

**OFFICE OF THE
TOWN MANAGER**



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Town of Shrewsbury
MASSACHUSETTS 01545-5398

November 21, 2012

To: Board of Selectmen
From: Daniel J. Morgado
Re: Annual Financial Workshop

The following are the primary questions that I suggest the Board address at this point in the FY 2014 budget development process:

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?

Police	Chief	ACO	Clerical	Dispatcher	Lt's	Sgt's	Ptl's	Total
Current	1	1	4	7	3	6	33	55.0
Enhanced	1	1	5	8	3	7	34	59.0

Fire	Chief	Clerical	Capt's	FF's	Total
Current	1	.8	4	32	37.8
Enhanced	1	1	5	32	39.0

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?
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?

Enclosed are a series of exhibits and attachments detailing the Town's current fiscal position as background as you consider these and other questions.

Please advise.

Cc Finance Committee
Department Heads

FINANCIAL ISSUES
FOR THE
FY 2014 BUDGET SEASON

- General overview of the tax levy:

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
2013								
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%

- The CIP ratio has:

FY	Residential	Open Space	Commercial	Industrial	Personal Property	Total	Res/OS as % of Total	CIP as % of Total***
2013								
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

- FY 2013 New growth continues trend of:

Fiscal Year	New Growth
2013	
2012	\$603,407
2011	\$515,637
2010	\$414,006
2009	\$524,078
2008	\$561,235
2007	\$997,304
2006	\$548,711
2005	\$551,544

- Status of school choice and charter schools assessments and reimbursements. The Charter School program is heavily subsidized and a change in formula or practice will have an impact to the bottom line. Recent trend indicates that growth in the number of charter students as subsidized for the time being. Town of Shrewsbury had 15 choice students at SHS (choice receiving tuition is \$79,568 for FY 2012):

Fiscal Year	Number of Students (FTE)	Net Cost of Charter School Tuition	Number of Students (FTE)	Cost of School Choice Program
2013	133.0(est)	\$1,178,237	27.0(est)	\$150,000
2012	130.8	\$1,080,447	26.3	\$149,193
2011	144.1	\$872,769	19.5	\$107,984
2010	127.2	\$692,945	21.2	\$113,286
2009	110.2	\$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

- The status of State Aid in FY 2014 and beyond. The primary question will be the impact of the Federal budget actions on the Commonwealth and/or the Town of Shrewsbury:

Fiscal Year	Net State Aid
2013*	\$19,741,731
2012*	\$19,393,609
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

* Not shown are ARRA funds

- Local receipts have stabilized with the adoption of the meals tax and increase in hotel tax greatly stabilized assisting in this regard. Motor Vehicle Excise still shows no real growth trend and seems to have plateaued.

- The current health insurance agreement will end on June 30, 2014. Last year agreement was reached on a two year agreement that saw the contribution rate for active and non-Medicare eligible retirees increase by 2% for the Fallon plans only:

Fiscal Year	Amount Expended	Change
2012	\$7,569,126	11.15%
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%

- Growth in the Medicare Match Account continues at a rate higher than inflation:

Fiscal Year	Amount	Percent Increase	Notes
2012	\$704,841	8.1%	No transfer required (\$710,000 aprtn)
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

- FY 2011 saw a drop in investment income that will continue through FY 2012.

Fiscal Year	Total Income
2012	\$491,844
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

- The valuation study of the pension system as of January 1, 2012, is about to be issued and will result in a new funding schedule to be adopted. The OPEB report is also about to be issued.

Date	Funded Ratio	Unfunded Accrued Liability	Appropriation
January 1, 2012			
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

- Free Cash and Stabilization balances are stable and are consistent with the Board's fiscal policy.
- Whether there will be a continued opportunity to redefine how the various municipal departmental services are provided in the form of contracting, regionalization, consolidation and the like.
- The additional costs associated with complying with staffing guidelines of the Department of Veterans Services.
- Expiring labor contracts.
- Impact on the single family taxpayer of pending financial matters:
 - Water and Sewer (possible) rate increases
 - Sherwood Middle School Project (remaining portion)
 - Allen property permanent financing
 - Other building/capital projects
 - Capital Budget and delayed capital purchases.
 - Storm water utility
 - Library Project (potential)

- **Additional for reference purposes:**

Fiscal Policies of the Board dated October 9, 2012 (separate cover)
 Free Cash Report dated October 1, 2012 (separate cover)
 Public Works Priority List (separate cover)
 Retirement System Actuarial Valuation Report (to be provided)
 Other Post-Retirement Benefits Valuation Report (to be provided)

- **Additional attached for reference purposes**

Summary of Single Family Tax Rates
 Comparison of Single Family Tax Bills
 Figure Three - Schedule A Receipts
 Figure Four - State Aid and Charges
 Figure Twelve - Surplus Revenue

FY	Assessed Value	Parcels	Average Value	Tax Rate	Single Family Tax Bill	Increase	Percent Increase	Hi-Lo Rank	# of Towns Included	State Average	Variance to State Average
1990	\$1,072,459,683	6,314	\$169,854	\$10.02	\$1,702.00			112	323	\$1,711	(\$9)
1991	\$1,099,088,583	6,400	\$171,733	\$10.40	\$1,786.00	\$84.00	4.94%	99	265	\$1,831	(\$45)
1992	\$972,972,119	6,447	\$150,919	\$11.93	\$1,800.00	\$14.00	0.78%	133	339	\$1,897	(\$97)
1993	\$1,015,893,420	6,677	\$152,148	\$12.22	\$1,859.00	\$59.00	3.28%	136	339	\$1,993	(\$134)
1994	\$1,067,739,013	6,938	\$153,897	\$12.74	\$1,961.00	\$102.00	5.49%	132	340	\$2,081	(\$120)
1995	\$1,082,234,386	7,135	\$151,680	\$13.38	\$2,029.00	\$68.00	3.47%	137	340	\$2,182	(\$153)
1996	\$1,124,419,977	7,319	\$153,630	\$13.84	\$2,126.00	\$97.00	4.78%	133	340	\$2,272	(\$146)
1997	\$1,166,241,040	7,485	\$155,810	\$14.42	\$2,247.00	\$121.00	5.69%	129	340	\$2,360	(\$113)
1998	\$1,274,284,500	7,718	\$165,106	\$13.32	\$2,199.00	-\$48.00	-2.14%	155	340	\$2,463	(\$264)
1999	\$1,340,116,000	7,952	\$168,526	\$13.45	\$2,267.00	\$68.00	3.09%	155	340	\$2,557	(\$290)
2000	\$1,473,016,300	8,225	\$179,090	\$13.34	\$2,389.00	\$122.00	5.38%	148	340	\$2,679	(\$290)
2001	\$1,753,632,800	8,441	\$207,752	\$12.45	\$2,587.00	\$198.00	8.29%	140	340	\$2,826	(\$239)
2002	\$1,817,609,000	8,572	\$212,040	\$13.58	\$2,880.00	\$293.00	11.33%	124	340	\$3,015	(\$135)
2003	\$2,466,221,700	8,672	\$284,389	\$10.60	\$3,015.00	\$135.00	4.69%	136	340	\$3,206	(\$191)
2004	\$2,860,861,900	8,760	\$326,582	\$9.92	\$3,239.70	\$224.70	7.45%	133	340	\$3,412	(\$172)
2005	\$3,069,672,100	8,861	\$346,425	\$9.74	\$3,374.18	\$134.48	4.15%	138	340	\$3,588	(\$214)
2006	\$3,402,311,500	8,890	\$382,712	\$9.24	\$3,536.26	\$162.08	4.80%	141	338	\$3,801	(\$265)
2007	\$3,718,735,600	8,950	\$415,501	\$8.66	\$3,598.24	\$61.98	1.75%	149	339	\$3,962	(\$364)
2008	\$3,589,670,000	8,974	\$400,008	\$9.14	\$3,656.07	\$57.83	1.61%	149	336	\$4,110	(\$454)
2009	\$3,552,273,792	8,992	\$395,048	\$9.68	\$3,824.07	\$168.00	4.59%	149	337	\$4,250	(\$426)
2010	\$3,403,292,000	9,012	\$377,640	\$10.31	\$3,893.47	\$69.40	1.81%	155	337	\$4,390	(\$497)
2011	\$3,359,008,800	9,061	\$370,711	\$10.67	\$3,955.49	\$62.02	1.59%	157	338	\$4,537	(\$582)
2012	\$3,389,541,500	9,098	\$372,559	\$11.11	\$4,139.13	\$183.64	4.64%	183	338	\$4,711	(\$572)

Rank	Community	Ave Residential Tax Bill (2006)	Ave Residential Tax Bill (2007)	Ave Residential Tax Bill (2008)	Ave Residential Tax Bill (2009)	Ave Residential Tax Bill (2010)	Ave Residential Tax Bill (2011)	Ave Residential Tax Bill (2012)	Change 2011 to 2012
1	Leicester	\$2,498.00	\$2,565.00	\$2,633.00	\$2,690.00	\$2,726.00	\$2,805.00	\$2,905.00	\$100.00
2	Fitchburg	\$2,449.00	\$2,523.00	\$2,584.00	\$2,630.00	\$2,687.00	\$2,820.00	\$2,913.00 *	\$93.00
3	Oxford	\$2,665.00	\$2,694.00	\$2,714.00	\$2,839.00	\$2,909.00	\$2,979.00	\$3,071.00	\$92.00
4	Clinton	\$2,722.00	\$2,830.00	\$2,947.00	\$3,028.00	\$3,098.00	\$3,106.00	\$3,274.00 *	\$168.00
5	Worcester	\$2,879.00	\$2,995.00	\$3,112.00	\$3,162.00	\$3,129.00	\$3,307.00	\$3,363.00 *	\$56.00
6	Millbury	\$2,999.00	\$3,006.00	\$3,093.00	\$3,124.00	\$3,268.00	\$3,320.00	\$3,378.00	\$58.00
7	Northbridge	\$2,734.00	\$2,752.00	\$2,846.00	\$3,072.00	\$3,001.00	\$3,173.00	\$3,390.00	\$217.00
8	Auburn	\$2,602.00	\$2,793.00	\$2,917.00	\$3,016.00	\$3,229.00	\$3,422.00	\$3,547.00 *	\$125.00
9	Bellingham	\$2,783.00	\$2,953.00	\$3,040.00	\$3,184.00	\$3,301.00	\$3,473.00	\$3,589.00 *	\$116.00
10	Leominster	\$2,881.00	\$3,003.00	\$3,104.00	\$3,206.00	\$3,296.00	\$3,477.00	\$3,640.00	\$163.00
11	Norwood	\$2,987.00	\$3,081.00	\$3,163.00	\$3,268.00	\$3,442.00	\$3,662.00	\$3,862.00 *	\$200.00
12	Shrewsbury**	\$3,536.00	\$3,598.00	\$3,656.00	\$3,824.00	\$3,893.00	\$3,955.00	\$4,139.00	\$184.00
13	Milford	\$3,574.00	\$3,756.00	\$3,915.00	\$3,952.00	\$4,215.00	\$4,236.00	\$4,323.00 *	\$87.00
14	West Boylston	\$3,843.00	\$3,981.00	\$4,066.00	\$4,132.00	\$4,192.00	\$4,260.00	\$4,349.00	\$89.00
15	Billerica	\$3,696.00	\$3,780.00	\$3,873.00	\$3,958.00	\$4,077.00	\$4,246.00	\$4,366.00 *	\$120.00
16	Holden	\$3,705.00	\$3,598.00	\$3,809.00	\$3,992.00	\$4,102.00	\$4,238.00	\$4,401.00	\$163.00
17	Marlborough	N/A	N/A	N/A	N/A	N/A	\$4,280.00	\$4,476.00 *	\$196.00
18	Hudson	\$3,544.00	\$3,607.00	\$3,703.00	\$3,888.00	\$4,098.00	\$4,210.00	\$4,485.00 *	\$275.00
19	Sterling	\$4,282.00	\$4,111.00	\$4,312.00	\$4,494.00	\$4,449.00	\$4,417.00	\$4,545.00	\$128.00
20	Sutton	\$3,557.00	\$3,560.00	\$3,889.00	\$4,022.00	\$4,197.00	\$4,328.00	\$4,607.00	\$279.00
21	Tewksbury	\$3,610.00	\$3,742.00	\$3,850.00	\$3,946.00	\$4,034.00	\$4,160.00	\$4,712.00 *	\$552.00
22	Grafton	\$3,583.00	\$3,854.00	\$3,923.00	\$4,016.00	\$4,281.00	\$4,491.00	\$4,771.00	\$280.00
23	Franklin	\$3,742.00	\$3,872.00	\$4,210.00	\$4,298.00	\$4,436.00	\$4,676.00	\$4,842.00	\$166.00
24	Danvers	\$3,883.00	\$4,034.00	\$4,231.00	\$4,391.00	\$4,577.00	\$4,688.00	\$4,883.00 *	\$195.00
25	Paxton	\$3,866.00	\$3,965.00	\$4,156.00	\$4,256.00	\$4,911.00	\$4,830.00	\$4,948.00	\$118.00
26	Mansfield	\$4,625.00	\$4,690.00	\$4,823.00	\$4,849.00	\$4,992.00	\$5,176.00	\$5,164.00 *	(\$12.00)
27	Foxborough	\$4,230.00	\$4,296.00	\$4,424.00	\$4,507.00	\$4,633.00	\$4,994.00	\$5,174.00 *	\$180.00
28	Millis	\$4,180.00	\$4,733.00	\$4,842.00	\$5,098.00	\$4,979.00	\$5,221.00	\$5,226.00	\$5.00
29	Canton	\$4,445.00	\$4,509.00	\$4,566.00	\$4,894.00	\$5,008.00	\$5,344.00	\$5,526.00 *	\$182.00
30	Berlin	\$4,813.00	\$4,865.00	\$4,999.00	\$5,139.00	\$5,127.00	\$5,352.00	\$5,583.00 *	\$231.00
31	Upton	\$4,379.00	\$4,522.00	\$4,800.00	\$4,881.00	\$5,040.00	\$5,446.00	\$5,630.00	\$184.00
32	Chelmsford	\$4,688.00	\$4,966.00	\$5,105.00	\$5,069.00	\$5,267.00	\$5,427.00	\$5,653.00	\$226.00
33	Boylston	\$4,504.00	\$4,717.00	\$4,810.00	\$4,814.00	\$4,992.00	\$5,234.00	\$5,710.00	\$476.00
34	Walpole	\$4,727.00	\$4,903.00	\$4,939.00	\$5,159.00	\$5,283.00	\$5,538.00	\$5,740.00 *	\$202.00
35	Framingham	\$4,306.00	\$4,564.00	\$4,821.00	\$4,735.00	\$4,979.00	\$5,197.00	\$5,774.00 *	\$577.00
36	Ashland	\$5,067.00	\$5,180.00	\$5,338.00	\$5,493.00	\$5,642.00	\$5,800.00	\$5,958.00	\$158.00
37	Natick	\$4,559.00	\$4,727.00	\$4,829.00	\$5,223.00	\$5,282.00	\$5,561.00	\$6,015.00	\$454.00
38	Medway	\$5,283.00	\$5,494.00	\$5,511.00	\$5,733.00	\$5,901.00	\$5,992.00	\$6,105.00	\$113.00
39	Northborough	\$5,078.00	\$5,355.00	\$5,556.00	\$5,774.00	\$5,992.00	\$5,972.00	\$6,114.00	\$142.00
40	Holliston	\$5,548.00	\$5,810.00	\$6,015.00	\$6,157.00	\$6,434.00	\$6,754.00	\$6,916.00	\$162.00
41	Norfolk	\$5,556.00	\$5,803.00	\$5,894.00	\$6,095.00	\$6,161.00	\$6,391.00	\$6,927.00	\$536.00
42	Andover	\$6,400.00	\$6,658.00	\$6,799.00	\$7,054.00	\$7,239.00	\$7,480.00	\$7,786.00 *	\$306.00
43	Westborough	\$6,234.00	\$6,198.00	\$6,689.00	\$6,784.00	\$7,182.00	\$7,446.00	\$7,790.00	\$344.00
44	Hopkinton	\$6,440.00	\$7,060.00	\$7,338.00	\$7,508.00	\$7,687.00	\$7,904.00	\$8,082.00	\$178.00
45	Southborough	\$6,884.00	\$7,289.00	\$7,231.00	\$7,879.00	\$7,714.00	\$7,942.00	\$8,334.00	\$392.00
46	Acton	\$7,724.00	\$7,926.00	\$8,051.00	\$8,388.00	\$8,767.00	\$9,049.00	\$9,259.00	\$210.00

* Indicates communities that classified their tax rate in FY 2012

** Shrewsbury was 12th in FY 2006; 13th in FY 2007; 12th in FY 2008; 14th in FY 2009; 12th in FY 2010; 12th in FY 2011

ITEM	PROJECTED FY 13	ACTUAL FY 12	ACTUAL FY 11	ACTUAL FY 10	ACTUAL FY 09	ACTUAL FY 08	ACTUAL FY 07
MOTOR VEHICLE EXCISE	\$4,350,000	\$4,507,317	\$4,437,527	\$4,295,450	\$4,351,092	\$4,872,855	\$4,411,326
OTHER EXCISE	\$85,000	\$85,807	\$82,970	\$47,864	\$51,900	\$61,823	\$60,720
PENALTIES AND INTEREST	\$225,000	\$245,132	\$281,400	\$218,805	\$241,101	\$205,595	\$185,248
PAYMENT IN LIEU OF TAXES	\$32,000	\$32,487	\$35,218	\$34,001	\$33,425	\$30,987	\$28,471
CHARGES FOR SERVICES - WATER	\$3,460,000	\$3,413,506	\$3,642,144	\$3,518,453	\$3,409,443	\$3,500,366	\$3,138,007
CHARGES FOR SERVICES - ASH DISPOSAL FEES	\$1,370,000	\$1,344,953	\$1,245,334	\$872,566	\$812,552	\$768,626	\$573,251
RENTALS	\$130,000	\$157,296	\$156,866	\$116,107	\$106,172	\$116,104	\$108,154
DEPARTMENTAL REVENUE - SCHOOLS	\$20,000	\$48,331	\$19,084	\$13,442	\$12,640	\$12,871	\$12,462
DEPARTMENTAL REVENUE - LIBRARIES	\$12,000	\$26,214	\$12,459	\$16,575	\$37,320	\$38,869	\$45,768
DEPARTMENTAL REVENUE - CEMETERIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER DEPARTMENTAL REVENUE	\$25,000	\$23,097	\$25,423	\$29,994	\$56,839	\$59,774	\$81,348
LICENSE AND PERMITS	\$300,000	\$400,749	\$325,025	\$280,106	\$255,566	\$279,873	\$255,636
SPECIAL ASSESSMENTS	\$675,000	\$799,598	\$758,100	\$672,673	\$597,761	\$621,311	\$609,097
FINES AND FORFEITS	\$20,000	\$32,687	\$20,266	\$27,440	\$21,805	\$35,538	\$30,131
INVESTMENT INCOME	\$140,000	\$159,174	\$148,638	\$195,951	\$245,537	\$308,415	\$296,276
MISCELLANEOUS RECURRING	\$415,000	\$491,844	\$732,478	\$929,436	\$1,179,559	\$1,780,717	\$1,621,437
MISCELLANEOUS NON-RECURRING	\$0	\$0	\$0	\$0	\$31,291	\$0	\$0
MEDICAID REIMBURSEMENT	\$175,000	\$443,716	\$459,072	\$198,823	\$151,712	\$292,926	\$190,576
SUPPLEMENTAL TAX PROGRAM	\$325,000	\$353,059	\$333,627	\$215,698	\$222,924	\$341,212	\$197,470
REIMBURSEMENT E-RATE	\$50,000	\$85,388	\$89,521	\$19,628	\$16,603	\$48,840	\$147,927
MEALS TAX*	\$6,000	\$6,152	\$5,084	\$41,864	\$0	\$0	\$0
	\$340,000	\$348,153	\$336,491	\$0	\$0	\$0	\$0
* Meals tax adopted in February 2010	\$12,155,000	\$13,004,660	\$13,146,727	\$11,744,876	\$11,835,242	\$13,376,702	\$11,993,305
ESTIMATE		\$12,088,959	\$11,355,500	\$10,939,000	\$11,978,000	\$11,260,800	\$11,400,000
OVER(UNDER)		\$915,701	\$1,791,227	\$805,876	(\$142,758)	\$2,115,902	\$593,305
PERCENT OVER(UNDER)		7.6%	15.8%	7.4%	-1.2%	18.8%	5.2%

Line Item	Fiscal Year 2013 Final	Fiscal Year 2013 Senate W&M	Fiscal Year 2013 House Budget	Fiscal Year 2013 House #2	Fiscal Year 2012 Actual	Fiscal Year 2011 Actual	Fiscal Year 2010 Actual	Fiscal Year 2009 Actual
REVENUE								
A. EDUCATION								
Chapter 70	\$18,748,463	\$18,748,463	\$18,748,463	\$18,511,623	\$18,511,623	\$18,412,775	\$18,489,475	\$18,866,811
School Transportation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School Construction (Removed in FY 2006)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Charter School Tuition Reimbursement	\$263,968	\$243,512	\$243,853	\$239,414	\$409,002	\$439,559	\$669,148	\$539,381
Tuition State Wards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chater School Capital Facility Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School Lunch (Offset)	\$30,010	\$30,010	\$30,010	\$30,010	\$30,201	\$27,459	\$33,698	\$31,073
School Choice Receiving Tuition	\$79,568	\$83,000	\$83,000	\$83,000	\$96,050	\$100,000	\$0	\$0
Sub-Total	\$19,122,009	\$19,104,985	\$19,105,326	\$18,864,047	\$19,046,876	\$18,979,793	\$19,192,321	\$19,437,265
B. GENERAL GOVERNMENT								
Unrestricted General Government Aid (2009)	\$2,356,176	\$2,358,849	\$2,356,176	\$2,185,815	\$2,185,815	\$2,356,176	\$2,454,350	\$0
Lottery, Beano & Charity Games	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,859,417
Additional Assistance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,738
Highway Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Police Career Incentive	\$0	\$0	\$0	\$0	\$0	\$15,400	\$31,340	\$157,078
Veteran's Benefits	\$41,977	\$41,977	\$41,977	\$43,712	\$38,498	\$53,523	\$33,353	\$29,272
Exemptions (Vets,Blind,Surviving)	\$88,386	\$88,386	\$88,386	\$88,386	\$91,885	\$94,439	\$91,799	\$67,515
Exemptions (Elderly)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,798
State Owned Land	\$142,947	\$142,947	\$142,947	\$142,947	\$142,901	\$137,967	\$112,672	\$129,345
Public Libraries	\$38,995	\$38,995	\$38,995	\$38,995	\$36,947	\$37,323	\$36,435	\$50,669
Sub-Total	\$2,668,481	\$2,671,154	\$2,668,481	\$2,499,855	\$2,496,046	\$2,694,828	\$2,759,949	\$3,585,832
Total State Aid	\$21,790,490	\$21,776,139	\$21,773,807	\$21,363,902	\$21,542,922	\$21,674,621	\$21,952,270	\$23,023,097
CHARGES								
County Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$25,729	\$49,947
Mosquito Control	\$64,430	\$64,754	\$64,754	\$64,747	\$60,128	\$59,538	\$60,013	\$59,166
Mosquito Control (Underestimate)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Air Pollution Districts	\$10,543	\$10,543	\$10,543	\$10,543	\$10,002	\$9,802	\$9,608	\$9,434
RMV Non-Renewal Surcharge	\$22,180	\$22,180	\$22,180	\$22,180	\$22,400	\$22,320	\$21,520	\$21,780
WRTA Assessment	\$81,552	\$81,552	\$81,552	\$81,552	\$97,053	\$95,756	\$74,028	\$69,072
Special Education	\$187	\$190	\$190	\$190	\$4,904	\$18,451	\$17,305	\$12,816
MBTA	\$149,868	\$149,868	\$149,868	\$149,868	\$114,259	\$115,750	\$139,262	\$141,794
School Choice Tuition	\$129,193	\$125,685	\$125,685	\$125,685	\$117,984	\$113,286	\$106,835	\$78,710
Charter School Tuition	\$1,442,205	\$1,442,205	\$1,442,205	\$1,408,776	\$1,556,385	\$1,321,511	\$1,362,093	\$1,059,816
Sub-Total	\$1,900,158	\$1,896,977	\$1,896,977	\$1,863,541	\$1,983,115	\$1,756,414	\$1,816,393	\$1,502,535
Overestimate - Mosquito Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overestimate - Special Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overestimate - Regional Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line Item	Fiscal Year 2013 Final	Fiscal Year 2013 Senate W&M	Fiscal Year 2013 House Budget	Fiscal Year 2013 House #2	Fiscal Year 2012 Actual	Fiscal Year 2011 Actual	Fiscal Year 2010 Actual	Fiscal Year 2009 Actual
Sub-Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Net Charges	\$1,900,158	\$1,896,977	\$1,896,977	\$1,863,541	\$1,983,115	\$1,756,414	\$1,816,393	\$1,502,535
School Lunch Offset	\$3,181	\$30,010	\$30,010	\$30,010	\$30,201	\$27,459	\$33,698	\$31,073
Library Offset	\$38,995	\$38,995	\$38,995	\$38,995	\$36,947	\$37,323	\$36,435	\$50,669
School Choice Receiving Tuition	\$79,568	\$83,000	\$83,000	\$83,000	\$96,050	\$100,000	\$0	\$0
Total Off-Sets	\$148,573	\$152,005	\$152,005	\$152,005	\$163,198	\$164,782	\$70,133	\$81,742

Line Item	Fiscal Year 2013 Final	Fiscal Year 2013 Senate W&M	Fiscal Year 2013 House Budget	Fiscal Year 2013 House #2	Fiscal Year 2012 Actual	Fiscal Year 2011 Actual	Fiscal Year 2010 Actual	Fiscal Year 2009 Actual
"Education" Local Aid	\$19,122,009	\$19,104,985	\$19,105,326	\$18,864,047	\$19,046,876	\$18,979,793	\$19,192,321	\$19,437,265
"General Government" Local Aid	\$2,668,481	\$2,671,154	\$2,668,481	\$2,499,855	\$2,496,046	\$2,694,828	\$2,759,949	\$3,585,832
Charges and Offsets	\$2,048,731	\$2,048,982	\$2,048,982	\$2,015,546	\$2,146,313	\$1,921,196	\$1,886,526	\$1,584,277
Total	\$19,741,759	\$19,727,157	\$19,724,825	\$19,348,356	\$19,396,609	\$19,753,425	\$20,065,744	\$21,438,820

"General Government" Less Charges	\$768,323	\$774,177	\$771,504	\$636,314	\$512,931	\$938,414	\$943,556	\$2,083,297
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Over House #2	393,403.00	378,801.00	376,469.00
Over FY 2012	345,150.00	330,548.00	328,216.00
Over House Budget	16,934.00	2,332.00	
Over Senate Ways & Means	5,854.00		

	RECEIPTS						CHARGES		FREE CASH JULY 1
	UNEXPENDED SCHOOL	APPROPRIATION TOWN	BALANCES TOTAL	EXCESS LOCAL RECEIPTS	EXCESS STATE RECEIPTS	EXCESS REAL ESTATE	TAX LEVY REDUCTION	SPECIAL ARTICLE APPROPRIATIONS	
1993	\$22,566	\$539,375	\$561,941	\$902,505	\$114,373	\$218,531	\$770,000	\$352,000	\$3,039,269
1994	\$64,901	\$506,092	\$570,993	\$1,007,659	\$146,282	\$205,135	\$770,000	\$1,260,500	\$2,672,855
1995	\$0	\$684,790	\$684,790	\$1,368,791	\$212,716	\$578,173	\$770,000	\$1,094,000	\$3,909,803
1996	\$14,501	\$1,008,838	\$1,023,339	\$1,401,250	\$264,215	(\$38,780)	\$770,000	\$2,524,500	\$2,996,394
1997	\$140,410	\$678,033	\$818,443	1,631,358*	\$29,708	\$305,627	\$1,030,000	\$270,000	\$4,555,647
1998	\$97,934	\$574,473	\$672,407	\$2,204,849	\$188,104	\$237,102	\$1,130,000	\$2,288,656	\$4,611,834
1999	\$58,855	\$588,350	\$647,205	2,672,911**	\$220,504	\$618,813	\$1,130,000	\$1,880,784	\$5,588,576
2000		\$529,300	\$529,300	\$446,885	\$255,716	(\$38,720)	\$1,130,000	\$1,348,000	\$2,884,606
2001	\$17,842	\$727,089	\$744,931	\$1,144,419	\$388,157	\$87,125	\$435,000	\$981,000	\$4,087,506
2002	\$1	\$934,185	\$934,186	3,687,900***	\$218,595		\$500,000	\$1,577,612	\$6,858,300
2003	\$10,000	\$1,216,670	\$1,226,670	\$2,329,608			\$728,416	\$5,385,000	\$3,616,392
2004	\$0	\$871,381	\$2,101,529	\$929,450			\$500,000	\$2,380,000	\$2,837,137
2005	\$0	\$1,629,696	\$1,629,696	\$498,843			\$500,000	\$2,000,000	\$1,930,113
2006	\$0	\$2,101,529	\$2,101,529	\$1,583,983			\$500,000	\$1,250,000	\$4,185,519
2007	\$349,032	\$1,685,900	\$2,034,932	\$593,304	\$222,844		\$500,000	\$2,000,000	\$4,850,038
2008	\$873	\$1,484,340	\$1,485,213	\$2,115,902	\$26,258		\$500,000	\$3,000,000 Adjusted	\$4,597,946 \$4,197,946
2009	\$200,004	\$2,566,759	\$2,766,763	(\$142,757)			\$500,000	\$1,310,000	\$4,778,074
2010	\$0	\$2,054,486	\$2,054,486	\$805,876			\$500,000	\$1,431,069 Adjusted	\$5,845,970 \$5,145,970
2011	\$0	\$1,574,490	\$1,574,490	\$1,791,227			\$500,000	\$3,396,791 Adjusted	\$6,002,067 \$5,554,067
2012	\$40	\$1,862,884	\$1,862,924	\$915,701	\$82,366		\$500,000	\$3,067,495 Adjusted	\$5,591,137 \$5,567,137

* Includes \$600,000 from Treatment Plant Lawsuit

** Includes \$1,688,000 in non-recurring ash revenue from Wheelabrator

*** Includes \$ 2,384,822.59 In Bond Premiums/Accrued Interest

Strategic View of the Town's Fiscal Outlook
Strengths – Weaknesses – Opportunities – Threats
November 2012

Strengths

- Low tax/high across the board service community (54th in FY 2012 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.
- 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.
- 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 (this item pending final new growth).
- Reserves continue to grow modestly

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 (131 but possible moderating trend?).
- Reliance on State Aid (25%± of the revenue stream).
- Unfunded pension and OBEB obligations.
- The depleted nature of the various municipal departments.
- 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.

Opportunities

- The fiscal challenges being presented as a catalyst to press continuing innovation and experimentation.
- 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.

Threats

- The loss of Federal funding and the impact upon the Commonwealth
- 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.
- The "Budget Busters" – Pensions, Health Insurance, SPED costs.
- Open labor contracts (expected) and wage pressures in general.