options for you to consider as you determine on how best to balance out for FY 2008.

Attached are the following exhibits

Exhibit #	Comment
1	Fiscal Projection #2 with backup updated to reflect the latest projection.
2	Updated State Aid & Charges based on House Bill #1 and comparison with original estimate.
3	Trial Recapitulation that incorporates House Bill #1 and reductions to the unclassified budget based on latest estimates. Also included is a reduction of \$709,471 in the School Department's request for illustrative purposes.
4	Comparison of Trial Recapitulations based on Fiscal Projection #1 and Projection #2 outlining where the changes took place.
5	Level 1 through Level 3 reductions in the Operating Budget which allow for a possible reduction of \$2,871,518 occurring based on the combination of possible reductions. This allows for a "menu" approach to be taken to reach a determined level of reduction.

6	Level 1 through Level 3 reductions for warrant articles and capital budget again to allow for a "menu" approach to be taken.
7	The Departmental Budget Summary showing Level 1 reductions for both the Unclassified and School Department Budgets.
8	A summary showing various tax rate and tax bill impacts of various override scenarios

As you will note from the attached, I am still projecting a deficit of \$2,347,402 which must be closed by the evening of Town Meeting. This deficit may be closed in the following manner:

1. Reduce spending
2. Increase revenue via an increase in the real estate and personal property tax levy equal to the projected deficit
3. Increase revenue via an increase in the real estate and personal property tax levy that will fund not only the deficit for FY 2008 but for FY 2009, and 2010

It is my recommendation that we proceed to close this deficit via a combination of reductions and an increase in the tax levy via an operational override beyond the deficit projected for FY 2008 (Options #1 & #3). The primary pros and cons of this recommendation are as follows:

Option	Pro	Con
1. Reduce Spending	<ul style="list-style-type: none"> • No override is necessary • Out year budgets are reduced • Tax levy is less than other alternatives 	<ul style="list-style-type: none"> • Service levels are reduced for most departments and in the instance of education what was a decline in FY 2007 from FY 2006 and earlier becomes a rout unless municipal departments spending is cannibalized
2. Override Equal to Deficit	<ul style="list-style-type: none"> • Service levels are stabilized and some of what was lost in FY 2007 is returned 	<ul style="list-style-type: none"> • Tax levy is increased impacting residential tax payers • Out year budgets are increased • The same scene repeats next year
3. Override Beyond Deficit	<ul style="list-style-type: none"> • Service levels are stabilized and in some areas increased • Multi-year fiscal planning is put back into the hands of Town Meeting 	<ul style="list-style-type: none"> • Greatest tax levy impact on residential taxpayers • Out year budgets are increased
<p><u>Proposed</u></p> <p>\$5,000,000 for a three year period (FY 2008, 2009, 2010). All \$5,000,000 is levied each year and excess capacity is used to fund a newly established Stabilization Fund for out years</p>	<ul style="list-style-type: none"> • Service levels are stabilized and some of what was lost in FY 2007 is returned • A degree of multi-year fiscal planning is put back into the hands of Town Meeting • Discussion of overrides in FY 2009 and 2010 except in dire emergency is taken from the table 	<ul style="list-style-type: none"> • Tax levy is increased impacting residential tax payers • Out year budgets are increased • FY 2010 budget is very difficult unless spending trends are modified for FY 2008 & FY 2009

The risks of the multi-year strategy are as follows:

1. Rates of growth in the out years

Illustrative Example #1				
	FY 07	FY 08	FY 09	FY 10
School Budget	\$40,187,737	\$43,724,258	\$47,003,577	\$50,528,845
	Increase	\$3,536,521	\$6,815,840	\$10,341,108
	Percent	8.80%	7.50%	7.50%
Health Insurance	\$6,075,000	\$7,090,000	\$8,153,500	\$9,376,525
	Increase	\$1,015,000	\$2,078,500	\$3,301,525
	Percent	16.71%	15.00%	15.00%
	Total Increase	\$4,551,521	\$8,894,340	\$13,642,633
	Net State Aid	\$1,955,732	\$2,000,000	\$2,000,000
	Additional Capacity	\$5,000,000	\$5,125,000	\$5,253,125
	Plus/(Minus)	\$2,404,211	(\$1,769,340)	(\$6,389,508)
	Cumulative		\$634,871	(\$5,754,638)

Illustrative Example #2				
	FY 07	FY 08	FY 09	FY 10
School Budget	\$40,187,737	\$43,201,817	\$46,009,935	\$49,000,581
	Increase	\$3,014,080	\$5,822,198	\$8,812,844
	Percent	7.50%	6.50%	6.50%
Health Insurance	\$6,075,000	\$7,090,000	\$8,153,500	\$9,376,525
	Increase	\$1,015,000	\$2,078,500	\$3,301,525
	Percent	16.71%	15.00%	15.00%
	Total Increase	\$4,029,080	\$7,900,698	\$12,114,369
	Net State Aid	\$1,955,732	\$2,000,000	\$2,000,000
	Additional Capacity	\$5,000,000	\$5,125,000	\$5,253,125
	Plus/(Minus)	\$2,926,652	(\$775,698)	(\$4,861,244)
	Cumulative		\$2,150,953	(\$2,710,291)

2. We must assume that any change in the distribution formula of Chapter 70 aid will be disadvantageous which cripples this proposal.
3. Macro economic conditions adversely affect local and state revenues.

I wish to make it clear, a \$5,000,000 override does not “solve” this problem but defer it to some future point while we await a change of fiscal condition or some relief afforded by a restructuring of the fiscal relationship between the Commonwealth and the cities and towns. Last night, the Fiscal Study Committee made it clear there is no easy answer and that every resident in this community must determine what type of community they wish to live in.

My strongest recommendation is that the Board adopt this multi-year proposal and that all involved parties work together to ensure that out year budgeting begins on May 2, 2007 after the successful override vote. If the vote fails, then reductions will have to be made in a manner that protects our core services and the community will have no choice but to deal with the consequences of those reductions.

Pleased advise with any questions.

Cc Anthony Bent
Patrick Collins
Michael Hale

**FIGURE ONE
FISCAL PROJECTION TWO
FISCAL YEAR 2008**

Exhibit 1

Ref No.	REVENUE	FY 2007 ACTUAL	FY 2008 PROJECTED	DIFFERENCE
1	TAXATION	\$44,644,721	\$42,147,245	\$1,175,499
2	NEW GROWTH		\$525,000	
3	EXEMPTED TAX LEVY		\$3,147,975	
4	STATE AID	\$19,935,052	\$22,176,923	\$2,241,871
5	SBAB PAYMENT	\$3,792,413	\$3,792,413	\$0
6	OVERESTIMATES	\$0	\$0	\$0
7	SCHEDULE A RECEIPTS	\$11,400,000	\$11,400,000	\$0
8	FREE CASH	\$1,250,000	\$2,000,000	\$750,000
	OTHER AVAILABLE FUNDS			
9	SALE OF CEMETERY LOTS	\$18,000	\$18,000	\$0
10	SEWER SURPLUS	\$2,970,000	\$2,871,715	(\$98,285)
11	SEWER CONSTRUCTION	\$258,000	\$300,000	\$42,000
12	LIGHT REVENUE	\$258,939	\$291,434	\$32,495
13	CATV REVENUE	\$484,635	\$469,370	(\$15,265)
14	OTHER FUNDS (CHAPTER 90)	\$1,397,858	\$0	(\$1,397,858)
15	ACCOUNT TRANSFER	\$149,868	\$0	(\$149,868)
16	STABILIZATION	\$0	\$200,000	\$200,000
17	TITLE V LOAN REPAYMENTS	\$15,128	\$15,128	\$0
18	WATER SYSTEM IMPROVEMENTS	\$305,702	\$0	(\$305,702)
19	WATER CONVERSATION FUND	\$50,000	\$150,000	\$100,000
20	CEMETERY TRUST FUNDS	\$30,000	\$0	(\$30,000)
21	SPECIAL FUNDS - COAL ASH	\$425,000	\$530,000	\$105,000
22	SALE OF PROPERTY	\$194,220	\$96,402	(\$97,818)
23	HIGHWAY IMPROVEMENTS	\$0	\$0	\$0
24	FREE CASH (REDUCE LEVY)	\$500,000	\$500,000	\$0
25	MUNICIPAL LIGHT (REDUCE LEVY)	\$115,441	\$189,358	\$73,917
26	CATV REVENUE (REDUCE LEVY)	\$454,691	\$492,491	\$37,800
27	BOND INTEREST RESERVE	\$800,000	\$500,000	(\$300,000)
	TOTAL REVENUE	\$89,449,668	\$91,813,454	\$2,363,786
	CHARGES			
28	TAX TITLE	\$0	\$0	\$0
29	COURT JUDGEMENTS	\$0	\$0	\$0
30	OVERLAY DEFICITS	\$0	\$0	\$0
31	CHERRY SHEET OFFSETS	\$73,331	\$78,551	\$5,220
32	CMRPC	\$7,079	\$7,256	\$177
33	STATE AND COUNTY CHARGES	\$882,906	\$1,163,825	\$280,919
34	OVERLAY	\$484,867	\$500,000	\$15,133
	TOTAL CHARGES	\$1,448,183	\$1,749,632	\$301,449
	TOTAL AVAILABLE FOR TOWN MEETING APPROPRIATION	\$88,001,485	\$90,063,822	\$2,062,337
35	ESTIMATED TAX RATE	\$8.66	\$8.78	

PROJECTION NOTES
FY 2008

No.	Item	Computation	Notes	Information Source/Comment
1	Levy Limit	\$ 41,119,263 \$ 1,027,982	Fy 07 levy limit 2 1/2% increase	Form filed by BOA with Fy 07 Tax Recap Sheet
2	New Growth	\$ 42,147,245 \$ 525,000 \$ 997,304 \$ 548,711 \$ 551,544 \$ 563,179 \$ 804,735 \$ 879,895 \$ 1,419,357 \$ 833,094 \$ 1,122,922 \$ 713,090 \$ 726,315 \$ 689,741	Fy 08 levy limit Estimate Fy 08 Fy 07 New Growth Fy 06 New Growth Fy 05 New Growth Fy 04 New Growth Fy 03 New Growth Fy 02 New Growth Fy 01 New Growth Fy 00 New Growth Fy 99 New Growth Fy 98 New Growth Fy 97 New Growth Fy 96 New Growth	Revised on 2/26/2007 based on updated estimate of \$59.2 Form filed by BOA with Fy 07 Tax Recap Sheet Form filed by BOA with Fy 06 Tax Recap Sheet Form filed by BOA with Fy 05 Tax Recap Sheet Form filed by BOA with Fy 04 Tax Recap Sheet Based on FY 03 LA 13; This does not match DOR Levy Form Form filed by BOA with Fy 02 Tax Recap Sheet Form filed by BOA with Fy 01 Tax Recap Sheet Form filed by BOA with Fy 00 Tax Recap Sheet Form filed by BOA with Fy 00 Tax Recap Sheet Form filed by BOA with Fy 99 Tax Recap Sheet "At a Glance" report dated 2/2/99 "At a Glance" report dated 2/2/99
3	Exempted Tax Levy	\$ 621,140 \$ (585,681) \$ (3,206,732) \$ 239,203 \$ 189,060 \$ 5,288,750 \$ 178,200 \$ 619,704 \$ 243,323 \$ 206,000 \$ (500,000) \$ (96,402) \$ (27,938) \$ (20,652)	90% of Floral Street School Debt Service SBAB Reimbursement - Floral Street SBAB Reimbursement - High School Open Space Bond HS School Land Bond New High School Open Space Bond #2 Oak Middle School Allen Property BAN Costs Fire Facilities BAN Costs Bond Interest Reserve Line Item #27 Transfer from Sale of Property Account (Line Item #22) Bond Premium for Allen BAN that will be run through Free Cash and be part of FY 08 certification Bond Premium for Fire Facilities BAN that will be run through Free Cash and be part of FY 08 certification	See Figure Six
4	State Aid	\$ 3,147,975 \$ 22,176,923	Total Exempted Debt Service House Bill #1	See Figure Four

PROJECTION NOTES
FY 2008

5	SBAB	\$	585,681	Floral Street		
		\$	3,206,732	High School (Subject to Change Based on Final Project Costs)		
		\$	3,792,413	Total SBAB		
6	Overestimates	\$	-	No Overestimated Projected		
7	Schedule A	\$	11,400,000	Projected Local Receipts	See Figure Three	
8	Free Cash	\$	2,000,000	7/1/06 Balance \$4,137,833		
9	Sale of Lots	\$	18,000	Level Fund		
10	Sewer Surplus	\$	2,871,715		\$2,731,715 Operating Budget	
	Balance as of 1/24/2007				\$140,000 Capital Budget	
					\$2,871,715	
11	Sewer Construction	\$	300,000	To fund general sewer construction balance \$2,012,381		
12	Light Revenue	\$	251,545	Debt Service Budget FY 08	See Figure Six	
		\$	39,889	BAN Expenses Light Upgrade		
		\$	291,434	Total Debt Service Budget FY 08		
13	CATV Revenue	\$	469,370	Total Debt Service Budget FY 08	See Figure Six	
14	Chapter 90	\$	-	Contract Amount For FY 2008 Previously Authorized		
15	Account Transfers					
		\$	-	Amount	Account	Purpose
		\$	-			
		\$	-	Total Account Transfers		
16	Stabilization	\$	200,000	Balance as of 9/30/2006 \$569,680		
17	Total V Loan Repayments	\$	15,128	Balance as of 11/17/2006 \$44,175		
18	Water System Improvements	\$	-			
19	Water Conservation Fund	\$	150,000	Balance as of 1/24/2007 \$522,763		

PROJECTION NOTES
FY 2008

20	Cemetery Trust Funds	\$	-	No Project in FY 2008	
21	Special Funds - Coal Ash	\$	425,000	To be applied against the budget	
		\$	105,000	To be returned to the Com of Mass. Landfill Capping Grant	
		\$	530,000	Total Coal Ash	Balance as of 1/24/2007 \$880,491
22	Sale of Property	\$	96,402	Remaining Balance on Account	
23	Highway Improvements	\$	-		
24	Free Cash (Reduce Levy)	\$	500,000	Fy 08 (\$48,590 is a Bond Premium Pass Through)	
		\$	500,000	Fy 07	FY 07 Recap Sheet; \$87,944 was a bond premium
		\$	500,000	Fy 06	FY 06 Recap Sheet; \$141,098 was a bond premium
		\$	500,000	Fy 05	FY 05 Recap Sheet; \$176,892 was a bond premium
		\$	728,416	Fy 04	FY 04 Recap Sheet; \$228,416 was a bond premium
		\$	2,885,000	Fy 03	FY 03 Recap Sheet; \$2,385,000 was a bond premium
		\$	435,000	Fy 02	FY 02 Recap Sheet
		\$	1,130,000	Fy 01	FY 01 Recap Sheet
		\$	1,130,000	Fy 00	Fy 00 Recap Sheet
		\$	1,130,000	Fy 99	"At a Glance" report dated 2/2/99
		\$	1,130,000	Fy 98	"At a Glance" report dated 2/2/99
25	Municipal Light (PILOT)	\$	189,358	Fy 08	Actual
		\$	115,441	Fy 07	FY 07 Recap Sheet
		\$	121,995	Fy 06	FY 06 Recap Sheet
		\$	115,606	Fy 05	FY 05 Recap Sheet
		\$	118,531	Fy 04	FY 04 Recap Sheet
		\$	113,132	Fy 03	FY 03 Recap Sheet
		\$	112,244	Fy 02	FY 02 Recap Sheet
		\$	118,519	Fy 01	FY 01 Recap Sheet
		\$	111,886	Fy 00	Fy 00 Recap Sheet
		\$	112,781	Fy 99	"At a Glance" report dated 2/2/99
		\$	116,880	Fy 98	"At a Glance" report dated 2/2/99
26	CATV (PILOT)	\$	492,491	Fy 07	Actual
		\$	454,691	Fy 07	FY 07 Recap Sheet
		\$	430,056	Fy 06	FY 06 Recap Sheet
		\$	386,504	Fy 05	FY 05 Recap Sheet
		\$	334,056	Fy 04	FY 04 Recap Sheet
		\$	283,927	Fy 03	FY 03 Recap Sheet
		\$	250,000	Fy 02	FY 02 Recap Sheet
		\$	250,000	Fy 01	FY 01 Recap Sheet
		\$	250,000	Fy 00	Fy 00 Recap Sheet
		\$	225,000	Fy 99	"At a Glance" report dated 2/2/99
		\$	225,000	Fy 98	"At a Glance" report dated 2/2/99

PROJECTION NOTES
FY 2008

27	Bond Interest Reserve	\$	500,000	Balance as of 1/24/2007 \$1,528,128	
		\$	800,000	Fy 07	FY 07 Recap Sheet
		\$	-	Fy 06	FY 06 Recap Sheet
		\$	-	Fy 05	FY 05 Recap Sheet
		\$	-	Fy 04	FY 04 Recap Sheet
		\$	821,732	Fy 03	FY 03 Recap Sheet
28	Tax Title	\$	-		
29	Court Judgments	\$	-		
30	Overlay Deficits	\$	-		
31	Cherry Sheet Offsets	\$	78,551	House Bill One	
		\$	73,331	Fy 07	Actual
		\$	73,909	Fy 06	FY 06 Recap Sheet
		\$	67,387	Fy 05	FY 05 Recap Sheet
		\$	61,412	Fy 04	FY 04 Recap Sheet
		\$	62,215	Fy 03	FY 03 Recap Sheet
		\$	62,793	Fy 02	FY 02 Recap Sheet
		\$	59,915	Fy 01	FY 01 Recap Sheet
		\$	58,321	Fy 00	Fy 00 Recap Sheet
		\$	46,990	Fy 99	"At a Glance" report dated 2/2/99
		\$	45,359	Fy 98	"At a Glance" report dated 2/2/99
32	CMRPC	\$	7,256	Fy 07	
		\$	7,079	Fy 07	Actual
		\$	6,906	Fy 06	FY 06 Recap Sheet
		\$	6,737	Fy 05	FY 05 Recap Sheet
		\$	6,574	Fy 04	FY 04 Recap Sheet
		\$	6,414	Fy 03	FY 03 Recap Sheet
		\$	4,777	Fy 02	FY 02 Recap Sheet
		\$	4,661	Fy 01	FY 01 Recap Sheet
		\$	4,547	Fy 00	Fy 00 Recap Sheet
33	State & County Charges	\$	1,163,825	House Bill One	
		\$	882,906	Fy 07	Actual
		\$	840,584	Fy 06	FY 06 Recap Sheet
		\$	694,057	Fy 05	FY 05 Recap Sheet
		\$	434,305	Fy 04	FY 04 Recap Sheet
		\$	205,797	Fy 03	FY 03 Recap Sheet
		\$	194,113	Fy 02	FY 02 Recap Sheet

PROJECTION NOTES
FY 2008

	\$	201,558	Fy 01	FY 01 Recap Sheet
	\$	213,942	Fy 00	Fy 00 Recap Sheet
	\$	180,563	Fy 99	"At a Glance" report dated 2/2/99
	\$	193,712	Fy 98	"At a Glance" report dated 2/2/99
34	\$	500,000	Fy 08 (Estimate)	Estimate
	\$	484,866	Fy 07	FY 07 Recap Sheet
	\$	451,929	Fy 06	FY 06 Recap Sheet
	\$	334,363	Fy 05	FY 05 Recap Sheet
	\$	465,564	Fy 04	FY 04 Recap Sheet
	\$	301,261	Fy 03	FY 03 Recap Sheet
	\$	257,908	Fy 02	FY 02 Recap Sheet
	\$	323,213	Fy 01	FY 01 Recap Sheet
	\$	213,975	Fy 00	Fy 00 Recap Sheet
	\$	246,985	Fy 99	"At a Glance" report dated 2/2/99
	\$	278,496	Fy 98	"At a Glance" report dated 2/2/99
35	\$	525,000	projected new growth	
	\$	8.66	current year tax rate	
	\$	5,155,279,506	current value	
	\$	60,623,557	value new growth	
	\$	5,215,903,063	new value fy 08	
	\$	42,147,245	tax levy	
	\$	525,000	new growth	
	\$	3,147,975	exempted levy	
	\$	45,820,220	total levy	
	\$	8.78	tax rate fy 08	

**FIGURE FOUR - STATE AID AND CHARGES
FISCAL YEAR 2000 TO 2008
Based on House Bill One**

Exhibit 2

Line Item	Fiscal Year 2008 Projection - House One	Fiscal Year 2007 Actual	Fiscal Year 2006 Actual	Fiscal Year 2005 Actual	Fiscal Year 2004 Actual	Fiscal Year 2003 Actual	Fiscal Year 2002 Actual	Fiscal Year 2001 Actual	Fiscal Year 2000 Actual
REVENUE									
A. EDUCATION									
1. Chapter 70	\$17,940,922	\$15,898,949	\$13,800,607	\$11,948,701	\$10,287,704	\$8,745,774	\$7,590,859	\$6,394,912	\$5,616,512
2. School Transportation	\$0	\$0	\$0	\$0	\$0	\$247,393	\$250,825	\$342,826	\$322,292
3. School Construction (Removed in FY 2006)	\$0	\$0	\$0	\$3,702,732	\$3,697,772	\$496,000	\$496,000	\$496,000	\$598,150
5. Charter School Tuition Reimbursement	\$359,936	\$222,350	\$193,772	\$131,443	\$10,440	\$0	\$0	\$0	\$0
5. Tuition State Wards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$67,163	\$17,978
6. Charter School Capital Facility Reimbursement	\$0	\$0	\$34,870	\$28,196	\$0	\$0	\$0	\$0	\$0
8. School Lunch (Offset)	\$33,298	\$26,597	\$28,245	\$26,723	\$27,247	\$25,019	\$22,775	\$20,307	\$20,177
Sub-Total	\$18,334,156	\$16,147,896	\$14,057,494	\$15,837,795	\$14,023,163	\$9,514,186	\$8,360,459	\$7,321,208	\$6,575,109
B. GENERAL GOVERNMENT									
1. Lottery, Beano & Charity Games	\$3,168,140	\$3,107,117	\$2,493,603	\$2,110,492	\$2,110,492	\$2,250,774	\$2,482,932	\$2,324,233	\$2,123,910
2. Additional Assistance	\$298,861	\$298,861	\$298,861	\$298,861	\$298,861	\$318,726	\$376,077	\$376,077	\$376,077
3. Highway Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$51,858	\$207,431	\$207,431
6. Police Career Incentive	\$137,825	\$159,050	\$166,024	\$150,155	\$140,291	\$129,068	\$119,784	\$101,872	\$78,330
8. Veteran's Benefits	\$17,277	\$13,048	\$12,907	\$3,406	\$3,738	\$14,598	\$16,918	\$8,202	\$7,020
9. Exemptions	\$31,973	\$31,591	\$31,025	\$34,421	\$34,499	\$30,907	\$30,431	\$30,772	\$31,608
10. Exemptions (Elderly)	\$22,804	\$22,782	\$22,768	\$22,670	\$22,328	\$21,017	\$22,042	\$22,700	\$22,726
11. State Owned Land	\$120,634	\$107,973	\$156,870	\$123,183	\$78,725	\$98,335	\$148,013	\$163,750	\$135,760
12. Public Libraries	\$45,253	\$46,734	\$45,664	\$40,664	\$34,165	\$37,196	\$40,018	\$39,608	\$38,144
Sub-Total	\$3,842,767	\$3,787,156	\$3,227,722	\$2,783,852	\$2,723,099	\$2,900,621	\$3,288,073	\$3,274,645	\$3,021,006
Total State Aid	\$22,176,923	\$19,935,052	\$17,285,216	\$18,621,647	\$16,746,262	\$12,414,807	\$11,648,532	\$10,595,853	\$9,596,115
CHARGES									
County Tax	\$49,947	\$49,947	\$49,947	\$49,947	\$49,947	\$49,947	\$49,947	\$49,947	\$49,947
Mosquito Control	\$56,751	\$56,482	\$52,245	\$47,364	\$47,261	\$40,895	\$35,818	\$39,250	\$39,459
Mosquito Control (Underestimate)	\$0	\$0	\$0	\$0	\$0	\$3,659	\$0	\$0	\$0
Air Pollution Districts	\$9,220	\$9,076	\$8,834	\$8,484	\$8,187	\$7,860	\$7,368	\$7,104	\$6,838
RMV Non-Renewal Surcharge	\$19,380	\$20,240	\$16,700	\$13,500	\$16,400	\$17,880	\$17,340	\$21,360	\$25,980
WRTA Assessment	\$75,438	\$68,366	\$71,306	\$82,522	\$80,509	\$78,546	\$76,630	\$74,368	\$73,563
Special Education	\$0	\$0	\$0	\$9,648	\$5,501	\$7,010	\$7,010	\$9,529	\$18,155
MBTA	\$142,329	\$132,034	\$112,991	\$91,481	\$42,430	\$0	\$0	\$0	\$0
School Choice Tuition	\$81,202	\$99,364	\$104,140	\$78,761	\$45,890	\$0	\$0	\$0	\$0
Charter School Tuition	\$729,558	\$447,240	\$424,421	\$312,350	\$138,180	\$0	\$0	\$0	\$0
Sub-Total	\$1,163,825	\$882,749	\$840,584	\$694,057	\$434,305	\$205,797	\$194,113	\$201,558	\$213,942
Overestimate - Mosquito Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,666	\$482
Overestimate - Special Education	\$0	(\$157)	\$0	\$0	\$0	\$331	\$2,850	\$3,316	\$0
Overestimate - Regional Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	(\$157)	\$0	\$0	\$0	\$331	\$2,850	\$4,982	\$482
Total Net Charges	\$1,163,825	\$882,906	\$840,584	\$694,057	\$434,305	\$205,466	\$191,263	\$196,576	\$213,460
School Lunch Offset	\$33,298	\$26,597	\$28,245	\$26,723	\$27,247	\$25,019	\$22,775	\$20,307	\$20,177
Library Offset	\$45,253	\$46,734	\$45,664	\$40,664	\$34,165	\$37,196	\$40,018	\$39,608	\$38,144
Total Off-Sets	\$78,551	\$73,331	\$73,909	\$67,387	\$61,412	\$62,215	\$62,793	\$59,915	\$58,321
Line Item	Fiscal Year 2008 Projection	Fiscal Year 2007 Actual	Fiscal Year 2006 Actual	Fiscal Year 2005 Actual	Fiscal Year 2004 Actual	Fiscal Year 2003 Actual	Fiscal Year 2002 Actual	Fiscal Year 2001 Actual	Fiscal Year 2000 Actual
"Education" Local Aid	\$18,334,156	\$16,147,896	\$14,057,494	\$12,135,063	\$10,325,391	\$9,018,186	\$7,864,459	\$6,825,208	\$5,976,959
"General Government" Local Charges and Offsets	\$3,842,767	\$3,787,156	\$3,227,722	\$2,783,852	\$2,723,099	\$2,900,621	\$3,288,073	\$3,274,645	\$3,021,006
	\$1,242,376	\$956,237	\$914,493	\$761,444	\$495,717	\$267,681	\$254,056	\$256,491	\$271,781
Total	\$20,934,547	\$18,978,815	\$16,370,723	\$14,157,471	\$12,552,773	\$11,651,126	\$10,898,476	\$9,843,362	\$8,726,184

Indicates amount after "9C" reduction was made.

**FIGURE FOUR - STATE AID AND CHARGES
FISCAL YEAR 2000 TO 2008**

Line Item	Fiscal Year 2008 Projection - House One	Fiscal Year 2008 Projection - Morgado	Change	Fiscal Year 2007 Actual	Fiscal Year 2006 Actual	Fiscal Year 2005 Actual	Fiscal Year 2004 Actual
REVENUE							
A. EDUCATION							
1. Chapter 70	\$17,940,922	\$17,488,844	\$452,078	\$15,898,949	\$13,800,607	\$11,948,701	\$10,287,704
2. School Transportation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3. School Construction (Removed in FY 2006)	\$0	\$0	\$0	\$0	\$0	\$3,702,732	\$3,697,772
5. Charter School Tuition Reimbursement	\$359,936	\$222,350	\$137,586	\$222,350	\$193,772	\$131,443	\$10,440
5. Tuition State Wards	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Charter School Capital Facility Reimbursement	\$0	\$0	\$0	\$0	\$34,870	\$28,196	\$0
8. School Lunch (Offset)	\$33,298	\$28,000	\$5,298	\$26,597	\$28,245	\$26,723	\$27,247
Sub-Total	\$18,334,156	\$17,739,194	\$594,962	\$16,147,896	\$14,057,494	\$15,837,795	\$14,023,163
B. GENERAL GOVERNMENT							
1. Lottery, Beano & Charity Games	\$3,168,140	\$3,107,117	\$61,023	\$3,107,117	\$2,493,603	\$2,110,492	\$2,110,492
2. Additional Assistance	\$298,861	\$298,861	\$0	\$298,861	\$298,861	\$298,861	\$298,861
3. Highway Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Police Career Incentive	\$137,825	\$159,050	(\$21,225)	\$159,050	\$166,024	\$150,155	\$140,291
8. Veteran's Benefits	\$17,277	\$13,048	\$4,229	\$13,048	\$12,907	\$3,406	\$3,738
9. Exemptions	\$31,973	\$31,591	\$382	\$31,591	\$31,025	\$34,421	\$34,499
10. Exemptions (Elderly)	\$22,804	\$22,782	\$22	\$22,782	\$22,768	\$22,670	\$22,328
11. State Owned Land	\$120,634	\$107,973	\$12,661	\$107,973	\$156,870	\$123,183	\$78,725
12. Public Libraries	\$45,253	\$48,000	(\$2,747)	\$46,734	\$45,664	\$40,664	\$34,165
Sub-Total	\$3,842,767	\$3,788,422	\$54,345	\$3,787,156	\$3,227,722	\$2,783,852	\$2,723,099
Total State Aid	\$22,176,923	\$21,527,616	\$649,307	\$19,935,052	\$17,285,216	\$18,621,647	\$16,746,262
CHARGES							
County Tax	\$49,947	\$49,947	\$0	\$49,947	\$49,947	\$49,947	\$49,947
Mosquito Control	\$56,751	\$60,000	(\$3,249)	\$56,482	\$52,245	\$47,364	\$47,261
Mosquito Control (Underestimate)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Air Pollution Districts	\$9,220	\$9,076	\$144	\$9,076	\$8,834	\$8,484	\$8,187
RMV Non-Renewal Surcharge	\$19,380	\$20,240	(\$860)	\$20,240	\$16,700	\$13,500	\$16,400
WRTA Assessment	\$75,438	\$70,075	\$5,363	\$68,366	\$71,306	\$82,522	\$80,509
Special Education	\$0	\$0	\$0	\$0	\$0	\$9,648	\$5,501
MBTA	\$142,329	\$160,000	(\$17,671)	\$132,034	\$112,991	\$91,481	\$42,430
School Choice Tuition	\$81,202	\$99,364	(\$18,162)	\$99,364	\$104,140	\$78,761	\$45,890
Charter School Tuition	\$729,558	\$500,000	\$229,558	\$447,240	\$424,421	\$312,350	\$138,180
Sub-Total	\$1,163,825	\$968,702	\$195,123	\$882,749	\$840,584	\$694,057	\$434,305
Overestimate - Mosquito Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overestimate - Special Education	\$0	\$0	\$0	(\$157)	\$0	\$0	\$0
Overestimate - Regional Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	(\$157)	\$0	\$0	\$0
Total Net Charges	\$1,163,825	\$968,702	\$195,123	\$882,906	\$840,584	\$694,057	\$434,305
School Lunch Offset	\$33,298	\$28,000	\$5,298	\$26,597	\$28,245	\$26,723	\$27,247
Library Offset	\$45,253	\$48,000	(\$2,747)	\$46,734	\$45,664	\$40,664	\$34,165
Total Off-Sets	\$78,551	\$76,000	\$2,551	\$73,331	\$73,909	\$67,387	\$61,412
Line Item	Fiscal Year 2008 Projection	Fiscal Year 2008 Projection	Change	Fiscal Year 2007 Actual	Fiscal Year 2006 Actual	Fiscal Year 2005 Actual	Fiscal Year 2004 Actual
"Education" Local Aid	\$18,334,156	\$17,739,194	\$594,962	\$16,147,896	\$14,057,494	\$12,135,063	\$10,325,391
"General Government" Local Aid	\$3,842,767	\$3,788,422	\$54,345	\$3,787,156	\$3,227,722	\$2,783,852	\$2,723,099
Charges and Offsets	\$1,242,376	\$1,044,702	\$197,674	\$956,237	\$914,493	\$761,444	\$495,717
Total	\$20,934,547	\$20,482,914	\$451,633	\$18,978,815	\$16,370,723	\$14,157,471	\$12,552,773

**FIGURE EIGHT
TRIAL RECAPITULATION - FISCAL YEAR 2008
Based on Fiscal Projection Two**

Exhibit 3

REVENUE

TAXATION	\$	42,147,245
NEW GROWTH	\$	525,000
EXEMPTED TAX LEVY	\$	3,147,975
STATE AID	\$	22,176,923
SBAB PAYMENT	\$	3,792,413
OVERESTIMATES	\$	-
SCHEDULE A RECEIPTS	\$	11,400,000
FREE CASH	\$	2,000,000
OTHER AVAILABLE FUNDS		
Sale of Cemetery Lots	\$	18,000
Sewer Surplus	\$	2,871,715
Sewer Construction	\$	300,000
Light Revenue	\$	291,434
CATV Revenue	\$	469,370
Chapter 90	\$	-
Stabilization	\$	200,000
Improvement of Public ways	\$	-
Title V Loan Repayments	\$	15,128
Water Conservation Fund	\$	150,000
Existing Water Project Transfers	\$	-
Cemetery Trust Funds	\$	-
Special Funds - Coal Ash	\$	530,000
Sale of Property (52 Holden Street - Offset Debt Service)	\$	96,402
FREE CASH (REDUCE LEVY)	\$	500,000
MUNICIPAL LIGHT (REDUCE LEVY)	\$	189,358
CATV REVENUE (REDUCE LEVY)	\$	492,491
BOND INTEREST RESERVE	\$	500,000

Total Revenue \$ 91,813,454

\$ 45,820,220	Taxation
\$ 22,176,923	State Aid
\$ 11,400,000	Local Receipts
\$ 3,792,413	SBAB Payment
\$ 2,000,000	Free Cash
\$ 5,442,049	Other Funds
\$ 500,000	Free Cash (Levy)
\$ 189,358	Light (Levy)
\$ 492,491	CATV (Levy)
\$ 91,813,454	

CHARGES

ART

#

CHERRY SHEET OFFSETS	\$	78,551
CMRPC	\$	7,256
STATE AND COUNTY CHARGES	\$	1,163,825
OVERLAY	\$	500,000
PAY AND CLASSIFICATION PLAN	\$	275,000
MEDICAL EXPENSES POLICE AND FIRE	\$	2,500
FY 2007 DEFICITS	\$	200,000
OPERATING BUDGET	\$	88,470,724
CAPITAL BUDGET		
P Dispatch Radio Upgrade	\$	55,000
F Radio Tower Project	\$	13,000
P Replace Marked Cruiser	\$	28,000
P Replace Marked Cruiser	\$	28,000
PB Update System Wide Facility Study	\$	65,000
PB Power wash & Repoint Beal School	\$	76,000
P Replace Marked Cruiser	\$	28,000
F Replace Car #30 with SUV	\$	40,000
PB Replace 3/4 Ton Pickup/Utility	\$	18,000
P Modular Office Unit	\$	200,000
H Improvements to Public Ways	\$	150,000
PKS Replace Dean Park Softball Lights	\$	100,000
H Replace Street Sweeper	\$	141,000
PB Replace Paton School Floor Covering	\$	80,000
PKS Replace 1/2 Ton Pickup	\$	20,000
P Replace Unmarked Cruiser	\$	28,000
PB Replace Superintendent Vehicle	\$	18,000
P Replace Investigative Video Equipment	\$	10,000
P Additional Patrol Vehicle	\$	28,000

\$ 1,749,632	Charges
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\$5,900,696.96	General Government
\$7,230,630.43	Public Safety
\$2,538,769.00	Retirement
\$7,216,061.21	Public Works
\$2,331,724.76	Human Services
\$1,757,905.49	Culture & Recreation
\$43,733,949.00	School Department
\$8,677,615.00	Debt and Interest
\$9,083,372.00	Unclassified (Op Sprt)
\$ 88,470,724	

	Capital Budget
\$ 1,500,000	From Taxation
\$ -	From Stabilization
\$ 367,000	From Water Revenue
\$ 140,000	From Sewer Surplus
\$ 2,007,000	

**FIGURE EIGHT
TRIAL RECAPITULATION - FISCAL YEAR 2008
Based on Fiscal Projection Two**

ENG	Replace SUV	\$ 25,000
H	Replace 3/4 Ton Pickup	\$ 34,000
H	Replace Front End Loader	\$ 250,000
PKS	Dean Park Parking Lot Paving	\$ 65,000
F	Replace Fire Engine #3	\$ -
W	Replace 1 Ton Pickup/Utility	\$ 42,000
W	Inspection, Repair and Painting - Browning Road Tank	\$ 325,000
S	Replace 1 Ton Pickup/Utility	\$ 40,000
S	I & I Removal Project	\$ 100,000
CEMETERY IMPROVEMENTS		\$ 18,000
BILLS OF PRIOR YEAR		\$ 1,000
STORM DRAINS		\$ 250,000
CONSTRUCTION/EXTENSION OF SEWERS		\$ 300,000
WATER MAIN REPLACEMENT - HARTFORD TURNPIKE		\$ 500,000
GENERAL WATER IMPROVEMENTS		\$ 110,000
RETURN LANDFILL CAPPING GRANT		\$ 105,000
COUNSELING AND EDUCATIONAL SERVICES		\$ 72,000
CHAPTER 90 FUNDING		\$ -
ATM/STM RESERVE		\$ 100,000

Total Charges \$ 94,160,856

Surplus/(Deficit) \$ (2,347,402)

	Warrant	Articles
\$	1,310,500	From Taxation
\$	200,000	From Free Cash
\$	-	From Water Revenue
\$	300,000	From Sewer Construction
\$	123,000	From Other Funds
\$	1,933,500	

\$	1,749,632	Charges
\$	88,470,724	Budget
\$	2,007,000	Capital Budget
\$	1,933,500	Warrant Articles
\$	94,160,856	

COMPARISON OF TRIAL RECAPITULATION - FISCAL YEAR 2008
Based on Fiscal Projection Two

	Projection #1	Projection #2	Change	Comment
REVENUE				
TAXATION	\$42,147,245	\$42,147,245	\$0	
NEW GROWTH	\$567,230	\$525,000	(\$42,230)	Reduction due to revised estimate
EXEMPTED TAX LEVY	\$2,897,975	\$3,147,975	\$250,000	Increase due to reduction in Bond Interest Reserve
STATE AID	\$21,527,616	\$22,176,923	\$649,307	Increase due to House Bill #1
SBAB PAYMENT	\$3,792,413	\$3,792,413	\$0	
OVERESTIMATES	\$0	\$0	\$0	
SCHEDULE A RECEIPTS	\$11,400,000	\$11,400,000	\$0	
FREE CASH	\$3,000,000	\$2,000,000	(\$1,000,000)	Reduction in response to Finance Committee concern over heavy use of reserves
OTHER AVAILABLE FUNDS				
Sale of Cemetery Lots	\$18,000	\$18,000	\$0	
Sewer Surplus	\$2,871,715	\$2,871,715	\$0	
Sewer Construction	\$300,000	\$300,000	\$0	
Light Revenue	\$291,434	\$291,434	\$0	
CATV Revenue	\$469,370	\$469,370	\$0	
Chapter 90	\$0	\$0	\$0	
Stabilization	\$350,000	\$200,000	(\$150,000)	Replacement of Fire Engine 3 is deferred. Funding is used for police station modular unit
Improvement of Public ways	\$0	\$0	\$0	
Title V Loan Repayments	\$15,128	\$15,128	\$0	
Water Conservation Fund	\$150,000	\$150,000	\$0	
Existing Water Project Transfers	\$0	\$0	\$0	
Cemetery Trust Funds	\$0	\$0	\$0	
Special Funds - Coal Ash	\$530,000	\$530,000	\$0	
Sale of Property (52 Holden Street - Offset Debt Service)	\$96,402	\$96,402	\$0	
FREE CASH (REDUCE LEVY)	\$500,000	\$500,000	\$0	
MUNICIPAL LIGHT (REDUCE LEVY)	\$189,358	\$189,358	\$0	
CATV REVENUE (REDUCE LEVY)	\$492,491	\$492,491	\$0	
BOND INTEREST RESERVE	\$750,000	\$500,000	(\$250,000)	Reduction due to use of reserve over (3) years rather than (2)
CHARGES				
ART #				
	\$92,356,377	\$91,813,454	(\$542,923)	
CHERRY SHEET OFFSETS	\$76,000	\$78,551	\$2,551	Increase due to House Bill #1
CMRPC	\$7,256	\$7,256	\$0	
STATE AND COUNTY CHARGES	\$968,702	\$1,163,825	\$195,123	Increase due to House Bill #1
OVERLAY	\$500,000	\$500,000	\$0	
PAY AND CLASSIFICATION PLAN	\$275,000	\$275,000	\$0	
MEDICAL EXPENSES POLICE AND FIRE	\$2,500	\$2,500	\$0	
FY 2007 DEFICITS	\$200,000	\$200,000	\$0	
OPERATING BUDGET	\$89,984,948	\$88,470,724	(\$1,514,224)	Reduction due to revised Unclassified & School Department Budgets

Exhibit 4

COMPARISON OF TRIAL RECAPITULATION - FISCAL YEAR 2008
Based on Fiscal Projection Two

	Projection #1	Projection #2	Change	Comment
CAPITAL BUDGET				
P	\$55,000	\$55,000	\$0	
F	\$13,000	\$13,000	\$0	
P	\$28,000	\$28,000	\$0	
P	\$28,000	\$28,000	\$0	
PB	\$65,000	\$65,000	\$0	
PB	\$76,000	\$76,000	\$0	
P	\$28,000	\$28,000	\$0	
F	\$40,000	\$40,000	\$0	
PB	\$18,000	\$18,000	\$0	
P	\$200,000	\$200,000	\$0	Now funded via stabilization
H	\$150,000	\$150,000	\$0	
PKS	\$100,000	\$100,000	\$0	
H	\$141,000	\$141,000	\$0	
PB	\$80,000	\$80,000	\$0	
PKS	\$20,000	\$20,000	\$0	
P	\$28,000	\$28,000	\$0	
PB	\$18,000	\$18,000	\$0	
P	\$10,000	\$10,000	\$0	
P	\$28,000	\$28,000	\$0	
ENG	\$25,000	\$25,000	\$0	
H	\$34,000	\$34,000	\$0	
H	\$250,000	\$250,000	\$0	
PKS	\$65,000	\$65,000	\$0	
F	\$350,000	\$0	(\$350,000)	Defer for one year while Chief seeks grant opportunities
W	\$42,000	\$42,000	\$0	
W	\$325,000	\$325,000	\$0	
S	\$40,000	\$40,000	\$0	
S	\$100,000	\$100,000	\$0	
CEMETERY IMPROVEMENTS	\$18,000	\$18,000	\$0	
BILLS OF PRIOR YEAR	\$1,000	\$1,000	\$0	
STORM DRAINS	\$250,000	\$250,000	\$0	
CONSTRUCTION/EXTENSION OF SEWERS	\$300,000	\$300,000	\$0	
WATER MAIN REPLACEMENT - HARTFORD TURNPIKE	\$500,000	\$500,000	\$0	
GENERAL WATER IMPROVEMENTS	\$110,000	\$110,000	\$0	
RETURN LANDFILL CAPPING GRANT	\$105,000	\$105,000	\$0	
COUNSELING AND EDUCATIONAL SERVICES	\$72,000	\$72,000	\$0	
CHAPTER 90 FUNDING	\$0	\$0	\$0	
ATM/STM RESERVE	\$100,000	\$100,000	\$0	
Total Charges	\$95,827,406	\$94,160,856	(\$1,666,550)	
Surplus/(Deficit)	(\$3,471,029)	(\$2,347,402)	\$1,123,627	

Level 1, Level 2 and Level 3 Reductions
Fiscal Year 2008 Operating Budget

Additional Reductions

Department	Account	Reductions Made in Current Estimate	Level 1	Level 2	Level 3	Total Reductions Levels 1, 2 & 3	Comment
Town Manager	S&W - 03			\$60,037		\$60,037	Eliminate new PAT 18 position
	S&W - 02				\$18,252	\$18,252	Reduce to (20) hours PAT 10 position
	Equipment - 08 Expense - 04-05-06			\$5,000	\$500	\$5,500	Eliminate new equipment General reduction
	Total	\$0	\$0	\$65,037	\$18,752	\$83,789	
Accounting	Expense - 04-05-06			\$1,000		\$1,000	General reduction
	Total	\$0	\$0	\$1,000	\$0	\$1,000	
Brd of Assessors	Expense - 04-05-06			\$1,000		\$1,000	General reduction
	Total	\$0	\$0	\$1,000	\$0	\$1,000	
Collector-Treasurer	S&W - 02 Expense - 04-05-06			\$1,000	\$16,397	\$17,397	Reduce to (20) hours (1) PAT 8 position General reduction
	Total	\$0	\$0	\$1,000	\$16,397	\$17,397	
MIS	Equipment - 08 Expense - 04-05-06			\$25,000	\$10,000	\$35,000	Reduce new equipment to \$20,000 General reduction
	Total	\$0	\$0	\$25,000	\$10,000	\$35,000	
Town Clerk	Equipment - 08 Expense - 04-05-06			\$2,500	\$500	\$3,000	Reduce new equipment General reduction
	Total	\$0	\$0	\$2,500	\$500	\$3,000	
Conservation Comm	Expense - 04-05-06			\$3,000		\$3,000	General reduction
	Total	\$0	\$0	\$3,000	\$0	\$3,000	
Public Buildings	S&W - 03 S&W - 03 Expense - 04-05-06 Building Repairs - 09		\$6,144	\$44,464 \$6,144 \$50,000 \$75,000	\$43,980	\$88,444 \$12,288 \$100,000 \$150,000	Reduce HVAC (level #2) & 2nd Electrician (level #3) positions Reduce summer help by 50% at each level for total of (4) positions General reduction General reduction
	Total	\$0	\$6,144	\$175,608	\$168,980	\$350,732	
Police Now 2 Lts; 6 Sgts & 35 Plts; 33 Ptl's in FY 06	S&W - 02 S&W - 03 S&W - 03			\$30,133 \$89,777		\$30,133 \$89,777	Reduce vacant PAT 8 position Reduce (2) new PTL's positions
	Total	\$0	\$2,944	\$2,944		\$2,944	Reduce Holiday Pay for (2) Ptl's positions

Exhibit 5

Level 1, Level 2 and Level 3 Reductions
Fiscal Year 2008 Operating Budget

Additional Reductions

Department	Account	Reductions Made in Current Estimate				Total Reductions Levels 1, 2 & 3	Comment
		Level 1	Level 2	Level 3	Total		
	S&W - 03			\$63,222	\$63,222	Reduce (1) new Sgt position	
	S&W - 03			\$2,072	\$2,072	Reduce Holiday Pay for (1) Sgt position	
	S&W - 03			\$74,707	\$74,707	Reduce (1) new Lt position	
	S&W - 03			\$2,417	\$2,417	Reduce Holiday Pay for (1) Lt position	
	Expense - 04-05-06		\$10,000		\$20,000	General reduction	
	Total	\$0	\$132,854	\$152,418	\$285,272		
Fire	S&W - 03			\$46,485	\$46,485	Reduce (1) FF position and run (1) group at 32 restoring old backfill rule	
Now 4 Caps & 32 FFs	S&W - 03			\$2,198	\$2,198	Reduce (1) Holiday Pay	
	S&W - 03			\$1,300	\$1,300	Reduce (1) Training Stipend	
	Expense - 04-05-06		\$7,500		\$15,000	General reduction	
	Total	\$0	\$7,500	\$57,483	\$64,983		
Forestry	Expense - 04-05-06		\$15,000		\$30,000	General reduction	
	Total	\$0	\$15,000	\$15,000	\$30,000		
Engineering	S&W - 03			\$57,531	\$57,531	Reduce (1) F-T Engineer	
	Expense - 04-05-06		\$1,500		\$3,000	General reduction	
	Total	\$0	\$1,500	\$59,031	\$60,531		
Highway	S&W - 03	\$5,140	\$5,140		\$10,280	Reduce summer help by 50% at each level for total of (2) positions	
	S&W - 03			\$10,280	\$10,280	Reduce W-5 HEO seasonal position (Parks)	
	S&W - 03		\$38,712		\$77,424	Reduce at each level (1) HEO position	
	Expense - 04-05-06	\$80,000	\$80,000		\$240,000	General reduction	
	Equipment - 08		\$7,500		\$39,500	General reduction	
	Total	\$85,140	\$131,352	\$160,992	\$377,484		
Brd of Health	Expense - 04-05-06	\$25,000	\$50,000		\$75,000	General reduction	
	Total	\$0	\$50,000	\$0	\$75,000		
Council on Aging	S&W - 01-02-03		\$10,000		\$20,000	General reduction via reduced hours/shift to formula grant	
	Total	\$0	\$10,000	\$10,000	\$20,000		
Library	S&W - 01-02-03	\$10,000	\$30,000		\$80,000	General reduction via reduced hours/Elimination of positions	
	Expense - 04-05-06	\$10,000	\$10,000		\$30,000	General reduction	
	Total	\$20,000	\$40,000	\$50,000	\$110,000		

Level 1, Level 2 and Level 3 Reductions
Fiscal Year 2008 Operating Budget

Additional Reductions

Department	Account	Reductions Made in Current Estimate	Level 1	Level 2	Level 3	Total Reductions Levels 1, 2 & 3	Comment	
Parks & Recreation	S&W - 03				\$27,330	\$27,330	Reduce W-4 Maint Crftmm seasonal position	
	Expense - 04-05-06		\$1,000	\$2,000	\$2,000	\$5,000	General reduction	
	Equipment - 08			\$2,500	\$3,500	\$6,000	General reduction	
	Special Appro - 09		\$20,000	\$20,000	\$20,000	\$60,000		
	Total	\$0	\$21,000	\$24,500	\$52,830	\$98,330		
School Department	Combined 01-09	\$709,471	\$350,000	\$350,000	\$350,000	\$1,050,000		
	Total	\$43,733,949	\$43,363,949	\$43,033,949	\$42,683,949	\$42,683,949	6.2%	
Operating Support	Health Insurance	\$510,000	\$50,000	\$120,000	\$110,000	\$280,000	Level 1 reduction is based on renewal; Levels 2-4 is \$10,000 per position	
	Medicare	\$25,000	\$5,000	\$8,000	\$8,000	\$21,000	Level 1 to reflect need; Levels 2 - 4 based on reductions	
	Unemployment	\$200,000			(\$100,000)	(\$100,000)	With layoffs account must increase	
	Ambulance	\$38,000					Reflects anticipated renewal value	
	Oil & Fuel	\$20,000					Reflects current projection but subject to change	
	Print Postage Stationary	(\$8,247)					Add new copier for Town Hall	
	General Insurance	\$30,000					Reduce to revised estimate	
	WAREP			\$4,000		\$4,000	Reduce to level fund	
		Total	\$814,753	\$55,000	\$128,000	\$22,000	\$205,000	

Level 1, Level 2 and Level 3 Reductions
Fiscal Year 2008 Operating Budget

Additional Reductions

Department	Account	Reductions Made in Current Estimate	Level 1	Level 2	Level 3	Total Reductions Levels 1, 2 & 3	Comment
	Town Manager	\$0	\$0	\$65,037	\$18,752	\$83,789	
	Accounting	\$0	\$0	\$1,000	\$0	\$1,000	
	Brd of Assessors	\$0	\$0	\$1,000	\$0	\$1,000	
	Collector-Treasurer	\$0	\$0	\$1,000	\$16,397	\$17,397	
	MIS	\$0	\$0	\$25,000	\$10,000	\$35,000	
	Town Clerk	\$0	\$0	\$2,500	\$500	\$3,000	
	Conservation Comm	\$0	\$0	\$3,000	\$0	\$3,000	
	Public Buildings	\$0	\$6,144	\$175,608	\$168,980	\$350,732	
	Police	\$0	\$0	\$132,854	\$152,418	\$285,272	
	Fire	\$0	\$0	\$7,500	\$57,483	\$64,983	
	Forestry	\$0	\$0	\$15,000	\$15,000	\$30,000	
	Engineering	\$0	\$0	\$1,500	\$59,031	\$60,531	
	Highway	\$0	\$85,140	\$131,352	\$160,992	\$377,484	
	Brd of Health	\$0	\$25,000	\$50,000	\$0	\$75,000	
	Council on Aging	\$0	\$0	\$10,000	\$10,000	\$20,000	
	Library	\$0	\$20,000	\$40,000	\$50,000	\$110,000	
	Parks & Recreation	\$0	\$21,000	\$24,500	\$52,830	\$98,330	
	School Department	\$709,471	\$350,000	\$350,000	\$350,000	\$1,050,000	
	Operating Support	\$814,753	\$55,000	\$128,000	\$22,000	\$205,000	
	Total	\$1,524,224	\$562,284	\$1,164,851	\$1,144,383	\$2,871,518	
	Cumulative		\$562,284	\$1,727,135	\$2,871,518		

**Level 1, Level 2 and Level 3 Reductions
in
Warrant Articles and Charges
Fiscal Year 2008**

Exhibit 6

	Original	Current Estimate	Level 1	Level 2	Level 3
CHERRY SHEET OFFSETS	\$76,000	\$78,551	\$78,551	\$78,551	\$78,551
CMRPC	\$7,256	\$7,256	\$7,256	\$7,256	\$7,256
STATE AND COUNTY CHARGES OVERLAY	\$968,702	\$1,163,825	\$1,163,825	\$1,163,825	\$1,163,825
PAY AND CLASSIFICATION PLAN	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
MEDICAL EXPENSES POLICE AND FIRE	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
FY 2007 DEFICITS	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
CAPITAL BUDGET	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
P Dispatch Radio Upgrade	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000
F Radio Tower Project	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
P Replace Marked Cruiser	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
P Replace Marked Cruiser	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
PB Update System Wide Facility Study	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
PB Power wash & Repoint Beal School	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000
P Replace Marked Cruiser	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
F Replace Car #30 with SUV	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
PB Replace 3/4 Ton Pickup/Utility	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
P Modular Office Unit	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
H Improvements to Public Ways	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
PKS Replace Dean Park Softball Lights	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
H Replace Street Sweeper	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000
PB Replace Paton School Floor Covering	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
PKS Replace 1/2 Ton Pickup	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
P Replace Unmarked Cruiser	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
PB Replace Superintendent Vehicle	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
P Replace Investigative Video Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
P Additional Patrol Vehicle	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
ENG Replace SUV	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
H Replace 3/4 Ton Pickup	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000
H Replace Front End Loader	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
PKS Dean Park Parking Lot Paving	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
F Replace Fire Engine #3	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
W Replace 1 Ton Pickup/Utility	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
W Inspection. Repair and Painting - Browning Road Tank	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000
S Replace 1 Ton Pickup/Utility	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
S I & I Removal Project	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
CEMETERY IMPROVEMENTS	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
BILLS OF PRIOR YEAR	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
STORM DRAINS	\$250,000	\$250,000	\$200,000	\$150,000	\$100,000
SIDEWALKS	\$300,000	\$300,000	\$25,000	\$25,000	\$25,000
CONSTRUCTION/EXTENSION OF SEWERS	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
WATER MAIN REPLACEMENT - HARTFORD TURNPIKE	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
WATER MAIN REPLACEMENT - GRAFTON STREET	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
GENERAL WATER IMPROVEMENTS	\$110,000	\$110,000	\$10,000	\$10,000	\$10,000
RETURN LANDFILL CAPPING GRANT	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
COUNSELING AND EDUCATIONAL SERVICES	\$72,000	\$72,000	\$72,000	\$36,000	\$36,000
ATM/STM RESERVE	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total Charges	\$5,842,458	\$5,690,132	\$5,204,132	\$5,080,132	\$4,853,132
			Reduction	(\$486,000)	(\$124,000)
			Cumulative	(\$486,000)	(\$837,000)

**Budget Summary
Fiscal Year 2008**

Exhibit 7

	Fiscal Year 2007 Budget	Fiscal Year 2008 Department Request	Town Manager Fiscal Year 2008 Current Recommendation	TM Increase Over FY 2007	Percent
PERSONNEL BOARD	\$400,600	\$100	\$100	(\$400,500)	-99.98%
SELECTMEN	\$22,113	\$22,463	\$22,463	\$350	1.58%
TOWN MANAGER	\$288,167	\$358,866	\$358,866	\$70,699	24.53%
FINANCE COMMITTEE	\$281,325	\$281,345	\$281,345	\$20	0.01%
ACCOUNTANT	\$178,539	\$185,601	\$185,601	\$7,062	3.96%
ASSESSORS	\$224,569	\$208,037	\$208,037	(\$16,532)	-7.36%
TREASURER-COLLECTOR	\$352,217	\$368,393	\$363,393	\$11,176	3.17%
TOWN COUNSEL	\$56,400	\$56,400	\$56,400	\$0	0.00%
MIS	\$383,697	\$447,037	\$440,037	\$56,340	14.68%
TOWN CLERK	\$152,807	\$168,068	\$168,068	\$15,261	9.99%
ELECTION AND REGISTRATION	\$107,354	\$82,324	\$82,324	(\$25,030)	-23.32%
CONSERVATION COMMISSION	\$6,450	\$12,550	\$9,550	\$3,100	48.06%
PLANNING BOARD	\$3,300	\$3,300	\$3,300	\$0	0.00%
BOARD OF APPEALS	\$670	\$670	\$670	\$0	0.00%
PUBLIC BUILDINGS	\$3,485,497	\$3,774,595	\$3,738,595	\$253,098	7.26%
POLICE DEPARTMENT	\$3,919,901	\$4,306,396	\$4,304,404	\$384,503	9.81%
FIRE DEPARTMENT	\$2,523,718	\$2,666,156	\$2,629,615	\$105,897	4.20%
BUILDING INSPECTOR	\$193,026	\$214,087	\$214,087	\$21,061	10.91%
WEIGHTS & MEASURES	\$3,000	\$3,000	\$3,000	\$0	0.00%
CIVIL DEFENSE	\$2,080	\$2,080	\$2,160	\$80	3.85%
FORESTRY	\$47,265	\$77,365	\$77,365	\$30,100	63.68%
PENSIONS	\$1,931,719	\$2,538,769	\$2,538,769	\$607,050	31.43%
TOWN ENGINEER	\$470,472	\$549,171	\$488,476	\$18,004	3.83%
HIGHWAYS	\$1,449,001	\$1,794,188	\$1,794,188	\$345,187	23.82%
STREET LIGHTING	\$143,404	\$154,444	\$154,444	\$11,040	7.70%
SEWER	\$2,514,539	\$2,771,715	\$2,731,715	\$217,176	8.64%
WATER	\$1,698,595	\$1,918,402	\$1,926,402	\$227,807	13.41%
CEMETERIES	\$116,731	\$121,286	\$120,836	\$4,105	3.52%
HEALTH	\$1,779,366	\$2,038,730	\$2,038,730	\$259,364	14.58%
COUNCIL ON AGING	\$239,143	\$265,221	\$254,354	\$15,211	6.36%
VETERAN'S SERVICES	\$35,817	\$35,817	\$38,140	\$2,323	6.49%
COMMISSION ON DISABILITIES	\$500	\$500	\$500	\$0	0.00%
LIBRARY	\$1,104,533	\$1,247,400	\$1,220,365	\$115,832	10.49%
PARKS AND RECREATION	\$443,009	\$528,720	\$537,540	\$94,531	21.34%
SCHOOLS	\$40,187,737	\$43,733,949	\$43,733,949	\$3,546,212	8.82%
INTEREST AND MATURING DEBT	\$9,510,083	\$8,677,615	\$8,677,615	(\$832,468)	-8.75%
Unemployment Compensation Insurance	\$300,000	\$300,000	\$100,000	(\$200,000)	-66.67%
Group Health and Life Insurance	\$6,075,000	\$7,600,000	\$7,090,000	\$1,015,000	16.71%
Medicare	\$645,000	\$645,000	\$620,000	(\$25,000)	-3.88%
Printing/Postage/Stationary	\$109,570	\$111,753	\$120,000	\$10,430	9.52%
Gasoline and Oil	\$285,000	\$380,000	\$360,000	\$75,000	26.32%
Radio Maintenance	\$10,425	\$10,425	\$10,425	\$0	0.00%
WAREP Payment	\$1,000	\$5,000	\$5,000	\$4,000	400.00%
Memorial Day	\$1,800	\$3,195	\$3,195	\$1,395	77.50%
General Insurance	\$632,500	\$700,000	\$680,000	\$47,500	7.51%
Non-Contributory Pensions	\$3,752	\$3,752	\$3,752	\$0	0.00%
Out of State Travel	\$0	\$0	\$0	\$0	
Employee Assistance Program	\$4,000	\$4,000	\$4,000	\$0	0.00%
Telephone System	\$5,000	\$5,000	\$5,000	\$0	0.00%
Bills of Prior Year	\$0	\$0	\$0	\$0	#DIV/0!
Ambulance Services	\$70,422	\$120,000	\$82,000	\$11,578	16.44%

**Budget Summary
Fiscal Year 2008**

	Fiscal Year 2007 Budget	Fiscal Year 2008 Department Request	Town Manager Fiscal Year 2008 Current Recommendation	TM Increase Over FY 2007	Percent
UNCLASSIFIED	\$8,143,469	\$9,888,125	\$9,083,372	\$939,903	11.54%
	<u>\$82,400,813</u>	<u>\$89,502,884</u>	<u>\$88,488,775</u>	<u>\$6,087,962</u>	<u>7.39%</u>
General Government	\$18,611,888	\$20,228,683	\$20,021,573	\$1,409,685	7.57%
Water & Sewer	\$4,213,134	\$4,690,117	\$4,658,117	\$444,983	10.56%
Education	\$40,187,737	\$43,733,949	\$43,733,949	\$3,546,212	8.82%
Fixed Costs	\$19,388,054	\$20,850,136	\$20,075,136	\$687,082	3.54%
	\$82,400,813	\$89,502,884	\$88,488,775	\$6,087,962	7.39%
Budget Less Education	\$42,213,076	\$45,768,935	\$44,754,826	\$2,541,750	6.02%

Tax Rate and Tax Bill Impacts
Various Override Scenarios
February 2007

Exhibit 8

Override Amount	Tax Rate Impact*	Impact on Median Single Family Home**	Impact on Average Single Family Home***
\$500,000	\$0.10	\$36.02	\$40.30
\$750,000	\$0.15	\$54.03	\$60.45
\$1,000,000	\$0.19	\$72.04	\$80.60
\$1,250,000	\$0.24	\$90.05	\$100.75
\$1,500,000	\$0.29	\$108.06	\$120.90
\$1,750,000	\$0.34	\$126.07	\$141.05
\$2,000,000	\$0.39	\$144.09	\$161.19
\$2,250,000	\$0.44	\$162.10	\$181.34
\$2,500,000	\$0.48	\$180.11	\$201.49
\$2,750,000	\$0.53	\$198.12	\$221.64
\$3,000,000	\$0.58	\$216.13	\$241.79
\$3,250,000	\$0.63	\$234.14	\$261.94
\$3,500,000	\$0.68	\$252.15	\$282.09
\$3,750,000	\$0.73	\$270.16	\$302.24
\$4,000,000	\$0.78	\$288.17	\$322.39
\$4,250,000	\$0.82	\$306.18	\$342.54
\$4,500,000	\$0.87	\$324.19	\$362.69
\$4,750,000	\$0.92	\$342.20	\$382.84
\$5,000,000	\$0.97	\$360.21	\$402.99
\$5,250,000	\$1.02	\$378.22	\$423.14
\$5,500,000	\$1.07	\$396.23	\$443.28
\$5,750,000	\$1.12	\$414.25	\$463.43
\$6,000,000	\$1.16	\$432.26	\$483.58
\$6,250,000	\$1.21	\$450.27	\$503.73
\$6,500,000	\$1.26	\$468.28	\$523.88
\$6,750,000	\$1.31	\$486.29	\$544.03
\$7,000,000	\$1.36	\$504.30	\$564.18

* FY 2007 valuation is \$5,155,279,506

** FY 2007 median single family home valued at \$371,400

*** FY 2007 average single family home valued at \$415,501