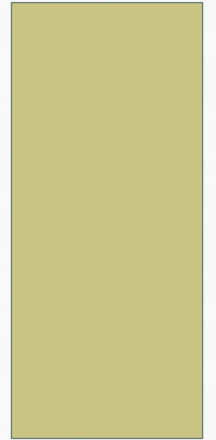


# FY19 BUDGET

WARRANT COMMITTEE REPORT TO  
BELMONT TOWN MEETING  
JUNE 4, 2018



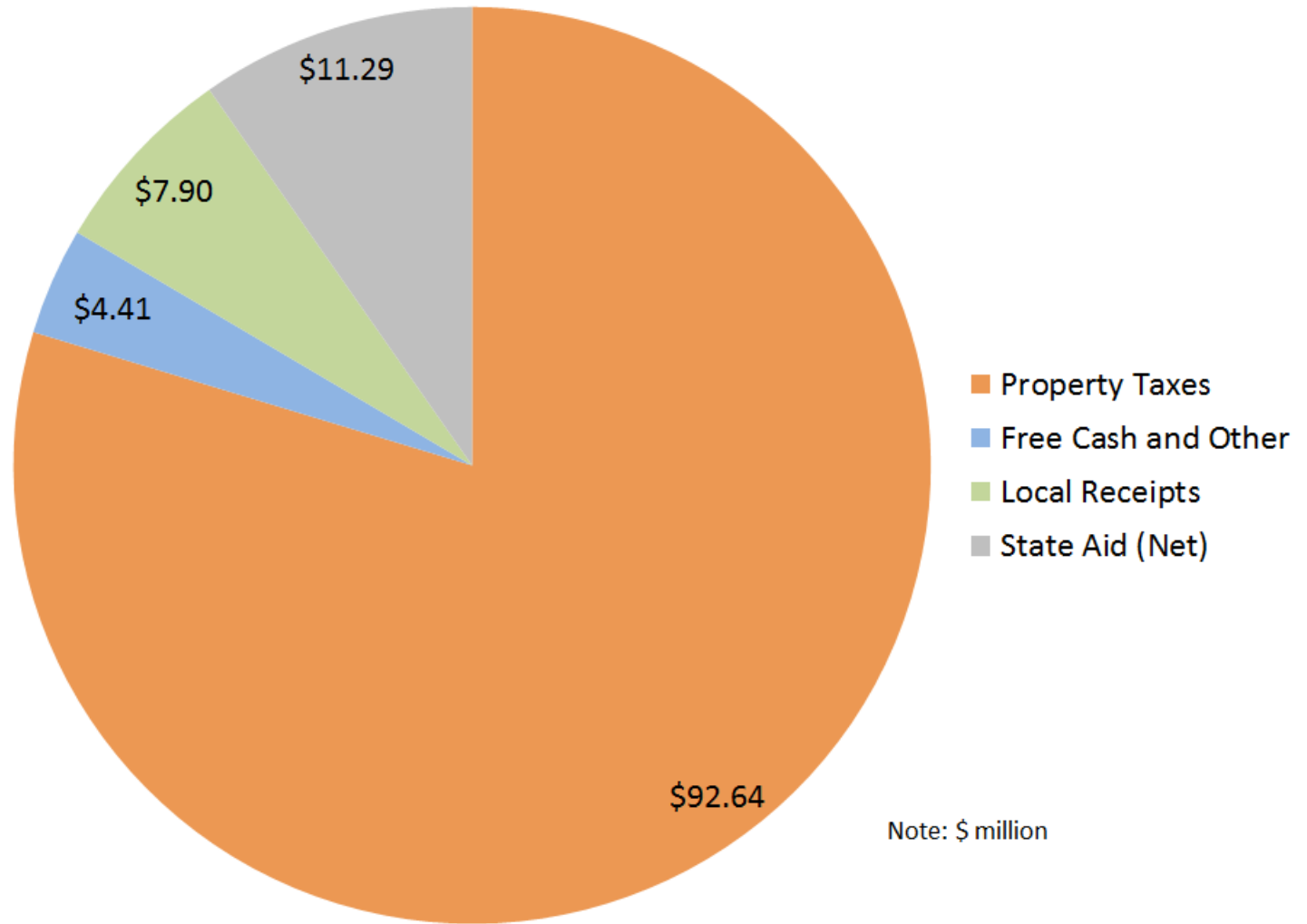
# WARRANT COMMITTEE REPORT

- Background
- Budget Overview
  - Revenue by Source
  - Expenditures by Department/Article
- Free Cash and Other Fund Balances
- Beyond FY19

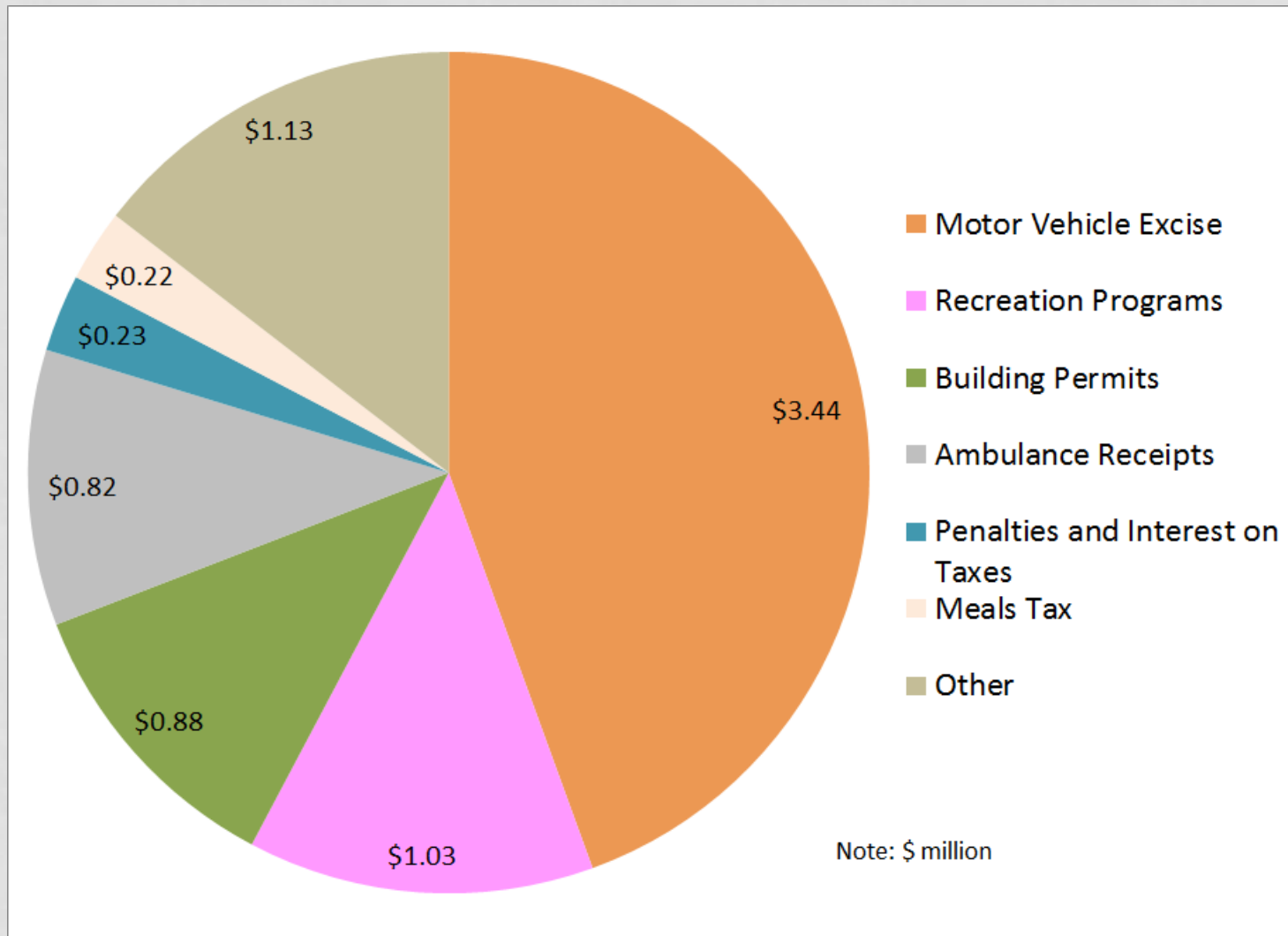
# FY19 BUDGET – BACKGROUND

- Budgets drafted by Town and School departments
  - BOS, School Committee, Warrant Committee Review
  - Capital Budget Committee Recommendations
- Key role of 2015 override to balance budget and preserve services
- WC Report sent May 10

# FY19 SOURCES OF GENERAL FUND REVENUE: \$116.24 MILLION



# FY19 LOCAL RECEIPTS DETAIL: \$7.74 MM



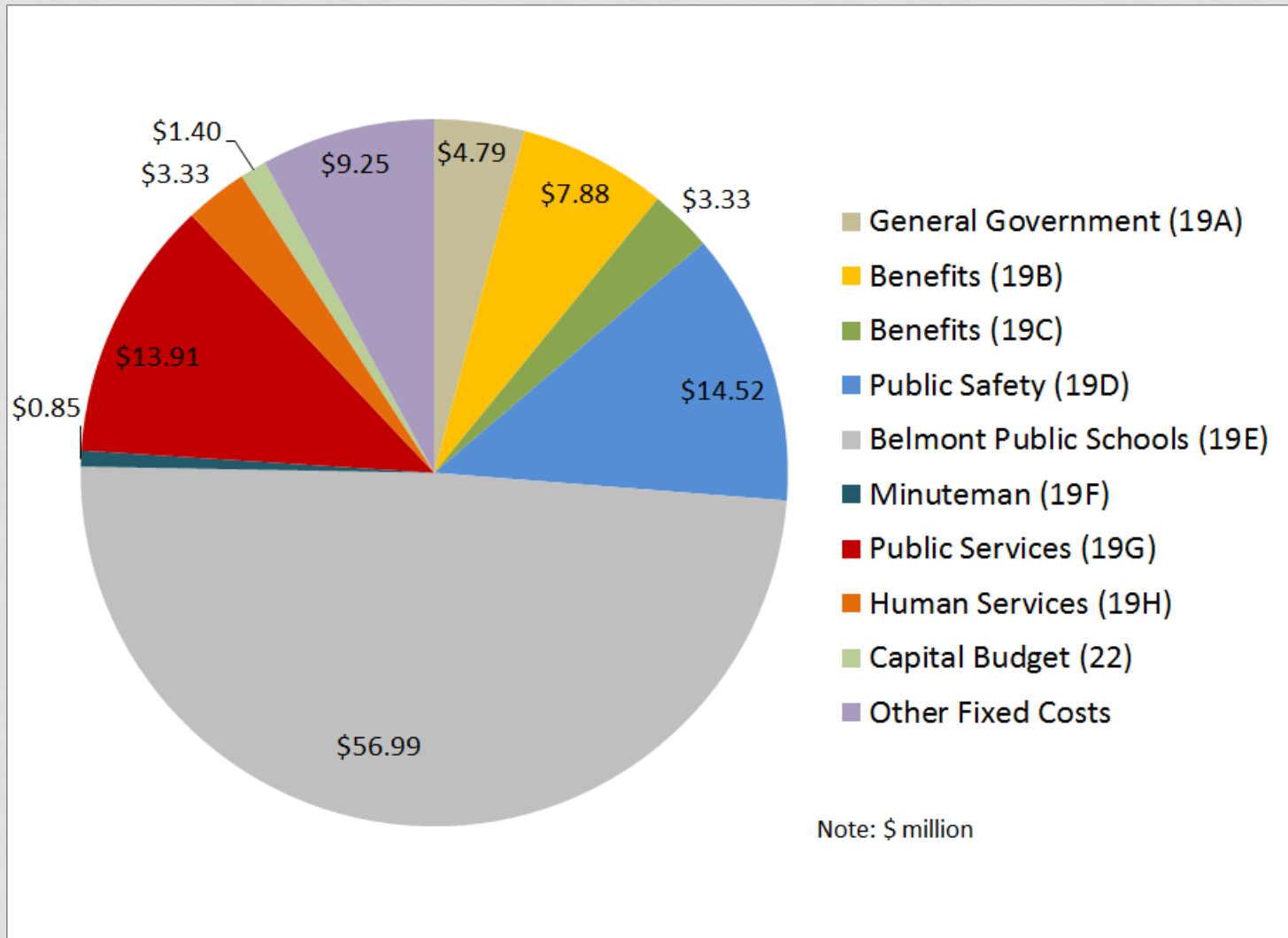
# FY19 BUDGET: \$116.24 MILLION

	FY18	FY17	% Change
Town	\$39.88	\$38.55	3.4%
Schools	\$56.99	\$52.97	7.6%
Capital Budget (Discretionary)	\$1.40	\$1.37	2.5%
Fixed Costs <sup>*</sup>	\$17.97	\$17.19	4.6%
<b>Total General Fund Budget</b>	<b>\$116.24</b>	<b>\$110.08</b>	<b>5.6%</b>

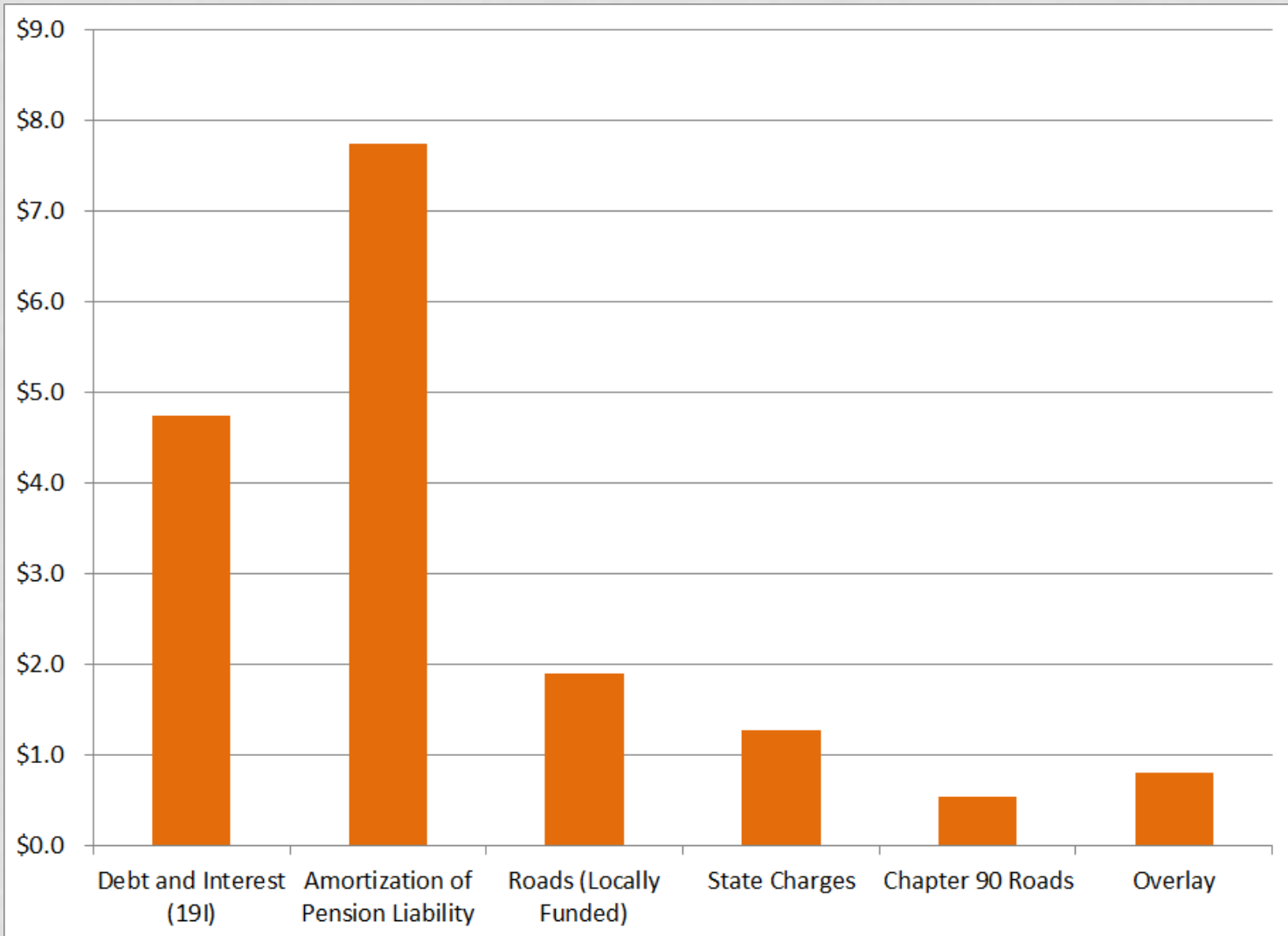
\* Fixed Costs: Pensions, Debt, Roads, State Charges, Abatements, Minuteman

Excludes Water and Sewer Enterprise

# BUDGET (\$116.24 MILLION) BY ARTICLE



# FIXED COST DETAIL (\$17.0 MILLION)

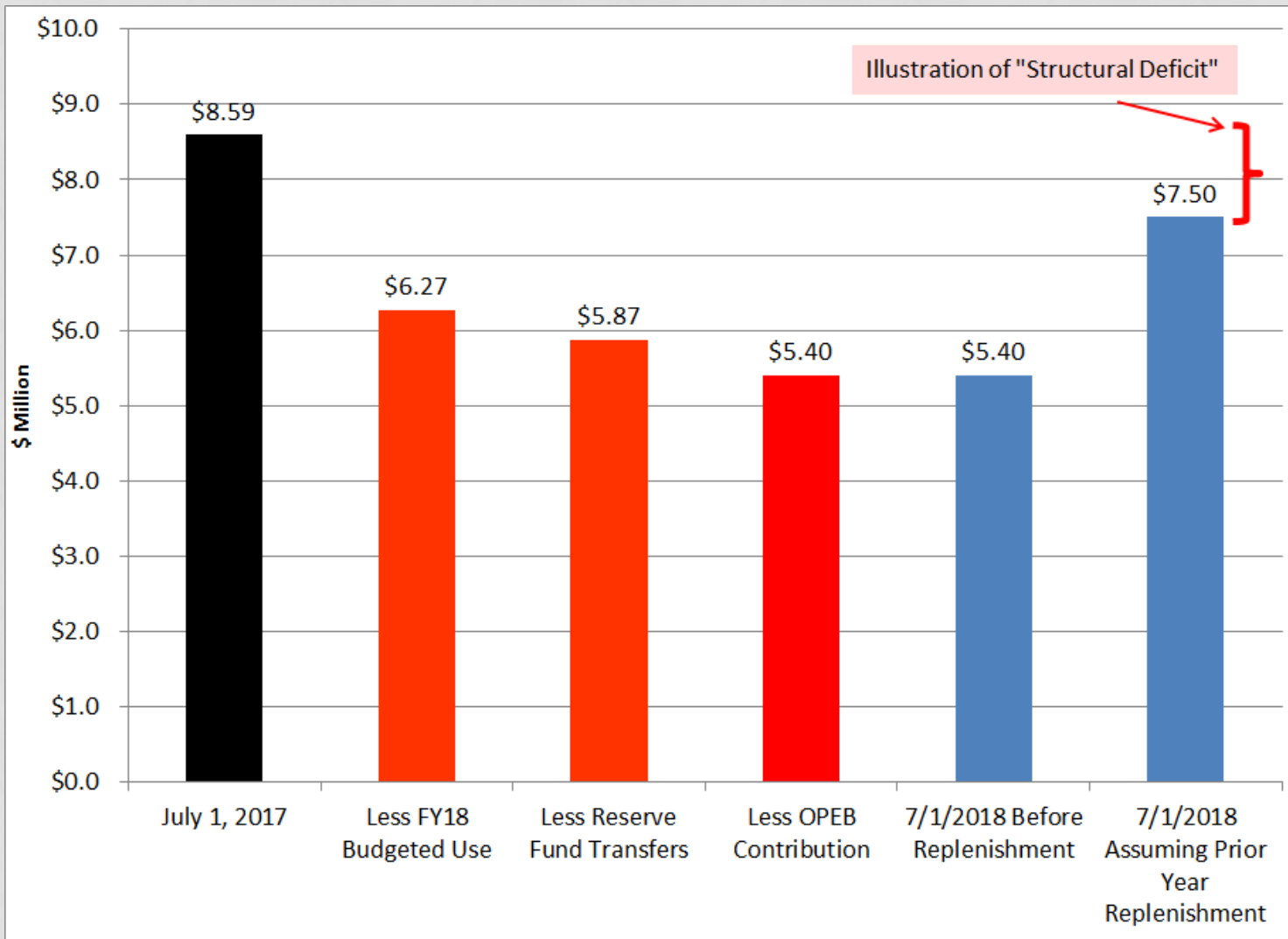




# BUDGET HIGHLIGHTS

- Municipal departments funded at level service
- School Department growth
  - 7.96 FTE increase over FY18, driven by enrollment increases
  - Enrollment up 700+ in 10 years, similar trend expected for at least several more years
- \$2.4 million for roads and sidewalks
- Health insurance projected 11% premium increase
- Pension expense 6.97% increase

# UPDATE ON FREE CASH + GEN. STAB. FUND



# FUND BALANCES UPDATE (AS OF APRIL 2018)

- General Stabilization Fund: \$3,961,826
- OPEB Trust: \$3,455,388
  - Article 20: \$572,547 additional transfer to Trust
- Capital Endowment Fund: \$3,908,014
- Kendall School Fire: \$2,509,725
  - November 2017 STM allocated \$533,230 to Library and DPW/BPD Building Committees
- Special Education Stabilization Fund: \$3,239
- Special Education Reserve Fund: \$0
- Major Capital Projects Stabilization Fund: \$0

# BEYOND FY19

- Prop. 2½ + new growth allows budget increases of 2.5% to 3.5% without additional revenue sources
- Pressure from rising school enrollment and special ed.
- Capital needs
- Planned amortization of unfunded pension liability by 2029
- General Stabilization Fund likely depleted in FY20
- Projected budget deficits for FY21 and later
  - **Balanced budgets are required!**

# SMALLER OPEB LIABILITY

- Study by Belmont OPEB Study Group, working with outside actuary, now projects much smaller OPEB liability
- Previous estimate: \$186 million
- Current estimate: **\$97 million**
- Plan remains to ramp up payment for OPEB liability after pension liability is fully amortized

# BELMONT HOUSING PRICES STILL RISING FASTER THAN TOWN SPENDING

