



Town of Shrewsbury, Massachusetts

Board of Selectmen
Financial Workshop
December 6, 2011



FY	Levy Limit without Debt & Capital Exclusions	Maximum Levy Limit	Total Tax Levy	Excess Capacity	Excess as a % of Maximum Levy	Tax Levy Ceiling	Assessed Value	Tax Levy as % of Assessed Value
2012	\$49,274,592	\$53,018,884	\$53,008,985	\$9,899	0.02%	\$119,282,145	\$4,771,285,789	1.11%
2011	\$47,484,083	\$50,108,533	\$50,078,448	\$30,085	0.06%	\$117,334,696	\$4,693,387,850	1.06%*
2010	\$45,822,874	\$49,185,892	\$49,102,728	\$83,164	0.17%	\$119,065,779	\$4,762,631,162	1.03%
2009	\$44,300,270	\$48,092,949	\$48,045,025	\$33,287	0.07%	\$124,126,806	\$4,965,072,250	0.97%
2008	\$42,708,480	\$45,896,770	\$45,864,506	\$32,264	0.07%	\$125,449,961	\$5,017,998,457	0.91%
2007	\$41,119,263	\$44,686,206	\$44,644,721	\$41,485	0.09%	\$128,881,988	\$5,155,279,506	0.87%
2006	\$39,143,375	\$43,235,918	\$43,214,514	\$21,404	0.05%	\$116,922,387	\$4,676,895,485	0.92%
2005	\$37,653,331	\$41,425,381	\$41,399,263	\$26,118	0.06%	\$106,260,943	\$4,250,437,722	0.97%
2004	\$36,196,865	\$40,381,102	\$39,549,134	\$831,968	2.06%	\$99,670,197	\$3,986,807,862	0.99%
2003	\$34,764,572	\$39,797,377	\$37,027,303	\$2,770,074	6.96%	\$87,328,544	\$3,493,141,773	1.06%

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FY	Residential	Open Space	Commercial	Industrial	Personal Property	Total	Res/OS as % of Total	CIP as % of Total***
2012	\$46,033,056	\$0	\$4,454,080	\$1,775,271	\$746,579	\$53,008,985	86.84	13.16
2011	\$43,876,132	\$0	\$3,766,050	\$1,653,090	\$783,177	\$50,078,448	87.62	12.38
2010	\$43,134,738	\$0	\$3,642,583	\$1,622,709	\$702,698	\$49,102,727	87.85	12.15
2009	\$42,274,362	\$27,940	\$3,578,347	\$1,651,273	\$529,977	\$48,061,899	88.02	11.98
2008	\$40,508,943	\$27,512	\$3,324,985	\$1,577,782	\$425,283	\$45,864,506	88.38	11.62
2007	\$39,398,448	\$27,101	\$3,171,601	\$1,687,643	\$359,927	\$44,644,720	88.31	11.69
2006	\$38,039,674	\$24,760	\$3,101,144	\$1,688,763	\$360,174	\$43,214,515	88.08	11.92
2005	\$36,287,392	\$31,000	\$3,116,629	\$1,601,200	\$363,043	\$41,399,264	87.73	12.27
2004	\$34,417,527	\$28,748	\$3,093,957	\$1,624,559	\$384,343	\$39,549,134	87.10	12.90
2003	\$31,669,588	\$23,373	\$3,155,765	\$1,584,456	\$594,120	\$37,027,302	85.59	14.41

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Fiscal Year	New Growth
2012	\$603,407
2011	\$515,637
2010	\$414,006
2009	\$524,078
2008	\$561,235
2007	\$997,304
2006	\$548,711
2005	\$551,544
2004	\$563,179
2003	\$804,735

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Fiscal Year	Number of Students (FTE)	Net Cost of Charter School Tuition	Number of Students (FTE)	Cost of School Choice Program
2012	148(est)	\$1,147,383	20.0(est)	\$117,984
2011	144.10	\$872,769	19.5	\$107,984
2010	127.16	\$692,945	21.2	\$113,286
2009	110.15	\$510,991	18.5	\$106,835
2008	86.00	\$344,886	13.7	\$78,480
2007	61.23	\$224,890	10.0	\$61,861
2006	38.30	\$204,783	16.5	\$88,162
2005	25.48	\$168,898	17.1	\$104,140
2004	20.00	\$160,161	16.5	\$78,761
2003	23.50	\$170,601	10.7	\$46,558

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Fiscal Year	Net State Aid
2011*	\$21,542,922
2011*	\$19,753,425
2010*	\$20,065,744
2009	\$21,438,820
2008	\$20,461,664
2007	\$18,978,815
2006	\$16,370,723
2005	\$14,157,471
2004	\$12,552,773
	* Not shown are ARRA funds

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Fiscal Year	Amount Expended	Change
2011	\$6,787,930	-2.64%
2010	\$6,972,309	10.99%
2009	\$6,282,138	-6.72%
2008	\$6,734,763	18.48%
2007	\$5,684,151	5.72%
2006	\$5,376,598	-2.77%
2005	\$5,529,698	23.35%
2004	\$4,483,109	16.84%
2003	\$3,836,906	28.28%

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Fiscal Year	Amount	Percent Increase	Notes
2011	\$686,791	6.0%	No transfer required (\$720,000 aprtn)
2010	\$648,207	0.4%	No transfer required (\$650,000 aprtn)
2009	\$645,367	6.1%	No transfer required (\$655,000 aprtn)
2008	\$608,243	11.6%	No transfer required (\$610,000 aprtn)
2007	\$545,000	1.97%	No transfer required (\$645,000 aprtn)
2006	\$534,477	4.26%	No transfer required (\$575,000 aprtn)
2005	\$512,640	12.89%	Transfer of \$7,360 was required
2004	\$454,086	11.46%	No transfer required (\$480,000 aprtn)
2003	\$407,410	12.15%	No transfer required (\$453,000 aprtn)

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Fiscal Year	Total Income
2011	\$732,478
2010	\$929,436
2009	\$1,179,559
2008	\$1,780,717
2007	\$1,621,437
2006	\$1,126,738
2005	\$932,675
2004	\$1,229,492
2003	\$1,561,045

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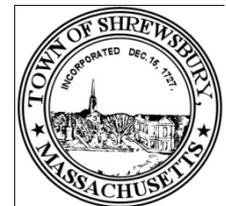




Date	Funded Ratio	Unfunded Accrued Liability	Appropriation
January 1, 2010	70.8%	\$26,592,340	\$3,201,207
January 1, 2008	77.0%	\$19,591,281	\$2,629,497
January 1, 2006	71.3%	\$21,831,496	\$2,538,769
January 1, 2004	77.9%	\$14,419,434	\$1,879,499
January 1, 2002	78.9%	\$12,533,566	\$1,240,656
January 1, 2000	97.1%	\$1,414,990	\$1,559,742
January 1, 1999	83.9%	\$7,517,187	\$1,541,285

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Strategic Review Fiscal Condition

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Strengths

- Low tax/high across the board service community (54th in FY 2011 in tax levy/assessed valuation).
- Municipal and operating support cost structures are under management and in some instances well under control.
- Strong management stance taken on pension and OPEB liabilities.
- Low debt obligation and high access to debt markets.

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Strengths

- Board has adopted aggressive fiscal policies focusing on maintenance of a strong conservative fiscal condition.
- The excellent with limited exceptions labor/management environment.
- The stable and welcoming environment of the external Community and internal labor/management dynamic towards innovation and experimentation.

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Strengths

- Improved CIP ratio.
- Stabilized/improved property values in residential, multi-family and commercial sectors.
- Uptick in new growth above mutli-year low of FY 2009.
- Reserves continue to grow modestly.

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Weaknesses

- The continuing negative affect of the economy on a large number of residents and businesses.
- Rate of new growth especially in the area of CIP.
- The number of Charter School students (148 but possible moderating trend?).

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Weaknesses

- Reliance on State Aid (23.8% of the revenue stream).
- Unfunded pension and OBEB obligations.
- The depleted nature of the various municipal departments.

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Weaknesses

- The backlog of capital improvements among the various departments and an obsolete facilities plan.
- The inability to control what the Commonwealth of Massachusetts and/or Federal governments will do to us next.

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Opportunities

- The fiscal challenges being presented as a catalyst to press continuing innovation and experimentation.
- To chance to capitalize on the Town's continuing reputation as a low tax/high across the board service community as a place to live, work and/or locate a business enterprise.
- The chance to take advantage of the new health insurance "reform" law.
- The ability to build upon the Town's strong track record/reputation in the area of regionalism.

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Threats

- The loss of Federal funding for education.
- A reduction of overall State Aid but particularly circuit breaker and charter school funding.
- The Great and General Court deciding that now that some think that there is some light at the end of the tunnel, let's begin new mandates, new programs, new enhancements, etc.

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Threats

- The “Budget Busters” – Pensions, Health Insurance/Health Care Inflation/Health Care Utilization, SPED costs.
- Open labor contracts (current and expected) and wage pressures in general.
- The possibly overdone nature of the stretching thin of existing staff and heavy reliance on contracting.

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Questions for the Board's Consideration

1. What are those services and programs that the Board places the highest priority? Which are the lowest? What premium does the Board place on continued library certification?
2. What is the amount of staffing that the Board wishes to see in the Police and Fire Departments?

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Questions for the Board's Consideration

3. What is the amount of staffing that the Board wishes to see in the remaining municipal departments?
4. How will the needs of the School Department be met relative to the needs of the municipal departments particularly in light of the anticipated loss of Federal funding?

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Questions for the Board's Consideration

5. Will the fees charged by the Board be increased? What are the Board's instructions on the matter of fees in general?
6. What changes should be made in the budget development process?

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