

Fiscal Year 2019 Town Manager's Budget Proposal

Board of Selectmen Meeting
February 5, 2018

Overview

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- Budget Overview
- Budget Highlights
 - Investments in Education
 - Investments in Response to Community Needs
- Long Term Outlook
- Next Steps

Budget Process

- **July** - Fiscal Year begins July 1st
- **September** - *Capital Budget* requests due to Town Manager
- **November** - *Operating Budget* requests due to Town Manager
- **January** - Budget books to Board of Selectmen (BoS) and Finance Committee (FC) by January 15th
- **January/April** – FC hearings on budget
- **March** - Financial Plan to BoS & FC by the end of March
- **April** - FC Report submitted to Town Meeting by April 20th
- **May** - Town Meeting adopts *Operating and Capital Budgets*
- **June** - Fiscal Year ends June 30th

Budget Overview - Revenue

	FY2018		FY2019		Change	
	Budget		Budget		\$	%
Revenue						
Property Tax	\$	117,255,201	\$	121,235,962	\$ 3,980,761	3.4%
Local Receipts	\$	9,071,000	\$	9,171,000	\$ 100,000	1.1%
State Aid	\$	19,207,063	\$	19,394,662	\$ 187,599	1.0%
School Construction Aid	\$	1,615,914	\$	476,523	\$ (1,139,391)	-70.5%
Free Cash	\$	4,850,566	\$	4,593,375	\$ (257,191)	-5.3%
Other Funds	\$	500,000	\$	200,000	\$ (300,000)	-60.0%
Override Stabilization Fund	\$	-	\$	3,461,696	\$ 3,461,696	100%
TOTAL TAXES, FEES, AID, AND OTHER SOURCES	\$	152,499,744	\$	158,533,218	\$ 6,033,474	4.0%
Transfers in (Offsets)	\$	2,436,791	\$	2,479,812	\$ 43,021	1.8%
TOTAL REVENUES	\$	154,936,535	\$	161,013,030	\$ 6,076,495	3.9%

Budget Overview - Expenditures

Expenditures	FY2018 Budget	FY2019 Budget	\$ Change	% Change
<i>Municipal Departments Appropriations *</i>	\$ 37,036,557	\$ 38,198,683	\$ 1,162,126	3.1%
<i>Offsets</i>	\$ (2,436,791)	\$ (2,479,812)	\$ (43,021)	1.8%
Municipal Departments (Taxation Total)	\$ 34,599,766	\$ 35,718,871	\$ 1,119,105	3.2%
School Department	\$ 60,928,485	\$ 65,860,321	\$ 4,931,836	8.1%
Minuteman School	\$ 4,291,333	\$ 4,960,808	\$ 669,475	15.6%
Non-Departmental (Healthcare & Pensions)	\$ 27,381,296	\$ 28,673,031	\$ 1,291,735	4.7%
Capital (Includes Debt Service)	\$ 11,523,825	\$ 10,356,564	\$ (1,167,261)	-10.1%
MWRA Debt Shift	\$ 5,593,112	\$ 5,593,112	\$ -	0.0%
Warrant Articles	\$ 1,319,355	\$ 928,503	\$ (390,852)	-29.6%
Reserve Fund & Elections	\$ 1,506,440	\$ 1,550,715	\$ 44,275	2.9%
Override Stabilization Fund Deposit	\$ 211,136	\$ -	\$ (211,136)	-100%
TOTAL EXPENDITURES	\$ 147,354,748	\$ 153,641,925	\$ 6,287,177	4.3%
Non-Appropriated Expenses	\$ 5,144,996	\$ 4,891,293	\$ (253,703)	-4.9%
Surplus / (Deficit)	\$ -	\$ -	\$ -	-

Departmental Highlights/Education

	FY 2018	FY 2019	\$ Increase	% Increase
General Education Costs	\$ 38,787,542	\$ 41,318,307	\$ 2,530,765	6.52%
Special Education Costs	\$ 20,037,415	\$ 21,440,034	\$ 1,402,619	7.00%
Kindergarten Fee Offset	\$ 970,000	\$ 970,000	\$ -	0.00%
Gibbs Funding	\$ -	\$ 1,300,000	\$ 1,300,000	
Growth Factor	\$ 1,133,528	\$ 831,980	\$ (301,548)	-26.60%
TOTAL SCHOOL BUDGET	\$ 60,928,485	\$ 65,860,321	\$ 4,931,836	8.09%

Growth Factor Breakdown	
FY 18 Enrollment Growth	170
DESE PPC for Arlington	\$ 13,984
35% of PPC for Arlington	\$ 4,894.00
Growth Factor (35% PPC x 170)	\$ 831,980

- Near Historic Increase in Educational Funding

Budget Highlights – Response to Community Needs

- Continued Investment in Senior Services with Further Increase in Council on Aging Social Worker Hours
- Investment in Response to Climate Change – Mosquito and Rodent Control Funding – Significant Increase in Tree Planting Funding and Tree Warden Hours
- Investment in Transportation Planner – Better Position Town to Respond to Short and Long Term Transportation Matters
- Investment in Library Staffing Increase to Better Serve Library Patrons
- Funding Set Aside for Collective Bargaining

Long-Term Outlook

- Override of 2011 (FY2012) Projects to Last Through FY2020
- Town Continues Investment in Long Term Liabilities – Pension and OPEB
- Investment in Arlington High School Still Ahead
- Impacts of Federal Budget Changes Remain Uncertain – Federal Tax Changes Detrimental to Property Tax Reliant Municipalities

Next Steps

- Long Range Planning Meeting Scheduled for February 7th
- Hearings with Finance Committee begin February 14th
- Budget and Revenue Task Force Meeting Scheduled for February 26th
- Local Aid Numbers to be Updated Following Discussion with Long Range Planning Committee
- Group Insurance Commission rates set by March 1st
- Figures Updated in Coordination with Finance Committee in Preparation for Town Meeting

Questions/Discussion