



FISCAL YEAR 2016 OPERATING BUDGET

March 11, 2015

Paul E. Cohen
Town Manager

Budget Highlights

- \$119M Budget; 2.66% Increase;
- Includes a \$500,000 transfer from the Stabilization Fund
- Chelmsford Public Schools: \$52.4M budget;
- Nashoba Tech: \$249K assessment increase;
- Benefits and Insurance: \$1.28M increase;
- Debt Service Decreases by \$506K

Fiscally Responsible, Level Service Budget

- Existing level of governmental services is maintained;
- No increase in current staffing levels for General Government employees;
- Capital infrastructure investment maintained at \$3M;
- Other Post Employment Benefits (OPEB)/Retiree Health Insurance Liability funding maintained at \$1M;

Budget Priorities

- Education
- Public Safety
 - Fire Department
 - Police Department
 - DPW
- Capital Infrastructure
- Public Health and Human Services

FY15 Budget Line Item Increases

Budget proposal amounts to \$3,084,045 increase **(2.66%)**

| | | <u>%Chg.</u> |
|--------------------------------|--------------------------|--------------|
| • Municipal Administration: | \$ 2,282 | .08% |
| • Chelmsford Public Schools: | \$1,529,559 | 3.01% |
| • Nashoba Valley Tech: | \$ 249,236 | 9.70% |
| • Public Safety: | \$ (150,031) | (1.26)% |
| • Public Works: | \$ 73,796 | 1.17% |
| • Municipal Facilities: | \$ 115,487 | 8.82% |
| • Cemetery Commission: | \$ 2,045 | .64% |
| • Community Services: | \$ 135,087 | 13.77% |
| • Library: | \$ 51,771 | 2.86% |
| • Benefits & Insurance: | \$1,284,334 | 6.81% |
| • Debt Service: | \$ (506,046) | (3.48)% |
| • Reserve Fund: | \$ 0 | 0% |
| • State Assessments & Overlay: | <u>\$ 296,525</u> | 13.44% |
| Total: | \$ 3,084,045 | |

Expenditure Summary

| | | |
|-------------------------|-------------|----------|
| School Department: | \$1,529,559 | (3.01%) |
| Nashoba Tech: | \$249,236 | (9.70%) |
| Benefits & Insurance: | \$1,284,334 | (6.81%) |
| State Assessments: | \$296,525 | (13.44%) |
| Other Town Departments: | \$230,437 | (.90%) |
| Debt Service: | (\$506,046) | (-3.48%) |

Major Expenditure Increases

| | |
|--------------------------------|---------------------|
| Chelmsford Public Schools: | \$1,529,559 (3.01%) |
| Nashoba Tech Assessment: | \$249,236 (9.70%) |
| Health Insurance: | \$649,000 (6.62%) |
| Pension Assessment: | \$612,334 (9.44%) |
| State Assessments: | \$184,794 (9.61%) |
| Municipal Facilities Expenses: | \$98,365 (17.33%) |
| Veterans Benefits: | \$95,000 (52.78%) |

Budget Enhancements Not Funded

| | |
|---|-----------|
| School Department (shortfall from request): | \$618,938 |
| Police Department Lieutenant Position: | \$30,000 |
| Fire Department Center Station Staffing: | \$45,000 |
| Highway Department employee w. benefits: | \$60,000 |
| Senior Citizen Transportation: | \$40,000 |
| Building Maintenance employee w. benefits: | \$60,000 |

Revenue Summary

\$118,944,701 budget

Additional Revenue:

| | | |
|------------------|--------------------|----------|
| Property Tax: | \$2,994,864 | (3.44%) |
| State Aid: | \$324,748 | (2.06%) |
| Local Receipts: | \$476,956 | (5.68%) |
| Available Funds: | <u>(\$120,833)</u> | (-2.94%) |
| | \$3,675,735 | |

How Did Chelmsford's Local Aid Fare in the Governor's Proposed State Budget?

- Net Increase of **\$28,223**
- Chapter 70 education funding increased by \$101,120 (minimum \$20/student) to \$10,447,738.
- Unrestricted General Government Aid increased by \$162,588 (3.60%) to \$4,678,930.

How Did Chelmsford's Local Aid Fare in the Governor's Proposed State Budget?

State reimbursement reductions and assessment increases:

- Charter school tuition reimbursement reduction of **\$57,207** to \$206,567;
- Property tax exemption for veterans, blind, elderly, etc. reimbursement reduction of **\$27,704** to \$184,328;
- School Choice and Charter School Tuition assessments increase by **\$187,863** to \$1,766,582;

5 Fiscal Year Expenditure Comparison

| | <u>FY11</u> | <u>FY16</u> | <u>\$ Change</u> | <u>%Change</u> |
|----------------------|-------------|-------------|------------------|----------------|
| Municipal Admin. | \$2.31M | \$2.86M | \$.55M | 23.80% |
| Chelmsford Schools | \$43.93M | \$52.40M | \$8.47M | 19.28% |
| Nashoba Tech | \$1.85M | \$2.82M | \$.97M | 52.43% |
| Public Safety | \$9.76M | \$11.77M | \$2.01M | 20.59% |
| DPW | \$5.65M | \$6.36M | \$.71M | 12.56% |
| Munic. Facilities | \$1.10M | \$1.43M | \$.33M | 30.00% |
| Cemetery | \$.26M | \$.32M | \$.06M | 23.07% |
| Community Services | \$.78M | \$1.12M | \$.34M | 43.58% |
| Library | \$1.50M | \$1.86M | \$.36M | 24.00% |
| Benefits & Insurance | \$17.00M | \$20.14M | \$3.14M | 18.47% |
| Debt Service | \$12.11M | \$14.05M | \$1.94M | 16.01% |
| State Amts/Overlay | \$2.74M | \$3.43M | \$.69M | 25.18% |

10 Fiscal Year Expenditure Comparison

| | <u>FY06</u> | <u>FY16</u> | <u>\$ Change</u> | <u>%Change</u> |
|----------------------|-------------|-------------|------------------|----------------|
| Municipal Admin. | \$2.10M | \$2.86M | \$.76M | 36.19% |
| Chelmsford Schools | \$41.24M | \$52.40M | \$11.16M | 27.06% |
| Nashoba Tech | \$1.14M | \$2.82M | \$1.68M | 147.36% |
| Public Safety | \$9.28M | \$11.77M | \$2.49M | 26.83% |
| DPW | \$5.38M | \$6.36M | \$.98M | 18.21% |
| Munic. Facilities | \$1.04M | \$1.43M | \$.39M | 37.50% |
| Cemetery | \$.27M | \$.32M | \$.05M | 18.51% |
| Community Services | \$.64M | \$1.12M | \$.48M | 75.00% |
| Library | \$1.40M | \$1.86M | \$.46M | 32.85% |
| Benefits & Insurance | \$13.41M | \$20.14M | \$6.73M | 50.18% |
| Debt Service | \$9.91M | \$14.05M | \$4.14M | 41.77% |
| State Amts/Overlay | \$1.17M | \$3.43M | \$2.26M | 193.16% |

Chelmsford Public Schools Proposed FY16 Budget Line Item

| | | |
|----------------------|---------------------|---------|
| FY15 Appropriation*: | \$50,588,751 | |
| Increase: | <u>\$1,529,559</u> | (3.01%) |
| FY16 Total: | \$52,400,000 | |

*Original \$50,000,000 FY15 appropriation and supplemental \$588,751 FY15 appropriation. This does not include appropriations in FY15 for prior year expenses.

Chelmsford Public Schools Funding

| | |
|------------------------------------|----------------------|
| FY07 Net School Spending: | \$47,244,247 |
| FY07 Required School Spending: | <u>\$44,620,168</u> |
| Dollars Over Requirement: | \$2,624,079 (5.88%) |
| | |
| FY15 Budgeted Net School Spending: | \$59,608,196 |
| FY15 Required Net School Spending: | <u>\$49,836,369</u> |
| Dollars Over Requirement: | \$9,771,827 (19.60%) |
| | |
| FY16 Required Net School Spending: | \$50,022,636 |
| Increase: | \$186,267 (.37%) |

Chelmsford Public Schools Per Pupil Expenditure

| | |
|-------|--------|
| FY09: | 10,221 |
| FY10: | 10,550 |
| FY11: | 11,049 |
| FY12: | 11,751 |
| FY13: | 12,158 |
| FY14: | 12,437 |

\$2,216 (21.68%) increase in 5 years

Chelmsford Public Schools Per Pupil Expenditure

FY14: \$12,437

180 school days = \$69.09/school day/pupil

22 student classroom: $\$12,437 \times 22 = \$273,614$

180 school days = \$1,520/school day/classroom

Per Pupil Expenditure Comparison

| | FY15 <u>Enrollment</u> | FY14 <u>PPE</u> |
|---------------------|---------------------------|--------------------|
| • Chelmsford | 5,056 | 12,437 |
| • Franklin | 5,633 | 11,890 |
| • N. Andover | 4,795 | 11,953 |
| • Shrewsbury | 6,016 | 11,874 |
| • Tewksbury | 3,658 | 13,768 |
| • Billerica | 5,144 | 14,385 |
| • Dracut | 3,688 | 10,885 |
| • Westford | 5,139 | 12,526 |

Per Pupil Expenditure at DESE Comparable Districts

| | FY15 <u>Enrollment</u> | FY14 <u>PPE</u> |
|---------------------|---------------------------|--------------------|
| • Andover | 6,076 | 15,185 |
| • Chelmsford | 5,056 | 12,437 |
| • Franklin | 5,633 | 11,890 |
| • Marblehead | 3,245 | 13,091 |
| • Natick | 5,368 | 13,550 |
| • Needham | 5,519 | 15,020 |
| • Sharon | 3,483 | 15,021 |
| • Wachusett | 7,346 | 11,131 |
| • Wellesley | 5,067 | 17,106 |
| • Wilmington | 3,448 | 14,664 |
| • Winchester | 4,505 | 12,579 |

Special Education Expenditure Comparison

| | FY13 <u>SPED Exp.</u> | % of <u>Budget</u> |
|---------------------|--------------------------|-----------------------|
| • Chelmsford | 13,594,327 | 23.3% |
| • Franklin | 16,432,441 | 25.8% |
| • N. Andover | 11,385,684 | 23.3% |
| • Shrewsbury | 15,611,793 | 25.2% |
| • Tewksbury | 10,632,211 | 23.7% |
| • Billerica | 15,122,471 | 21.7% |
| • Dracut | 7,467,592 | 20.5% |
| • Westford | 9,262,926 | 16.9% |

Special Education Expenditure at DESE Comparable Districts

| | FY13 <u>SPED Exp.</u> | % of <u>Budget</u> |
|---------------------|--------------------------|-----------------------|
| • Andover | 20,975,948 | 26.5% |
| • Chelmsford | 13,594,327 | 23.3% |
| • Franklin | 16,432,441 | 25.8% |
| • Marblehead | 6,310,588 | 16.0% |
| • Natick | 13,015,278 | 21.9% |
| • Needham | 15,009,593 | 21.4% |
| • Sharon | 10,101,061 | 22.7% |
| • Wachusett | 16,535,207 | 23.0% |
| • Wellesley | 19,143,718 | 25.6% |
| • Wilmington | 9,917,337 | 21.1% |
| • Winchester | 10,921,772 | 22.6% |

Chelmsford Public Schools Foundation Enrollment & Student/Teacher Ratio

| | <u>Enrollment</u> | <u>Teachers</u> | <u>Student/Teacher Ratio</u> |
|-------|-------------------|-----------------|------------------------------|
| FY08: | 5,563 | 359.5 | 15.5 |
| FY09: | 5,543 | 350.3 | 15.8 |
| FY10: | 5,522 | 343.9 | 15.8 |
| FY11: | 5,430 | 340.3 | 15.6 |
| FY12: | 5,321 | 344.5 | 15.1 |
| FY13: | 5,226 | 344.4 | 14.9 |
| FY14: | 5,147 | 346.1 | 14.8 |
| FY15: | 5,056 | | |

Five Year Enrollment Reduction: 466 (8.43%)²²

FY16 Chelmsford High School Estimated Enrollment Change

Current 12th Grade Class Size: 413

Current 8th Grade Class Size: 391

Last Year's 8th Grade Size: 422

Current Year's 9th Grade Size: 379

Reduction: 43 (10.18%)

Estimate of Next Year's 9th Grade: $391 \times 90\% = 352$

Decrease of Current Grade 12 to Incoming Grade 9: $413 - 352 = \mathbf{61}$

Enrollment and Student Teacher Ratio at Comparable Districts

| | FY15 | FY14 | FY14 |
|---------------------|-------------------|-----------------|--------------|
| | <u>Enrollment</u> | <u>Teachers</u> | <u>Ratio</u> |
| • Andover | 6,076 | 462 | 13.2 |
| • Chelmsford | 5,056 | 346 | 14.8 |
| • Franklin | 5,633 | 405 | 14.2 |
| • Natick | 5,368 | 360 | 14.7 |
| • Marblehead | 3,245 | 245 | 13.4 |
| • Needham | 5,519 | 358 | 15.5 |
| • Sharon | 3,483 | 256 | 13.4 |
| • Wachusett | 7,346 | 456 | 16.2 |
| • Wellesley | 5,067 | 382 | 13.2 |
| • Wilmington | 3,448 | 271 | 13.0 |
| • Winchester | 4,505 | 323 | 13.7 |

Nashoba Tech Proposed FY16 Assessment

| | | |
|------------------|--------------------|----------------|
| FY16 Proposed: | \$2,818,047 | |
| FY15 Assessment: | <u>\$2,568,811</u> | |
| Increase: | \$249,236 | (9.70%) |

Chelmsford's Foundation Enrollment at Nashoba Tech

| | <u>Enrollment</u> | <u>Assessment</u> |
|---------------------------------------|-------------------|-------------------|
| • FY09 | 117 | 1,624,488 |
| • FY10 | 133 | 1,766,141 |
| • FY11 | 139 | 1,853,897 |
| • FY12 | 133 | 1,840,866 |
| • FY13 | 144 | 2,044,633 |
| • FY14 | 154 | 2,187,180 |
| • FY15 | 173 | 2,568,811 |
| • FY16 | 185 | 2,818,047 |
| Five Year Enrollment Increase: | 46 | (33.09%) |
| Five Year Assessment Increase: | \$964,150 | (52.00%) |

Nashoba Valley Tech. Per Pupil Expenditure

| | |
|-------|--------|
| FY09: | 15,149 |
| FY10: | 14,669 |
| FY11: | 15,169 |
| FY12: | 15,085 |
| FY13: | 15,104 |
| FY14: | 16,152 |

\$1,003 (6.62%) increase in 5 years

Public Safety - Police

Mission: Maintain the peace, protect life & property:

69 full-time employees (level staffing):

- 54 sworn officers;

 - 1 animal control officer

 - 9 civilian public safety dispatchers;

 - 3 clerical;

 - 1 mechanic;

 - 1 building custodian;

Chelmsford's ratio of sworn officers per 1,000 residents: 1.59;

National average: 1.8 (61 officers)

Police Department Call Volume Answered by Cruisers

| <u>Year</u> | <u># Calls</u> | <u># FTE</u> |
|-------------|----------------|--------------|
| 2014 | 35,800 | 69 |
| 2013 | 35,877 | 69 |
| 2012 | 32,665 | 65 |
| 2011 | 34,961 | 64 |
| 2010 | 33,089 | 64 |
| 2009 | 32,205 | 64 |
| 2008 | 33,410 | 69.25 |

Public Safety - Police

- Complement of 54 sworn officers (including 37 patrol officers) allows for a daily staffing of 5 patrol officers from 8:00 a.m. – 12:00 a.m.;
- **Unmet Need Not Included in the Level-Service Budget:**
An additional police lieutenant position to staff the 12:00 a.m. – 8:00 a.m. shift.

Additional cost: \$30,000.

Police Unions Collective Bargaining Agreements

Collective bargaining agreements with the two police unions have not been negotiated and are not funded in this budget. The Town will need to appropriate funds for a contract settlement for the last fiscal year, the current fiscal year, and the upcoming fiscal year.

Public Safety - Fire

Mission: Emergency response to fire, medical, motor vehicle accident, and other life safety calls; fire prevention.

62.5 full-time employees (level staffing):

- 1 Fire Chief;
- 2 Deputy Fire Chiefs;
- 6 Captains;
- 51 Firefighters;
- 1.5 clerical;
- 1 mechanic;

At 11 person minimum per shift, should be at 13.6 per shift.

Fire Department Call Volume

Total Number of Calls

| <u>Year</u> | <u># Calls</u> | <u># FTE</u> |
|-------------|----------------|--------------|
| 2014 | 7,505 | 62.5 |
| 2013 | 6,785 | 62.5 |
| 2012 | 6,578 | 59 |
| 2011 | 5,977 | 54 |
| 2010 | 5,595 | 55 |
| 2009 | 5,208 | 55 |
| 2008 | 4,679 | 58 |

Public Safety - Fire

- Complement of 60 fire professionals (including 51 firefighters) allows for a daily staffing of two firefighters in each of the four substations and the balance of 4 – 5 firefighters in the center headquarters. Firefighter leave due to injury, vacation, etc. reduces the center staffing level for the ladder truck and rescue vehicles.
- **Unmet Need Not Included in the Level-Service Budget:**
Additional staffing for the center station.

Additional cost: \$45,000.

Public Safety – DPW Snow Removal

Mission: Clear roads and sidewalks of snow and ice in order to provide safe travel and facilitate emergency response.

Budget:

| | |
|----------------|-------------|
| FY16 Proposed: | \$1,143,500 |
| FY15 Budget: | \$1,143,500 |
| FY14 Actual: | \$1,302,987 |
| FY13 Actual: | \$1,139,776 |
| FY12 Actual: | \$780,197 |
| FY11 Actual: | \$1,276,204 |

FY15 Actual Expenditures (as of March 1): \$1,620,263

FY15 Deficit (as of March 1): \$476,763

Middlesex County Retirement Assessment

| | | | |
|------------------|--------------------|--------------|--|
| FY16 Assessment: | \$7,096,040 | | |
| FY15 Assessment: | <u>\$6,483,706</u> | | |
| Increase: | \$612,334 | 9.44% | |

Middlesex County Retirement Assessment History

| <u>Fiscal Year</u> | <u>Assessment</u> | <u>% Inc.</u> |
|--------------------|-------------------|---------------|
| 2016 | 7,096,040 | 9.44% |
| 2015 | 6,483,706 | 6.43% |
| 2014 | 6,092,089 | 3.09% |
| 2013 | 5,909,142 | 4.51% |
| 2012 | 5,653,682 | 2.00% |
| 2011 | 5,542,698 | (.60%) |
| 2010 | 5,575,891 | 5.97% |

Middlesex Retirement Assessment 10-Year History

| Fiscal Year | Normal Cost | + | 1992 ERI | + | 2002 ERI | + | Payment on Unfunded Liability | = | Total Assessment | Payment Due July 1 |
|--------------------|--------------------|----------|-----------------|----------|-----------------|----------|--------------------------------------|----------|-------------------------|---------------------------|
| 2006 | 934,394 | | 264,316 | | 301,900 | | 2,434,018 | | 3,934,628 | 3,869,473 |
| 2007 | 1,022,404 | | 264,316 | | 301,900 | | 2,852,451 | | 4,441,071 | 4,366,793 |
| 2008 | 1,063,300 | | 264,316 | | 301,900 | | 3,226,850 | | 4,856,366 | 4,760,613 |
| 2009 | 1,014,386 | | 264,316 | | 301,900 | | 3,785,971 | | 5,366,573 | 5,261,362 |
| 2010 | 1,054,961 | | 264,316 | | 301,900 | | 4,066,322 | | 5,687,499 | 5,575,891 |
| 2011 | 1,102,434 | | | | 301,900 | | 4,249,307 | | 5,653,641 | 5,542,698 |
| 2012 | 1,177,017 | | | | 300,428 | | 4,287,735 | | 5,765,180 | 5,653,682 |
| 2013 | 1,245,149 | | | | 300,428 | | 4,479,730 | | 6,025,307 | 5,908,778 |
| 2014 | 1,274,796 | | | | 299,234 | | 4,636,407 | | 6,210,437 | 6,092,089 |
| 2015 | 1,332,162 | | | | 299,234 | | 4,978,266 | | 6,609,662 | 6,483,706 |
| 2016 | 1,155,249 | | | | 298,335 | | 5,778,213 | | 7,231,797 | 7,096,040 |
| | | | through 2010 | | through 2019 | | | | | |

Town of Chelmsford's Middlesex County Unfunded Pension Liability

January 1, 2014: **\$88.38M**

January 1, 2012: \$79.48M

Increase: \$8.90M (11.19%)

The FY16 \$7.1M assessment includes a \$5.78M payment towards the unfunded pension liability. This is an **\$800K** increase towards the unfunded pension liability from the current fiscal year.

The unfunded pension liability is scheduled to be paid off in the year **2035**. FY17 Assessment increase will be \$456K.

Other Post Employment Benefits (OPEB)/Retiree Health Care Liability

| | |
|--|----------------------|
| FY14 Annual Required Contribution: | \$3,271,903 |
| Interest on existing net OPEB obligation: | \$4,021,907 |
| Adjustments to annual required contribution: | <u>\$530,921</u> |
| Annual OPEB cost (expense) | \$7,824,731 |
| Contributions made: | <u>(\$4,790,434)</u> |
| FY14 Increase in net OPEB obligation: | \$3,034,297 |

Other Post Employment Benefits (OPEB)/Retiree Health Care Liability

- January 1, 2013 liability: **\$86.7M**
- Current Trust Fund Balance: **\$3.8M**
- The proposed **\$1M** funding level is only **43%** of the annual amount of \$2.3M that is projected to eliminate this liability by 2045.
- Therefore, the Town would continue to significantly increase its liability.

Unfunded Pension and OPEB Liabilities

| | |
|---|-----------------|
| January 1, 2014 unfunded pension liability: | \$88.4M |
| January 1, 2013 unfunded OPEB liability: | <u>\$86.7M</u> |
| Total: | \$175.1M |

FY16 budget includes a \$5,778,213 assessment towards the unfunded pension liability and a \$1,000,000 appropriation towards the unfunded OPEB liability.

Veterans Benefits

| | |
|-------|-----------------------|
| FY10: | \$91,739 |
| FY11: | \$97,538 |
| FY12: | \$135,783 |
| FY13: | \$185,081 |
| FY14: | \$195,762 |
| FY15: | \$180,000 (Budget) |
| FY16: | \$275,000 (Projected) |

The State provides a 75% reimbursement in the following fiscal year.

Debt Service

Standard & Poor's December 23, 2014
rating report:

“overall net debt, after taking into account state aid reimbursement on school-related debt and self-supporting debt, is low in our opinion at 2% of market value. Debt amortization is rapid, with 78% of principal to be retired in 10 years.”

Non-Excluded Debt Service

FY11: \$4,118,517

FY12: \$4,230,318

FY13: \$5,011,600

FY14: \$5,675,601

FY15: \$7,062,170

FY16: \$7,066,170

Increase of \$4,000 in FY16

Excluded Debt Service

| | |
|-------|-------------|
| FY11: | \$6,393,028 |
| FY12: | \$6,286,520 |
| FY13: | \$5,720,667 |
| FY14: | \$5,540,862 |
| FY15: | \$5,072,375 |
| FY16: | \$4,570,411 |

Decrease of \$501,964 in FY16

General Government FTEs

| | <u>FTE</u> (w/o Sewer Enterprise) |
|-------|-----------------------------------|
| FY08: | 240.8 |
| FY09: | 218 |
| FY10: | 215.6 |
| FY11: | 217.4 |
| FY12: | 224.9 |
| FY13: | 237.6 |
| FY14: | 237.5 |
| FY15: | 239.7 |
| FY16: | 240.6 |

Available FY16 New Revenue Sources

- Property Tax:
 - Allowed 2 ½% Increase: 2,050,609
 - Projected New Growth: 1,350,000
- State Aid (2.06%): 324,748
- Local Receipts (5.68%): 476,956
- Available Funds (-2.94%): (120,833)

5 Fiscal Year Revenue Comparison

| | <u>FY11</u> | <u>FY16</u> |
|-----------------|----------------------------|----------------------------|
| Property Tax | \$76,361,143 (74.31%) | \$89,995,378 (75.66%) |
| State Aid | \$14,837,293 (14.43%) | \$16,091,473 (13.52%) |
| Local Receipts | \$8,938,882 (8.69%) | \$8,876,956 (7.46%) |
| Available Funds | <u>\$2,621,277</u> (2.55%) | <u>\$3,980,894</u> (3.34%) |
| Total | \$102,758,595 | \$118,944,701 |

Chapter 70 funding: \$9,828,091 in FY11; \$10,447,738 in FY16;
increase of \$619,647 **(6.30%)**;

Gen Govt. Aid: \$4,292,998 in FY11; \$4,678,930 in FY16;
increase of \$385,932 **(8.98%)**

10 Fiscal Year Revenue Comparison

| | <u>FY06</u> | <u>FY16</u> |
|-----------------|----------------------------|----------------------------|
| Property Tax | \$63,091,521 (71.56%) | \$89,995,378 (75.66%) |
| State Aid | \$13,126,002 (14.88%) | \$16,091,473 (13.52%) |
| Local Receipts | \$8,879,000 (10.07%) | \$8,876,956 (7.46%) |
| Available Funds | <u>\$3,058,232</u> (3.46%) | <u>\$3,980,894</u> (3.34%) |
| Total | \$88,154,755 | \$118,944,701 |

Chapter 70 funding: \$6,876,856 in FY06; \$10,447,738 in FY16;
increase of \$3,570,882 (51.92%);

Gen Govt. Aid: \$5,668,550 in FY06; \$4,678,930 in FY16;
decrease of \$989,620 (17.45%)

Property Tax

| | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-----------------|----------------|----------------|------------------|----------------|------------------|------------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Estimated</u> |
| Base Levy | 67,396,899 | 70,009,328 | 72,684,916 | 75,816,615 | 78,644,500 | 82,024,358 |
| 2 1/2% Increase | 1,684,922 | 1,750,233 | 1,817,123 | 1,895,415 | 1,966,113 | 2,050,609 |
| New Growth | <u>927,507</u> | <u>925,355</u> | <u>1,314,576</u> | <u>932,470</u> | 1,413,745 | 1,350,000 |
| Total Base Levy | 70,009,328 | 72,684,916 | 75,816,615 | 78,644,500 | 82,024,358 | 85,424,967 |
| Annual Increase | 2,612,429 | 2,675,588 | 3,131,699 | 2,827,885 | 3,379,858 | 3,400,609 |

Estimated available new levy capacity from property tax is \$3,400,609

What Does the Property Tax Fund?

Current Fiscal Year Average Single Family Property Tax Bill: **\$6,329**

| | | <u>%.</u> |
|--------------------------------|--------------------|-----------|
| • Municipal Administration: | \$ 156.27 | 2.47% |
| • Chelmsford Public Schools: | \$ 2,778.85 | 43.91% |
| • Nashoba Valley Tech: | \$ 140.32 | 2.22% |
| • Public Safety: | \$ 651.33 | 10.29% |
| • Public Works: | \$ 343.21 | 5.42% |
| • Municipal Facilities: | \$ 71.56 | 1.13% |
| • Cemetery Commission: | \$ 17.38 | .27% |
| • Community Services: | \$ 53.58 | .85% |
| • Library: | \$ 98.82 | 1.56% |
| • Benefits & Insurance: | \$ 1,029.74 | 16.27% |
| • Debt Service: | \$ 794.91 | 12.56% |
| • Warrant Articles: | \$ 21.85 | .35% |
| • State Assessments & Overlay: | \$ 171.19 | 2.70% |
| | <u>\$ 6,329.00</u> | |
| | Total: | |

Property Tax Allocation

| <u>Fiscal Year</u> | <u>Residential % of Tax Levy</u> | <u>Commercial % of Tax Levy</u> |
|--------------------|----------------------------------|---------------------------------|
| 2010 | 80.42% | 19.58% |
| 2011 | 80.04% | 19.96% |
| 2012 | 80.45% | 19.55% |
| 2013 | 80.47% | 19.53% |
| 2014 | 80.68% | 19.32% |
| 2015 | 80.64% | 19.36% |

Average Single Family Property Tax Bill

| <u>Year</u> | <u>Value</u> | <u>Rate</u> | <u>Tax Bill</u> | <u>Rank</u> |
|------------------------------------|--------------|-------------|-----------------|-------------|
| 2005 | 331,102 | 13.49 | 4,467 | 63 |
| 2006 | 357,329 | 13.12 | 4,688 | 63 |
| 2007 | 396,327 | 12.53 | 4,966 | 61 |
| 2008 | 378,123 | 13.50 | 5,105 | 62 |
| 2009 | 360,280 | 14.07 | 5,069 | 73 |
| 2010 | 347,659 | 15.15 | 5,267 | 67 |
| 2011 | 324,573 | 16.72 | 5,427 | 70 |
| 2012 | 323,234 | 17.49 | 5,653 | 70 |
| 2013 | 323,052 | 17.95 | 5,799 | 70 |
| 2014 | 322,380 | 18.98 | 6,119 | 67 |
| 2015 | 338,434 | 18.70 | 6,329 | 69 |
| 5-year increase = \$1,062 (20.16%) | | | | |

Average Single Family Property Tax Bill Comparison

| | <u>FY10</u> | <u>FY15</u> | <u>%</u> |
|------------|-------------|-------------|----------|
| Chelmsford | 5,267 | 6,329 | 20.16 |
| Franklin | 4,436 | 5,657 | 27.52 |
| N. Andover | 5,975 | 6,851 | 14.66 |
| Shrewsbury | 3,893 | 5,030 | 29.20 |
| Tewksbury | 4,034 | 5,355 | 32.74 |

Comparable Communities at the FY15 Property Tax Levy Limit

| | <u>Excess Levy Capacity</u> | <u>% of Max Levy</u> |
|-------------------|-----------------------------|----------------------|
| Chelmsford | 35,244 | .04% |
| Andover | 2,001,783 | 1.61% |
| Arlington | 36,694 | .03% |
| Billerica | 9,452,568 | 8.31% |
| Dracut | 26,334 | .06% |
| Franklin | 33,076 | .05% |
| Littleton | 6,566 | .02% |
| Natick | 234,269 | .24% |
| North Andover | 971,141 | 1.47% |
| Sharon | 920,298 | 1.51% |
| Shrewsbury | 45,428 | .07% |
| Tewksbury | 2,256 | 0% |
| Tyngsborough | 13,185 | .06% |
| Walpole | 3,073 | 0% |
| Wellesley | 12,640 | .01% |
| Westford | 35,000 | .05% |
| Wilmington | 4,245 | .01% |
| Winchester | 25,196 | .03% |

State Aid

| | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| | <u>ACTUAL</u> | <u>ACTUAL</u> | <u>ACTUAL</u> | <u>ACTUAL</u> | <u>ACTUAL</u> | <u>GOVERNOR</u> |
| Chapter 70 | 9,828,091 | 9,880,853 | 10,089,893 | 10,218,568 | 10,346,618 | 10,447,738 |
| Charter Tuition Reimb. | 356,111 | 191,775 | 183,385 | 146,290 | 263,774 | 206,567 |
| School Lunch | 14,482 | 16,208 | 15,726 | 14,638 | 12,503 | |
| School Choice Tuition | 15,000 | 75,074 | 135,979 | 164,870 | 222,996 | 347,643 |
| Lottery | | | | | | |
| Additional Assistance | | | | | | |
| Gen. Government Aid | 4,292,998 | 3,982,596 | 4,292,998 | 4,394,475 | 4,516,342 | 4,678,930 |
| Police Career Incentive | 17,786 | 0 | 0 | 0 | 0 | 0 |
| Veterans Benefits | 68,099 | 74,543 | 89,564 | 138,832 | 138,897 | 170,487 |
| Exemptions: Vets, Blinc | 195,794 | 205,707 | 204,504 | 205,301 | 209,402 | 184,328 |
| Exemptions: Elderly | | | | | | |
| State Owned Land | 5,198 | 5,383 | 5,385 | 5,492 | 6,688 | 6,688 |
| Libraries | <u>43,734</u> | <u>40,674</u> | <u>41,174</u> | <u>40,108</u> | <u>49,505</u> | <u>49,092</u> |
| Total | 14,837,293 | 14,472,813 | 15,058,608 | 15,328,574 | 15,766,725 | 16,091,473 |
| | | | | | | |
| | FY16 v. FY15 | | \$324,748 | | 2.06% | |

\$325K (2.06%) Increase in State Aid

Local Receipts

| | FY2011 <u>ACTUAL</u> | FY2012 <u>ACTUAL</u> | FY2013 <u>ACTUAL</u> | FY2014 <u>ACTUAL</u> | FY2015 <u>BUDGET</u> | FY2016 <u>ESTIMATED</u> |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------|
| Motor Vehicle Excise | 4,118,411 | 4,079,907 | 4,257,264 | 4,739,683 | 4,250,000 | 4,600,000 |
| Interest on Late Taxes | 511,944 | 505,543 | 413,510 | 385,050 | 375,000 | 375,000 |
| Payments in Lieu of Taxes | 40,600 | 53,410 | 41,827 | 43,667 | 43,075 | 43,721 |
| Meals Tax - Local | 453,533 | 474,421 | 515,840 | 522,838 | 525,000 | 525,000 |
| Fees | 305,740 | 332,483 | 333,645 | 355,979 | 330,000 | 330,000 |
| Rental Income | 66,433 | 57,640 | 66,431 | 58,614 | 65,000 | 65,000 |
| Dept Revenue - Schools | 585 | 165 | 732 | 417 | 200 | 200 |
| Dept Revenue - Cemetery | 121,890 | 129,780 | 120,530 | 125,635 | 120,000 | 120,000 |
| Dept Revenue - Other | 236,489 | 261,220 | 226,420 | 206,980 | 225,000 | 225,000 |
| Alcohol Licenses | 96,190 | 92,060 | 94,110 | 94,165 | 95,000 | 95,000 |
| Other Licenses | 65,950 | 78,900 | 81,810 | 72,673 | 80,000 | 80,000 |
| Permits | 620,122 | 754,596 | 520,765 | 648,279 | 600,000 | 600,000 |
| Fines & Forfeits | 208,494 | 223,244 | 218,929 | 251,119 | 215,000 | 215,000 |
| Interest on Investments | 259,232 | 443,807 | 54,168 | 298,685 | 260,000 | 260,000 |
| Miscellaneous/Medicald | 545,363 | 607,169 | 272,069 | 265,265 | 250,000 | 250,000 |
| Hotel Tax | 436,694 | 453,690 | 472,406 | 456,857 | 495,000 | 495,000 |
| LRTA | 38,523 | 32,234 | 33,413 | 35,353 | 33,000 | 33,000 |
| Misc. Non-Recurring | <u>812,690</u> | <u>632,359</u> | <u>627,086</u> | <u>988,587</u> | <u>438,725</u> | <u>565,035</u> |
| Total | 8,938,883 | 9,212,628 | 8,350,955 | 9,549,846 | 8,400,000 | 8,876,956 |
| | | | | | | |
| | FY16 v. FY15: | | 476,956 | | | |
| | | | 5.68% | | | |

Motor Vehicle Excise Tax is Over 50% of Local Receipts

Motor Vehicle Excise Tax January Commitment History

| <u>Year</u> | <u>Commitment</u> | <u># Bills</u> | <u>Average Bill</u> |
|-------------|--------------------|----------------|---------------------|
| 2015 | \$3,701,251 | 31,197 | \$118.64 |
| 2014 | \$3,587,889 | 31,291 | \$114.66 |
| 2013 | \$3,319,471 | 30,909 | \$107.39 |
| 2012 | \$3,154,624 | 30,670 | \$102.86 |
| 2011 | \$3,068,454 | 30,378 | \$101.01 |
| 2010 | \$3,007,370 | 30,281 | \$99.32 |

Available Funds

| | | <u>Change</u> |
|---|-------------|---------------|
| • Wetlands Protection Act Funding: | \$6,000 | \$0 |
| • Sewer Betterments: | \$2,409,167 | (\$8,083) |
| • Center School Construction Reimbursement: | \$379,214 | (\$1) |
| • Free Cash/Stabilization Fund | \$500,000 | (148,251) |
| • Sewer User Fees (offset): | \$546,853 | \$26,000 |
| • Childcare Revolving Fund: | \$139,660 | \$9,502 |

FY16 Capital Plan

| | |
|-------------------------|--------------------|
| Proposed Funding Level: | \$3,271,491 |
| Recaptured Funds: | (\$1,403) |
| Bond Premiums: | <u>(\$257,935)</u> |
| | \$3,012,153 |

FY16 Capital Plan

| | |
|-------------------------------|--------------------|
| Information Technology | \$135,000 |
| Community Services | \$267,363 |
| Public Safety | \$329,275 |
| Public Works | \$860,053 |
| Public Facilities Vehicle | \$42,600 |
| School Buildings | \$1,087,200 |
| School Technology | \$380,000 |
| School Security | <u>\$170,000</u> |
| Total: | \$3,271,491 |
| Less: Bond Premium/Recaptured | <u>(\$259,338)</u> |
| Net Amount Borrowed: | \$3,012,153 |

Structural Changes to Reduce Reliance on Property Taxes

Contact the Town's legislative delegation to request action on comprehensive Other Post Employment Benefits (OPEB) reform legislation by increasing the minimum age and the minimum years of services at which former employees become eligible for retiree health care benefits, as well as prorating health care benefits based on years of service.

Structural Changes to Reduce Reliance on Property Taxes

Follow the state commission's examination of possible revisions to the State's local aid formula for Chapter 70 educational funding.

Structural Changes to Reduce Reliance on Property Taxes

Amend the zoning of the Route 129 business corridor as called for in the Town's Master Plan to allow for business support services, an extended stay facility, and increased building height; thereby, increasing the occupancy rates for existing commercial space and adding new commercial property.

Coming in FY17

Implementation of EPA Revised Storm
Water Management Regulations: \$\$\$