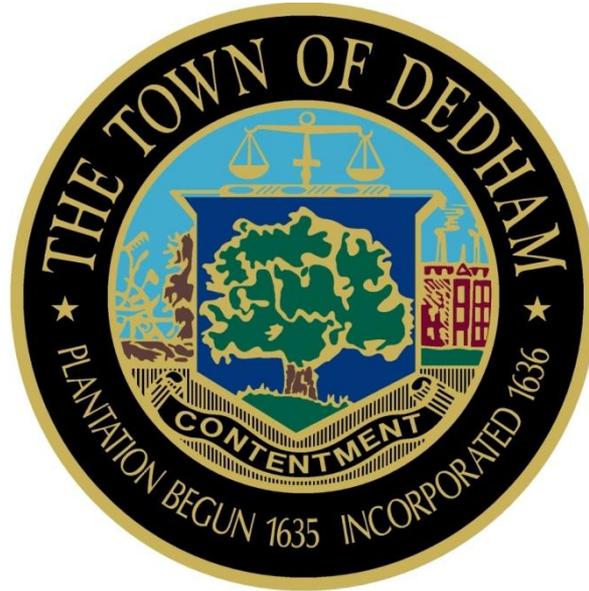


TOWN OF DEDHAM
FY2014 BUDGET MESSAGE



A Sustainable Economic Framework for Dedham

Presented by:

William G. Keegan, Jr.

Town Administrator



Presentation Components

- New Approach to Budgeting
- 2003-2013 Selected Accomplishments
- 2013 Highlights
- 2014 Spending Plan
- Summary of New Initiatives in Budget
- Conclusion



New Approach to Budgeting

- Emphasis on services and priorities and funding accordingly
- Increased transparency of cost of services
- Performance data to aid in budgeting decisions
- Evolving process



2003-2013 Selected Accomplishments

- Roads Program
- Sewer Maintenance
- Recycling/ Automated Trash Program
- Science Labs, East Street, Middle School, Dolan Center, Avery & Athletic Field
- Full List in Appendix



2013 Highlights

- Dedham Square
- Implementation of Health Insurance Reform
- Central Facilities Department
- Endicott Estate
- Ongoing Review of Public Safety Study
- Financial Policies Committee



2014 Proposed Budget

- Focused on Limiting Tax Impacts
- Implementing certain Public Safety Study recommendations
- New Human Resources Department
- Performance-Based approach to Services & Costs
- Focus on Economic Sustainability

Fiscal 2014 Spending Plan

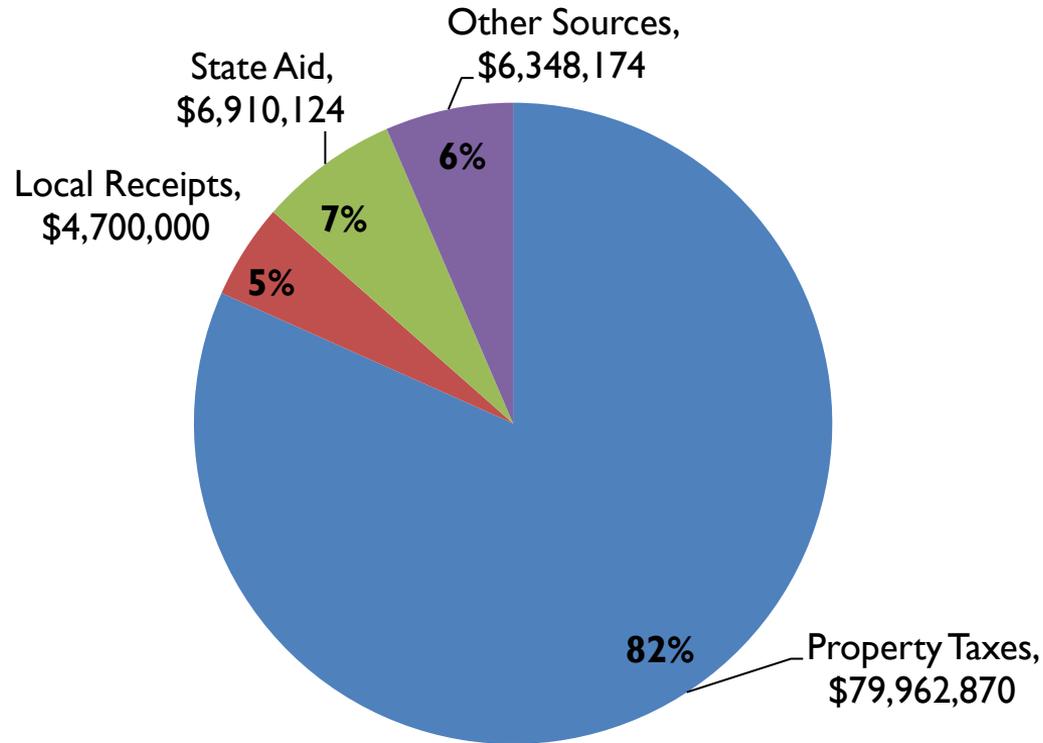
- \$97,921,168 Total Spending Plan
- \$87,910,967 Operating Expenditure Budget
- \$ 7,598,507 Local Assessments
- \$ 2,411,694 State Assessments



Revenues

- Property Taxes
- Local Receipts
- State Aid
- Other (Including Sewer)

Revenues by Source

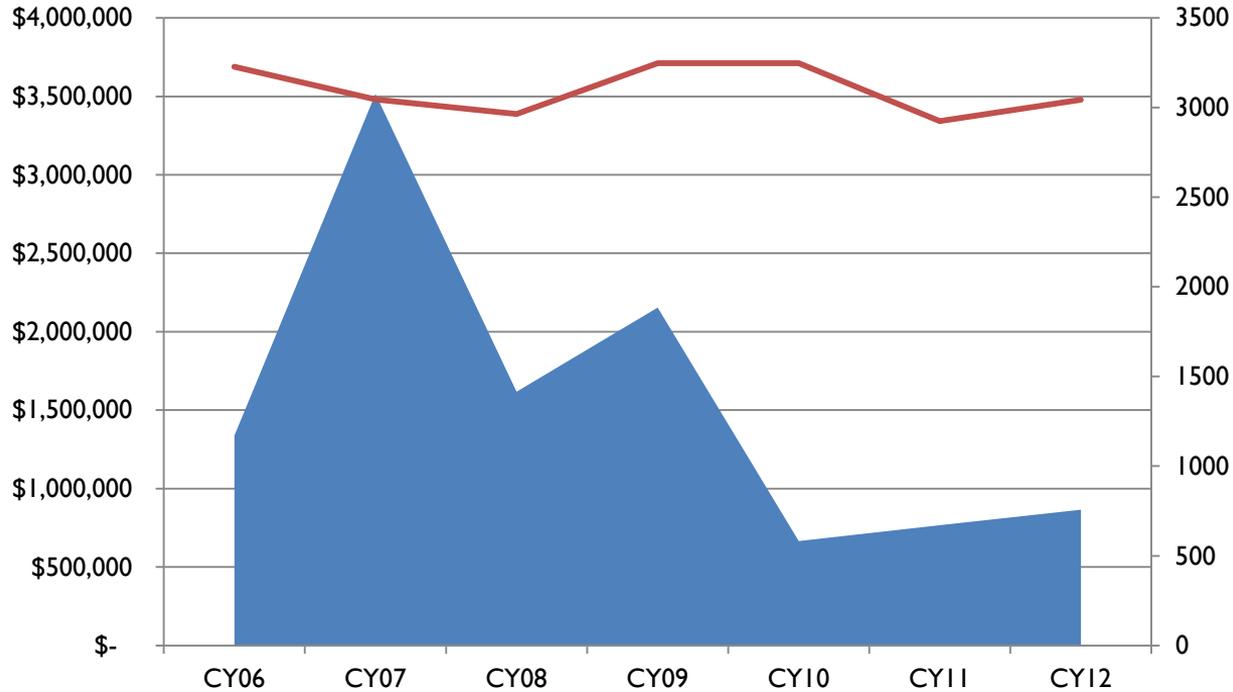


Tax Levy

	<u>FY 2013</u>	<u>FY 2014</u>
Prior Year Levy Limit	71,008,352	73,915,450
2½% Increase	1,775,465	1,847,886
New Growth	1,131,633	500,000
Subtotal	73,915,450	76,263,336
Debt Exclusion	3,742,766	3,699,534
Adjustment	-21,948	
Real & Personal Property	77,636,268	79,962,870

Building Permits & Fees

Fees (\$)



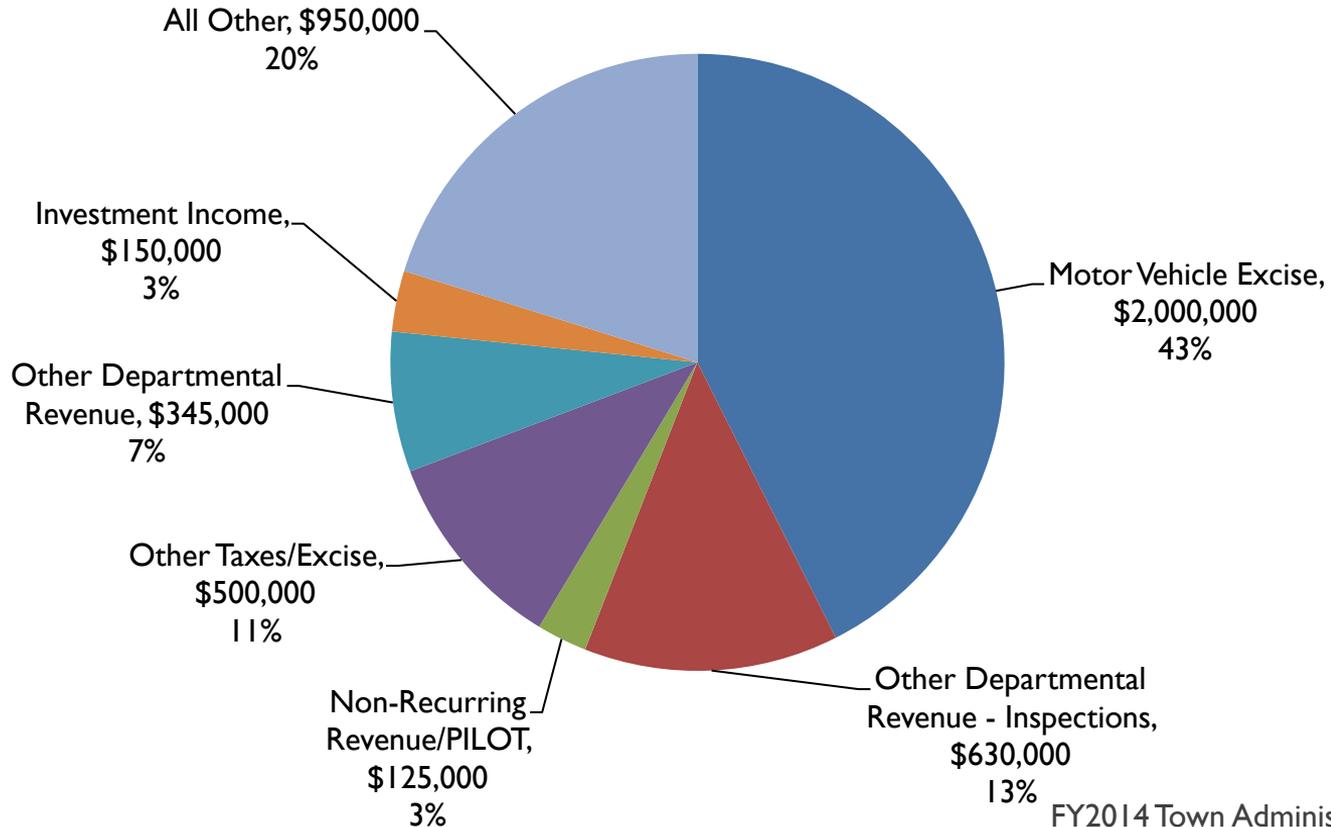
Number of Permits



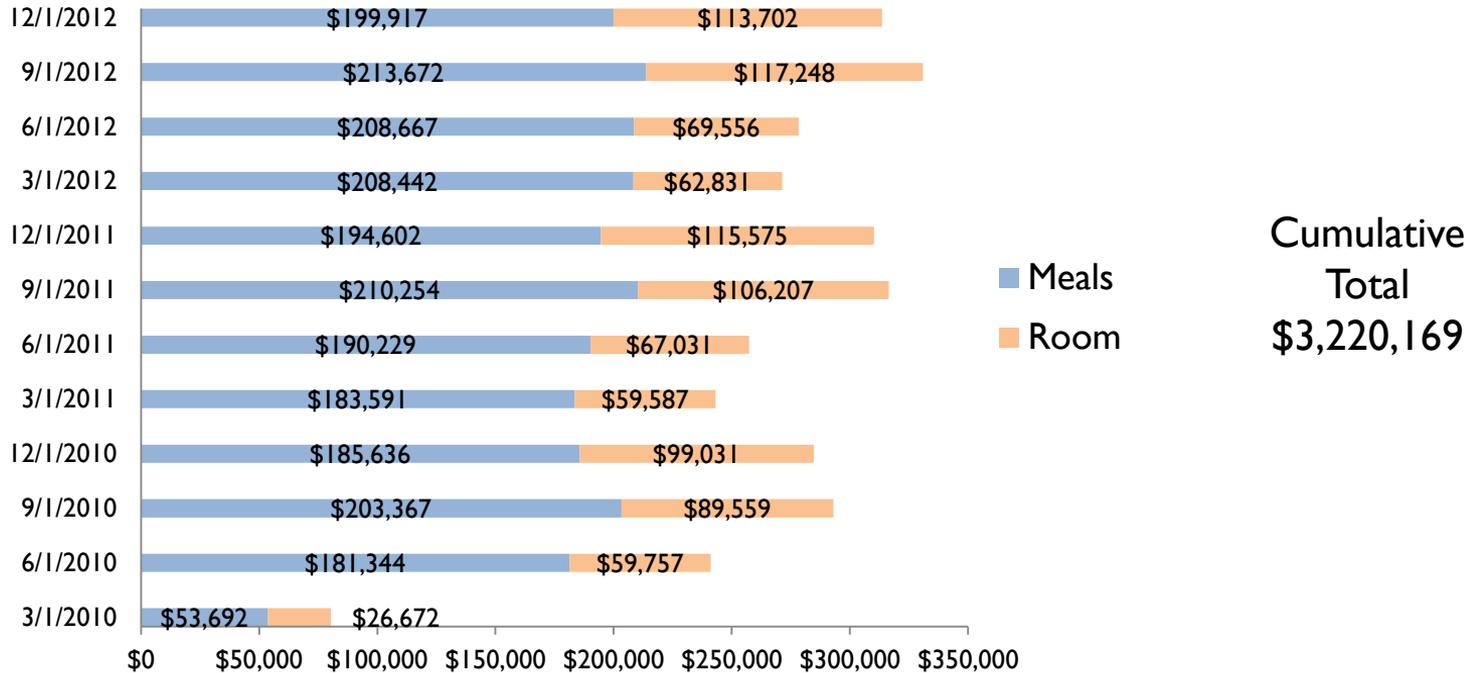
Local Receipts

	<u>FY 2011</u> <u>Actual</u>	<u>FY 2012</u> <u>Actual</u>	<u>FY 2013</u> <u>Budget</u>	<u>FY 2014</u> <u>Budget</u>
Motor Vehicle Excise	2,714,442	2,563,860	2,000,000	2,000,000
Hotel/Motel/Boat Excise	630,656	709,277	500,000	500,000
Penalty/Interest on taxes	296,260	345,562	125,000	125,000
Departmental - Inspections	722,643	741,120	500,000	500,000
Departmental - Cemetery	82,000	92,105	70,000	70,000
Departmental - Other	1,142,891	1,213,498	1,055,900	1,055,900
Licenses & Permits	217,297	230,755	200,000	200,000
Investment Income	446,630	340,813	150,000	150,000
Fines & Forfeits	139,328	155,102	75,000	75,000
Non-Recurring Revenues	287,121	320,260	24,100	24,100
Total	6,683,197	6,632,250	4,700,000	4,700,000

Local Receipts



Local Option Taxes | Distributions by Quarter

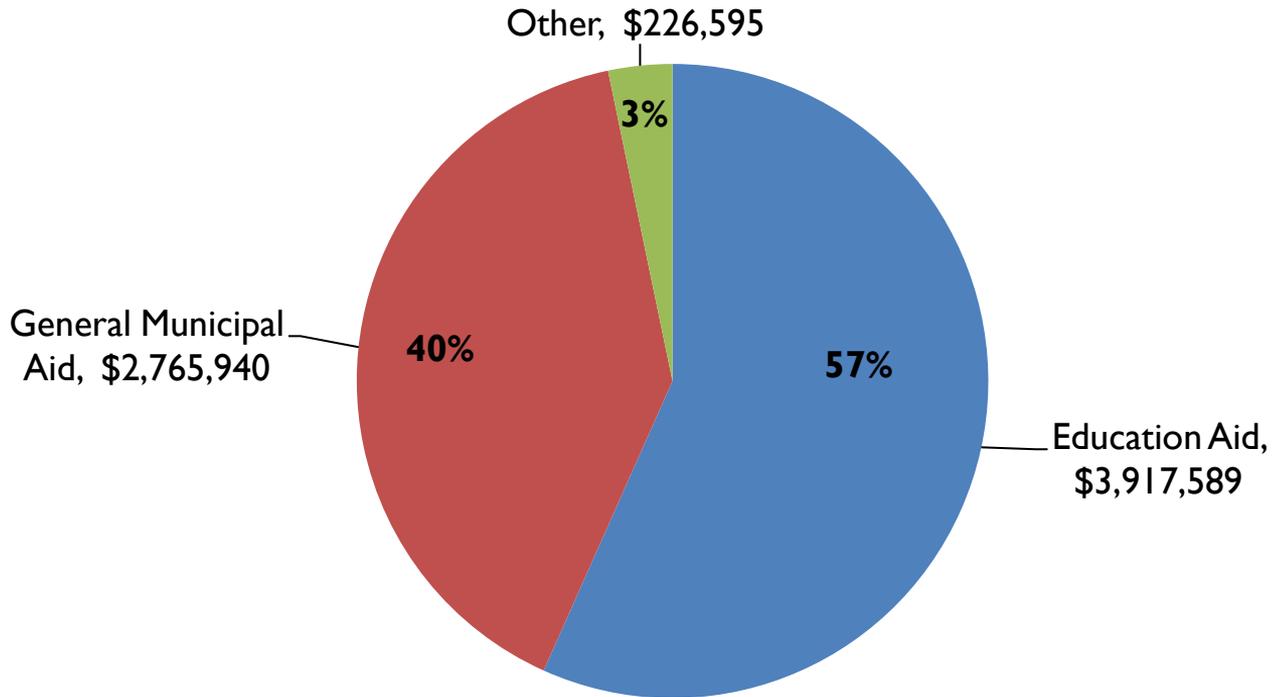


State Aid

	FY10	FY11	FY12	FY13	FY14*
Education	3,936,362	3,693,376	3,701,136	3,917,589	3,917,589
Unrestricted Aid	2,881,188	2,765,940	2,565,951	2,765,940	2,765,940
Other	264,742	253,037	207,498	226,595	226,595
Total State Aid	7,082,292	6,712,353	6,474,585	6,910,124	6,910,124

* Governor Patrick's proposed increases (\$862,281) are not budgeted; the Governor's proposal assumes tax increases not yet enacted.

State Aid



Expenditures

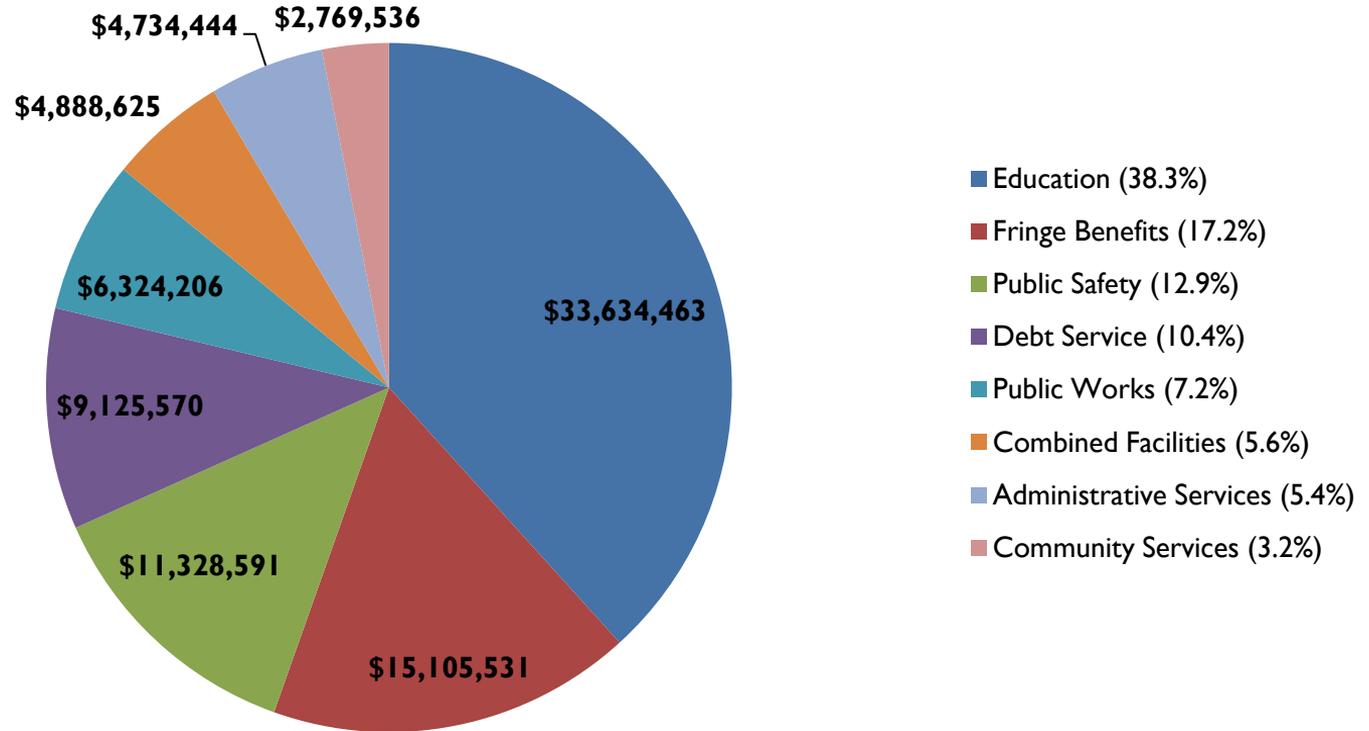
	<u>FY13</u>	<u>FY14</u>	<u>Difference</u>	<u>%</u>
Administrative Services	4,630,745	4,734,444	103,699	2.24%
Community Services	2,742,787	2,769,536	26,749	0.98%
Debt Service	9,058,000	9,125,570	67,570	0.75%
Education*	32,883,971	33,634,464	750,492	2.28%
Facilities Operations & Maintenance	4,558,902	4,888,625	329,723	7.23%
Fringe Benefits	14,359,445	15,105,531	746,086	5.20%
Public Safety	11,558,007	11,328,591	-229,416	-1.98%
Public Works	5,852,059	6,324,206	472,147	8.07%
Total	85,643,916	87,910,967	2,267,050	2.65%

* Education costs reflect Dedham Public Schools, BHRSD, and Norfolk Agricultural, minus operating costs of Central Facilities that are included in the Dedham Public Schools' budget request. All Facilities Maintenance & Operations costs are budgeted under Facilities.

Changes In Expenditures

OPERATING COSTS	<u>FY13</u>	<u>FY14</u>	<u>Difference</u>	<u>%</u>
Town Operations	24,783,598	25,156,777	373,179	1.5
School Operations	32,883,971	33,634,463	750,492	2.3
Facilities Operations	4,558,902	4,888,625	329,724	7.2
Subtotal	62,226,471	63,679,865	1,453,394	2.3
SHARED COSTS				
Debt Service	9,058,000	9,125,570	67,570	0.8
Health Insurance & OPEB	9,508,055	9,916,380	408,325	4.3
Pensions	3,460,000	3,951,350	491,350	14.2
Other Costs	1,391,390	1,237,801	-153,589	-11.0
Subtotal	23,417,445	24,231,101	833,197	3.5
TOTAL	85,643,916	87,910,967	2,267,051	2.6

Expenditures by Function





Administrative Services

- Overall increase of \$103,699 (2.2%)
 - One-time cost of \$30,000 to print Charter update and new Codification Book
 - Anticipate increase to Liability Insurance
 - Human Resources Department



Community Services

- Overall increase of \$26,749 (1.0%)
- Bus Service moved from Administrative Services to Council On Aging
- Library budget meets State funding requirements
- Parks & Recreation and Endicott Estate operations to become increasingly self-supporting through program revenues



Education

- Dedham Schools requested increase is \$694,370 (1.97%)
- Does not factor contractually required ESCO increases
Included in Central Facilities Operating Budget
- Blue Hills Regional School District
 - Assessment increasing \$63,014 (6.9%)
 - Headcount growing from 50 to 56
- Estimated Norfolk Agricultural School assessment
\$68,000



Central Facilities Maintenance

- Consolidated Budget increasing \$329,723 (7.2%)
 - Utility rates budgeted at 3% increase
 - Equipment warranties for ESCO project
- Increased use of Seasonal workers to achieve cost Savings
- Installing efficient LED exterior lighting replacements
- Developing long-range Facilities plan for FY15 Town Meeting presentation



Fringe Benefits

- Overall Increase of \$746,086 (5.0%)
- Health Insurance Rates Set at 4% Increase
- Pension costs increase of \$500,000
- OPEB increased to fully fund annual required contribution (ARC)
- Medicare tax increases as salaries increase



Public Safety

- Maintains level service, begins to implement Study Recommendations
- Funding one new Firefighter position and four new Lieutenant Ranks (not new personnel)
- New Police Detective for Federal Drug Task Force
- Transferring Fleet Maintenance from Fire to DPW
- Animal Control transferred to Police
 - Combining Animal Control Function with Meter Enforcement



Public Works

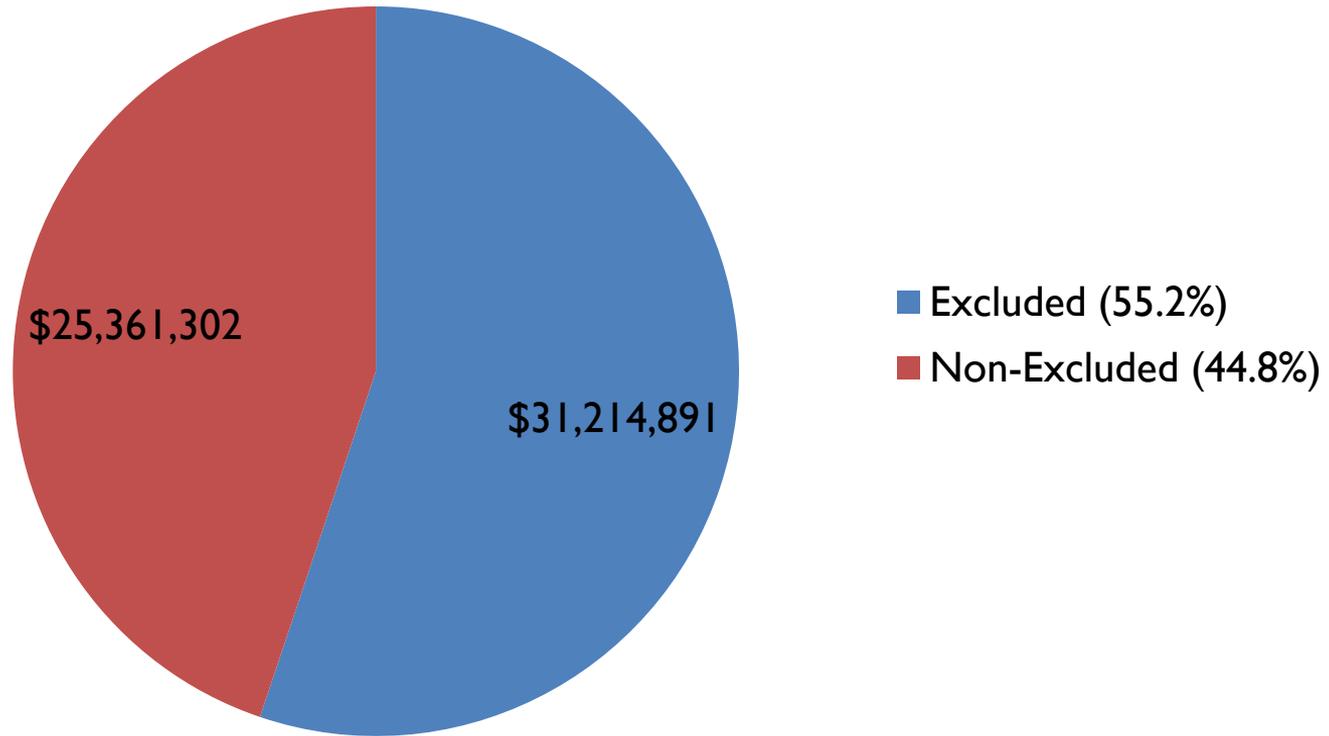
- Transferring Fleet Maintenance from Fire, with additional Mechanic in Public Works
- Snow & Ice increase \$50,000
- Rubbish & Recycling increasing for CPI
- Washington Street transferred to Town
- Restored funds for Tree Program and Landscaping



Debt Service

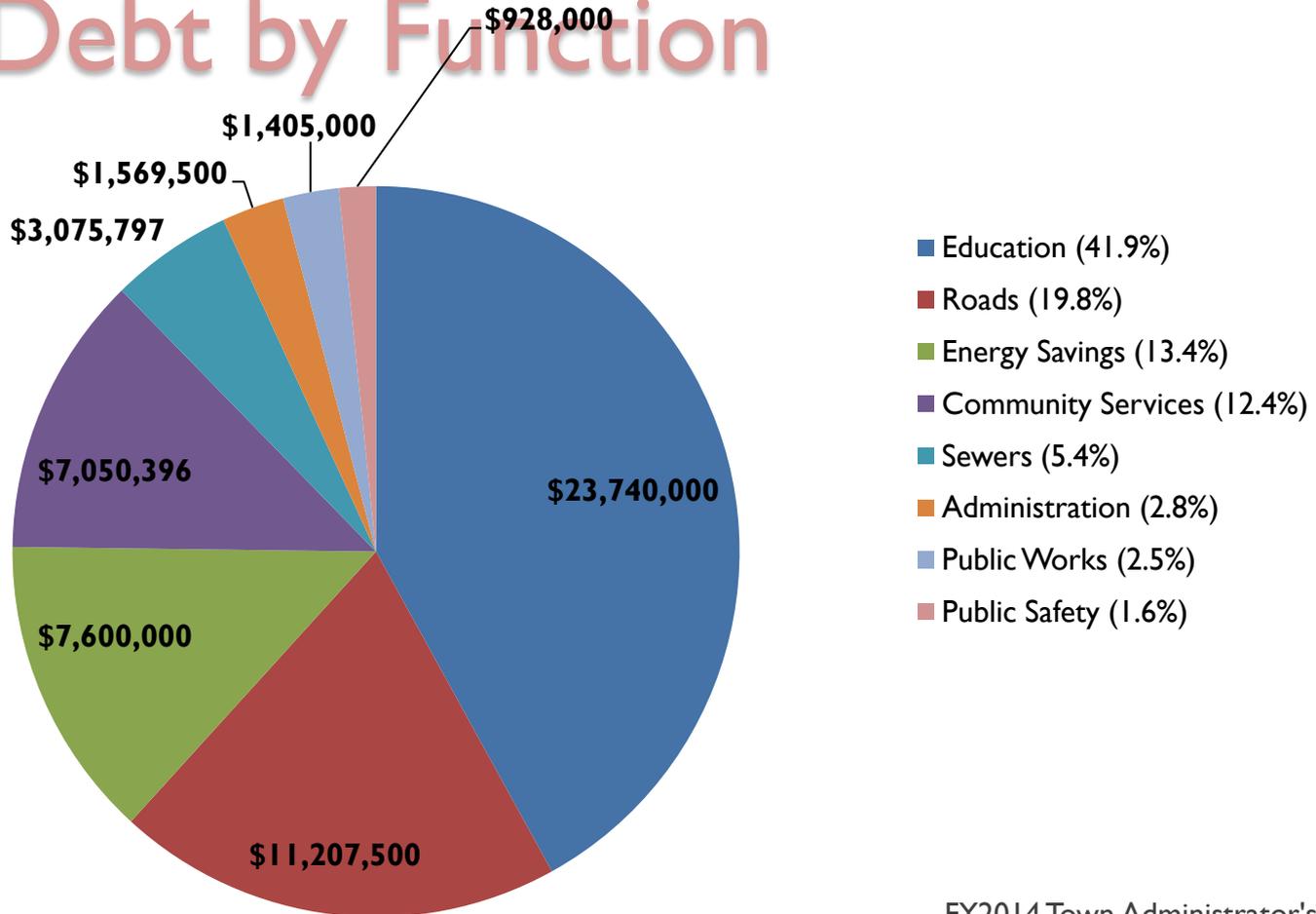
- Total FY2014 Debt Service budget is \$9,125,570
- Overall Increase of \$67,570 (0.75%)
- Total Excluded Debt \$31,214,891
- Total Non-Excluded Debt \$25,361,302
- Bond issue scheduled for Spring, \$7 Million

Excluded/Non-Excluded Debt



Debt Outstanding as of June 30, 2012 \$56,576,193

Debt by Function





Conclusion

- Responsible spending plan maintaining quality services
- Collaborative efforts between Town, Schools & Boards
- New approach to evaluating budgets
- Focus on Sustainability
- Continuing policy of addressing long-term obligations
- Moving forward in an affordable and sustainable manner



Appendix – Selected 10 Year History of Town Accomplishments

- Seven Page Document
- Boards, Committees and Departments
- Initiatives, Improvements and Community Involvement
- From A-Z (Ambulance to Zoning)

Town of Dedham
FY14 Town Administrator's Budget Message
Selected Town Accomplishments in the Past Ten Years

Board of Selectmen

- Established the Budget Task Force
- Directed the development of Selectmen's Goals Document
- Recommended and assisted in the development of new Financial Policies
- Recommended the establishment of the Meals and Hotel Tax Stabilization Fund
- Recommended additional Alcohol Licenses for Legacy Place and filed legislation for their approval following Town Meeting Action
- Provided for improved communication with the approval of a Code Red emergency response system, increased website presence, and initiating a Selectmen's Newsletter
- Recommended a Charter Study Committee be formed
- Initiated the Neighbors Helping Neighbors program, winner of the MMA Kenneth Pickard Award
- Approved lease of the former Avery School for use as the Mother Brook Arts and Community Center
- Supporting the expansion of arts and cultural interest in the community
- In 2011 supported the effort for Dedham to become an All-America City Finalist

Finance Committee

- Developed the Long Range Forecasting Model
- Initiated the new performance-based budget process
- Chaired the Fiscal Policies Update/Rewrite Committee

Finance Department

- Created centralized Finance Department for Accounting, Treasury, Collection, and Information Technology
- Consolidated budget functions in FY2012
- Hired a new Network Coordinator Position in IT
- Recommended combining the Treasurer/Collector position
- Prepared the presentation for rating agency that achieved an increase in Bond Rating and a Positive Outlook for the Town
- Established Central Purchasing program
- Established a Tax Amnesty program
- Held a Tax Lien sale

Information Technology

- Supports 68 Servers on the Town side of government
- Upgraded the Town's Wide Area Network (WAN) to Windows 2008 R64/ Windows 7
- Installed a Hewlett Packard New Blade Storage System
- Installed New Software in Finance (New World System, Point), Cartegraph, My Senior for COA, Symposium, Net Motion and a new e-mail platform, Zimbra
- Assisted with the installation of a new VOIP telephone system on a Town-wide basis
- Serves as support for smart phones, tablets and other portable technology devices
- Established a WIFI network for many Town buildings
- Assisted with the development of Town Smartphone and iPad applications for Board of Health and GIS

Town of Dedham
FY14 Town Administrator's Budget Message
Selected Town Accomplishments in the Past Ten Years

Assessors

- Valuation of New Bridge on the Charles resulting in higher tax contribution than Payment in Lieu of Taxes and brought Legacy Place on tax rolls
- Instituted a formal inspection system, data collection process

Legal

- No major lawsuits resulting in claims against the Town in the past ten years
- Helped to successfully redefine a more defensible Adult Entertainment District

Town Clerk

- New Town Clerk elected
- Combined the budgets of Elections, Town Clerk, and Registrars
- New Town Code and By-Law Book under development
- Records management program being implemented
- Coordinates new Ethics Compliance Program
- New software for licensing and vital records
- New cash receipt program working cooperatively with Collections

Economic Development

- Established the Office of Economic Development
- Successfully wrote \$1.7 Million PWED grant application for Dedham Square Project
- Top Five Commonwealth Capital score in the State
- Coordinated the development of a New Guide to Doing Business in Dedham
- Helped to establish and lead the Development Review Team
- 2011 Business Persons of the Year Award to Economic Development Director and Town Administrator from Neponset Valley Chamber of Commerce
- Regional Economic Development program
- Expedited Permitting and Bio-Ready Community
- Community Branding and Marketing Plan being developed
- Washington Street Business Corridor Plan developed

Planning Board

- Legacy Place Plan approved with conditions
- New Bridge on the Charles Plan approved with conditions
- Updated Open Space Plan
- Coordinated a major update to the Town's Master Plan
- Full-time Town Planner funded and hired

BPCC

- Town-wide Facility Assessment performed
- Evaluation of Police and Fire facilities
- Site Selection proposed for new Police Department building

Town of Dedham
FY14 Town Administrator's Budget Message
Selected Town Accomplishments in the Past Ten Years

Facilities and Maintenance

- Central Facilities Maintenance & Operations Department established through cooperation between the Town and School Departments
- Town-wide Energy Services Contract (ESCO) performed

Police Department

- Technology improvements: Computers placed in Cruisers, Smart Technology Traffic Equipment, Simulations and Range Simulator
- Community Outreach: National Night Out, Citizen Police Academy, Social Media
- Public Safety Study completed, implementation of recommendations ongoing
- Department restructuring underway
- Entered Massachusetts Accreditation Program

Fire Department

- Fire and EMS training program established, average of 100 hours per year
- Technology improvements: Laptops in fire trucks, thermal imaging cameras, and hazardous gas meters, Jaws of Life, Res-Q-Jak, improved SCBA equipment
- Community Outreach: Fire Safety Programs for schools, businesses and other organizations
- Fire Prevention: Carbon Monoxide compliance, Liquor License renewals
- Public Safety Study completed, implementation of recommendations ongoing
- Department restructuring underway

Central Dispatch

- New Dispatch Panel purchased and installed
- Medical Dispatch established

Ambulance

- Reduced cost by eliminating charge for housing ambulance in Dedham resulting in a no cost contract for the Town to provide this service

Emergency Operations/Civil Preparedness

- Established a new central Emergency Operations Center

Building Department

- Hired a new Assistant Inspector/Code Enforcement Agent, position to take on function of Sealer of Weights and Measures

Conservation Commission

- Charles River Water Trail developed
- Surface Water Runoff Program aligned with the Building Department
- Full-time Board Secretary and Social Media Coordinator hired

Town of Dedham
FY14 Town Administrator's Budget Message
Selected Town Accomplishments in the Past Ten Years

Environmental

- Established Environmental Office, Environmental Coordinator hired
- Winner of the Massachusetts Leading by Example Award from DEP
- Recognized as being one of the first Green Communities in Massachusetts, awarded \$180,000
- Successful grant-writing
- Congressional Earmark Awarded for Solar Panels on High School and Town Hall Roofs
- Helped to coordinate the new Town-Wide Recycling Program
- Developed programs for Dedham to reduce its carbon footprint
- Helped to coordinate the efforts of the new Sustainable Dedham Committee
- Working with Engineer and Regional Planning Authority to help regional Bike Paths and Walkways

DPW Operations

- Pavement Management Program execution
- Restructured in 2005, improved operations with fewer employees and higher production
- Capital improvements at Brookdale and Village Cemeteries
- Consolidating fleet maintenance program

Infrastructure Engineering

- Established following the separation from DPW in 2005
- East Street Improvement Project Management and Design
- Established Pavement Management Program
- Provides in-house construction management
- Established Sewer Rehabilitation Program, resulting in less fresh water infiltration and significant savings to rate payers
- Drafted new set of Traffic Rules and Regulations for adoption by the Board of Selectmen
- Served as Design and Construction Oversight for the \$6.5 Million Dedham Square Improvement Project
- Nationally recognized and award winning GIS Program
- In-house design program resulting in significant savings in outside design costs

Rubbish & Recycling

- Established Single Stream Recycling Program resulting in reduced trash tonnage and cost to the Town
- Established Automated Collection Program
- Joined regional consortium for disposal of waste
- Signed new agreement for lease of the Trash Transfer Station resulting in increased revenue for the Town

Street Lighting

- Purchased streetlights resulting in minimum savings of \$150,000 per year
- Changed street lighting to LED lighting to save energy and cost of operating lights

Town of Dedham
FY14 Town Administrator's Budget Message
Selected Town Accomplishments in the Past Ten Years

Schools

- Strategic Plan Approved
- New Science Labs at the High School
- New Middle School
- New Avery Elementary School
- New Turf and Track Facility at High School
- iPad Initiative with students
- New Reading, Math and Literacy Programs
- New Science Programs Grades K-5
- New Middle School Engineering Program
- NEASC Accreditation Program at Middle and High Schools
- Advanced Placement Programs widely expanded at High School
- Special Ed District Program
- Teamed 9th Grade Program

Public Health Board

- Established the position of Assistant Director by converting the Sanitarian position
- Instituted strong regulations to reduce minors purchasing cigarettes
- Established connection to Regional Emergency Management Program

Council on Aging

- Moved office from Town Hall to Traditions of Dedham on Washington Street
- Hired new Director
- Increased programs and services
- Added van for transportation program

Youth Commission

- Serve over 400 families during Holidays, receive approximately \$30,000 in citizen contributions
- Moved Program from Town Hall to newly renovated space at High School
- New Director hired
- Purchased van with mitigation funds, expanded programs and services
- Established the RISE Program for Middle School students transitioning to High School
- College bound program RISE was recognized by National Assoc. for College Admission Counseling as a model for college preparation program.
- In 2012 named one of Top 100 Places in America for Young People

Veteran's Services

- Department has evolved over the past ten years into an improved service office for Veterans
- New Director hired
- Programs expanded in 2012 with highest level of veterans served since program started
- Outreach to disable American veterans, Veterans of Foreign Wars, and American Legion
- In addition to Memorial Day & Veterans Day, now participate in Wreaths Across America
- Working with the Combined Veteran's Council and helped to establish the Fallen Heroes Sign Program

Town of Dedham
FY14 Town Administrator's Budget Message
Selected Town Accomplishments in the Past Ten Years

Public Libraries

- New roof and other facility improvements completed at Main and Branch Libraries
- Department has progressed over the past 10 years with newest Director hired in 2012
- New Strategic Plan Approved in 2012
- DLIT Established
- Working cooperatively with School system
- Expanded children's programs

Parks and Recreation

- Funds approved for Comprehensive Design of the Striar Property
- SMA Father's Property acquired for Recreational Purposes
- New softball turf facility constructed
- Expanded programs with improved use of revolving funds
- Assistant Director Position added for Programming purposes
- Dolan Center established; Parks & Recreation offices relocated from Town Hall
- New Director hired
- Dog Park established
- Established improved field maintenance program

Endicott Estate

- Comprehensive building improvements performed
- New parking lot and added lighting along with redesigned entrances to the Estate
- Study performed to determine long-term Management Plan for Estate
- Gazebo added to the grounds in 2012
- Open Eye Security System installed
- New Director hired in 2012
- Expanded programs, increased event bookings and improved revenue stream

Civic Pride

- Expanded role
- Works directly with Public Works Director
- Hired their own maintenance staff person

Pensions

- Changed timing of payments resulting in saving of 8% charge to annual contribution
- Maintaining a maturity schedule under the maximum allowable
- Established an Other Post-Employment Benefits Trust (OPEB)
- Committed to funding the Actuarial Required Compensation (ARC) requirements

Town of Dedham
FY14 Town Administrator's Budget Message
Selected Town Accomplishments in the Past Ten Years

Insurance and Hospitalization

- Negotiated reduction in percentage contribution paid by Town for employee health insurance from 90% to 80% saving \$875,000 each year. In some limited cases this contribution was further reduced to 75%
- Adopted the Municipal Health Insurance Reform Legislation and successfully negotiated the changes with Employee Unions. Savings in the first year equate to \$1.7 Million.
- Savings from Municipal Health Insurance Reform changes were directed to establish a Health Reimbursement Mitigation Account and the remained to reduce OPEB obligations

Debt Service

- Awarded and maintained highest municipal management rating by Standard and Poor's for four years
- Improved Bond Rating from AA to AA+
- Favorable Outlook Indicated on Town's Bond Rating in 2012
- Favorable Bond Rating has yield low interest borrowing rates for Town