

Presentation Components

- Budget Overview and Strategy
- Proposed Budget
- Revenues
- Expenditures
- Capital Plan
- Stakeholders
- Summary

Budget Overview and Strategy

- Conservative but progressive budgeting practices
- Balanced budget while maintaining service delivery
- Evaluate the “Whys?”
- Establish an Efficient Government Task Force

Budget Overview & Strategy

- Evaluate Staffing of Public Safety Services
- Maintain a Limited Hiring Freeze
- 1% Salary Adjustment for Town Employees
- 15% reduction in non-personnel related costs where achievable
- Cooperation from all Departments

Proposed Budget

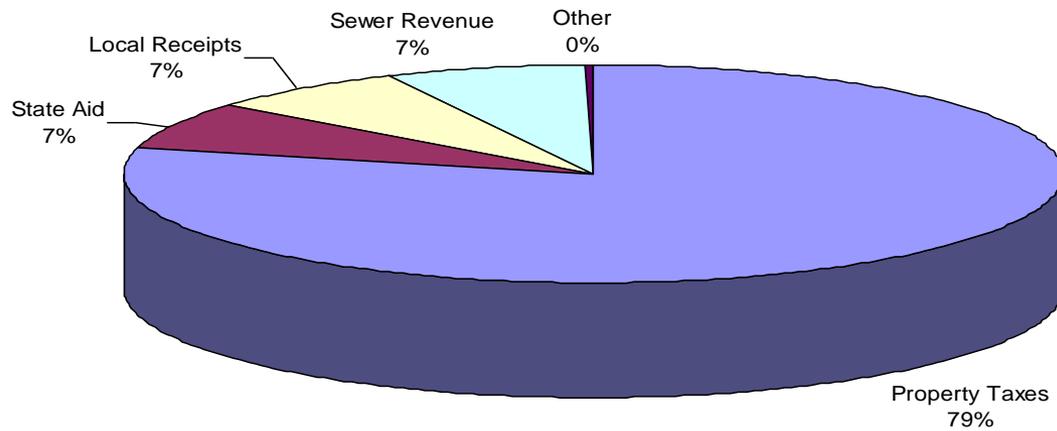
- \$88,448,752 Total Source Budget
- \$78,247,073 Operating Expenditures, (Warrant- Article 3)
- \$26,460,278 Capital Requests to be evaluated, (Warrant Article 4)
- Other Warrant Articles Not Included at this time

Revenues

- Tax Levy
- Local Receipts
- State Aid
- Sewer Receipts
- Other – Receipts Reserved for Appropriation

Revenues

FY2011 Revenues by Source



Tax Levy

Components	Fiscal 2010	Fiscal 2011
Levy Limit	\$58,402,801	\$63,057,453
Plus 2 1/2	1,460,070	1,576,436
New Growth	3,194,582	1,800,000
New Levy Limit	63,057,453	66,433,890
Debt Exclusion	3,029,188	3,397,918
Total Tax Levy	\$66,086,641	\$69,831,808

Local Receipts

	FY2008	FY2009	FY2010	FY2011
Motor Vehicle Excise	2,470,402	2,839,750	2,000,000	2,200,000
Other Dept-Inspections	2,675,220	905,899	923,607	750,000
Non Recurring & PILOT	464,129	494,619	809,953	452,000
Other Taxes/Excises	745,013	570,616	743,500	667,550
Other Departmental	661,800	372,956	636,022	539,100
Investment Income	930,983	451,569	725,000	500,000
All Other	2,226,355	2,371,815	1,859,045	1,015,350
Total Local Receipts	10,173,902	8,006,924	7,667,126	6,124,000

State Aid

	FY2008	FY2009	FY2010	FY2011
Education Aid	\$3,743,932	\$3,954,427	\$3,936,362	\$3,427,948
Unrestricted General Government Aid Addl Assistance '08 & '09	1,550,298	1,550,298	2,881,188	2,521,040
Lottery Aid	2,519,651	2,519,651		
Other General Govt Aid	510,164	524,934	264,742	253,037
Total State Aid	\$8,324,045	\$8,579,310	\$7,082,292	\$6,202,024

Sewer Enterprise Fund

- Established Sewer Enterprise for FY2010
- Self Sustained Revenues and Expenditures in One Rate Structure
- FY2011 Stable Rate Forecasted – same rate for 4 years running
- Sewer Capital Projects funded by rate and MWRA grants/loans

Expenditure Components

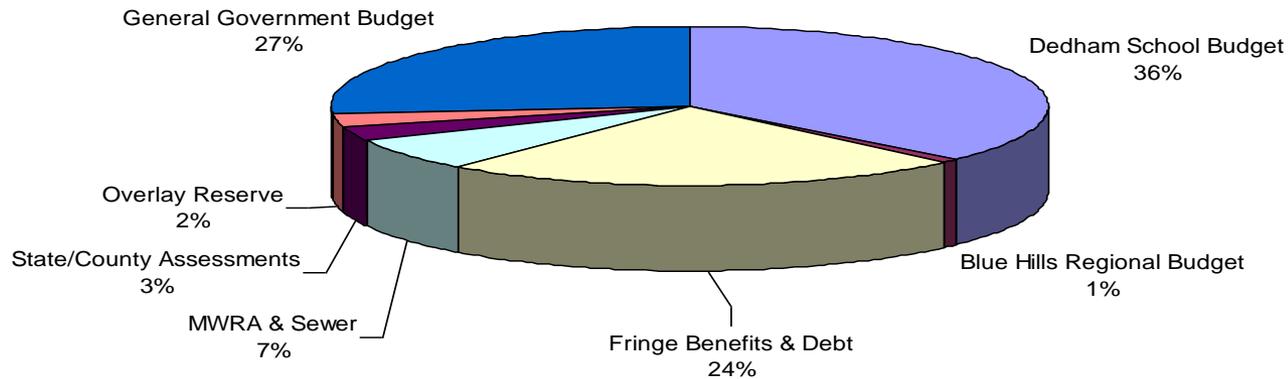
- Administrative Services
- Public Safety
- Public Works & Engineering
- Community Services
- Education
- Employee Benefits
- Debt Service

Expenditures

	FY2010	FY2011	Difference	%
Administrative Services	\$ 4,900,092	\$ 4,878,517	(\$ 21,575)	-.5
Public Safety	10,825,813	11,051,753	225,940	2.1
Public Works	5,690,500	5,574,093	(116,407)	-2.0
Community Service	2,720,894	2,758,652	37,758	1.4
Education	32,499,683	33,101,500	601,817	1.9
Fringe Benefits	12,228,850	13,084,915	856,065	7.3
Debt Service	7,341,308	7,797,643	456,335	7.7
Total	\$76,207,140	\$78,247,073	\$2,039,933	2.7

Expenditures By Function

FY2011 Uses of Funds



Administrative Services

- Overall (\$21,575) or .5% reduction
- Personnel Services increased by \$52,995
- Departmental Operating Expenditures were reduced by \$74,570
- Increases in Insurance, Utilities and Elections partially offset 15% departmental reductions

Public Safety

- Overall increase of \$225,940 or 2.1%
- Personnel Services Increased by \$240,513
- Departmental Operating Expenditures decreased by \$14,873
- 8 Unfilled Positions-Police=4, Fire=4
- Ongoing Collective Bargaining discussions with Police Unions
- Initiating a Staffing Study of Public Safety Services in Light of Recent New Growth

Public Works & Engineering

- Overall decrease of \$116,407
- Level Funded Rubbish & Recycling until we have actual experience with new program, Single Stream Recycling is now operational
- Personnel Services increased by \$44,293
- Reduction in Operating Expenditures of \$160,700
- Decreases in Professional Services, Materials Disposal, Sign and Grounds Keeping

Education

- Overall increase of \$601,817 or 1.9%
- Blue Hills Regional projected to increase by \$23,100 or 3.4% - awaiting school committee action
- Dedham Public School increase of \$578,717 funds Steps, 1% Pay Increase, Longevity and Unemployment Costs. This amount is less than the School Committee approved budget by \$234,987 or 0.7%

Community Services

- Overall budget increase of \$37,758 or 1.4%
- Personnel Services increased by \$35,727
- Operating Expenditures were increased for Veterans Benefits and Hazardous Waste Collection Day – leaving a net increase of \$2,031
- 2 Unfilled Positions in the Library

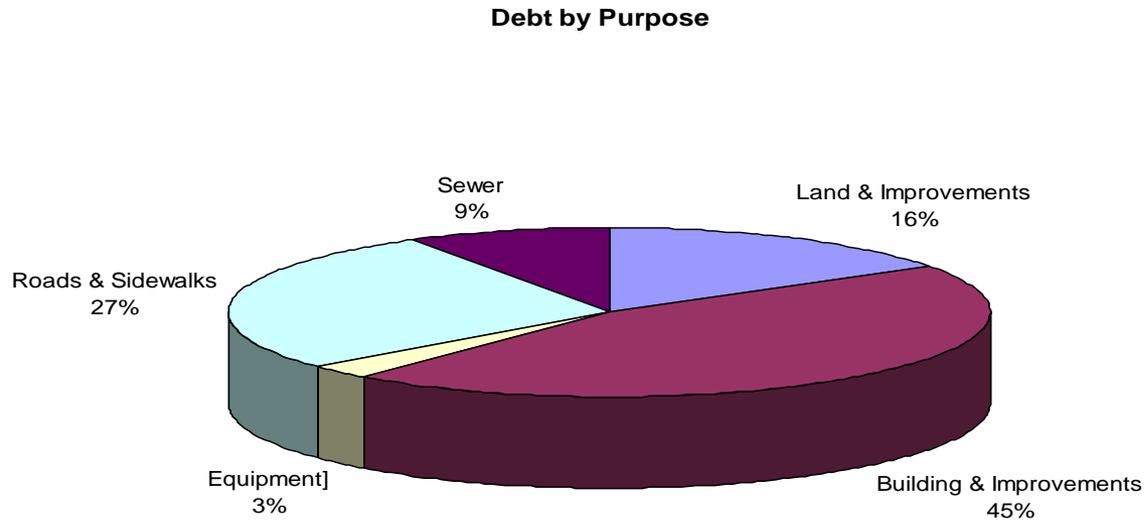
Employee Benefits

- Overall increase of \$856,065 or 7.3%
- Health Insurance is projected to increase by 9.5%
- Pensions and other fringe benefits only increased \$63,630 or 1.6%
- Investment losses in the Retirement System have not yet been factored into the Pension Assessment

Debt Service

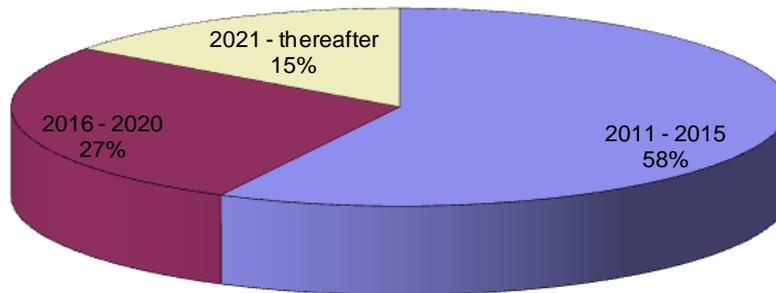
- Overall increase of \$456,335 or 7.7%
- FY2010 Capital Plan had limited borrowing – however the New Athletic Complex cash flow needs require funding in the May 2010 borrowing
- Borrowing projection assumes 3.75% interest rate. This rate maybe conservative given our current bond rating, current economic conditions

Debt by Purpose



Debt by Maturity

Debt by Maturity



Capital Plan

- Capital Requests for FY2011 total \$26,462,478. Includes a \$10million placeholder for the Energy Management Contracting Project and \$8million for a New Senior Center.
- Must be evaluated by the Capital Expenditure Committee and Building Planning and Construction Committee
- Mitigation Funds Committee has received \$750,000 from Legacy Place and expects another \$750,000 from HSL during the next budget cycle. The MFC has recommended funding \$540,796 of requests, some of which were included in capital requests

Capital Plan

- Funding will be provided by use of Free Cash, Bonding and other available funds
- Pavement Management Program will continue with bonding and the use of Chapter 90 Funds
- Discussions ongoing on new local Meals Tax and increased Hotel/Motel Tax revenue. Actual collections for two months distributed at the end of March

Financial Practices

- Major review of Financial Policies by working group comprised of Board of Selectmen, School Committee, Finance Committee and Town Administration.
- Updated Long Range Forecasting Model
- Strategic Capital Initiative for Facilities
- Annual Borrowing Plan utilizing Cash Flow Projections & Debt Schedule
- Long-Term funding of OPEB
- Mitigation Fund Committee

Summary

- Balanced Budget – many factors
- Cooperation of Stakeholders
- Changes will likely unfold as more information becomes available
- Only the Beginning of the Process
- Discussions will be ongoing to adapt as circumstances and estimates become more clear