

# Town of Wellesley Inter-Board Meeting

October 7, 2010

# Agenda

7:30 – 7:35	Welcome	Gig Babson
7:35 – 7:40	Town website initiative	Hans Larsen
7:40 – 7:50	Sustainability update	Suzy Littlefield
7:50 – 8:00	Open Meeting Law update	Kathy Nagle
8:00 – 8:20	Town-Wide Financial Plan update / Calendar	Hans Larsen
8:20 – 8:30	Advisory update	Steve Simons
8:30 – 9:00	Q&A	



# Board of Selectmen Town-Wide Financial Plan

Inter-Board Meeting  
October 7, 2010

# Near-term update

- FY10 closeout
  - Year-end audit schedule accelerated
  - School turn-back lower than in recent years
  - Non-school consistent with prior years
  - Anticipating modest increase in Free Cash
- FY11 status
  - State aid essentially on budget
  - Plus \$528K of Education Jobs Funds stimulus (announced by Gov. 8/25)
  - State financial health still uncertain
  - Schools carried over \$725K of unused FY10 budget in Circuit Breaker account

# Big picture

- No operating budget override since FY07
    - 6 overrides from FY01–FY07
  - OPEB funding underway
  - Ramping up pension funding
  - Addressing shortfall in facilities maintenance
  - Need to address similar deficiency in DPW infrastructure funding
  - Growth in tax bill through FY13 due to High School
  - Other projects to be funded outside the levy
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# Potential capital projects

- ▶ Senior Center
  - ▶ DPW office building
  - ▶ Middle School (*feature Article for 12/6 STM*)
  - ▶ Fuller Brook Path
  - ▶ Elementary School “Master Plan”
  - ▶ St. James
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# FY12 outlook

- ▶ Latest assumptions can yield balanced budget
    - 2.5% Schools, 1.5% other town depts.
    - Ramp in pension and facilities maintenance
    - New capital projects funded via exclusions
  - ▶ Open contracts, Circuit Breaker c/f and stimulus funds provide further flexibility
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# New revenue and priority needs

	<u>FY11</u> <u>Budget</u>	<u>FY12</u>				<u>FY13</u>		
		<u>Proposed</u> <u>Budget</u>	<u>Inc/(Dec)</u> <u>\$</u>	<u>%</u>	<u>Assump.</u>	<u>Projected</u>	<u>Inc/Dec</u>	
<b>Incremental Revenue</b>								
Property taxes	\$ 89,271,924	\$ 92,803,722	\$ 3,531,798	4.0%		\$ 96,423,815	\$ 3,620,093	
Chapter 70	7,227,629	7,189,193	(38,436)	-0.5%	0.0%	7,189,193	-	
Lottery	1,084,303	1,095,717	11,414	1.1%	0.0%	1,095,717	-	
Quinn Bill	-	14,263	14,263		0.0%	14,263	-	
Other Aid	67,626	71,359	3,733	5.5%	0.0%	67,626	(3,733)	
Local revenues	9,910,866	10,100,000	189,134	1.9%	0.0%	10,100,000	-	
Free Cash to balance	-	-	-			-	-	
School lunch	209,500	209,500	-	0.0%	0.0%	206,000	(3,500)	
Police Detail	125,000	60,000	(65,000)	-52.0%	0.0%	50,000	(10,000)	
Stimulus	-	-	-			-	-	
	<u>107,896,848</u>	<u>111,543,754</u>	<u>3,646,906</u>			<u>115,146,614</u>	<u>3,602,860</u>	<b>(A)</b>
<b>Priority Needs</b>								
OPEB Inside Levy	\$ 1,200,000	\$ 1,200,000	-	0.0%		\$ 1,200,000	\$ -	
Pension	1,732,000	2,598,000	866,000	50.0%		3,464,000	866,000	
Group Insurance	13,633,918	14,588,292	954,374	7.0%	7.0%	15,609,473	1,021,180	
Other Employee Benefits	445,581	467,860	22,279	5.0%	5.0%	491,253	23,393	
Debt Service Inside Levy	3,591,273	3,186,025	(405,248)	-11.3%		2,903,294	(282,731)	
Facilities Reinvestment	-	405,248	405,248			687,979	282,731	
DPW Infrastructure	-	-	-			-	-	
Abatements	430,000	430,000	-	0.0%	0.0%	430,000	-	
Assessments	1,084,863	1,084,863	-	0.0%	0.0%	1,084,863	-	
	<u>22,117,635</u>	<u>23,960,288</u>	<u>1,842,653</u>			<u>25,870,862</u>	<u>1,910,573</u>	<b>(B)</b>
<b>Revenue available for allocation (A-B)</b>		<b>\$ 1,804,252</b>			<b>\$ 1,692,287</b>			

# Departmental budgets

	<i>FY11</i> <u>Budget</u>	<i>FY12</i>			<i>FY13</i>		
		<i>Proposed</i> <u>Budget</u>	<i>Inc/(Dec)</i> \$	%	<i>Assump.</i>	<i>Projected</i>	<i>Inc/Dec</i>
<b>Departmental Budgets</b>							
General Government	\$ 4,776,340	\$ 4,847,985	\$ 71,645	1.5%	1.5%	\$ 4,920,705	\$ 72,720
Facilities	3,251,278	3,300,047	48,769	1.5%	1.5%	3,349,548	49,501
Public Safety	10,309,480	10,464,122	154,642	1.5%	1.5%	10,621,084	156,962
DPW	6,178,588	6,271,267	92,679	1.5%	1.5%	6,365,336	94,069
Library	2,300,932	2,335,446	34,514	1.5%	1.5%	2,370,478	35,032
Recreation	328,420	333,346	4,926	1.5%	1.5%	338,346	5,000
Health	632,529	642,017	9,488	1.5%	1.5%	651,647	9,630
NRC	356,381	361,727	5,346	1.5%	1.5%	367,153	5,426
MLP - Tax Impact	112,137	113,819	1,682	1.5%	1.5%	115,526	1,707
Schools	55,031,413	56,407,198	1,375,785	2.5%	2.5%	57,817,378	1,410,180
Cash Capital	2,756,501	2,797,849	41,348	1.5%	1.5%	2,839,816	41,968
	<u>\$ 86,033,999</u>	<u>\$ 87,874,823</u>	<u>\$ 1,840,824</u>	<u>2.1%</u>		<u>89,757,017</u>	<u>1,882,194</u>
<b>Surplus/(Deficit)</b>			<b>\$ (36,572)</b>				<b>\$ (189,908)</b>

# Tax rate projections

	Projected			<u>Tax Projections</u>		
	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Prior Year Levy	\$ 85,826,267	\$ 89,271,924	\$ 92,803,722	\$ 96,423,815	\$ 100,134,410	\$ 103,937,770
2.5% Increase	2,145,657	2,231,798	2,320,093	2,410,595	2,503,360	2,598,444
New Growth	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Override	-	-	-	-	-	-
Current Year Levy	89,271,924	92,803,722	96,423,815	100,134,410	103,937,770	107,836,215
Existing Exclusions						
OPEB	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Sprague	1,223,732	497,007	456,967	416,017	374,157	331,387
Bates	596,338	581,900	566,500	-	-	-
Elementary Infrastructure	1,108,188	1,464,029	1,425,337	1,381,645	1,344,715	1,296,911
Middle School	2,236,150	2,196,900	2,155,850	2,123,513	2,082,338	2,043,513
Morses Pond & Drainage	-	275,419	267,550	259,681	251,812	243,943
High School	3,901,850	6,104,850	6,823,066	6,697,065	6,567,868	6,419,665
	10,866,258	12,920,105	13,495,270	12,677,921	12,420,890	12,135,419
Proposed Exclusions*	-	-	680,580	665,456	650,332	635,208
Levy plus exclusions	\$ 100,138,182	\$ 105,723,827	\$ 110,599,665	\$ 113,477,787	\$ 117,008,992	\$ 120,606,842
<i>(year to year increase)</i>		5.6%	4.6%	2.6%	3.1%	3.1%
Assessed value	\$ 8,981,931,000	\$ 9,098,534,978	\$ 9,210,412,270	\$ 9,318,672,417	\$ 9,425,427,002	\$ 9,530,145,921
Tax rate	\$ 11.15	\$ 11.62	\$ 12.01	\$ 12.18	\$ 12.41	\$ 12.66
<i>(year to year increase)</i>	6.4%	4.2%	3.3%	1.4%	1.9%	1.9%
Median value	\$ 810,000	\$ 810,000	\$ 810,000	\$ 810,000	\$ 810,000	\$ 810,000
Median tax bill	\$ 9,031	\$ 9,412	\$ 9,727	\$ 9,864	\$ 10,055	\$ 10,251

# Work to be done

- ▶ Continue to assess timing and cost of potential capital projects
  - ▶ Analyze public works infrastructure funding shortfall
  - ▶ Advance benchmarking efforts
  - ▶ Prepare for collective bargaining
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# FY12 – Key dates

- ▶ Warrant opens for ATM November 29
  - ▶ Special Town Meeting December 6
  - ▶ Annual Town Meeting March 28
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# December 6 Special Town Meeting

- ▶ Middle School
- ▶ Municipal Light Plant – Early Retirement Plan
- ▶ MORE Grant appropriation
- ▶ Council on Aging
  - Funds to pay for additional custodial support, or;
  - Funds to relocate to another facility