



Fiscal Year 2018 Town of Watertown Preliminary Budget Overview

October 11, 2016

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Revenue and Other Sources

General Fund

Revenue and Other Sources	FY2015 Budget	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Real & Personal Property Tax	\$ 85,765,298	\$ 85,773,510	\$ 90,000,507	\$ 90,988,717	\$ 94,833,185
State Aid	\$ 11,435,127	\$ 11,429,475	\$ 11,698,728	\$ 11,726,955	\$ 12,110,620
Total	\$ 97,200,425	\$ 97,202,985	\$ 101,699,235	\$ 102,715,672	\$106,943,805

Proposed FY2017 Budget Amendment decreases New Growth by \$287,774 and increases State Aid by \$4,396.

Local Receipts - Detail

Source	FY2015 Budget	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Motor Vehicle	\$ 3,300,000	\$ 4,074,962	\$ 3,475,000	\$ 4,484,343	\$ 4,000,000
Other Excise	\$ 545,000	\$ 577,082	\$ 575,000	\$ 591,366	\$ 875,000
Penalties & Interest	\$ 250,000	\$ 224,199	\$ 250,000	\$ 381,554	\$ 250,000
PILOT	\$ 895,328	\$ 866,880	\$ 918,970	\$ 896,986	\$ 943,322
COMM. Trash	\$ 15,000	\$ 19,052	\$ 15,000	\$ 19,059	\$ 15,000
Fees	\$ 1,956,000	\$ 3,553,649	\$ 2,836,000	\$ 2,611,614	\$ 3,336,000
Rentals	\$ 156,218	\$ 146,423	\$ 104,160	\$ 123,397	\$ 103,638
Cemetery	\$ 75,000	\$ 114,200	\$ 95,000	\$ 95,085	\$ 95,000
Recreation	\$ 425,000	\$ 447,138	\$ 435,000	\$ 455,818	\$ 445,000
License & Permits	\$ 205,000	\$ 222,136	\$ 205,000	\$ 222,034	\$ 255,000
Fines & Forfeits	\$ 885,000	\$ 638,731	\$ 885,000	\$ 686,921	\$ 805,000
Investment Income	\$ 65,000	\$ 51,363	\$ 65,000	\$ 171,915	\$ 175,000
Sale of Town Prop.	\$ 5,000	\$ -	\$ 5,000	\$ 350	\$ 5,000
Belmont Reimb.	\$ 69,124	\$ 62,177	\$ 70,110	\$ 65,656	\$ 70,654
Grant/Employee Reimb.	\$ 40,000	\$ 65,551	\$ 50,000	\$ 23,184	\$ 50,000
Adv. Bus Shelters	\$ 10,000	\$ 11,928	\$ -	\$ -	\$ -
Medicaid	\$ 326,000	\$ 349,901	\$ 326,000	\$ 437,993	\$ 395,000
Wheelabrator Svc. Agrmt. Incentive	\$ 112,800	\$ 112,800	\$ -	\$ -	\$ -
Pro-forma Tax	\$ -	\$ -	\$ -	\$ -	\$ 84,400
Patriots Day CBS Films	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Miscellaneous*	\$ -	\$ 75,764	\$ -	\$ 873,974	\$ -
Total	\$ 9,335,470	\$ 11,613,936	\$ 10,310,240	\$ 12,141,250	\$ 11,963,014

- * FY2016 includes \$349,482 in Emergency Management Reimbursements and \$470,031 for Premium on Bonds.
- Proposed FY2017 Budget Amendment includes a Pro Forma Tax of \$84,400.

Revenue and Other Sources

Source Transfer from:	FY2015 Budget	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Sale of Lots	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000
Parking Meter	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 488,500
Cemetery	\$ 10,000	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000
Library Fundraising	\$ -	\$ -	\$ 59,000	\$ 59,000	\$ -
Election Reimb.	\$ -	\$ -	\$ 17,600	\$ 17,600	\$ -
Capital Proj. Stab. Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Unfunded Pension Liab. Stab. Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
ESCO Capital Project Stab. Fund	\$ 528,651	\$ 528,651	\$ 525,738	\$ 525,738	\$ 522,038
Overlay Surplus One Time Curriculum	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 375,000
Free Cash	\$ 1,750,000	\$ 1,750,000	\$ 2,000,000	\$ 2,000,000	\$ 3,015,894
Free Cash – One Time Curriculum	\$ 250,000	\$ 250,000	\$ 375,000	\$ 375,000	\$ -
Free Cash – Collective Barg. Stab Fund	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -
Free Cash – Transp/Comp. Plan Imp. Serv	\$ 130,000	\$ 130,000	\$ -	\$ -	\$ -
Free Cash – ALS Med. Equip	\$ -	\$ -	\$ 95,000	\$ 95,000	\$ -
Collective Barg. Stab Transfer	\$ -	\$ -	\$ 3,311,752	\$ 3,311,752	\$ -
Water Fund	\$ 1,491,355	\$ 1,491,355	\$ 1,594,219	\$ 1,594,219	\$ 1,629,999
Sewer Fund	\$ 1,278,821	\$ 1,278,821	\$ 1,333,644	\$ 1,333,644	\$ 1,399,666
Total	\$ 7,453,827	\$ 7,453,827	\$ 10,446,953	\$ 10,446,953	\$ 8,216,097

Proposed FY2017 Budget Amendment increases Utilization of Free Cash by \$1,015,894.

Revenue Summary

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Source	FY2015 Budget	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Property Tax	\$ 85,765,298	\$ 85,773,510	\$ 90,000,507	\$ 90,988,717	\$ 94,833,185
State Aid	\$ 11,435,127	\$ 11,429,475	\$ 11,698,728	\$ 11,726,955	\$ 12,110,620
Local Receipts	\$ 9,335,470	\$ 11,613,936	\$ 10,310,240	\$ 12,141,250	\$ 11,963,014
Other Sources	\$ 7,453,827	\$ 7,453,827	\$ 10,446,953	\$ 10,446,953	\$ 8,216,097
Total Revenue	\$ 113,989,722	\$ 116,270,748	\$122,456,428	\$ 125,303,875	\$127,122,916

FY2017 Budget amounts include Proposed FY2017 Budget Amendment of \$816,916.

Revenue Summary

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Source	FY2016 Budget	FY2016 Actual	Variance	FY2017 Budget
Property Tax	\$ 90,000,507	\$ 90,988,717	\$ 988,210	\$ 94,833,185
State Aid	\$ 11,698,728	\$ 11,726,955	\$ 28,227	\$ 12,110,620
Local Receipts	\$ 10,310,240	\$ 12,141,250	\$ 1,831,010	\$ 11,963,014
Other Sources	\$ 10,446,953	\$ 10,446,953	\$ -	\$ 8,216,097
Total Revenue	\$122,456,428	\$ 125,303,875	\$ 2,847,447	\$127,122,916

FY2017 Budget amounts include Proposed FY2017 Budget Amendment of \$816,916.

Expenditures

	FY2015 Budget	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
General Government	\$ 4,598,708	\$ 4,445,751	\$ 4,785,192	\$ 4,563,317	\$ 5,091,720
Public Safety	\$ 15,915,590	\$ 15,747,915	\$ 21,323,422	\$ 20,947,591	\$ 18,380,590
Public Works	\$ 4,718,102	\$ 4,525,299	\$ 4,931,908	\$ 4,580,385	\$ 5,028,417
Snow & Ice	\$ 2,206,518	\$ 2,190,926	\$ 1,031,000	\$ 1,006,648	\$ 1,165,000
Waste Disposal	\$ 2,958,335	\$ 2,933,685	\$ 2,967,835	\$ 2,865,045	\$ 3,062,052
Health & Human Services	\$ 984,360	\$ 926,939	\$ 1,077,088	\$ 1,041,311	\$ 1,156,673
Library	\$ 2,560,610	\$ 2,519,898	\$ 2,615,575	\$ 2,589,400	\$ 2,722,632
Recreation Department	\$ 268,847	\$ 268,164	\$ 260,111	\$ 259,464	\$ 275,410
Skating Arena	\$ 324,024	\$ 323,983	\$ 341,955	\$ 331,896	\$ 415,731
Education	\$ 39,232,000	\$ 39,231,675	\$ 41,452,000	\$ 41,451,225	\$ 43,577,000
Total Departmental	\$ 73,767,094	\$ 73,114,234	\$ 80,786,086	\$ 79,636,281	\$ 80,875,225

FY2016 Budget Amount for Public Safety includes \$5,392,700 for prior years' union contract settlements (Fire \$4,609,000, Patrol \$783,700).

Expenditures

	FY2015 Budget	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Debt Retirement	\$ 6,830,178	\$ 6,821,261	\$ 7,498,434	\$ 7,498,395	\$ 8,158,562
School Capital Projects	\$ 459,500	\$ 459,500	\$ 460,500	\$ 460,500	\$ 461,600
Town Capital Projects	\$ 1,126,753	\$ 1,126,753	\$ 1,559,341	\$ 1,559,341	\$ 1,325,508
Total Debt Svc. & Cap. Proj.	\$ 8,416,431	\$ 8,407,514	\$ 9,518,275	\$ 9,518,236	\$ 9,945,670

Expenditures

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	FY2015 Budget	FY2015 Actual	FY2016 Budget	FY2016 Actual	FY2017 Budget
Total Departmental	\$ 73,767,094	\$ 73,114,234	\$ 80,786,086	\$ 79,636,281	\$ 80,875,225
Total Debt Svc. & Cap. Proj.	\$ 8,416,431	\$ 8,407,514	\$ 9,518,275	\$ 9,518,236	\$ 9,945,670
State & County Charges	\$ 2,435,346	\$ 2,443,484	\$ 2,448,681	\$ 2,529,937	\$ 2,515,878
Retirement	\$ 12,309,391	\$ 12,308,841	\$ 13,851,481	\$ 13,850,988	\$ 15,397,406
Insurance & Employee Benefits	\$ 13,362,515	\$ 13,305,338	\$ 14,674,077	\$ 14,041,746	\$ 15,191,451
Other Financing Uses	\$ 3,698,945	\$ 3,647,072	\$ 1,177,828	\$ 1,097,334	\$ 3,197,286
Grand Total	\$ 113,989,722	\$ 113,226,483	\$ 122,456,428	\$ 120,674,523	\$ 127,122,916

FY2017 Budget amounts include Proposed FY2017 Budget Amendment of \$816,916, with State & County Charges increasing \$20,916 and Other Financing Uses increasing by \$796,000.

Expenditures

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	FY2016 Budget	FY2016 Actual	Variance	FY2017 Budget
General Government	\$ 4,785,192	\$ 4,563,317	\$ 221,875	\$ 5,091,720
Public Safety	\$ 21,323,422	\$ 20,947,591	\$ 375,831	\$ 18,380,590
Public Works	\$ 4,931,908	\$ 4,580,385	\$ 351,523	\$ 5,028,417
Snow & Ice	\$ 1,031,000	\$ 1,006,648	\$ 24,352	\$ 1,165,000
Waste Disposal	\$ 2,967,835	\$ 2,865,045	\$ 102,790	\$ 3,062,052
Health & Human Services	\$ 1,077,088	\$ 1,041,311	\$ 35,777	\$ 1,156,673
Library	\$ 2,615,575	\$ 2,589,400	\$ 26,175	\$ 2,722,632
Recreation Department	\$ 260,111	\$ 259,464	\$ 647	\$ 275,410
Skating Arena	\$ 341,955	\$ 331,896	\$ 10,059	\$ 415,731
Education	\$ 41,452,000	\$ 41,451,225	\$ 775	\$ 43,577,000
Total Departmental	\$ 80,786,086	\$ 79,636,281	\$ 1,149,805	\$ 80,875,225
Total Debt Svc. & Cap. Proj.	\$ 9,518,275	\$ 9,518,236	\$ 39	\$ 9,945,670
State & County Charges	\$ 2,448,681	\$ 2,529,937	\$ (81,256)	\$ 2,515,878
Retirement	\$ 13,851,481	\$ 13,850,988	\$ 493	\$ 15,397,406
Insurance & Employee Benefits	\$ 14,674,077	\$ 14,041,746	\$ 632,331	\$ 15,191,451
Other Financing Uses	\$ 1,177,828	\$ 1,097,334	\$ 80,494	\$ 3,197,286
Grand Total	\$ 122,456,428	\$ 120,674,523	\$ 1,781,905	\$ 127,122,916

FY2017 Budget amounts include Proposed FY2017 Budget Amendment of \$816,916

Unreserved Fund Balance

Certified Free Cash Analysis

	FY2012	FY2013	FY2014	FY2015	FY2016
Unreserved Fund Balance Beginning of Fiscal Year	\$ 6,933,000	\$ 9,630,000	\$ 11,963,000	\$12,377,000	\$13,026,000
Revenues Over/(Under) Budget	\$ 446,000	\$ 2,398,000	\$ 2,028,000	\$ 2,281,000	\$ 2,847,000
Expenditures (Over)/Under Budget	\$ 1,851,000	\$ 600,000	\$ 1,723,000	\$ 763,000	\$ 1,782,000
Use of Free Cash	\$ (1,750,000)	\$ (1,500,000)	\$ (3,000,000)	\$ (3,000,000)	\$ (2,000,000)
GAAP Adjustments	\$ 2,150,000	\$ 835,000	\$ (337,000)	\$ 605,000	TBD
Unreserved Fund Balance End of Fiscal Year	\$ 9,630,000	\$ 11,963,000	\$ 12,377,000	\$ 13,026,000	\$ 15,655,000
Certified Free Cash	\$ 7,694,406	\$ 9,142,261	\$ 10,257,336	\$ 8,366,733	\$ 12,326,092

FY2016 amounts are subject to classification changes via audit.

Financial Reserve Goal

To fund and maintain Financial Reserves of 7 – 10% of the Town's annual budget, we must:

1. Preserve the Town's AAA bond rating
2. Promote financial flexibility and stability
3. Meet extraordinary and unforeseen events
4. Have sufficient liquidity and cash flow to pay bills on time without the necessity of short term borrowing

A declining reserve is an indicator that Watertown is living beyond its means.

Capital Improvement Program

Fiscal Year 2017 Budget Message

The five year Capital Improvement Program (CIP) is included within the FY2017 Budget.

The Fiscal Year 2017-2021 General Fund CIP totals \$140,356,800, of which \$40,518,200 is the bonding requirement. Street and Sidewalk bonds of \$65,735,800 listed in Fiscal Year 2021 are not included in the bonding requirement.

The funding source of \$15,900,000 of the CIP has not been determined. The following are the projects/items with the funding source to be determined (TBD).

• Watertown Square Structured Parking	\$ 5,000,000
• Former Police Facility Renovation/Reuse	\$ 4,800,000
• Coolidge Square Design & Renovation	\$ 3,000,000
• Former East Branch Renovation/Reuse	\$ 1,500,000
• Former North Branch Renovation/Reuse	\$ 1,100,000
• Multi-Service Center Renovation	\$ 250,000
• Information Technology Improvements	<u>\$ 250,000</u>
	\$15,900,000

The Fiscal Year 2017-2021 Water /Sewer Enterprise Funds CIP totals \$22,142,000 of which \$15,554,500 is the bonding requirement.

Projected Stormwater Improvements of \$37,200,000 with a funding source to be determined (TBD) are included within the Capital Improvement Program.

The CIP includes all known capital needs, regardless of the sources of funding.

Permanent Debt Summary

	Permanent Debt Balances 6/30/16	Budgeted FY 2017 Bond Payments	Permanent Debt Balances 6/30/17
FY 2007 Bond Issue	\$ 500,000	\$ 100,000	\$ 400,000
FY 2008 Bond Issue	\$ 6,500,000	\$ 500,000	\$ 6,000,000
FY 2009 Refunding Bond Issue	\$ 2,352,000	\$ 1,193,000	\$ 1,159,000
FY 2010 Bond Issue	\$ 3,455,000	\$ 270,000	\$ 3,185,000
FY 2012 Bond Issue	\$ 1,920,000	\$ 320,000	\$ 1,600,000
FY 2013 Bond Issue	\$ 5,105,000	\$ 235,000	\$ 4,870,000
FY 2014 Bond Issue	\$ 3,520,000	\$ 690,000	\$ 2,830,000
FY 2014 Refunding Bond Issue	\$ 6,740,000	\$ 905,000	\$ 5,835,000
FY 2016 Bond Issue	\$ 5,520,000	\$ 1,245,000	\$ 4,275,000
TOTAL	\$ 35,612,000	\$ 5,458,000	\$ 30,154,000

Debt Summary

Description	Amount
Total Permanent Debt	\$ 30,154,000
Authorized Debt (not yet issued):	
Middle School Windows	\$ 3,313,291
Street and Sidewalk	<u>\$ 2,500,000</u>
Subtotal:	\$ 5,813,291
Total Permanent & Short Term And Authorized Un-Issued Debt	\$ 35,967,291

Sewer Enterprise Fund

	FY 2016 BUDGET	FY 2016 ACTUAL	FY 2017 BUDGET
REVENUE & OTHER SOURCES:			
USAGE CHARGES	\$ 9,007,466	\$ 8,992,046	\$ 9,419,900
MUNICIPAL CHARGES	\$ 131,000	\$ 131,000	\$ 124,389
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 71,935	\$ 40,000
SEWER LIENS	\$ -	\$ 358,550	\$ -
OTHER UTILITY CHARGES	\$ -	\$ 15,503	\$ -
USE OF RETAINED EARNINGS	\$ 500,000	\$ 500,000	\$ 250,000
INTEREST INCOME	\$ 15,000	\$ 5,683	\$ 15,000
TOTAL REVENUE	\$ 9,693,466	\$ 10,074,717	\$ 9,849,289
EXPENDITURE & OTHER USES:			
PERSONNEL SERVICES	\$ 400,857	\$ 385,030	\$ 427,204
SUPPLIES AND SERVICES	\$ 452,219	\$ 420,174	\$ 467,219
MWRA ASSESSMENT	\$ 5,818,931	\$ 5,760,051	\$ 6,006,615
CAPTIAL OUTLAY	\$ 970,000	\$ 970,000	\$ 970,000
TRANSFER TO GENERAL FUND	\$ 1,333,644	\$ 1,333,644	\$ 1,399,666
TRANSFER TO CAP. PROJECT/SEWER	\$ 500,000	\$ 500,000	\$ 250,000
DEBT SERVICE	\$ 217,815	\$ 149,515	\$ 328,585
TOTAL EXPENDITURES	\$ 9,693,466	\$ 9,518,414	\$ 9,849,289

Water Enterprise Fund

	FY 2016 BUDGET	FY 2016 ACTUAL	FY 2017 BUDGET
REVENUE & OTHER SOURCES:			
USAGE CHARGES	\$ 6,693,055	\$ 6,554,140	\$ 6,568,718
MUNICIPAL CHARGES	\$ 140,465	\$ 140,465	\$ 255,930
INTEREST AND PENALTY CHARGES	\$ 40,000	\$ 46,935	\$ 40,000
WATER LIENS	\$ -	\$ 202,505	\$ -
OTHER UTILITY CHARGES	\$ 30,000	\$ 56,456	\$ 30,000
TEST CHARGES	\$ 50,000	\$ 48,975	\$ 50,000
USE OF RETAINED EARNINGS	\$ 500,000	\$ 500,000	\$ 250,000
INTEREST INCOME	\$ 10,000	\$ 3,384	\$ 10,000
TOTAL REVENUE	\$ 7,463,520	\$ 7,552,860	\$ 7,204,648
EXPENDITURE & OTHER USES:			
PERSONNEL SERVICES	\$ 875,729	\$ 852,710	\$ 886,120
SUPPLIES AND SERVICES	\$ 363,239	\$ 314,671	\$ 384,800
MWRA ASSESSMENT	\$ 3,392,382	\$ 3,392,382	\$ 3,303,955
CAPITAL OUTLAY	\$ 211,000	\$ 211,000	\$ 211,000
TRANSFER TO GENERAL FUND	\$ 1,594,219	\$ 1,594,219	\$ 1,629,999
TRANSFER TO CAP. PROJECT/WATER	\$ 500,000	\$ 500,000	\$ 250,000
DEBT SERVICE	\$ 526,951	\$ 413,751	\$ 538,774
TOTAL EXPENDITURES	\$ 7,463,520	\$ 7,278,733	\$ 7,204,648

Water & Sewer Prior Year Funds

Balances as of July 1, 2016

Account Description	Prior Year Fund Balance	Current Year Fund Carryover	Total Of Both Funds
Water:			
Improvements	\$ 6,695	\$ 390,542	\$ 397,237
Street Repair Services	\$ 42,670	\$ 94,023	\$ 136,693
Sidewalk Repair Services	\$ -	\$ 66,774	\$ 66,774
Water Materials & Supplies	\$ -	\$ 47,730	\$ 47,730
Computer Maintenance	\$ -	\$ 28,300	\$ 28,300
Printing & Forms	\$ -	\$ 15,314	\$ 15,314
Replacement Of Equipment	\$ -	\$ 10,000	\$ 10,000
Total Water Prior Year	\$ 49,365	\$ 652,683	\$ 702,048
Sewer:			
Improvements	\$ 1,174,508	\$ 1,550,596	\$ 2,725,104
Contracted Services	\$ 56,335	\$ 227,235	\$ 283,570
Rental Of Equipment	\$ 123,484	\$ 32,800	\$ 156,284
Additional Equipment	\$ -	\$ 359,355	\$ 359,355
Replacement Of Equipment	\$ -	\$ 143,471	\$ 143,471
Street Repair Services	\$ -	\$ 68,686	\$ 68,686
Sidewalk Repair Services	\$ -	\$ 72,650	\$ 72,650
Sewer Materials & Supplies	\$ -	\$ 43,337	\$ 43,337
Total Sewer Prior Year	\$ 1,354,327	\$ 2,498,131	\$ 3,852,458

Overlay Accounts

Balances as of June 30, 2016

Fiscal Year	Amounts
2005	\$ 1,680
2006	\$ 8,549
2007	\$ 2,605
2008	\$ 21,368
2009	\$ 18,558
2010	\$ 174,789
2011	\$ 66,336
2012	\$ 439,106
2013	\$ 209,943
2014	\$ 230,940
2015	\$ 524,023
2016	\$ 500,822
	\$ 2,198,719

Special Revenue Accounts

Balances as of June 30, 2016

Fund Description	Fund Balance
FY16 Circuit Breaker	\$ 1,937,604
O'Neill Property Charitable	\$ 1,183,285
Parking Meter Fund *	\$ 698,702
Community Dev. Block Grant	\$ 286,724
Affordable Housing Dev	\$ 262,294
Foundation Reserve Award	\$ 250,000
Community Ed Umbrella	\$ 234,936
Commander's Mansion Revolving	\$ 223,937
Sale Of Cemetery Lots *	\$ 212,310
Recreation Revolving	\$ 187,831
Pre-kindergarten Revolving	\$ 114,894
School Lunch	\$ 112,628
Top Twelve Total	\$ 5,705,145
All Others (116)	\$ 1,243,883
Total Special Revenue (128)	\$ 6,949,028

* Includes amounts to be transferred for FY2017 Budget.

Capital Projects Accounts

Balances as of June 30, 2016

Fund Description	Fund Balance
Middle School Windows Loan Order	\$ 3,256,291
FY16 Street And Sidewalk	\$ 873,341
FY10 Sewer Improvements	\$ 754,400
FY16 Street And Sidewalk Loan Order	\$ 749,889
DPW Vehicles Loan Order	\$ 693,659
MWRA Sewer	\$ 593,930
MWRA I And I Grant/Loan Order	\$ 550,000
FY15 Street And Sidewalk Loan Order	\$ 509,385
MWRA LWAP Loan Order	\$ 500,000
FY16 Water Improvements	\$ 500,000
FY15 Sewer Improvements	\$ 500,000
FY16 Sewer Improvements	\$ 500,000
Police Station Bldg.	\$ 482,261
DPW Equipment	\$ 413,000
Top Fourteen Total	\$ 10,876,156
All Others (50)	\$ 3,159,935
Total Capital Projects (64)	\$ 14,036,091

Stabilizations, Trusts and Agency Accounts

Balances as of June 30, 2016

Fund Description	Balance
Capital Projects Stabilization *	\$ 1,515,900
Stabilization Fund	\$ 1,241,106
Federal Law Enforcement Trust	\$ 1,238,583
OPEB Stabilization	\$ 1,164,317
Cemetery Perpetual Care (Non-expendable)	\$ 956,276
ESCO Stabilization*	\$ 907,794
SPED Stabilization	\$ 794,566
Unfunded Pension Liability Stabilization*	\$ 767,977
Albert Fleming Scholarship (Non-expendable)	\$ 300,000
Upit Memorial Scholarship (Non- Expendable)	\$ 231,630
Top Ten Total	\$ 9,118,148
All Others (65)	\$ 553,064
Total Trusts & Agency (75)	\$ 9,671,212

* Includes amounts to be transferred for FY2017 Budget

FY2017 Budget Development

(Included for background informational purposes)

To preserve the Town's financial condition we must:

1. Continue to strive to provide the highest level of essential services possible with the most efficient utilization of resources.
2. Ensure annual costs of all operations to be funded on an annual basis out of current revenues.
3. Not defer maintenance and/or recognition of costs of capital equipment, facilities and infrastructure to future years.
4. Remain focused on achieving our long term goal of sound financial management and fiscal stability.
5. Present budget based on sound business practices.

Town Council FY2017 Budget Policy Guidelines (Page 1 of 2)

(adopted December 8, 2015)

The following are the top three priorities of the ranked Cost-Savings/Revenues Guidelines and the top five priorities of the ranked Program Enhancements/Expenditures Guidelines:

- Continue to proceed with the guidelines of the Strategic Framework for Economic Development, with the long-term goal to promote a diversified and growing tax base.
- Public safety: Police, Fire and Dispatch together represent the Town's biggest expenditure after Education. Continue with a review of the Public Safety study recommendations to determine how best deliver the level of service citizens want, more efficiently.
- Continue pursuing mitigation monies for larger scale projects.
- Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive 5-year educational budget that assures sustainable funding for our schools and the successful education of our children. Seek to accommodate the Manager's forecast 5% school operating budget increase for the next three fiscal years (FY17-19), subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 27, 2015 Preliminary Budget Overview. Continue to work with the WPS to identify school curriculum initiatives, and identify funds that can be used to meet these identified needs.

Town Council FY2017 Budget Policy Guidelines (Page 2 of 2) (adopted December 8, 2015)

- Enhance the capabilities of the Department of Community Development and Planning by adding resources, and/or redeploying existing resources, to provide inspectional services and enforcement.
- Enhance the capabilities of the Department of Community Development and Planning by adding resources to manage transportation and parking issues.
- Develop a five year plan and funding schedule for the integrated improvements of the Town's streets and sidewalks, water-sewer-stormwater infrastructure, and underground utilities. The plan should show status of ongoing projects, identify future projects including those with no funding source, and include upgrade of all water meters, identify sources of stormwater and sewage outflow to the Charles River, and coordination with water-sewer-stormwater projects and underground utility projects.
- Work with the School Committee and Administration to develop long-range plans, including budget, timeline, and identification of funding sources and mechanisms to address school building requirements in order to meet the identified needs for enrollment and programs.

FY2018 Preliminary Budget Overview – Revenues & Expenditures

- Annual revenues and expenditures will be estimated by use of objective analysis. The assumptions and factors through which the estimates are derived will be clearly stated and explained during the budget process.
- The numbers provided are preliminary and subject to change as the budget process evolves.

Revenue Forecast

Assumptions:

Real Estate and Personal Property taxes are increased 2.5% per year. New growth is projected to be \$3,300,000 for FY 2018, and \$3,000,000 for FY 2019 and FY 2020.

Funding for the Optional Tax Exemption for homeowners at 100% over the statutory level is included in the overlay adjustment.

Revenue Forecast

Proposition 2 ½ debt exclusion override is based on bond costs and school construction reimbursements. FY 2018 is the last year for school construction reimbursements related to the 1995 Debt Exclusion Override.

State Aid is level funded at the FY2017 amount.

The majority of Local Receipts are projected to remain constant or increase 2.5% annually. Motor Vehicle Excise is projected at \$4,000,000 annually and investment income is projected at \$175,000 annually through FY 2020. Other Excise (Hotel) is projected to increase \$60,000 in FY 2018. Inspection Fees are projected to decrease by \$850,000 in FY 2020.

Revenue Forecast

Other Financing Sources reflect transfers from the following:

- Parking Meter Fund to offset the Parking Lots and Meters Budget, as well as the purchase of new parking meter equipment in FY 2018.
- Cemetery Perpetual Care Expendable Trust Fund and the Sale of Lots Fund to partially offset the Department of Public Works Cemetery Budget.
- Water and Sewer Enterprise Funds to cover applicable indirect costs and debt service.
- Transfer from the Unfunded Pension Liability Stabilization Fund is projected at \$250,000 annually through FY 2019.

Revenue Forecast

Utilization of Free Cash is recommended at a level of \$2,000,000 annually through FY 2020, which includes \$250,000 annually for the Special Education Stabilization Fund.

Transfer from the Capital Projects Stabilization Fund is projected at \$500,000 annually through FY 2019.

Transfer from the ESCO Capital Project Stabilization Fund includes projected funds from departmental energy savings, rebates and grants.

Revenue Forecast

Taxes

Taxes	FY2017	FY2018	FY2019	FY2020
Prior Year Levy Limit	\$ 90,873,907	\$ 95,657,981	\$ 101,349,431	\$ 106,883,167
Add 2.5%	\$ 2,271,848	\$ 2,391,450	\$ 2,533,736	\$ 2,672,078
New Growth	\$ 2,512,226	\$ 3,300,000	\$ 3,000,000	\$ 3,000,000
Adjusted Levy Limit	\$ 95,657,981	\$ 101,349,431	\$ 106,883,167	\$ 112,555,245
Overlay	\$ (950,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Debt Exclusion	\$ 125,204	\$ 72,480	\$ -	\$ -
Net Levy Limit	\$ 94,833,185	\$ 100,421,911	\$ 105,883,167	\$ 111,555,245

Revenue Forecast

State Aid

State Aid	FY2017	FY2018	FY2019	FY2020
Cherry Sheet Receipts	\$ 11,197,412	\$ 11,197,412	\$ 11,197,412	\$ 11,197,412
School Construction Reimbursement	\$ 913,208	\$ 913,208	\$ -	\$ -
Total State Aid	\$ 12,110,620	\$ 12,110,620	\$ 11,197,412	\$ 11,197,412

Revenue Forecast

Local Receipts (1 of 2)

	FY2017	FY2018	FY2019	FY2020
Motor Vehicle Excise	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Other Excise	\$ 875,000	\$ 935,000	\$ 935,000	\$ 935,000
Penalties & Interest	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
PILOT	\$ 943,322	\$ 968,404	\$ 994,239	\$ 1,020,848
Commercial Trash	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Fees	\$ 3,336,000	\$ 3,419,400	\$ 3,504,885	\$ 2,721,257
Rentals	\$ 103,638	\$ 128,104	\$ 127,557	\$ 126,996
Cemetery	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
Recreation	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000

Revenue Forecast

Local Receipts (2 of 2)

	FY2017	FY2018	FY2019	FY2020
Licenses & Permits	\$ 255,000	\$ 255,000	\$ 255,000	\$ 255,000
Fines & Forfeits	\$ 805,000	\$ 805,000	\$ 805,000	\$ 805,000
Investment Income	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Sale of Town Property	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Belmont Reimbursement	\$ 70,654	\$ 71,654	\$ 72,654	\$ 73,654
Grant/Employee Reimbursements	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Medicaid Reimbursements	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000
Pro-forma Tax	\$ 84,400	\$ -	\$ -	\$ -
Patriot Day CBS Films	\$ 60,000	\$ -	\$ -	\$ -
Total Local Receipts	\$ 11,963,014	\$ 12,012,562	\$ 12,124,335	\$ 11,367,755

Revenue Forecast

Other Financing Sources

Transfer from:	FY2017	FY2018	FY2019	FY2020
Sale of Lots	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Parking Meter	\$ 488,500	\$ 536,000	\$ 350,000	\$ 350,000
Cemetery Perpetual Care	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Capital Project Stabilization	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Unfunded Pension Liab. Stab.	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
ESCO Capital Proj. Stabilization	\$ 522,038	\$ 522,738	\$ 517,238	\$ 515,688
Water Fund	\$ 1,629,999	\$ 1,670,749	\$ 1,712,518	\$ 1,355,331
Sewer Fund	\$ 1,399,666	\$ 1,434,658	\$ 1,470,524	\$ 1,307,287
Overlay Surplus	\$ 375,000	\$ -	\$ -	\$ -
Free Cash	\$ 3,015,894	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total Other Sources	\$ 8,216,097	\$ 6,949,145	\$ 6,835,280	\$ 5,563,306

Utilization of Free Cash & Overlay Surplus

Source	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Free Cash - Annual	\$1,500,000	\$1,750,000	\$2,000,000	\$3,015,894	\$1,750,000	\$1,750,000	\$1,750,000
Free Cash – SPED Stabilization	\$790,000	\$ -	\$ -	\$ -	\$250,000	\$250,000	\$250,000
Free Cash – 1 Time Curriculum	\$210,000	\$250,000	\$375,000	\$ -	\$ -	\$ -	\$ -
Overlay Surplus – 1 Time Curriculum	\$ -	\$500,000	\$ -	\$375,000	\$ -	\$ -	\$ -
Free Cash – ALS Medical Equip.	\$ -	\$ -	\$95,000	\$ -	\$ -	\$ -	\$ -
Free Cash - Collective Bargaining Stabilization	\$ -	\$400,000	\$ -	\$ -	\$ -	\$ -	\$ -
Free Cash – Trans/Comp Plan Imp Services	\$ -	\$130,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$2,500,000	\$3,030,000	\$2,470,000	\$3,390,894	\$2,000,000	\$2,000,000	\$2,000,000

Revenue Forecast Summary

Source	FY2017	FY2018	FY2019	FY2020
Real Estate & Personal Prop. Tax	\$ 94,833,185	\$ 100,421,911	\$ 105,883,167	\$ 111,555,245
State Aid	\$ 12,110,620	\$ 12,110,620	\$ 11,197,412	\$ 11,197,412
Local Receipts	\$ 11,963,014	\$ 12,012,562	\$ 12,124,335	\$ 11,367,755
Other Financing Sources	\$ 8,216,097	\$ 6,949,145	\$ 6,835,280	\$ 5,563,306
Total Revenue	\$ 127,122,916	\$ 131,494,238	\$ 136,040,194	\$ 139,683,718

FY2017 Budget amounts include Proposed FY2017 Budget Amendment of \$816,916.

Expenditure Forecast

Assumptions:

Departmental expenditures are projected to increase \$826,780 in FY 2018, \$847,448 (2.5%) in FY 2019 and \$868,635 (2.5%) in FY 2020.

The Education appropriation is projected to increase \$2,178,850 (5%) in FY 2018, \$2,287,793 (5%) in FY 2019, and \$2,402,182 (5%) in FY 2020.

Snow and Ice Removal is projected at \$1,165,000 through FY 2020.

The Waste Disposal appropriation is projected to increase 3% annually and includes funding of the Service Agreement with Wheelabrator North Andover.

Expenditure Forecast

State assessments, exclusive of the MBTA assessment, are projected to increase 2.5% annually. The MBTA assessment is projected to increase 2.75% annually.

The Watertown Contributory Retirement Board Funding Schedule approved by the Public Employee Retirement Administration Commission has the Retirement System fully funded in FY 2019. Pension costs are projected to increase \$1,540,000 in FY 2018; \$750,000 in FY 2019; and decrease \$15,620,000 in FY 2020. A long-range financial plan for addressing the Unfunded Other Post-Employment Benefits (OPEB) Liabilities will be created and commence in FY2020 with \$15,620,000 available for pay down of the Town's OPEB Liability.

Expenditure Forecast

Health Insurance costs, included within Insurance & Employee Benefits, are projected to increase 6% annually.

Debt figures are from current and projected future debt as listed in the FY 2017-2021 CIP / Debt Projection Table of the Capital Improvement Program. The level of projected debt may change pending decisions on various projects that are listed within the Proposed FY 2017-2021 Capital Improvement Program, the Roadway Management Study and the Facilities Assessment Study.

Street and Sidewalk Improvements are projected to increase 5% annually.

Town and School Capital Projects are listed in the Capital Improvement Program.

Transfer to the Special Education Stabilization Fund is projected at \$250,000 annually through FY 2020.

Expenditure Forecast

Departmental Expenditures

Source	FY2017	FY2018	FY2019	FY2020
General Government	\$ 5,091,720	\$ 5,219,013	\$ 5,349,488	\$ 5,483,226
Public Safety	\$ 18,380,590	\$ 18,840,105	\$ 19,311,107	\$ 19,793,885
Public Works	\$ 5,028,417	\$ 5,154,127	\$ 5,282,981	\$ 5,415,055
Snow & Ice Removal	\$ 1,165,000	\$ 1,165,000	\$ 1,165,000	\$ 1,165,000
Waste Disposal	\$ 3,062,052	\$ 3,153,914	\$ 3,248,531	\$ 3,345,987
Health & Human Services	\$ 1,156,673	\$ 1,185,590	\$ 1,215,230	\$ 1,245,610
Library	\$ 2,722,632	\$ 2,790,698	\$ 2,860,465	\$ 2,931,977
Recreation	\$ 691,141	\$ 708,420	\$ 726,130	\$ 744,283
Education	\$ 43,577,000	\$ 45,755,850	\$ 48,043,643	\$ 50,445,825
Total Expenditure	\$ 80,875,225	\$ 83,972,717	\$ 87,202,575	\$ 90,570,848

Expenditure Forecast

FY 2017 Education Appropriation

(Included for background informational purposes)

The top priority of the Program Enhancements/Expenditures section of the Honorable Town Council's Fiscal Year 2017 Budget Policy Guidelines reads as follows: "Continue to work collaboratively with the Watertown Public Schools to develop a comprehensive 5-year educational budget that assures sustainable funding for our schools and the successful education of our children. Seek to accommodate the Manager's forecast 5% school operating budget increase for the next three fiscal years (FY17-19), subject to preparation of budget requests by the School Committee, and subject to the validation of revenue and expenditure assumptions in the October 27, 2015 Preliminary Budget Overview. Continue to work with the WPS to identify school curriculum initiatives, and identify funds that can be used to meet these identified needs."

Expenditure Forecast

FY 2017 Education Appropriation

(Included for background informational purposes)

The adopted funding level for the Fiscal Year 2017 Education appropriation is \$43,577,000, which is an increase of \$2,125,000 over the Fiscal Year 2016 Education appropriation.

The following is a summary of various increases outlining the Town's very strong commitment to Education:

School Committee's Fiscal Year 2017 Budget Request	\$ 44,149,696
Identified Budget Adjustments	\$ (111,908)
Utilization of Additional Circuit Breaker Monies	\$ (85,788)
Adjusted Fiscal Year 2017 Education Request	\$ 43,952,000
Proposed Fiscal Year 2017 Education Appropriation	\$ 43,577,000
Proposed Fiscal Year 2017 One Time Curriculum	\$ 375,000
Proposed Fiscal Year 2017 Education Appropriations	\$ 43,952,000

The Submitted Fiscal Year 2017 School Health Insurance appropriation is \$4,980,000, an increase of \$195,983 above the Fiscal Year 2016 Level. Included within this increase are monies related to health insurance for the 18.3 new professional positions in Fiscal Year 2015, the 21.2 proposed positions in Fiscal Year 2016 and the 20.25 proposed positions in Fiscal Year 2017.

Expenditure Forecast

FY 2017 Education Appropriation

(Included for background informational purposes)

Source	FY2017	FY2018	FY2019	FY2020
Education*	\$ 43,577,000	\$ 45,755,850	\$ 48,043,643	\$ 50,445,825

As indicated earlier in this presentation, the Expenditure Forecast included within the Submitted Fiscal Year 2017 Budget document has Departmental Expenditures projected to increase 2.5% annually from Fiscal Year 2018 through Fiscal Year 2020. The Education appropriation is projected to increase 5.0% annually from Fiscal Year 2018 through Fiscal Year 2020.

The Honorable Town Council adopted a Motion to undertake a third party financial review of the general and special education school budget in order to better understand how to best proceed with future funding to meet the Schools' needs. On March 21, 2016, the Honorable Town Council and Honorable School Committee held a joint meeting in order to have a presentation on the Third Party Review of the General and Special Education Budgets by RSM (formerly McGladrey). There are twenty nine (29) recommendations included in the Third Party Review. The Honorable School Committee at their April 4, 2016 meeting assigned the twenty nine (29) recommendations for follow-up. Periodic updates on the Third Party Review recommendations will be forthcoming thereafter.

We look forward to continue working collaboratively with the Watertown Public Schools to develop a comprehensive multi-year Education Budget that assures sustainable funding for our schools and the successful education of our children.

* The Education appropriation is projected to increase \$2,178,850 (5%) in FY 2018, \$2,287,793 (5%) in FY 2019 and \$2,402,182 (5%) in FY 2020.

Expenditure Forecast

Source	FY2017	FY2018	FY2019	FY2020
State & County Charges	\$ 2,515,878	\$ 2,584,127	\$ 2,654,230	\$ 2,726,236
Pension Costs*	\$ 15,397,406	\$ 16,938,330	\$ 17,695,683	\$ 2,075,481
Other Post Employment Benefits (OPEB)	\$ -	\$ -	\$ -	\$ 15,620,000
Insurance & Employee Benefits	\$ 15,191,451	\$ 16,025,449	\$ 16,926,342	\$ 17,879,934

- As of January 1, 2016, the Unfunded Pension Liability is estimated to be \$38,711,650.
- As of July 1, 2015, the Unfunded OPEB Liability is estimated to be \$132,944,757.

Expenditure Forecast

Debt and Interest

Source	FY2017	FY2018	FY2019	FY2020
Permanent Debt/Interest	\$ 6,230,403	\$ 5,829,084	\$ 3,952,489	\$ 3,749,164
ESCO (Permanent)	\$ 522,038	\$ 522,738	\$ 517,238	\$ 515,688
Streets & Sidewalks (Authorized)	\$ 612,500	\$ 1,343,875	\$ 1,906,988	\$ 2,447,600
Other (Planned)	\$ 788,621	\$ 1,908,243	\$ 2,576,436	\$ 3,217,481
Cost of Certifying Bonds	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Expenditure	\$ 8,158,562	\$ 9,608,940	\$ 8,958,151	\$ 9,934,933

Expenditure Forecast

Capital Projects

Source	FY2017	FY2018	FY2019	FY2020
Town Capital	\$ 408,500	\$ 406,000	\$ 205,000	\$ 215,000
School Capital Projects	\$ 461,600	\$ 442,300	\$ 478,400	\$ 409,700
Street & Sidewalk Improvements	\$ 917,008	\$ 962,858	\$ 1,011,001	\$ 1,061,551
Total Expenditure	\$ 1,787,108	\$ 1,811,158	\$ 1,694,401	\$ 1,686,251

Expenditure Forecast

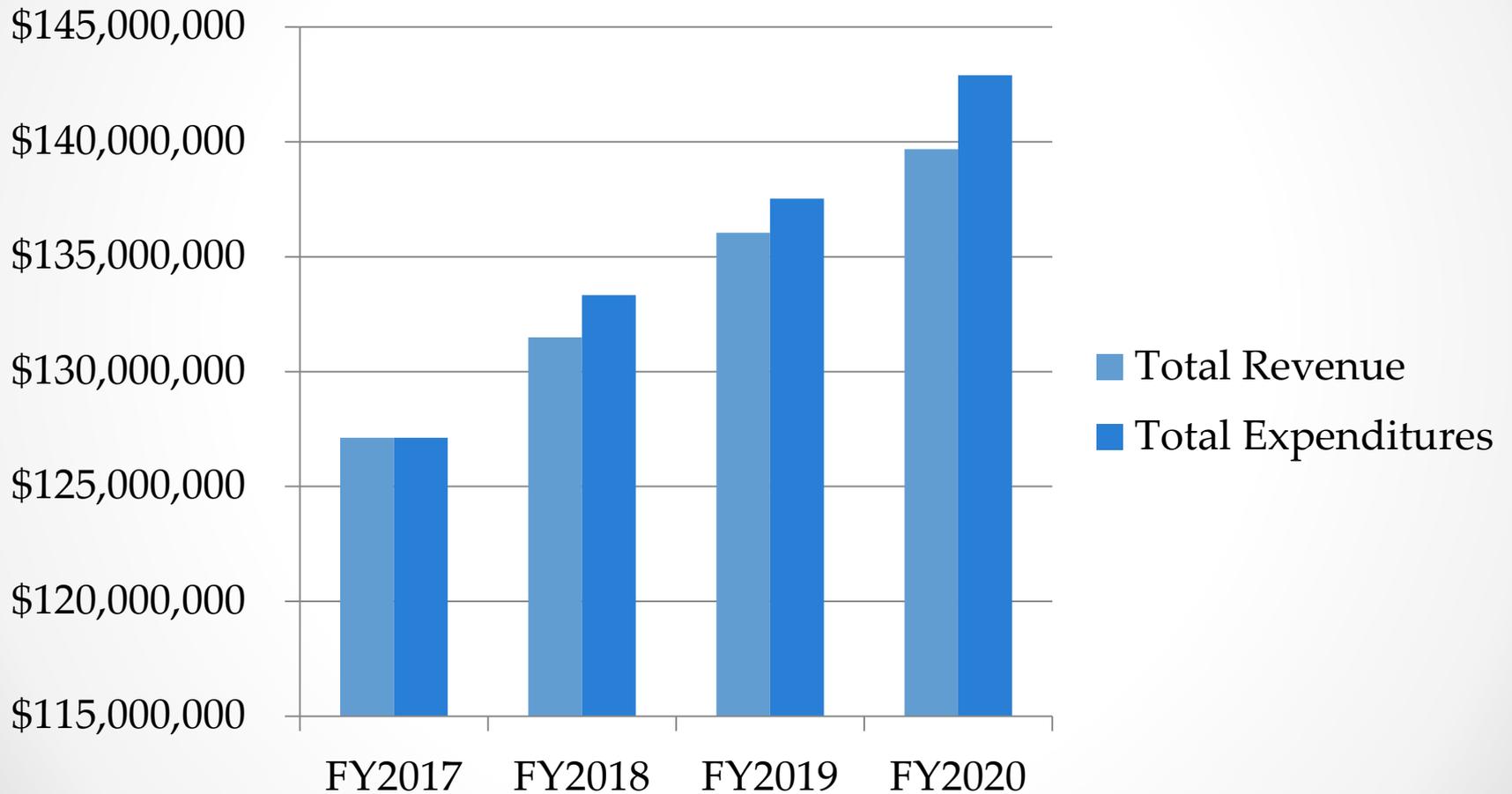
Source	FY2017	FY2018	FY2019	FY2020
Departmental	\$ 80,875,225	\$ 83,972,717	\$ 87,202,575	\$ 90,570,848
State Assessments	\$ 2,515,878	\$ 2,584,127	\$ 2,654,230	\$ 2,726,236
Pension Costs	\$ 15,397,406	\$ 16,938,330	\$ 17,695,683	\$ 2,075,481
OPEB	\$ -	\$ -	\$ -	\$ 15,620,000
Insurance	\$ 15,191,451	\$ 16,025,449	\$ 16,926,342	\$ 17,879,934
Debt & Interest	\$ 8,158,562	\$ 9,608,940	\$ 8,958,151	\$ 9,934,933
Capital Projects	\$ 1,787,108	\$ 1,811,158	\$ 1,694,401	\$ 1,686,251
Other Financing Uses & Misc.	\$ 3,197,286	\$ 2,384,827	\$ 2,394,573	\$ 2,404,562
Total Expenditure	\$127,122,916	\$ 133,325,548	\$137,525,955	\$ 142,898,245

FY2017 Budget amounts include Proposed FY2017 Budget Amendment of \$816,916.

Forecast Summary

	FY2017	FY2018	FY2019	FY2020
Total Revenue	\$ 127,122,916	\$ 131,494,238	\$ 136,040,194	\$ 139,683,718
Total Expenditures	\$ 127,122,916	\$ 133,325,548	\$ 137,525,955	\$ 142,898,245
Projected Surplus/(Deficits)	\$ -	\$ (1,831,310)	\$ (1,485,761)	\$ (3,214,527)
Prior Year Balance Budget	\$ -	\$ -	\$ 1,831,310	\$ 1,485,761
Remaining Surplus/(Deficit)	\$ -	\$ (1,831,310)	\$ 345,549	\$ (1,728,766)

Forecast Summary



Forecast Comparison

	Projected 4/26/16 FY2018 Budget	Projected 10/11/2016 FY2018 Budget	Variance
Revenue:			
Taxes	\$ 100,466,879	\$ 100,421,911	\$ (44,968)
State Aid	\$ 12,106,224	\$ 12,110,620	\$ 4,396
Local Receipts	\$ 11,987,562	\$ 12,012,562	\$ 25,000
Other Financing Sources	\$ 6,949,145	\$ 6,949,145	
Total Revenue	\$ 131,509,810	\$ 131,494,238	\$ (15,572)
Expenditures:			
Education Appropriation	\$ 45,755,850	\$ 45,755,850	\$ -
Town Depts. Approp.	\$ 34,103,755	\$ 33,897,953	\$ (205,802)
Waste Disposal	\$ 3,153,914	\$ 3,153,914	\$ -
Snow & Ice Removal	\$ 1,165,000	\$ 1,165,000	\$ -
State Assessments	\$ 2,562,688	\$ 2,584,127	\$ 21,439
Pension Costs	\$ 16,938,330	\$ 16,938,330	\$ -
Insurance & Employee Benefits	\$ 16,025,449	\$ 16,025,449	\$ -
Debt and Interest	\$ 9,686,458	\$ 9,608,940	\$ (77,518)
Capital Projects & OFU	\$ 4,195,985	\$ 4,195,985	\$ -
Total Expenditures	\$ 133,587,429	\$ 133,325,548	\$ (261,881)
Projected Surplus/(Deficit)	\$ (2,077,619)	\$ (1,831,310)	\$ 246,309

Projected Comparison

	FY2017	FY2018	Variance
Taxes	\$ 94,833,185	\$ 100,421,911	\$ 5,588,726
State Aid	\$ 12,110,620	\$ 12,110,620	\$ -
Local Receipts	\$ 11,963,014	\$ 12,012,562	\$ 49,548
Other Financing Sources	\$ 8,216,097	\$ 6,949,145	\$ (1,266,952)
Total Revenue	\$ 127,122,916	\$ 131,494,238	\$ 4,371,322
Education Appropriation	\$ 43,577,000	\$ 45,755,850	\$ 2,178,850
Town Depts. Approp.	\$ 33,071,173	\$ 33,897,953	\$ 826,780
Waste Disposal	\$ 3,062,052	\$ 3,153,914	\$ 91,862
Snow & Ice Removal	\$ 1,165,000	\$ 1,165,000	\$ -
State Assessments	\$ 2,515,878	\$ 2,584,127	\$ 68,249
Pension Costs	\$ 15,397,406	\$ 16,938,330	\$ 1,540,924
Insurance & Employee Benefits	\$ 15,191,451	\$ 16,025,449	\$ 833,998
Debt and Interest	\$ 8,158,562	\$ 9,608,940	\$ 1,450,378
Capital Projects & OFU	\$ 4,984,394	\$ 4,195,985	\$ (788,409)
Total Expenditures	\$127,122,916	\$133,325,548	\$ 6,202,632
Projected Surplus/(Deficit)		\$(1,831,310)	\$(1,831,310)

FY2017 Budget Issues & Beyond

- Collective Bargaining
 - Six (6) Town Unions (FY2017-2019)
- School System Items
 - Long Range School Facilities Master Planning Study
 - Enrollment Study
 - One (1) School Union (FY2014-2016)
 - Five (5) School Unions (FY2017-2019)
 - Third Party Review Implementation
 - Merge/Combine Facilities Management
 - Middle School Windows Project
- Community Development & Planning
 - Comprehensive Plan Implementation
 - Transportation Management Association
 - Community Compact Program
 - Community Path
 - ESCO Measurement & Verification
 - Streetlight LED Conversion
- Public Safety
 - Town's Implementation of ALS Service
 - Community Policing Initiatives
 - COPS Hiring Program
- Park Improvements
 - Grove Street End/Filippello Park
 - Moxley Courts Renovations & Lighting
 - Casey Park
 - Victory Field Phase 2
- Building Improvements
 - Fire Stations
 - Library
 - Administration Building
 - Facilities Assessment Study
- Street & Sidewalk Improvements
 - FY2017 Loan Order at \$2.5M
 - Lower Common Street Project
 - Four (4) Loan Orders at \$2.5M (FY2018-2021)
 - Related Water-Sewer Improvements
 - Mount Auburn Street Project - Design
- Bond Market
 - Upcoming Bond Sales
 - Maintain AAA Bond Rating
- Town Council Budget Guidelines/Conceptual Recommendations
 - Redesign Town's Website/Social Media Presence
 - Automated Trash/Single Stream Recycling Contract
 - New Smart Parking Meter Equipment for Municipal Parking Lots/Streets
 - Implementation of Plastic Bag Ordinance
 - Re-use of Town Buildings
 - Replacement of Residential/Commercial Water Meters
 - Funding Options for Stormwater Infrastructure Improvement
- Review of Recommendations and/or Implementation
 - Public Safety Study
 - DPW Staffing & Operational Assessment
 - DLS Financial Management Review
 - Munis Payroll Project
- Snow & Ice Removal

FY2018 Budget Issues & Beyond

- Unfunded Pension Liability & OPEB
- Collective Bargaining
- Uncertainty of Future Local Aid
- Economy Driven Revenues
- Capital Improvement Program
- Insurance & Employee Benefits
- Shared/Regionalized Services
- Departmental Operating Budgets

