

Envision Arlington's Fiscal Resources Task Group

Select Board January 23, 2019

"We value Arlington's efficient delivery of public services providing for the common good. The benefits from these services and the responsibility of taxation will be equitably distributed among us. We will be known for our sound fiscal planning and for the thoughtful, open process by which realistic choices are made in our Town."

Citizens Corner Series

Governmental Primer

Leadership and Financial Interviews

Annual Town Warrant/Financial Plan Reviews

We meet monthly and all are welcome to attend.

Overrides and Debt Exclusions

Five year plan financial modelling

Arlington tax structure - W/S Debt shift - Residential exemption

Impact of restructuring tax system .. Resident occupied vs. Non-resident occupied property division

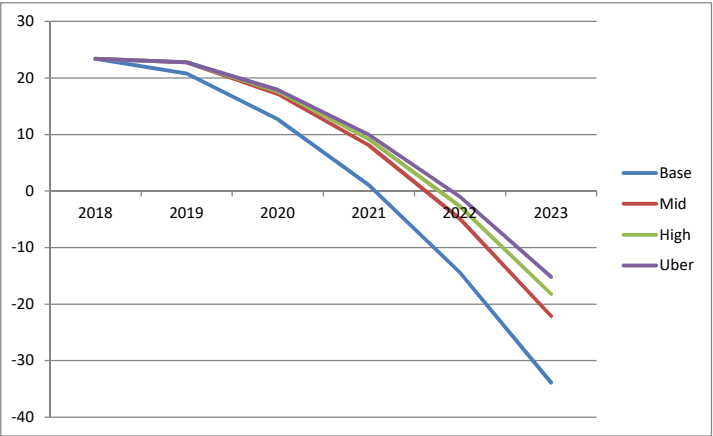
Discussion

Five-Year Plan Financial Modelling

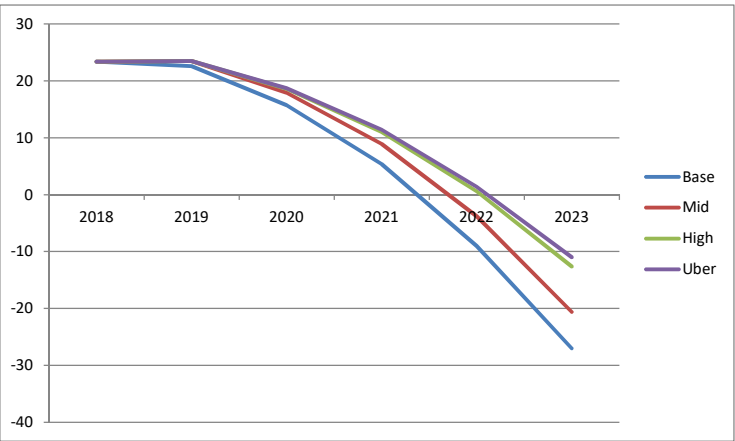
May-18

Override
Stabilization
Fund

(millions)



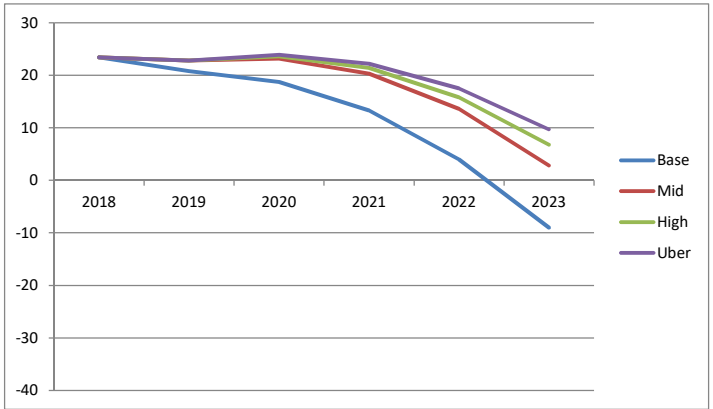
Dec-18



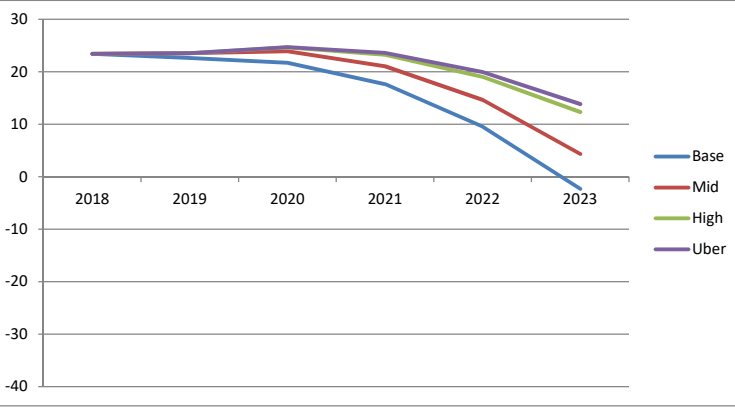
Plus 6M

Override
Stabilization
Fund

(millions)



Plus 6M



	Base	Mid	High	Uber
2018	23.4	23.4	23.4	23.4
2019	20.8	22.8	22.8	22.8
2020	18.7	23.2	23.6	23.9
2021	13.3	20.3	21.4	22.2
2022	4.0	13.6	15.8	17.5
2023	-9.0	2.8	6.8	9.7
2024				

	Base	Mid	High	Uber
2018	23.4	23.4	23.4	23.4
2019	20.8	22.8	22.8	22.8
2020	12.7	17.2	17.6	17.9
2021	1.1	8.1	9.2	10
2022	-14.4	-4.9	-2.7	-1
2023	-33.9	-22.1	-18.2	-15.2
2024				

	Base	Mid	High	Uber	UberXXX
2018	23.4	23.4	23.4	23.4	23.4
2019	22.6	23.5	23.5	23.5	23.5
2020	21.7	23.9	24.6	24.7	26.9
2021	17.6	21.0	23.2	23.6	28.0
2022	9.5	14.6	19.0	19.9	26.5
2023	-2.3	4.3	12.3	13.8	22.6
2024				4.5	15.5

	Base	Mid	High	Uber	UberXXX
2018	23.4	23.4	23.4	23.4	23.4
2019	22.6	23.5	23.5	23.5	23.5
2020	15.7	17.9	18.6	18.7	26.9
2021	5.4	8.9	11	11.4	28.0
2022	-9	-3.8	0.6	1.4	26.5
2023	-27	-20.6	-12.6	-11	22.6
2024				-27.1	15.5

Arlington Tax Rate Structure Options

	V	W/S Debt Shift	W/S Debt Shift	W/S Debt Shift	V
V	V	AHS + 6M	AHS + 6M	AHS + 6M	V
V	V	Residential Exemption	Residential Non-Owner-Occupied	Commerical Non-Owner-Occupied	V
V	V				V
V	V				V
V	V				V
V	V				V
Net	Net	Residential	Residential	Commerical	Total
Minus W/S	Minus W/S	Owner-Occupied	Non-Owner-Occupied	Non-Owner-Occupied	Tax Burden
Minus 35K/70K Exemption	^				(No changes)
^	^				^
^	^				^
^	^				^

	Residential Owner - Occupied	Residential Non-Owner Occupied	Commerical Non-Owner Occupied	
0% Exemption/1.000 Factor	11.26	11.26	11.26	0% Exemption/1.000 Factor
5% Exemption/1.050 Factor	11.71 (35K Exemption)	11.71	11.82	5% Exemption/1.050 Factor
7.5% Exemption/1.075 Factor	12.00 (53K Exemption)	12.00	12.11	7.5% Exemption/1.075 Factor
10% Exemption/1.100 Factor	12.20 (70K Exemption)	12.20	12.39	10% Exemption/1.100 Factor

					Residential Owner Occupied		Residential Non-Owner Occupied		Commerical Non-Owner Occupied	
	Value	AHS	6M	Total	Ex+W/S	Net	No-Ex+W/S	Net	No-Ex+W/S	Net
5%/1.05	250	278	137	414	-430	-16	-15	399	-15	399
	500	555	274	829	-445	384	-30	799	-30	799
	750	833	410	1243	-460	783	-45	1198	-45	1198
	1000	1110	547	1657	-475	1182	-60	1597	-60	1597
	1500	1665	821	2486	-505	1981	-90	2396	-90	2396
	2000	2220	1094	3314	-186	3128	-120	3194	-120	3194
	in 1000's	AHS	6M	Total	Ex and W/S Impact	Net plus AHS plus 6M	No-Ex and W/S Impact	Net plus AHS plus 6M	No-Ex and W/S Impact	Net plus AHS plus 6M

Phase-In
 1.25% Ex + 25% W/S Removed - 2020 6M

 2.5% Ex + 50% W/S Removed - AHS Phase I

 3.75% Ex + 75% W/S Removed - AHS Phase II

 5% Ex + 100% W/S Removed - AHS Completion

					Residential Owner Occupied		Residential Non-Owner Occupied		Commerical Non-Owner Occupied	
	Value	AHS	6M	Total	Ex+W/S	Net	No-Ex+W/S	Net	No-Ex+W/S	Net
10%/1.10	250	278	137	414	-758	-344	108	522	108	522
	500	555	274	829	-651	178	215	1044	215	1044
	750	833	410	1243	-543	700	323	1566	323	1566
	1000	1110	547	1657	-436	1221	430	2087	430	2087
	1500	1665	821	2486	-221	2265	645	3131	645	3131
	2000	2220	1094	3314	-6	3308	860	4174	860	4174
	in 1000's	AHS	6M	Total	Ex and W/S Impact	Net plus AHS plus 6M	No-Ex and W/S Impact	Net plus AHS plus 6M	No-Ex and W/S Impact	Net plus AHS plus 6M

Phase-In
 2.5% Ex + 25% W/S Removed - 2020 6M

 5.0% Ex + 50% W/S Removed - AHS Phase I

 7.5% Ex + 75% W/S Removed - AHS Phase II

 10% Ex + 100% W/S Removed - AHS Completion

APPENDIX

ENVISION ARLINGTON FISCAL RESOURCES TASK GROUP

To: Adam Chapdelaine, Sandy Pooler and Arlington's Select Board

From: Vision 2020/Envision Arlington Fiscal Resources Task Group

Date: May 18, 2018

RE: Long Range Planning/Override Scenarios

Our group recently reviewed a series of data relating to the Town's long range financial projections.

Key items reviewed included: State aid, Local Receipts, Overlay Reserve/Surplus, Free Cash and Insurance Expenditures. We would like to thank you for making available (directly or online) essentially all of the information we reviewed.

Based upon this review we present the attached Low, Medium, High and Uber Town financial scenarios for your consideration. Key difference in these scenarios from those currently in use is our use of higher revenue projections in the first year after the current budget year versus immediately assuming conservative values. In subsequent years those values are then decreased on a sliding scale to account for future financial uncertainty.

Low: Manager's baseline model (finance committee report to town meeting) plus 6M override

Medium: Added the following adjustments: State aid 3% with sliding decreasing scale going forward; Increased local receipts again with sliding decreasing scale going forward; Increased free cash (5yr average with correction for impact of increased local receipts on free cash); Increased overlay surplus with decreasing sliding scale going forward; Overlay reserve flat (600K).

High: Medium plus: Reduced Insurance budget increase to 2% per year; Corrected for the impact on free cash

Uber: Uber optimistic scenario presents what happens if positive economic conditions continue to hold.

Note: We did not attempt to revise/update base assumptions employed for new growth during our analysis.

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Scenario results:

Low + 6M: Three year override scenario; Fourth year override stabilization fund balance: (\$9.0M) Negative

Medium + 6M: Four year override scenario; Fourth year override stabilization fund balance: \$2.8M Positive

High + 6M: Four year override scenario; Fourth year override stabilization fund balance: \$6.7M Positive

Uber + 6M: Four year override scenario; Fourth year override stabilization fund balance: \$9.7M Positive

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We hope that you find these materials of use and would be happy to discuss them in greater detail.

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	6M-BASE
REVENUE								
A.	State Aid	19,207,063	19,958,018	20,001,105	20,196,832	20,394,516	20,594,177	
		1,615,914	476,523	476,523	476,523	-	-	
B.	Local Receipts	9,071,000	9,171,000	9,271,000	9,371,000	9,471,000	9,571,000	
C.	Free Cash	4,850,566	4,593,375	2,901,145	2,901,145	2,901,145	2,901,145	
D.	Overlay Reserve Surplus	500,000	200,000	200,000	200,000	200,000	200,000	
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	
F								
TOTAL REVENUES		152,499,744	158,171,367	165,847,289	169,604,848	172,900,263	176,802,371	Revenues
	Override Stabilization Fund		2,585,628	2,057,399	5,387,779	9,307,118	13,046,496	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,756,995	167,904,688	174,992,627	182,207,381	189,848,867	Expenditures
What If?			2,585,628	2,057,399	5,387,779	9,307,118	13,046,496	Override Stabilization Annual Usage
			2,585,628	4,643,027	10,030,806	19,337,924	32,384,420	Override Stabilization Cumulative
		23,353,303	20,767,675	18,710,276	13,322,497	4,015,379	(9,031,117)	Override Stabilization Balance
				6,000,000				Override
			8,257,251	7,147,693	7,087,939	7,214,754	7,641,486	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	Property tax increase/yr
			1,740,001	3,922,628	3,626,107	3,740,500	4,039,039	Structural deficit - Estimate
APPROPRIATIONS								
A. Operating Budgets								
School								
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	
Town								
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	
Less Offsets:		2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	
	Enterprise Fund/Other							
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget								
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	
D.	Insurance	17,239,561	17,159,100	18,236,212	19,311,408	20,482,783	21,694,587	
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	
G.	Overlay Reserve	1,156,229	800,000	600,000	600,000	800,000	600,000	
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	*
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	*
K.	Override Stabilization Fund	211,136						
L	TOTAL APPROPRIATIONS	152,499,744	160,756,995	167,904,688	174,992,627	182,207,381	189,848,867	
BALANCE		152,499,744	160,768,295	167,904,688	174,992,627	182,207,382	189,463,181	
						1	(385,686)	Check

FY2020 Override + AHS Debt Exclusion

2019 Campaign > Provides backup (2020) should campaign fail

6M Override plus AHS > Override not required again until after AHS build complete (2023)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	6M-MID
REVENUE								
A.	State Aid	19,207,063	19,958,018	20,556,759	21,122,069	21,650,121	22,137,249	***
		1,615,914	476,523	476,523	476,523	-	-	
B.	Local Receipts	9,071,000	10,200,000	10,000,000	9,800,000	9,600,000	9,400,000	***
C.	Free Cash	4,850,566	4,593,375	3,500,000	3,600,000	3,700,000	3,800,000	***
D.	Overlay Reserve Surplus	500,000	1,000,000	800,000	600,000	400,000	200,000	***
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	
F								
TOTAL REVENUES		152,499,744	160,000,367	168,330,798	172,057,940	175,283,723	179,073,298	Revenues
	Override Stabilization Fund		556,628	(426,110)	2,934,687	6,723,658	10,775,569	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	Expenditures
What if?								
			556,628	(426,110)	2,934,687	6,723,658	10,775,569	Override Stabilization Annual Usage
			556,628	130,518	3,065,205	9,788,863	20,564,432	Override Stabilization Cumulative
		23,353,303	22,796,675	23,222,785	20,288,098	13,564,440	2,788,871	Override Stabilization Balance
				6,000,000				Override
			8,057,251	7,347,693	7,087,939	7,014,754	7,841,486	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	Property tax increase/yr
			1,540,001	4,122,628	3,626,107	3,540,500	4,239,039	Structural deficit - Estimate
APPROPRIATIONS								
A. Operating Budgets								
School								
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	
Town								
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	
Less Offsets:	Enterprise Fund/Other	2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget								
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	
D.	Insurance	17,239,561	17,159,100	18,236,212	19,311,408	20,482,783	21,694,587	
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	
G.	Overlay Reserve	1,156,229	600,000	600,000	600,000	600,000	600,000	***
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	*
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	*
K.	Override Stabilization Fund	211,136						
L	TOTAL APPROPRIATIONS	152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	
BALANCE		152,499,744	160,568,295	167,904,688	174,992,627	182,007,382	189,463,181	
						1	(385,686)	Check

FY2020 Override + AHS Debt Exclusion

2019 Campaign > Provides backup (2020) should campaign fail

6M Override plus AHS > Override not required again until after AHS build complete (2023)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	6M-HIGH
REVENUE								
A.	State Aid	19,207,063	19,958,018	20,556,759	21,122,069	21,650,121	22,137,249	***
		1,615,914	476,523	476,523	476,523	-	-	
B.	Local Receipts	9,071,000	10,200,000	10,000,000	9,800,000	9,600,000	9,400,000	***
C.	Free Cash	4,850,566	4,593,375	3,133,035	2,870,460	2,563,296	2,046,644	***
D.	Overlay Reserve Surplus	500,000	1,000,000	800,000	600,000	400,000	200,000	***
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	
F								
TOTAL REVENUES		152,499,744	160,000,367	167,963,833	171,328,400	174,147,019	177,319,942	Revenues
	Override Stabilization Fund		567,928	(793,075)	2,205,146	5,586,954	9,022,214	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,568,295	167,170,758	173,533,547	179,733,973	186,342,156	Expenditures
What if?								
			567,928	(793,075)	2,205,146	5,586,954	9,022,214	Override Stabilization Annual Usage
			567,928	(225,147)	1,980,000	7,566,954	16,589,168	Override Stabilization Cumulative
		23,353,303	22,785,375	23,578,450	21,373,303	15,786,349	6,764,135	Override Stabilization Balance
				6,000,000				Override
			8,068,551	6,602,463	6,362,789	6,200,427	6,608,182	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	Property tax increase/yr
			1,551,301	3,377,398	2,900,957	2,726,173	3,005,736	Structural deficit - Estimate
APPROPRIATIONS								
A. Operating Budgets								
School								
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	
Town								
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	
Less Offsets:								
	Enterprise Fund/Other	2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget								
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	
D.	Insurance	17,239,561	17,159,100	17,502,282	17,852,328	18,209,374	18,573,562	***
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	
G.	Overlay Reserve	1,156,229	600,000	600,000	600,000	600,000	600,000	***
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	*
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	*
K.	Override Stabilization Fund	211,136						
L	TOTAL APPROPRIATIONS	152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	
BALANCE		<u>152,499,744</u>	<u>160,568,295</u>	<u>167,170,758</u>	<u>173,533,547</u>	<u>179,733,973</u>	<u>186,342,156</u>	***
			11,300	(733,930)	(1,459,080)	(2,273,408)	(3,506,711)	Check/Insurance differential

FY2020 Override + AHS Debt Exclusion

2019 Campaign > Provides backup (2020) should campaign fail

6M Override plus AHS > Override not required again until after AHS build complete (2023)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	6M-UBER
REVENUE									
A.	State Aid	19,207,063	19,958,018	20,556,759	21,173,461	21,808,665	22,462,925	23,136,813	***
		1,615,914	476,523	476,523	476,523	-	-		
B.	Local Receipts	9,071,000	10,200,000	10,200,000	10,200,000	10,200,000	10,200,000	10,200,000	***
C.	Free Cash	4,850,566	4,593,375	3,133,035	2,770,460	2,363,296	1,746,644	795,464	***
D.	Overlay Reserve Surplus	500,000	1,000,000	900,000	800,000	700,000	600,000	500,000	***
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	147,124,450	
F									
TOTAL REVENUES		152,499,744	160,000,367	168,263,833	171,879,792	175,005,563	178,545,618	181,756,727	Revenues
	Override Stabilization Fund		567,928	(1,093,075)	1,653,755	4,728,410	7,796,537	12,192,930	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,568,295	167,170,758	173,533,547	179,733,973	186,342,156	193,949,657	Expenditures
What if?			567,928	(1,093,075)	1,653,755	4,728,410	7,796,537	12,192,930	Override Stabilization Annual Usage
			567,928	(525,147)	1,128,608	5,857,018	13,653,555	25,846,485	Override Stabilization Cumulative
		23,353,303	22,785,375	23,878,450	22,224,695	17,496,285	9,699,748	(2,493,182)	Override Stabilization Balance
				6,000,000					Override
			8,068,551	6,602,463	6,362,789	6,200,427	6,608,182	7,607,502	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	3,588,401	Property tax increase/yr
			1,551,301	3,377,398	2,900,957	2,726,173	3,005,736	4,019,100	Structural deficit - Estimate
APPROPRIATIONS									
A. Operating Budgets									
School									
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	55,366,909	1.051382907
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	30,070,756	1.069999982
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	690,054	690,054
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	87,097,719	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	5,863,278.94	1.034999965
Town									
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	32,409,907	1.032500008
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	12,432,446	1.032500001
Less Offsets:	Enterprise Fund/Other	2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	(2,923,098)	1.032499943
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	41,919,255	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget									
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	12,618,005	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	14,070,137	1.054999985
D.	Insurance	17,239,561	17,159,100	17,502,282	17,852,328	18,209,374	18,573,562	18,945,033	***
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	3,594,416	3,594,415.67
G.	Overlay Reserve	1,156,229	600,000	600,000	600,000	600,000	600,000	600,000	***
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	1,743,282	1.022465125
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	768,950	768,950.00
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	1,136,470	1,136,470.33
K.	Override Stabilization Fund	211,136							
L	TOTAL APPROPRIATIONS	152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	193,949,657	***
BALANCE		<u>152,499,744</u>	<u>160,568,295</u>	<u>167,170,758</u>	<u>173,533,547</u>	<u>179,733,973</u>	<u>186,342,156</u>	<u>193,949,657</u>	
			11,300	(733,930)	(1,459,080)	(2,273,408)	(3,506,711)	(5,409,071.03)	Check/Insurance differential
							154%		

FY2020 Override + AHS Debt Exclusion

2019 Campaign > Provides backup (2020) should campaign fail

6M Override plus AHS > Override not required again until after AHS build complete (2023)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	6M-BASEX
REVENUE								
A.	State Aid	19,207,063	19,958,018	20,001,105	20,196,832	20,394,516	20,594,177	
		1,615,914	476,523	476,523	476,523	-	-	
B.	Local Receipts	12,000,000	10,000,000	10,100,000	10,200,000	10,300,000	10,400,000	***
C.	Free Cash	4,850,566	5,550,000	3,300,000	3,300,000	3,300,000	3,300,000	***
D.	Overlay Reserve Surplus	500,000	200,000	200,000	200,000	200,000	200,000	
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	
F								
TOTAL REVENUES		155,428,744	159,956,992	167,075,144	170,832,703	174,128,118	178,030,226	Revenues
	Override Stabilization Fund		800,003	829,544	4,159,924	8,079,263	11,818,641	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,756,995	167,904,688	174,992,627	182,207,381	189,848,867	Expenditures
What If?			800,003	829,544	4,159,924	8,079,263	11,818,641	Override Stabilization Annual Usage
			800,003	1,629,547	5,789,471	13,868,734	25,687,375	Override Stabilization Cumulative
		23,353,303	22,553,300	21,723,756	17,563,832	9,484,569	(2,334,072)	Override Stabilization Balance
				6,000,000				Override
			8,257,251	7,147,693	7,087,939	7,214,754	7,641,486	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	Property tax increase/yr
			1,740,001	3,922,628	3,626,107	3,740,500	4,039,039	Structural deficit - Estimate
APPROPRIATIONS								
A. Operating Budgets								
School								
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	
Town								
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	
Less Offsets:		2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	
	Enterprise Fund/Other							
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget								
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	
D.	Insurance	17,239,561	17,159,100	18,236,212	19,311,408	20,482,783	21,694,587	
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	
G.	Overlay Reserve	1,156,229	800,000	600,000	600,000	800,000	600,000	
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	*
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	*
K.	Override Stabilization Fund	211,136						
L	TOTAL APPROPRIATIONS	152,499,744	160,756,995	167,904,688	174,992,627	182,207,381	189,848,867	
BALANCE		152,499,744	160,768,295	167,904,688	174,992,627	182,207,382	189,463,181	
						1	(385,686)	Check

FY2020 Override + AHS Debt Exclusion

2019 Campaign > Provides backup (2020) should campaign fail

6M Override plus AHS > Override not required again until after AHS build complete (2023)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	6M-MIDX
REVENUE								
A.	State Aid	19,207,063	19,958,018	20,556,759	21,122,069	21,650,121	22,137,249	***
		1,615,914	476,523	476,523	476,523	-	-	
B.	Local Receipts	12,000,000	10,000,000	10,100,000	10,200,000	10,300,000	10,400,000	***
C.	Free Cash	4,850,566	5,550,000	3,300,000	3,300,000	3,300,000	3,300,000	***
D.	Overlay Reserve Surplus	500,000	1,000,000	800,000	600,000	400,000	200,000	***
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	
F								
TOTAL REVENUES		155,428,744	160,756,992	168,230,798	172,157,940	175,583,723	179,573,298	Revenues
	Override Stabilization Fund		(199,997)	(326,110)	2,834,687	6,423,658	10,275,569	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	Expenditures
What if?								
			(199,997)	(326,110)	2,834,687	6,423,658	10,275,569	Override Stabilization Annual Usage
			(199,997)	(526,107)	2,308,580	8,732,238	19,007,807	Override Stabilization Cumulative
		23,353,303	23,553,300	23,879,410	21,044,723	14,621,065	4,345,496	Override Stabilization Balance
				6,000,000				Override
			8,057,251	7,347,693	7,087,939	7,014,754	7,841,486	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	Property tax increase/yr
			1,540,001	4,122,628	3,626,107	3,540,500	4,239,039	Structural deficit - Estimate
APPROPRIATIONS								
A. Operating Budgets								
School								
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	
Town								
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	
Less Offsets:	Enterprise Fund/Other	2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget								
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	
D.	Insurance	17,239,561	17,159,100	18,236,212	19,311,408	20,482,783	21,694,587	
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	
G.	Overlay Reserve	1,156,229	600,000	600,000	600,000	600,000	600,000	***
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	*
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	*
K.	Override Stabilization Fund	211,136						
L	TOTAL APPROPRIATIONS	152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	
BALANCE		152,499,744	160,568,295	167,904,688	174,992,627	182,007,382	189,463,181	
						1	(385,686)	Check

FY2020 Override + AHS Debt Exclusion

2019 Campaign > Provides backup (2020) should campaign fail

6M Override plus AHS > Override not required again until after AHS build complete (2023)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	6M-HIGHX
REVENUE								
A.	State Aid	19,207,063	19,958,018	20,556,759	21,122,069	21,650,121	22,137,249	***
		1,615,914	476,523	476,523	476,523	-	-	
B.	Local Receipts	12,000,000	10,000,000	10,100,000	10,200,000	10,300,000	10,400,000	***
C.	Free Cash	4,850,566	5,550,000	3,300,000	3,300,000	3,300,000	3,300,000	***
D.	Overlay Reserve Surplus	500,000	1,000,000	800,000	600,000	400,000	200,000	***
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	
F								
TOTAL REVENUES		155,428,744	160,756,992	168,230,798	172,157,940	175,583,723	179,573,298	Revenues
	Override Stabilization Fund		(188,697)	(1,060,040)	1,375,606	4,150,250	6,768,858	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,568,295	167,170,758	173,533,547	179,733,973	186,342,156	Expenditures
What if?			(188,697)	(1,060,040)	1,375,606	4,150,250	6,768,858	Override Stabilization Annual Usage
			(188,697)	(1,248,737)	126,870	4,277,120	11,045,978	Override Stabilization Cumulative
		23,353,303	23,542,000	24,602,040	23,226,433	19,076,183	12,307,325	Override Stabilization Balance
				6,000,000				Override
			8,068,551	6,602,463	6,362,789	6,200,427	6,608,182	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	Property tax increase/yr
			1,551,301	3,377,398	2,900,957	2,726,173	3,005,736	Structural deficit - Estimate
APPROPRIATIONS								
A. Operating Budgets								
School								
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	
Town								
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	
Less Offsets:		2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	
	Enterprise Fund/Other							
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget								
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	
D.	Insurance	17,239,561	17,159,100	17,502,282	17,852,328	18,209,374	18,573,562	***
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	
G.	Overlay Reserve	1,156,229	600,000	600,000	600,000	600,000	600,000	***
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	*
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	*
K.	Override Stabilization Fund	211,136						
L	TOTAL APPROPRIATIONS	152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	
BALANCE		<u>152,499,744</u>	<u>160,568,295</u>	<u>167,170,758</u>	<u>173,533,547</u>	<u>179,733,973</u>	<u>186,342,156</u>	***
			11,300	(733,930)	(1,459,080)	(2,273,408)	(3,506,711)	Check/Insurance differential

FY2020 Override + AHS Debt Exclusion

2019 Campaign > Provides backup (2020) should campaign fail

6M Override plus AHS > Override not required again until after AHS build complete (2023)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	6M-UBERX
REVENUE									
A.	State Aid	19,207,063	19,958,018	20,556,759	21,173,461	21,808,665	22,462,925	23,136,813	***
		1,615,914	476,523	476,523	476,523	-	-		
B.	Local Receipts	12,000,000	10,000,000	10,100,000	10,200,000	10,300,000	10,400,000	10,500,000	***
C.	Free Cash	4,850,566	5,550,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	***
D.	Overlay Reserve Surplus	500,000	1,000,000	900,000	800,000	700,000	600,000	500,000	***
E	Property Tax	117,255,201	123,772,451	132,997,516	136,459,348	139,933,602	143,536,049	147,124,450	
F									
TOTAL REVENUES		155,428,744	160,756,992	168,330,798	172,409,332	176,042,267	180,298,974	184,561,263	Revenues
	Override Stabilization Fund		(188,697)	(1,160,040)	1,124,214	3,691,706	6,043,182	9,388,395	Override Stabilization Fund
TOTAL EXPENDITURES		152,499,744	160,568,295	167,170,758	173,533,547	179,733,973	186,342,156	193,949,657	Expenditures
What if?									
			(188,697)	(1,160,040)	1,124,214	3,691,706	6,043,182	9,388,395	Override Stabilization Annual Usage
			(188,697)	(1,348,737)	(224,522)	3,467,184	9,510,366	18,898,760	Override Stabilization Cumulative
		23,353,303	23,542,000	24,702,040	23,577,825	19,886,119	13,842,937	4,454,543	Override Stabilization Balance
				6,000,000					Override
			8,068,551	6,602,463	6,362,789	6,200,427	6,608,182	7,607,502	Expenditure Growth
			6,517,250	3,225,065	3,461,832	3,474,254	3,602,447	3,588,401	Property tax increase/yr
			1,551,301	3,377,398	2,900,957	2,726,173	3,005,736	4,019,100	Structural deficit - Estimate
APPROPRIATIONS									
A. Operating Budgets									
School									
	General Education Costs	38,787,542	42,860,305	45,221,515	47,781,869	50,087,396	52,661,032	55,366,909	1.051382907
	Special Education Costs	20,037,415	21,440,034	22,940,836	24,546,695	26,264,964	28,103,511	30,070,756	1.069999982
	Kindergarten Fee Offset	970,000	970,000	970,000	970,000	970,000	970,000	970,000	
	Growth Factor	1,133,528	831,980	944,542	611,750	792,828	665,584	690,054	690,054
	Net School Budget	60,928,485	66,102,319	70,076,893	73,910,314	78,115,188	82,400,127	87,097,719	
Minuteman: Operating and Capital		4,291,333	4,936,724	5,109,509	5,288,342	5,473,434	5,665,004	5,863,278.94	1.034999965
Town									
	Personnel Services	26,722,171	27,620,241	28,517,899	29,444,731	30,401,685	31,389,740	32,409,907	1.032500008
	Expenses	10,314,386	10,595,129	10,939,471	11,295,004	11,662,092	12,041,110	12,432,446	1.032500001
Less Offsets:	Enterprise Fund/Other	2,436,791	2,479,812	2,572,073	2,655,665	2,741,974	2,831,088	(2,923,098)	1.032499943
	Net Town Budget	34,599,766	35,735,558	36,885,297	38,084,070	39,321,803	40,599,762	41,919,255	
	MWRA Debt Shift	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	5,593,112	
B. Capital budget									
	Exempt Debt Service	3,175,427	4,432,143	4,273,079	4,114,929	3,452,179	3,352,632	3,352,632	
	Non-Exempt Service	7,281,819	6,624,043	6,558,240	6,937,624	7,307,245	7,051,990	7,051,990	
	Cash	3,941,928	2,795,027	2,676,735	2,419,060	2,225,544	2,213,383	2,213,383	
	Offsets/Capital Carry Forward	(2,875,349)	(994,056)	(361,629)	(317,138)	(387,057)	(351,743)	(351,743)	
	Total Capital	11,523,825	12,857,157	13,146,425	13,154,475	12,597,911	12,266,262	12,618,005	
C.	Pensions	10,141,735	10,765,545	11,357,650	11,982,321	12,641,349	13,336,623	14,070,137	1.054999985
D.	Insurance	17,239,561	17,159,100	17,502,282	17,852,328	18,209,374	18,573,562	18,945,033	***
E.	State Assessments	3,240,429	3,341,106	3,423,233	3,507,412	3,593,697	3,682,138	3,594,416	3,594,415.67
G.	Overlay Reserve	1,156,229	600,000	600,000	600,000	600,000	600,000	600,000	***
H.	Reserve Fund	1,506,440	1,553,287	1,599,995	1,636,086	1,667,518	1,704,979	1,743,282	1.022465125
I.	Court Judgments/Symmes	748,338	771,250	773,225	771,950	767,450	767,450	768,950	768,950.00
J.	Warrant Articles	1,319,355	1,153,137	1,103,137	1,153,137	1,103,137	1,153,137	1,136,470	1,136,470.33
K.	Override Stabilization Fund	211,136							
L	TOTAL APPROPRIATIONS	152,499,744	160,556,995	167,904,688	174,992,627	182,007,381	189,848,867	193,949,657	***
BALANCE		<u>152,499,744</u>	<u>160,568,295</u>	<u>167,170,758</u>	<u>173,533,547</u>	<u>179,733,973</u>	<u>186,342,156</u>	<u>193,949,657</u>	***
			11,300	(733,930)	(1,459,080)	(2,273,408)	(3,506,711)	(5,409,071.03)	Check/Insurance differential
							154%		

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2019 Campaign > Provides backup (2020) should campaign fail

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Vision 2020 Fiscal Resources Task Group

Arlington Government Primer (2017-2018)

Table of Contents

Chapter 1 - The Town of Arlington

Chapter 2 - Arlington Town Meeting

Chapter 3 - Arlington Town Government

Chapter 4 - Arlington's Independent Administrative Boards/Departments

Chapter 5 - Arlington's Enterprise Funds

Chapter 6 - Arlington's Budgeting Process

Based upon a series of articles published in the *Arlington Advocate*
by Arlington's Vision 2020 Fiscal Resources Task Group

*The Vision 2020 Fiscal Resources Task Group embraces and works
to help the Town better realize the following Town goal:*

*"We value Arlington's efficient delivery of public services providing for the common good. The benefits
from these services and the responsibility of taxation will be equitably distributed among us.
We will be known for our sound fiscal planning and for the thoughtful,
open process by which realistic choices are made in our Town."*

We meet monthly on the third Thursday of the month and all are welcome to attend.

Chapter 1 - The Town Of Arlington

Welcome to the inaugural edition of Citizens' Corner, a regular column prepared by members of the Vision 2020 Fiscal Resources Task Group designed to help residents both old and new learn more about how our Town works.

In our first column we will provide some history and a general introduction to the Town's administrative framework and elected offices. In future columns we will explore these and additional items in greater detail.

The Town of Arlington was originally settled in 1635 as the Village of Menotomy. It was subsequently incorporated as West Cambridge in 1807, and renamed Arlington in 1867. Arlington is currently home to approximately 43,000 residents and is located within 5.5 square miles.

The Town's Executive body is a popularly elected, five-member Board of Selectmen that appoints a Town Manager and works with the Town manager to administer the daily operations of the Town.

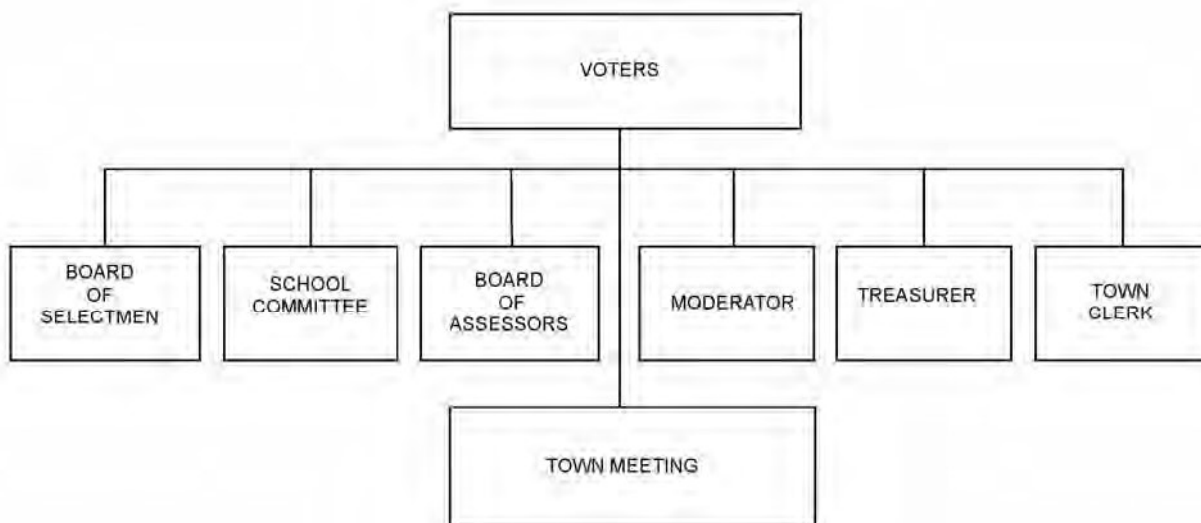
The Town's Legislative body is a representative Town Meeting consisting of 252 members elected from their home precincts (12 members each from 21 precincts) that generally convenes once a year at the Annual Town Meeting.

The School Committee is a popularly elected, seven-member board that appoints a Superintendent of Schools and works with the Superintendent to administer the daily operations of the School Department.

The Town also has several "independent elected offices", including the Treasurer and Collector, Town Clerk, Town Moderator and a three-member Board of Assessors.

All elected positions, including Town Meeting Members, are elected to three year terms. Terms are staggered so that only a few members are elected or reelected in any one year. The Annual Town Election usually happens on the first Saturday in April, check arlingtonma.gov/elections for dates/times. Please remember to vote!

A simplistic view of the Town's Electoral Organizational Chart is presented below.



Well that concludes our first edition of Citizens' Corner. In our next editions we plan to cover Town Manager, Town departments, Enterprise funds and Town meeting.

Chapter 2 - Arlington Town Meeting

In our first installment we provided a general introduction to Arlington's administrative framework and elected offices, including our legislative body Town Meeting. As Town Meeting is currently in session, this week we'll focus on this uniquely New England form of grass-root based democracy!

The organization and procedures of Town Meeting evolved during the colonial period as a way for citizens to learn about their community's needs and available resources; and to debate and decide on how best to foster the growth and success of their community. In Arlington it is governed by Massachusetts General Laws Chapter 43A and the Town of Arlington Bylaw Title I - General Government, Article 1.

While all New England towns have Town Meetings, over 200-plus years different regions have developed their own local traditions. Given Arlington's large population (ca. 44,000) an open town meeting (where all registered voters can attend and participate) is clearly not feasible. Instead Arlington has a Representative Town Meeting, where 12 representatives are elected from each of 21 precincts; making for a legislative body of 252 Town Meeting Members. As we discussed last time, members are elected each spring during the annual Town election. Any resident of the Town may run for a three year term; terms are staggered so that four seats per precinct are open each year.

Arlington's Annual Town Meeting is held beginning in late April. In addition, Special Town Meetings can be called by citizens or the Board of Selectmen to address interim issues of import.

So how does a Town Meeting function? First an agenda, termed the Warrant, needs to be developed. Beginning in December, administrative bodies, committees, commissions and citizens of the Town begin to submit agenda items, termed Articles, for inclusion in the Warrant.

Warrant Articles generally address one of three topics: Town bylaws (laws particular to Arlington), Zoning issues, or Financial issues. After the Warrant submission period has closed in late January it is compiled and distributed to all residents as a 'warning' of what will be discussed at that year's meeting.

Next, Articles are reviewed in public hearings by one of the three administrative bodies (Board of Selectmen, Arlington Redevelopment Board, Finance Committee) that will report on each Article to the Meeting. Reports from these bodies take the form of formal recommended votes and comments and are publically available.

Town Meeting takes place in the Robbins Town Hall auditorium that was designed with this purpose in mind on Monday and Wednesday evenings from 8-11PM. On the first evening, the Meeting is called to order by the Town Moderator, a town-wide elected position that chairs the Meeting. Once new and reelected members have been sworn in and the Town Clerk has certified the presence of a quorum; the Meeting gets down to work.

One by one each Article (40-60 total) comes to the floor, the recommended vote debated, amendments proposed and voted upon as follows: The Moderator opens each article, recognizes members who wish to discuss the article, and, once debate is finished, conducts the vote on the article. Non-member residents can also speak to the body regarding Articles of interest to them upon introduction by a member. Arlington has one of the more deliberative town meetings, in that those recognized can speak for up to seven minutes the first time, and if they dare, for five minutes a second time. But in general it is amazing how quickly a body of 200-plus individuals can reach agreement!

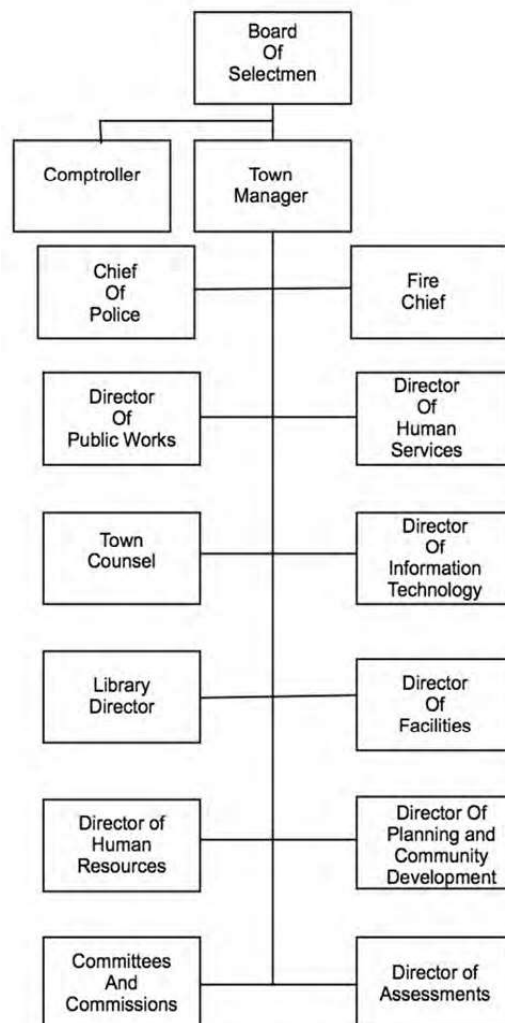
Once Town Meeting adjourns, Articles that require state action are forwarded onto the Attorney General for approval; otherwise they take effect upon Town Meeting's adjournment.

If you wish to learn more, a great reference is *Town Meeting Time* by Johnson, Trustman & Wadsworth, which is published by the Massachusetts Moderators Association. The authors have all served as Town Moderators in Massachusetts. Residents are also encouraged to attend Town Meeting (viewing from the gallery) or to watch the proceedings on local cable (ACMi) as it's a great way to learn more about Arlington.

Chapter 3 - Arlington Town Government

In the first two articles in this series, we provided some history and a general introduction to the Town's administrative, electoral framework and the functioning of Town meeting. In this installment and the next we will focus on how the different parts work together to provide the set of services that we enjoy as Arlington residents, starting with the Town Manager Act.

The general administrative principles of the Town (as defined by Massachusetts General Laws and Arlington's Town Bylaws) are set out in the Town Manager Act; wherein the Board of Selectmen recruit and appoint the Town's Chief Executive Officer, the Town Manager.



The Town Manager and his staff are responsible for the day-to-day administration and operation of the Town and its various departments, including the hiring of department heads. A professional hiring process is employed wherein the Manager and/or Department head work together with the Director of Human Services to identify and hire suitable candidates. Arlington is lucky to be able to have access to some of the best talent that the Commonwealth can offer.

The Manager's office is also responsible for the preparation of the Annual Report, Annual Financial Plan and the Town's budget. The budgetary planning process starts each fall and the completed budget is presented to the Finance Committee and Board of Selectmen each January for review. As we noted last time, the Finance Committee's report is presented to the Annual Town Meeting which, as the Town's Legislative body, is responsible for approving all appropriations. And to insure transparency and financial accountability, the Board of Selectmen also appoints the Town Comptroller who reports directly to the Board.

In addition, Arlington has a host, well actually what seems like hundreds, of Committees and Commissions that are primarily volunteer staffed and are critical to helping Arlington function efficiently. Members are most often appointed by the Manager subject to Board of Selectmen approval, and carry out a variety of essential tasks from historic preservation to cemetery oversight.

If some particular aspect of Arlington piques your interest there is likely a committee or commission addressing that issue. So please consider getting involved. A great place to start is visiting the Town's website (www.arlingtonma.gov), reading the Annual Report, attending/watching Board of Selectmen meetings and enjoying our Town Day celebration each Fall.

Chapter 4 - Arlington's Independent Administrative Boards/Departments

In the first few articles in this series, we provided some history and a general introduction to the Town's administrative and electoral framework, the functioning of Town Meeting and the organization of Town departments as administered by the Town Manager. In this installment we're going to focus on the independent departments of the Town. Unlike the departments that report to the Town Manager, these departments are responsible directly to the voters who elect their leadership.

The School Department has the most employees and the largest budget of all departments. An elected School Committee is responsible for the hiring of the Superintendent of Schools who, together with staff, carry out for the daily administration and operation of the School Department including the hiring of department heads, principals and teachers. The School Committee and Superintendent prepare the School Department's budget that is reviewed by the Finance Committee and submitted to Town Meeting for final approval.

Currently, there are three additional independent departments. Though small, these departments perform essential services for the Town.

The Town Treasurer and Collector of Taxes is responsible for collecting the various taxes levied by the Town. The largest of these is the real estate tax that accounts for 72% of the Town's revenue. The Treasurer manages the Town's bank accounts and is responsible for selling Town bonds and investing Town funds. An important outcome of these efforts is the Town's Standard & Poor's AAA credit rating.

The Board of Assessors **is** responsible for determining the value of each property. With the help of a contractor, they aim to maintain the assessed value of each property at market value. They also

decide requests by property owners for abatements. They are assisted in this work by the Director of Assessments (who is appointed by the Town Manager) and a small staff.

Lastly, the Town Clerk is responsible for maintaining a variety of Town records ranging from births and deaths to dog licenses to the minutes from Town Meeting. The Town Clerk also maintains the True List of all residents 17 or older based on an annual census and supervises the Registrar of Voters. Together they maintain the list of registered voters and work with the Selectmen's office to run elections. After the schools, the Town Clerk's office is probably the independent department most familiar to residents.

Chapter 5 - Arlington's Enterprise Funds

This article concludes the series we started last spring on how the Town of Arlington is organized. Our objective is to improve resident understanding of our local government and how it functions. Today's column focuses on five Town organizational units that are not supported by the real estate tax but rather by self-supporting independent revenues streams. These units provide business-like services directly to residents and are called Enterprise Funds (EF).

Arlington's Enterprise Funds offer many services that enhance the quality of life and reinforce our Town's commitment to building strong sense of community. Whether it's an afternoon of family fun at the skating rink, attending a special event scheduled in one of the town's many beautiful buildings and parks, making sure our young people have access to mental health support, providing affordable transportation to our seniors, or delivering quality water at the turn of the tap, these funds work for Arlington.

Each EF has an account maintained by the Town Treasurer that receives revenues and pays for the costs of each unit's activities. Each EF has a budget approved by Town Meeting. In recent years these budgets have been balanced. Each EF also has a reserve fund that holds any excess revenues which can be used by the EF in subsequent years. This organizational structure is established under Massachusetts General Law Title XII Chapter 44 Section 53F1/2.

The Water and Sewer EF is managed by a division of Public Works under the direction of Director of Public Works and the Town Manager. It maintains the fresh water distribution system (130 miles) and the sewer mains (117 miles). Most of its revenue comes from the water and sewer bills collected by the Treasurer from every residence and business. This EF also pays the water and sewer bills from the Massachusetts Water Resources Authority (MWRA) that provides our purified water supply and processes our sewage. This EF is by far the largest of the five. Contact [\(781-316-3301\)](tel:781-316-3301)

The Recreation EF is managed by the Recreation Department under supervision of the Town Manager. It operates year round and provides a large variety of programs hosted in Town buildings and on Town playgrounds. Fees associated with these programs - such as parties held at Reservoir Beach - support the fund. This EF maintains, schedules and issues permits to all the properties under the jurisdiction of the Parks & Recreation Commission. Contact [\(781-316-3880\)](tel:781-316-3880)

The Ed Burns Sports Center EF is also managed by the Recreation Department. Fees from club, school and public ice-skating together with snack bar earnings pay for the cost of annual operations. The cost of this EF's capital expenses is shared with the Town's Capital Plan on a 50:50 basis. Contact [\(781-316-3880\)](tel:781-316-3880)

The Council on Aging Transportation EF is managed by the Health and Human Services Department. This EF uses its vans to transport elderly residents who lack cars and can't use MBTA

busses to appointments with doctors and errands. Both rider fees and grants support this EF. Contact (781-316-3400)

The Youth Counseling Center EF is also managed by the Health and Human Services Department. It offers mental health support to youth and their families. Its revenue comes in large part from third party reimbursements for their services. Contact (781-316-3255)

Additional information regarding all of Arlington's Departments and EF's can be found online at www.arlingtonma.gov

Chapter 6 - Arlington's Budgeting Process

Each spring during the annual town meeting, Arlington's Town Meeting Members vote to approve a budget of more than \$150 million for the fiscal year commencing on the following July 1st. Residents can be confident in the vote that Town Meeting takes because of the detailed budget and revenue information included in the reports and information provided to members by the Town Manager's Office, the School Committee, the Capital Planning Committee, and the Community Preservation Act Committee; and perhaps most importantly the report submitted by the Finance Committee. In this article we will discuss how this information is developed, compiled and how that leads to the final votes on the floor of Town Meeting.

Starting in September, eight months before Town Meeting votes on the budgets, the Town Manager works with the Long Range Planning Committee and Budget and Revenue Task Force to estimate the revenues that will be available (Property taxes, State grants, Reserve/Stabilization funds, etc.) to support town/school functions. These committees include representatives of key town committees and departments. An important tool is the Long Range Financial Projection (which covers the current budget year and the next five years going forward). After a review of available revenues, the committee decides how to best apportion revenues between town and school departmental operations, capital expenses, non-departmental expenses such as pensions and health insurance and allocations to reserve accounts.

Once the initial budget framework has been determined, the Manager collects requests for operating funds from each of the town departments as well as the enterprise funds. These requests cover employee salaries and benefits as well as funds needed for supplies and contractors and will be used to develop the town side's budget.

Similarly, the Superintendent of Schools collects budget requests from each school and works with the School Committee Budget Subcommittee to develop a detailed budget. After several months of discussion and public hearings in the spring the School Committee votes to approve a detailed school budget.

In the fall, the Manager and the Capital Planning Committee also begin the process of collecting capital requests (vehicles, heavy equipment, buildings, roads, parks, etc.) from all departments. The Manager works with the Capital Planning Committee (which includes department representative and citizen volunteers) to evaluate and schedule the different capital projects. The projects recommended for the next fiscal year will be included in the capital budget; others will be placed in a Five Year Plan for inclusion in a later year's budget.

In parallel to the Capital Planning process, the Community Preservation Act Committee reviews the applications for project funding received in September and develops a list of proposed expenditures consistent with available revenues.

By January 15, the manager delivers a budget proposal to the Board of Selectmen and the Finance Committee. This budget includes details for all departments except the schools. For the schools, the overall budget contains just the bottom line revenue allocation. This is because, by state law, while Town Meeting votes on the total amount allocated to the School Department, only the School Committee is authorized to determine how school funds will be allocated.

In February and March the Finance Committee, a standing volunteer committee of Town Meeting, reviews in detail the budget of each town department and the enterprise funds. It also receives and reviews detailed budget proposals from the School Department, the Capital Planning Committee and the Community Preservation Act Committee. It then prepares its report to Town Meeting, after consulting with the relevant group; correcting or modifying the recommendations it has received as required.

The reports from the Finance, Capital Planning, School Department and Community Preservation Committees together with the Town Manager's Annual Financial Plan are presented to Town Meeting Members for their review and consideration prior to the respective budgets coming before Town Meeting for a vote. Prior to the final vote, each budget item is open for debate on the floor of Town Meeting. This gives Town Meeting Members a final chance to inquire about budgetary specifics and/or seek clarification regarding of each budget. After debate is completed a final vote is taken and upon a positive vote (two-thirds if bonds are involved) the budgets for the next fiscal year are adopted.

During the budget's fiscal year, the Town Manager, Superintendent, Department Heads and the Finance Committee regularly monitor and review departmental expenditures to insure that each budget is adhered to as closely as possible. Should something unexpected come up, the Finance Committee has the authority to appropriate as needed from the (Annual) Reserve Fund. If the need is larger than the Reserve Fund can accommodate, (the Reserve Fund is about 0.5% of the total budget) a Special Town Meeting must be called to appropriate additional funds to cover the shortfall, but because of the careful work outlined above, this is a rare occurrence.

If you wish to learn more, Reports to Town Meeting as well as the Annual Financial Plan, Annual Report of the Town as well as additional financial information are available on the Town's website. And should you wish to participate in the process the various committees are always looking for additional volunteers to assist them in their work.

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Citizens Corner - Finance Department

By Pete Howard

Welcome back to Citizens' Corner, an occasional column prepared by members of the Envision Arlington Fiscal Resources Task Group designed to help residents both old and new learn more about how our Town works. This week we introduce you to the newly formed Finance Department.

The Finance Department facilitates cooperation and coordination between key legally established financial functions of the Town: Assessing taxes, Collecting taxes, Investing Town funds, Borrowing funds as authorized by Town Meeting, Ensuring that bills are correct, Paying bills, and Accounting for these activities.

Since this is a new department in Arlington, a few words about its history. Early in his tenure (1960s to 1990s), former Town Manager Donald Marquis proposed establishing a Finance Department with an appointed treasurer. Opposed by the Treasurer, Town Meeting did not support this idea. Roughly thirty years later the Fiscal Resources Task Group of Vision 2020 carried out a study and concluded that there was room for improvement in the Town's financial management. Subsequently a committee established by the Select Board studied the issues and recognized that improvements were desirable but did not recommend any organizational change other than to create an Information Technology Department. The Select Board did request the Department of Revenue to study the Town's financial administration and to report back to the Board. This study strongly recommended establishment of a finance department, a system that was working well in other large towns. The Town Manager submitted a warrant article to begin this change but withdrew the article in the face of opposition from the Treasurer. Recently a new Treasurer was elected who supported the Finance Department idea and has informally operated in close cooperation with the other financial offices of the Town and supported the process of switching to an appointed Treasurer. Town Meeting has passed votes to enable these changes to occur. Though there has been no official public accounting, savings are expected from reduced numbers of personnel and use of Town standard commercial software.

The Finance Department has four members. They are the Deputy Town Manager, the Treasurer, the Comptroller, and the Director of Assessments. Each is appointed by the Town Manager. Their responsibilities, established by local and State law are unchanged. The Finance department is led by the Finance Director who is also appointed by the Town Manager and may be any one of the members.

The Deputy Town Manager develops the annual budget for proposal to Town Meeting through the Finance Committee and in coordination with the Long Range Planning Committee.

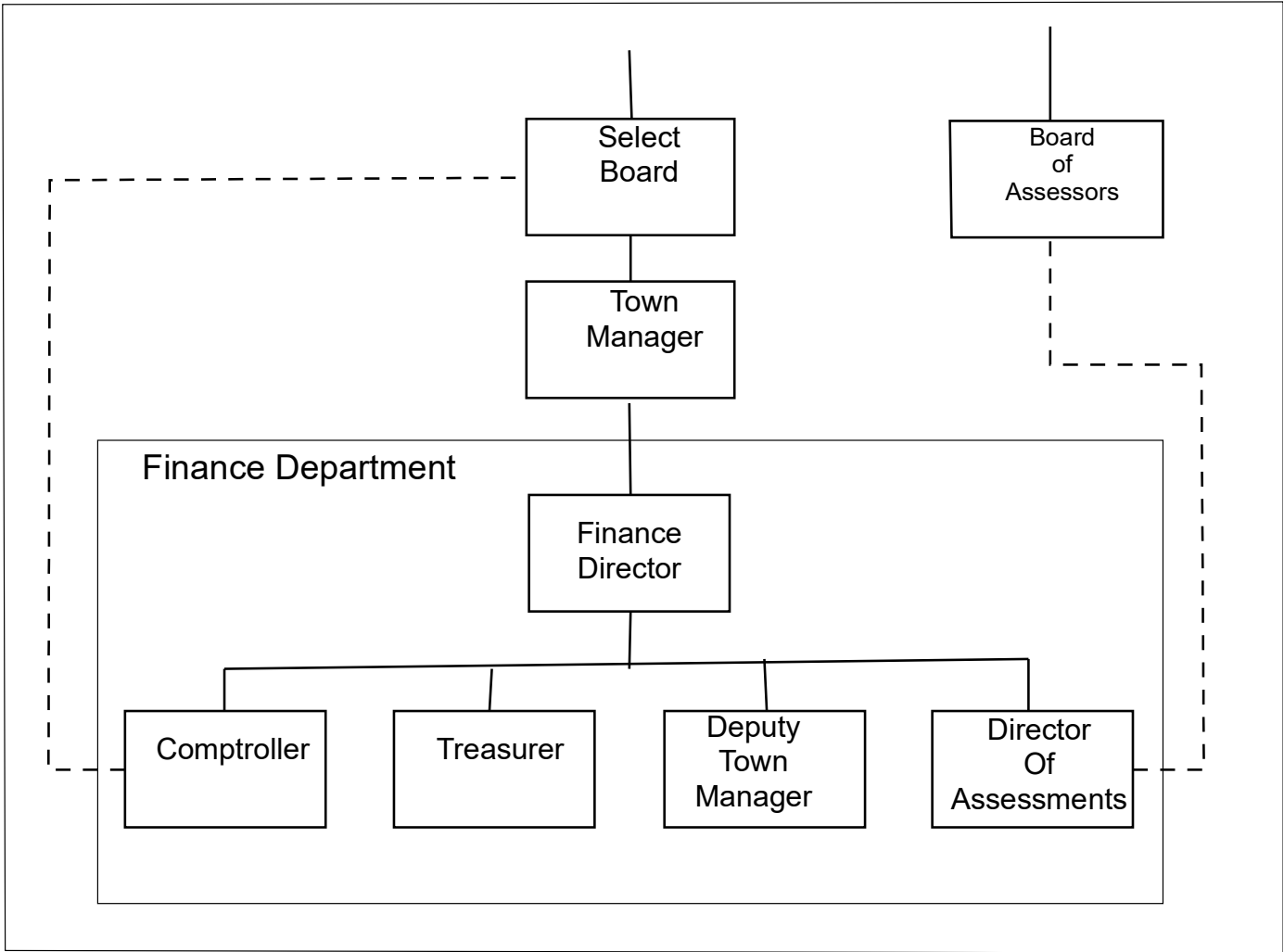
The Treasurer /Collector collects local taxes, manages Town investments, borrows money as authorized by Town Meeting, and pays the bills.

The Director of Assessments supervises assessment of town property as authorized by the Board of Assessors.

The Comptroller manages Town financial records, reviews the legality and reasonableness of bills, and coordinates the annual audit. The Comptroller reports to the Select Board on these matters.

The Chief Financial Officer of the School Department is not an official member of the Finance Department but is invited to attend and participate in Finance Department meetings.

~ The Envision Arlington Fiscal Resources Task Group embraces and works to help the Town better realize the following Town goal: "We value Arlington's efficient delivery of public services providing for the common good. The benefits from these services and the responsibility of taxation will be equitably distributed among us. We will be known for our sound fiscal planning and for the thoughtful, open process by which realistic choices are made in our Town." We meet monthly and all are welcome to attend.



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Citizens Corner - Tax Overrides & Debt Exclusions

By Pete Howard and Gordon Jamieson

Welcome back to Citizens' Corner, an occasional column prepared by members of the Envision Arlington Fiscal Resources Task Group designed to help residents both old and new learn more about how our Town functions. This week we'll review the ins and outs of Proposition Two and One Half (Prop 2 ½) which regulates local property tax increases in the Commonwealth.

Back in 1980, when Massachusetts was still called Taxachusetts by some, the voters approved a state wide referendum question called Prop 2 ½. This vote established, for the first time, a limit on the total amount that a municipality's annual real estate & personal property tax levy could increase. To exceed this limit, the town has to secure approval from its registered voters.

How does Prop 2 ½ work to define the amount of taxes that can be collected each year? The levy limit for the current tax year (the amount of taxes to be collected) is calculated as follows: The previous year's tax levy is increased by 2.5 percent plus the amount of taxes attributable to growth in the tax base (termed new growth). This number is the levy limit.

New growth is the increase in the town's tax base not caused by revaluation, but rather by development. New growth includes property improvements (renovations, additions and the like) that increase the assessed value of a property as well as new construction.

Arlington works hard to budget within the existing levy limit. Despite those efforts, increases in the levy limit has proven to be less than what the Town requires to maintain services in the face of growth in our school population and the service expectations of our residents. Prop 2 ½ provides two ways to address these budgetary pressures: Tax Overrides and Debt Exclusions. Both require approval by the Town's voters.

Tax overrides authorize the Town to increase the property tax levy by a specific dollar amount in the next fiscal year. In subsequent years the levy limit increase is 2 ½% of the previous year (including the override) plus new growth. Thus the override tax increase provides for a permanent increase in the tax base. These taxes are used to pay the cost of operating the Town. Arlington voters last approved an operating tax override in 2011.

Debt exclusions authorize the Town to raise the property tax levy by a specific amount to borrow the funds required to complete and pay for specific capital projects. Typically these projects are the construction of new or renovated buildings. Arlington voters last approved debt exclusions in 2016 to cover the costs of rebuilding Minuteman Vocational High School, renovating Gibbs School and funding AHS rebuild planning.

Debt exclusions are added to the base property tax levy limit each year until the principal and interest on the loan has been fully repaid. The debt exclusion is then removed from the property tax levy. Thus while the increase in property tax levy due to an override is permanent; the increase in the property tax levy due to a debt exclusion is temporary and expires after the loan authorizing the borrowing of the funds has been repaid.

While the overall increase in the total property tax levy is limited to "2.5% plus new growth" as summarized above, the property tax on any particular property is affected by changes in its

assessed value and may increase by more or less than 2 ½ %.

The procedures leading up to the vote approving an operating override or debt exclusion are specified in the Prop 2 ½ law. The Select Board is responsible for deciding when to call for a vote under Prop 2 ½ and for scheduling the vote (election). Prop 2 ½ also specifies the required wording of the vote as put forth to the voters.

Hence, because of Prop 2 ½, Massachusetts no longer warrants the Taxachusetts moniker at the local property tax level given that a local municipality's voters, by direct vote, approve any significant increase in local property taxes.

For more details, ask your precinct's Town Meeting Members, your precinct's Finance Committee member, consult Chapter 6 of the Association of Town Finance Committees Handbook or Mass General Laws Title IX, Chapter 59 Section 21 or attend one of our meetings which occur on the third Thursday of the month.

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