FY 2016 Budget

WARRANT COMMITTEE REPORT TO
BELMONT TOWN MEETING
JUNE 1, 2015

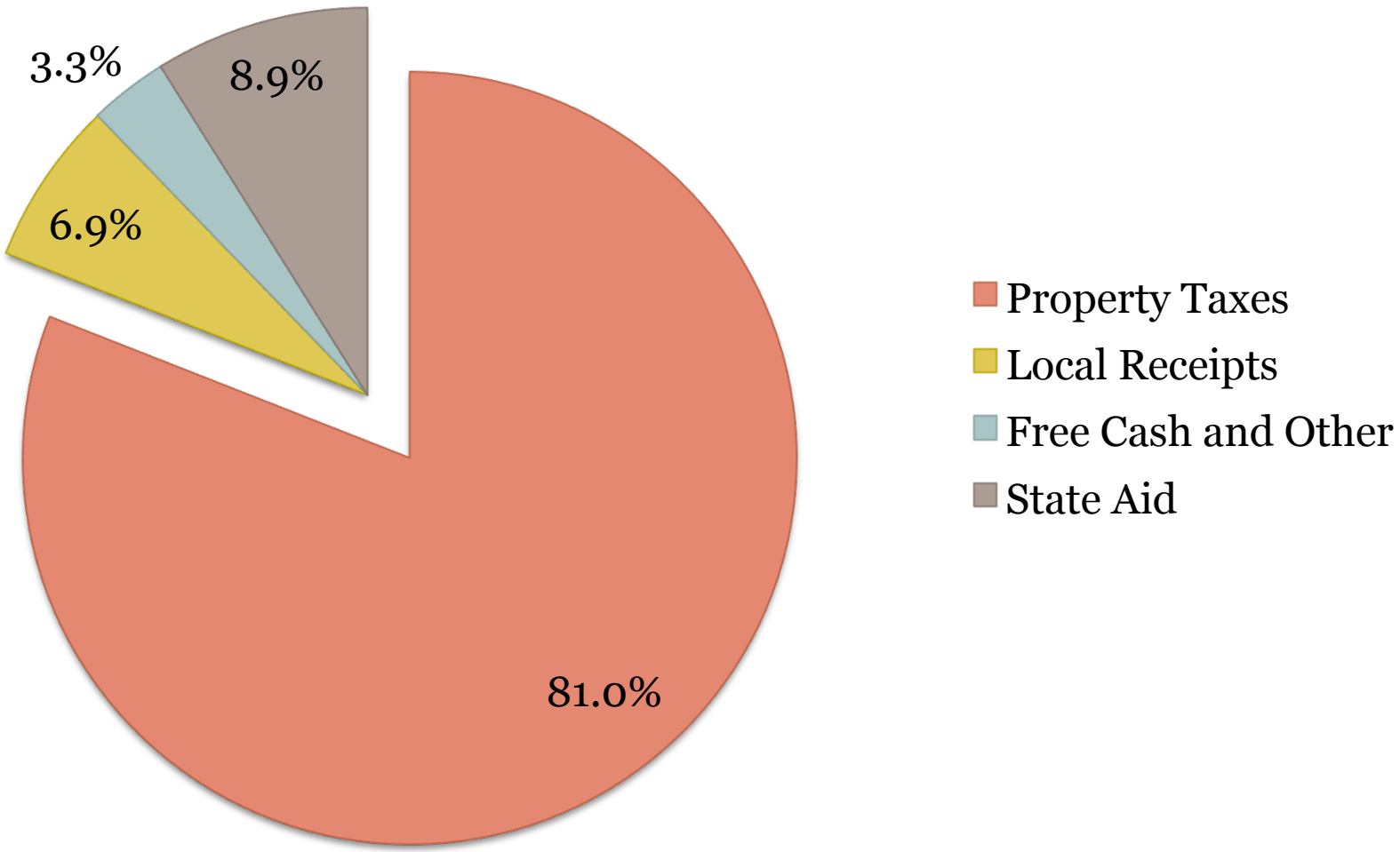
FY 2016 Budget – Warrant Committee Report

- Background
- Budget Overview
  - Revenue by Source
  - Expenditures by Department
- Free Cash and Four Stabilization Funds
- Long-Term Trends

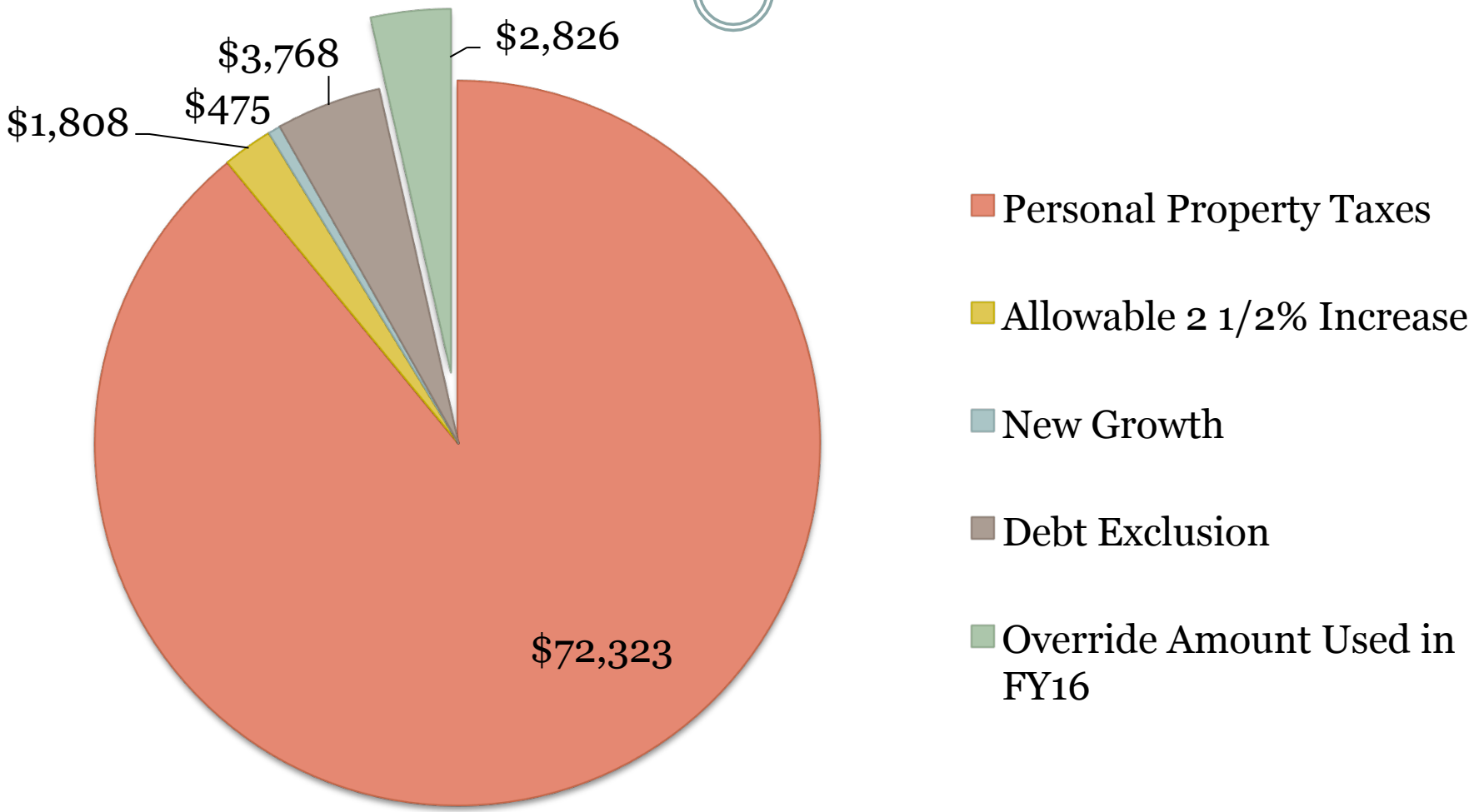
FY 2016 Budget – Background

- Collaborative effort of strong, seasoned team
  - Town and School Leadership, BOS, SC, CBC, and WC
- Budget targets set and adjusted in 2014
  - Initial allocation made based on FY 2015 budget (58%/42%)
  - Override was the obvious game-changer
- Budgets drafted by Town and School Departments
  - BOS, SC, CBC oversight; WC Subcommittees
- Final budget voted May 12/13; WC Report sent May 14

FY 2016: $100.3 MM in Available Revenue



$81.2 MM in Real & Personal Property Taxes



Note: Data in $000's

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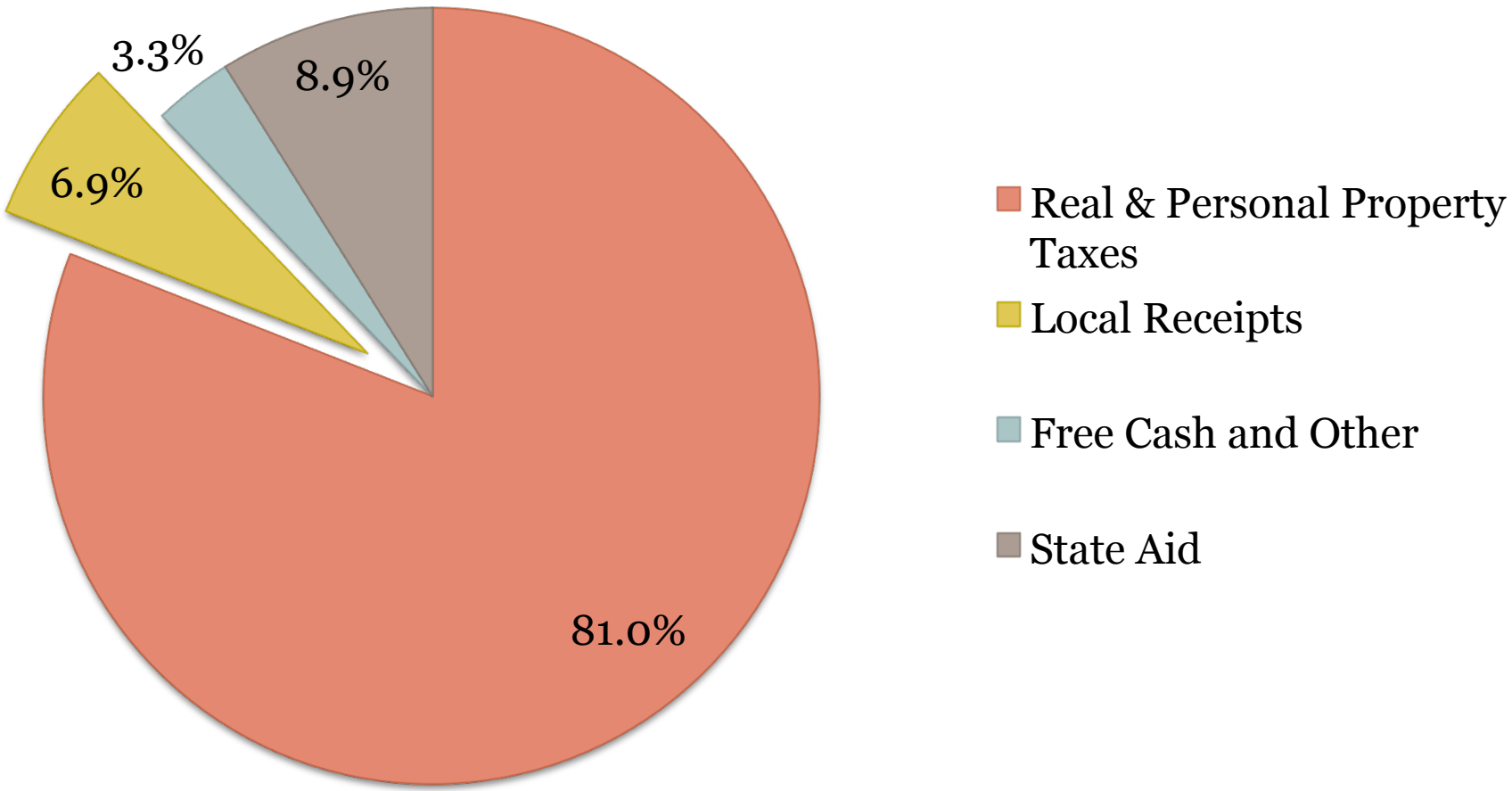
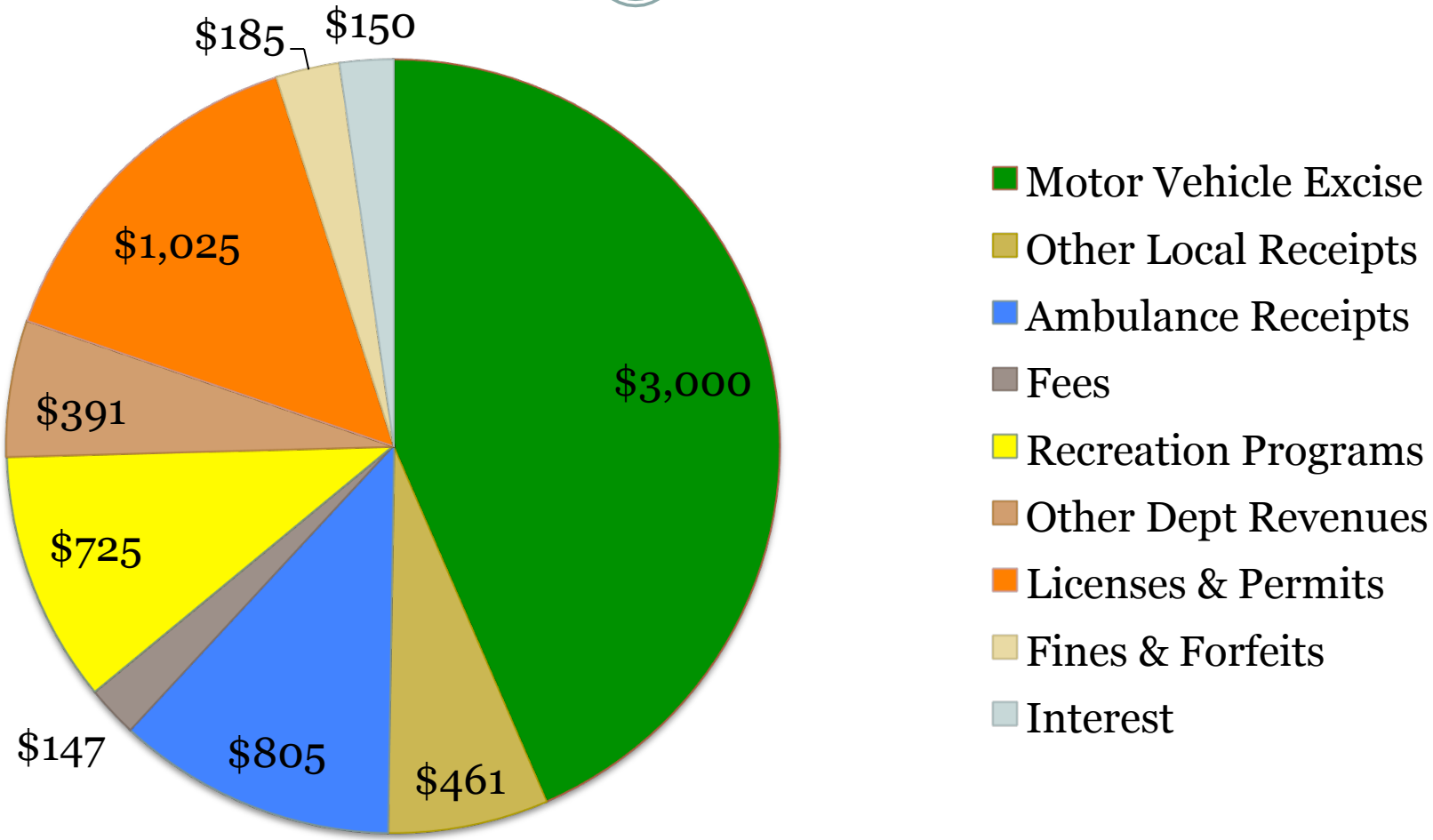


$6.9 MM in Local Receipts

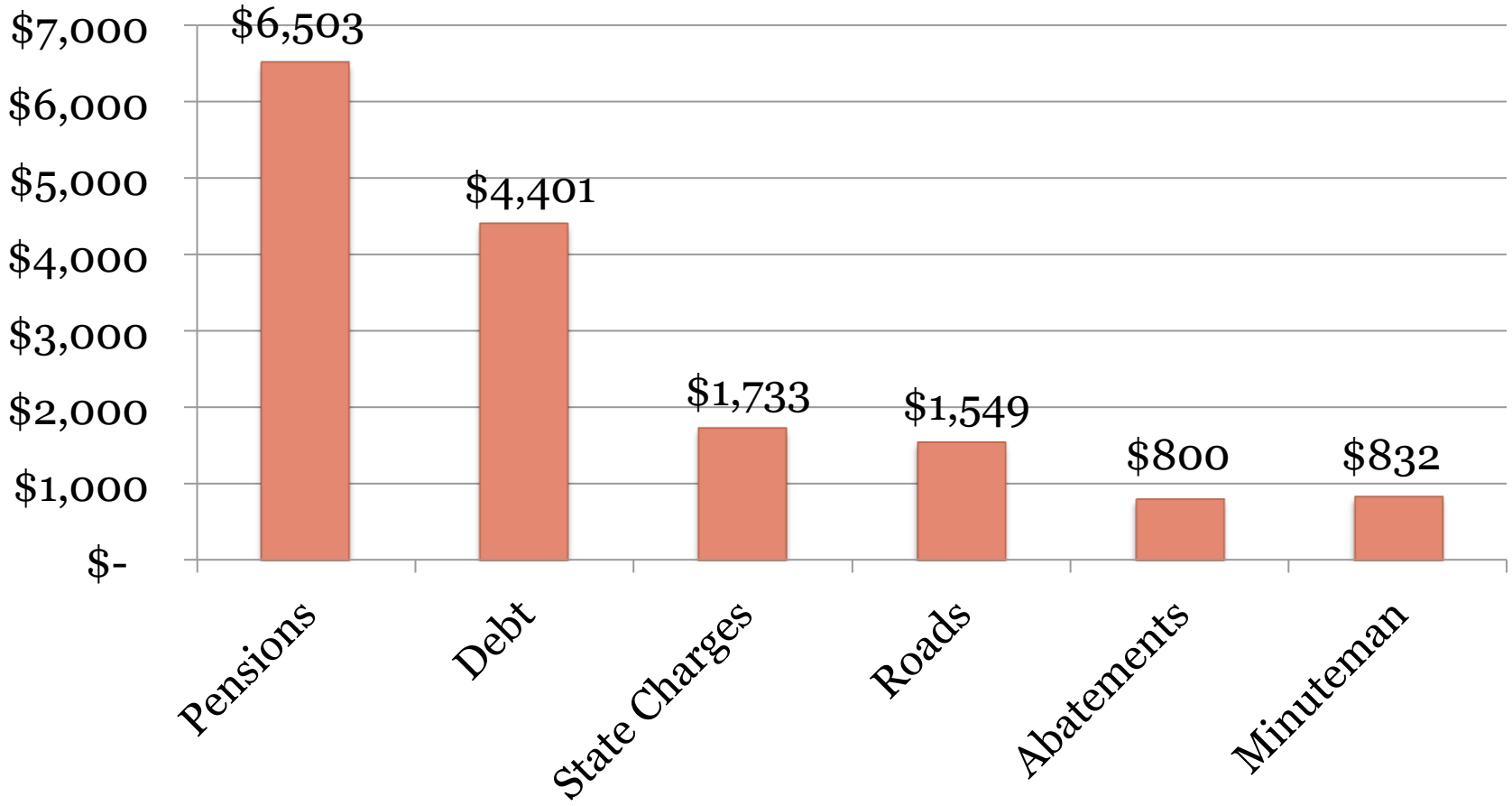


FY 2016 Budget Overview: $100,293,295

	FY2015 (Adj)	FY2016	% change
Total Budget	$ 95,256	$ 100,293	5.3%
minus fixed costs	$ 15,686	$ 15,817	0.8%
equals operating budget	$ 79,570	$ 84,476	6.2%
School	$ 46,156	$ 49,660	7.6%
Town	$ 32,019	$ 32,998	3.1%
Capital Budget (Discretionary)	$ 1,395	$ 1,818	30.3%

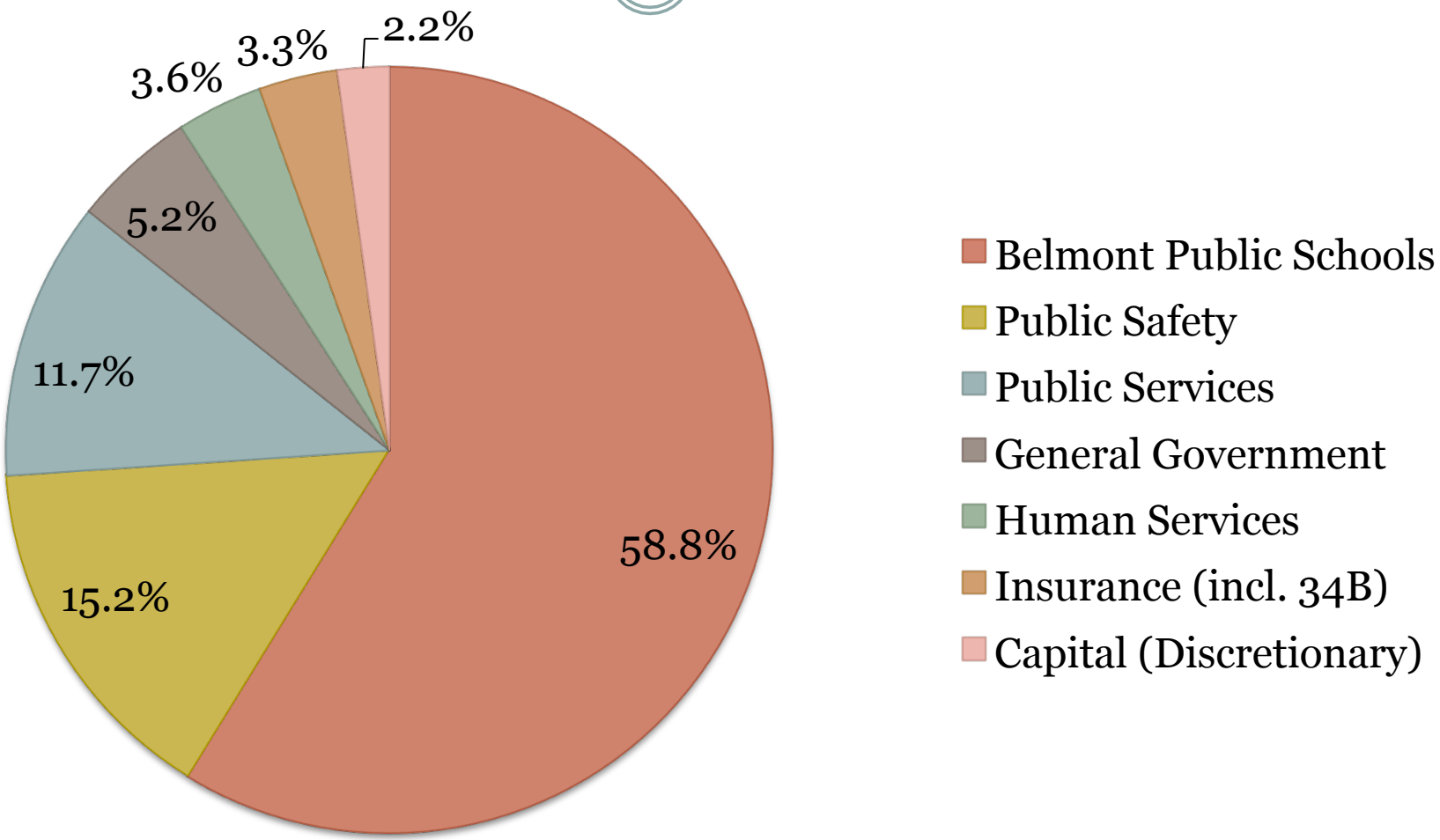
Note: $ in 000's

$15.8 MM in Fixed Costs: Components



Note: Data in $000's

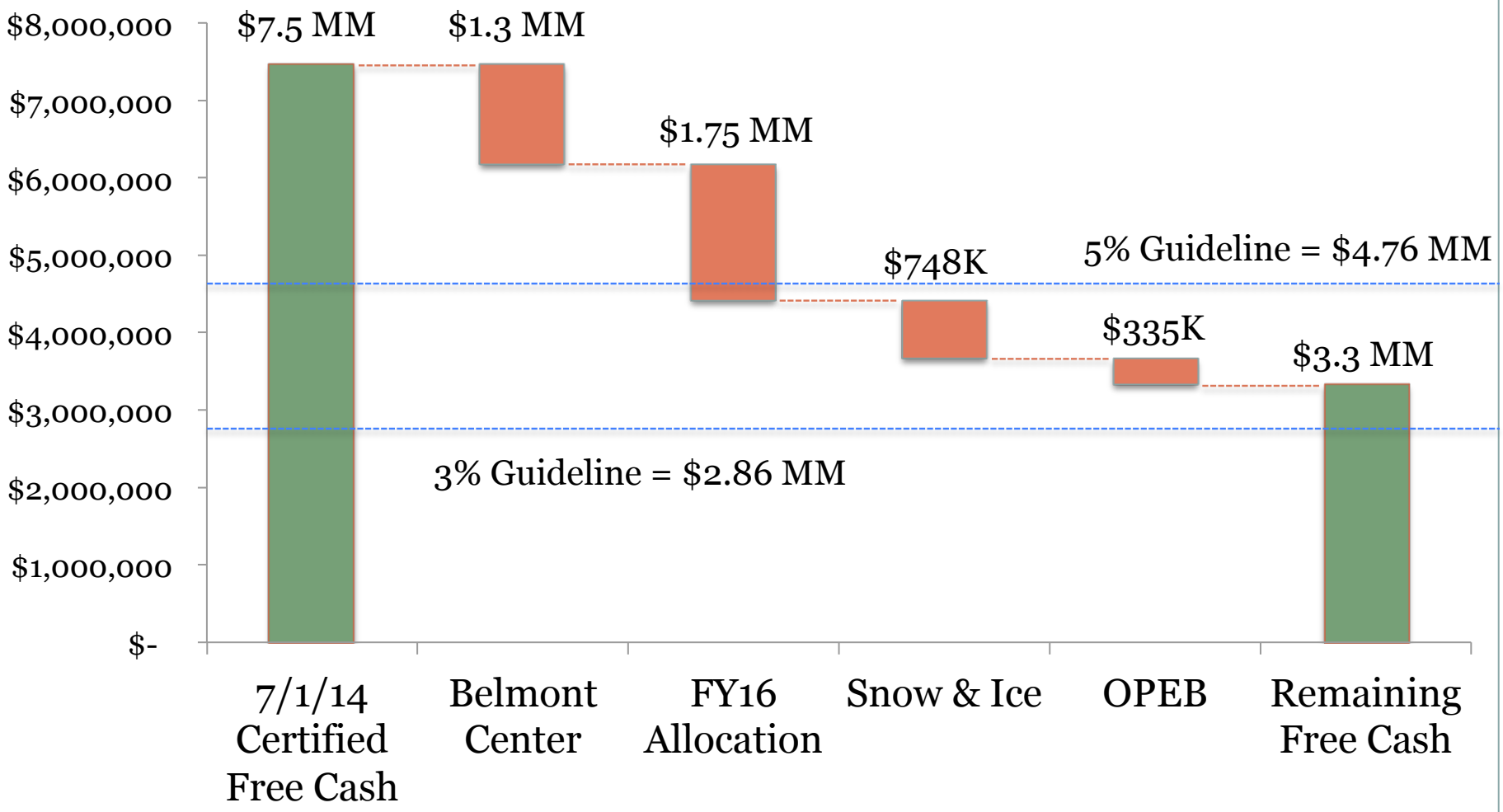
FY 2016 Operating Budget: $84,476,087



Some Highlights

- Municipal departments funded at level service or better
- Significant School Department cuts avoided
  - 16 FTE increase; additional funds for Special Education and more
- Healthcare costs again flat
  - Enabled initial investment in FTF recreation recommendation
- Over $1 million in additional capital spending
  - Effectively, maximum spending on roads (largest ever)

Update on Free Cash



Four Stabilization Funds

- Special Education Stabilization Fund
  - Article 2 (Special Town Meeting)
- General Stabilization Fund
  - Article 13: $1,674,069
- OPEB Stabilization Fund
  - Article 17: $366,738
- Capital / Debt Stabilization Fund
  - Article 19: High School, Police Station, DPW, Library

Long-Term Trends

- "Town of Homes" = 2.5 – 3.5% revenue growth
- Employee compensation is 69.5% of budget
  - Compensation growth > revenue growth = #1 challenge
- Enrollment growth and mandated school costs
- Capital, maintenance, and infrastructure
- Pension and healthcare obligations, including OPEB

Pensions and OPEB (Retirement Health)

- Pensions
  - $6.5 MM contribution in FY 2016; 8% increase over FY 2015
  - On track to fully fund by 2027, prior to 2040 state requirement
  - Biennial valuation; Warrant Committee will evaluate options
- Other Post Employment Benefits (OPEB)
  - GASB 45: pay-as-you-go $1.2 MM + $367K stabilization fund
  - $171 MM unfunded liability (was $195 MM); “all in same boat”
  - Managing via health plan design, Medicare for eligible, 50% contribution; current pension funding switch to OPEB in 2027