

The seal of the Town of Andover, Massachusetts, is a circular emblem. It features a central figure of a Native American man standing on a small island or rock in a body of water. He is wearing a feathered headdress and has his right arm extended towards the left. The background of the seal shows a landscape with trees and a building. The text "TOWN OF ANDOVER" is arched across the top, "INCORPORATED MAY 6. 1646" is written in a smaller arc below it, and "MASSACHUSETTS" is arched across the bottom.

TRI-BOARD MEETING

FY17 CIP & Budget Planning Discussion

December 9, 2015

FY17 Recommended CIP – Funding by Source

General Fund Revenue:	\$2,540,000
Free Cash:	\$1,200,000
General Fund Borrowing:	\$4,625,000
General Fund Exempt Borrowing:	\$0
Special Dedicated Funds:	\$1,664,000
Water & Sewer Enterprise Funds:	<u>\$3,313,000</u>
Total CIP Recommendation for FY17:	\$13,342,000

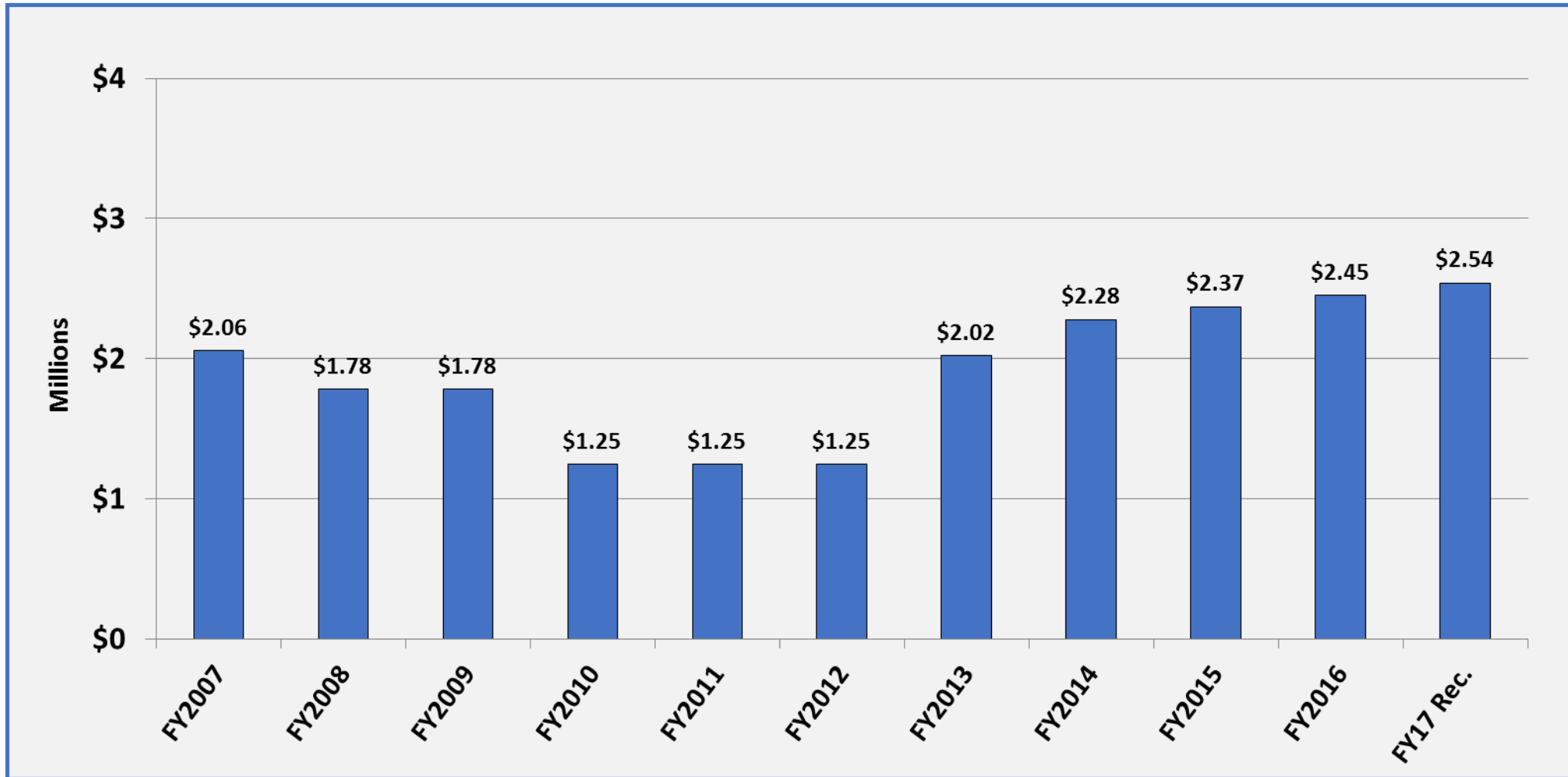
FY17 Recommended CIP – Funding by Program

Equipment & Misc.	\$157,000
Technology	\$1,075,000
Vehicle Replacement	\$1,331,000
Building Maintenance	\$5,370,000
Facility/Site Improvements	\$670,000
Roadway Maintenance	\$1,539,000
Water Infrastructure	<u>\$3,200,000</u>
Total CIP Recommendation for FY17:	\$13,342,000

Gen. Fund “Cash” Revenue (Capital Projects Fund)

DCS-1	Pomps Pond Improvements	\$50,000
TC-1	Election Voting Booths	\$37,000
FIN-1	MUNIS Software	\$35,000
LIB-1	Library Renovations	\$25,000
IT-3	Power Infrastructure Refresh	\$120,000
IT-5	Performance Measurement/Business Intelligence Pilot	\$30,000
POL-1	Police Vehicle Replacement	\$195,000
FR-2	Emergency Services Call Box for Shawsheen Fields	\$20,000
DPW-2	Minor Sidewalk Repairs	\$100,000
DPW-5	Drainage Infrastructure Inspection	\$50,000
DPW-7a	Public Works Vehicles - Small	\$100,000
DPW-25	Athletic Fields Needs Analysis	\$35,000
DPW-28	Spring Grove Cemetery Improvements	\$20,000
P&F-1	Town Projects - Buildings	\$275,000
P&F-2	Town Projects - Mechanical & Electrical	\$170,000
P&F-4a	Town Vehicle Replacement	\$78,000
P&F-9	Time Keeping System	\$80,000
SCH	School Capital	<u>\$1,120,000</u>
	Total General Fund Revenue	\$2,540,000

Capital Projects Fund Appropriation History



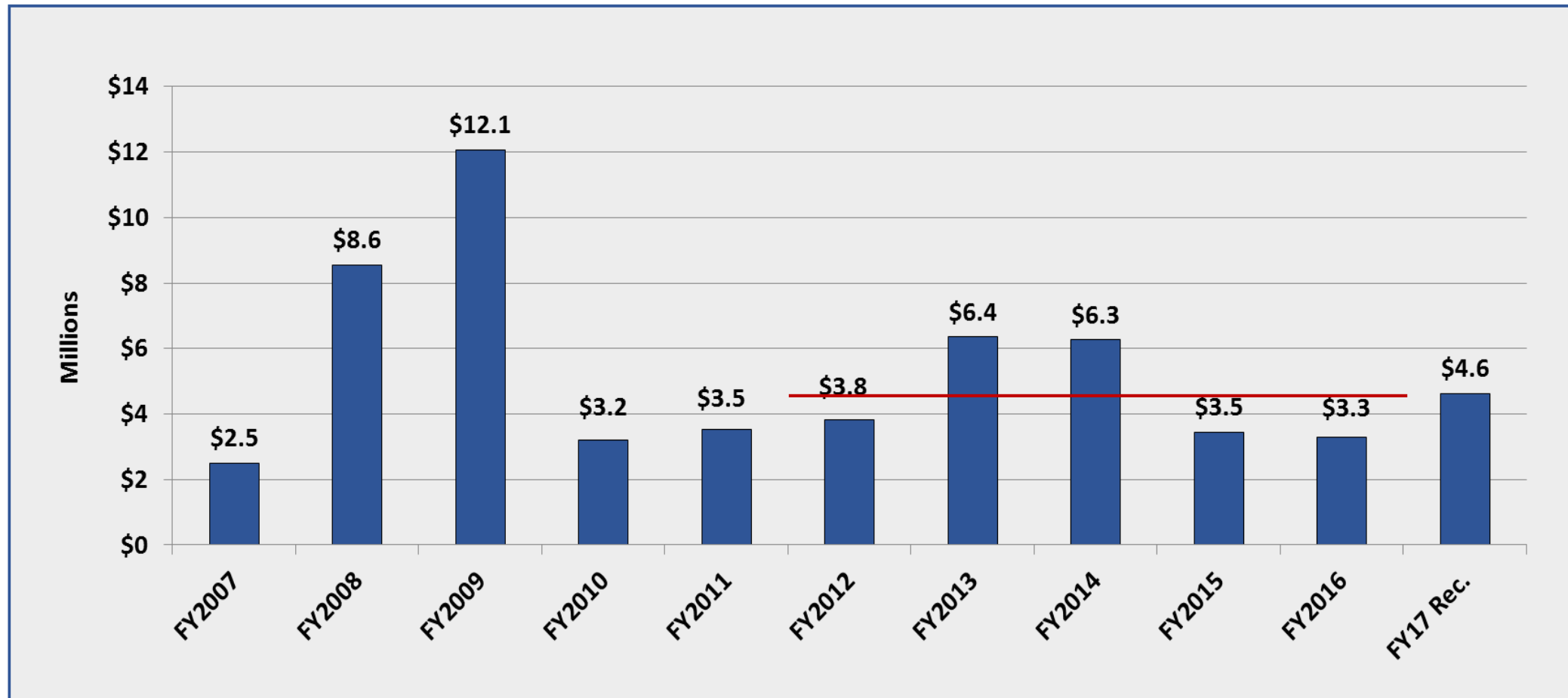
Funded by Free Cash

IT-2	1:1 Learning Initiative	\$400,000
IT-4	Elementary School Projector Refresh	\$200,000
P&F-7	Town & School Energy Initiatives	\$400,000
TM-1	New Deyermund Fields Lighting	<u>\$200,000</u>
	Total Free Cash	\$1,200,000

Gen. Fund Non-Exempt Borrowing

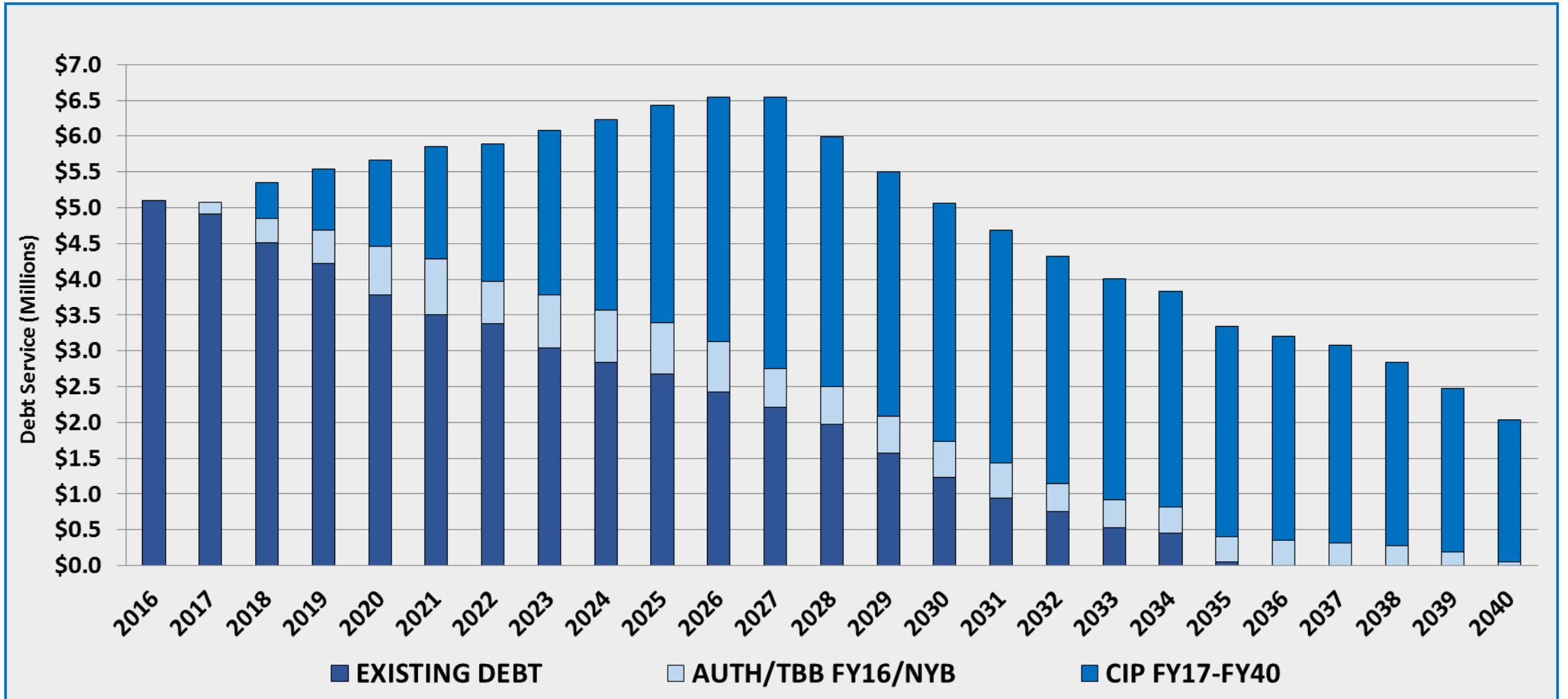
DPW-7b	Public Works Vehicles - Large	\$350,000
FR-1	Fire Apparatus Replacement - Engine 4	\$575,000
P&F-6	Major Town Projects	\$700,000
SCH-4	Collins Center Façade Replacement	\$2,500,000
SCH-5	Major School Projects	<u>\$500,000</u>
	Total General Fund Borrowing	\$4,625,000

Gen. Fund Borrowing Appropriation History

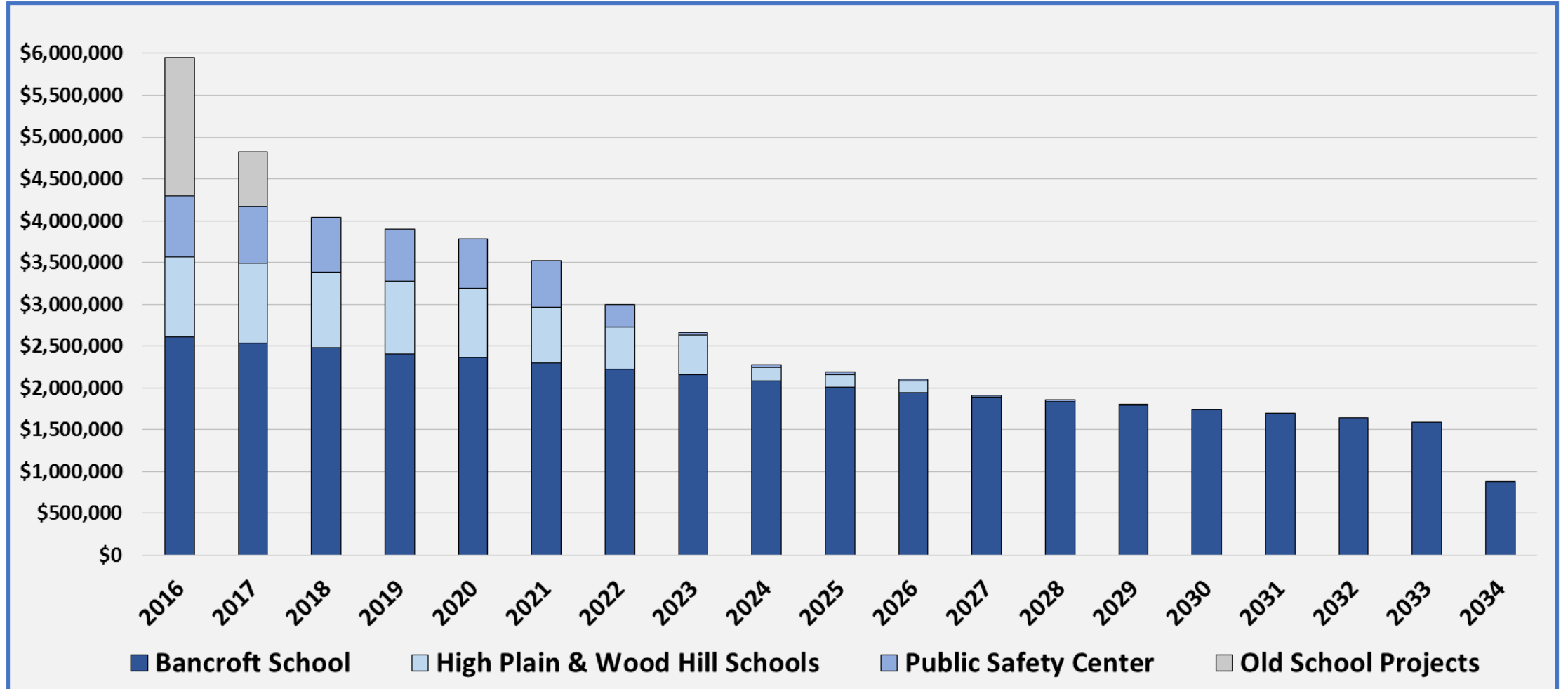


5-Yr. Avg.
= \$4.6m

Gen. Fund (Non-Exempt) Debt Service



Gen. Fund (Exempt) Debt Service



Water Enterprise Fund

DPW-12	Water & Sewer Vehicles (WER)	\$33,000
DPW-14	Water Main Replacement Projects (WEB&R)	\$1,500,000
DPW-18	Water Treatment GAC Replacement (WER)	\$250,000
DPW-20	Water Storage Tanks Rehabilitation (WEB)	\$1,450,000
DPW-26	WTP Window Replacement (WER)	<u>\$80,000</u>
	Total Water Enterprise Fund	\$3,313,000

Major Projects & Future CIP Considerations

- 1. Collins Center Façade, Media Center/HS Improvements**
- 2. Municipal Services Facility, Ballardvale Fire Station**
- 3. School Building & Site Improvements, Early Childhood Center**
- 4. School & Town Facility Study/Analysis**
- 5. Future CIP Funding Mechanisms**
 - 1. Expanding Capacity within Limitations of Proposition 2½**
 - 2. Building Borrowing Capacity**

FY17 Tax Levy Breakdown

As of 12/9/15

	FY2016	FY2017	FY16-FY17	FY16-FY17
<u>Tax Levy</u>	<u>Recap</u>	<u>Projections</u>	<u>\$ Change</u>	<u>% Change</u>
Prior Year Levy Limit	\$119,797,140	\$124,996,150	\$5,199,010	4.3%
Annual 2.5% Increase	\$2,994,929	\$3,124,904	\$129,977	4.3%
New Growth	\$2,204,083	\$1,800,000	(\$404,083)	-18.3%
Unused Levy Capacity	<u>(1,603,771)</u>	<u>(1,221,162)</u>	<u>\$382,609</u>	<u>-23.9%</u>
Total Tax Levy	\$123,392,379	\$128,699,892	\$5,307,513	4.3%
Addtl. Taxes - Debt Exclusion	\$4,304,490	\$3,597,424	(\$707,066)	-16.4%

Board of Selectmen Tax Policy

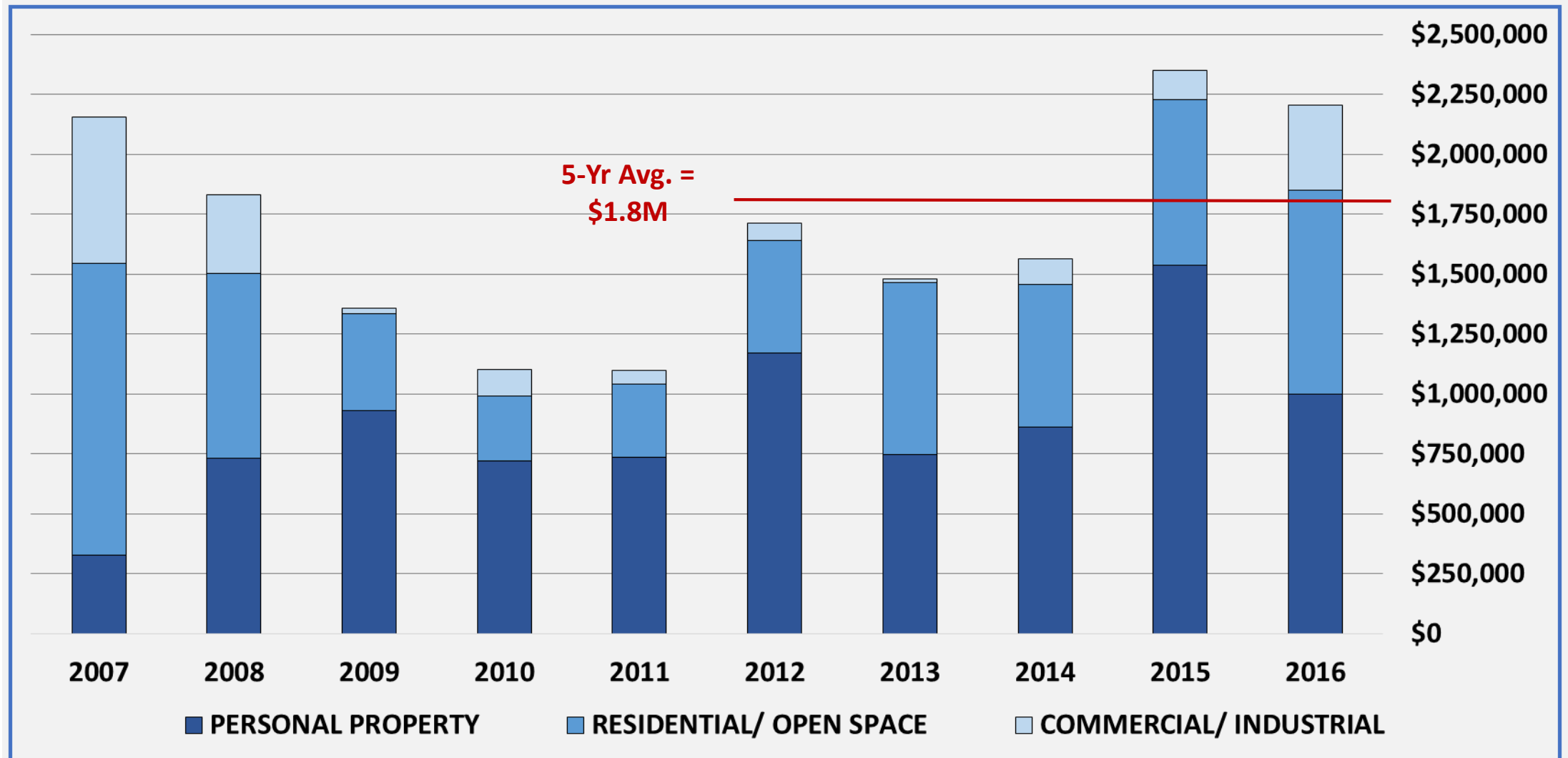
- 1. Develop General Parameters for Budget Development**
- 2. Voted to Carry Forward Prior Year's Excess Levy Capacity**
- 3. Voted to use the Annual Increase of the Average Residential Tax Bill as the metric for budgetary growth**

FY17 “General Fund” Budget Projections

As of 12/9/15

	FY2016	FY2017	FY16-FY17	FY16-FY17
<u>Gen. Fund Revenues</u>	<u>Recap</u>	<u>Projections</u>	<u>\$ Change</u>	<u>% Change</u>
Tax Levy	\$123,392,379	\$128,699,892	\$5,307,513	4.3%
State Aid	\$12,770,542	\$12,473,856	(\$296,686)	-2.3%
Local Receipts	\$10,405,050	\$10,802,000	\$396,950	3.8%
Offset Revenues & Avail. Funds	\$2,709,438	\$2,632,561	(\$76,877)	-2.8%
TOTAL GF REVENUES	\$149,277,409	\$154,608,309	\$5,330,900	3.6%
	FY2016	FY2017	FY16-FY17	FY16-FY17
<u>Gen. Fund Expenditures</u>	<u>Recap</u>	<u>Projections</u>	<u>\$ Change</u>	<u>% Change</u>
Health Insurance	\$17,052,416	\$18,416,609	\$1,364,193	8.0%
Retirement	\$7,946,015	\$8,568,835	\$622,820	7.8%
GF Debt Service	\$5,333,405	\$5,778,706	\$445,301	8.3%
Other Obligations & OPEB	\$3,495,682	\$3,483,752	(\$11,930)	-0.3%
Capital Projects Fund	\$2,450,000	\$2,540,000	\$90,000	3.7%
Offset & Avail. Fund Exps.	\$2,378,000	\$2,147,000	(\$231,000)	-9.7%
Town Depts. Operations	\$37,325,300	\$38,355,478	\$1,030,178	2.8%
School Dept. Operations	\$73,296,591	\$75,317,929	\$2,021,338	2.8%
TOTAL GF EXPENDITURES	\$149,277,409	\$154,608,309	\$4,921,617	3.6%

New Growth History



Local Receipts History

Includes: MV Excise, Licenses/Permits, Hotel/Motel Excise, Meals Tax, PILOT, etc.

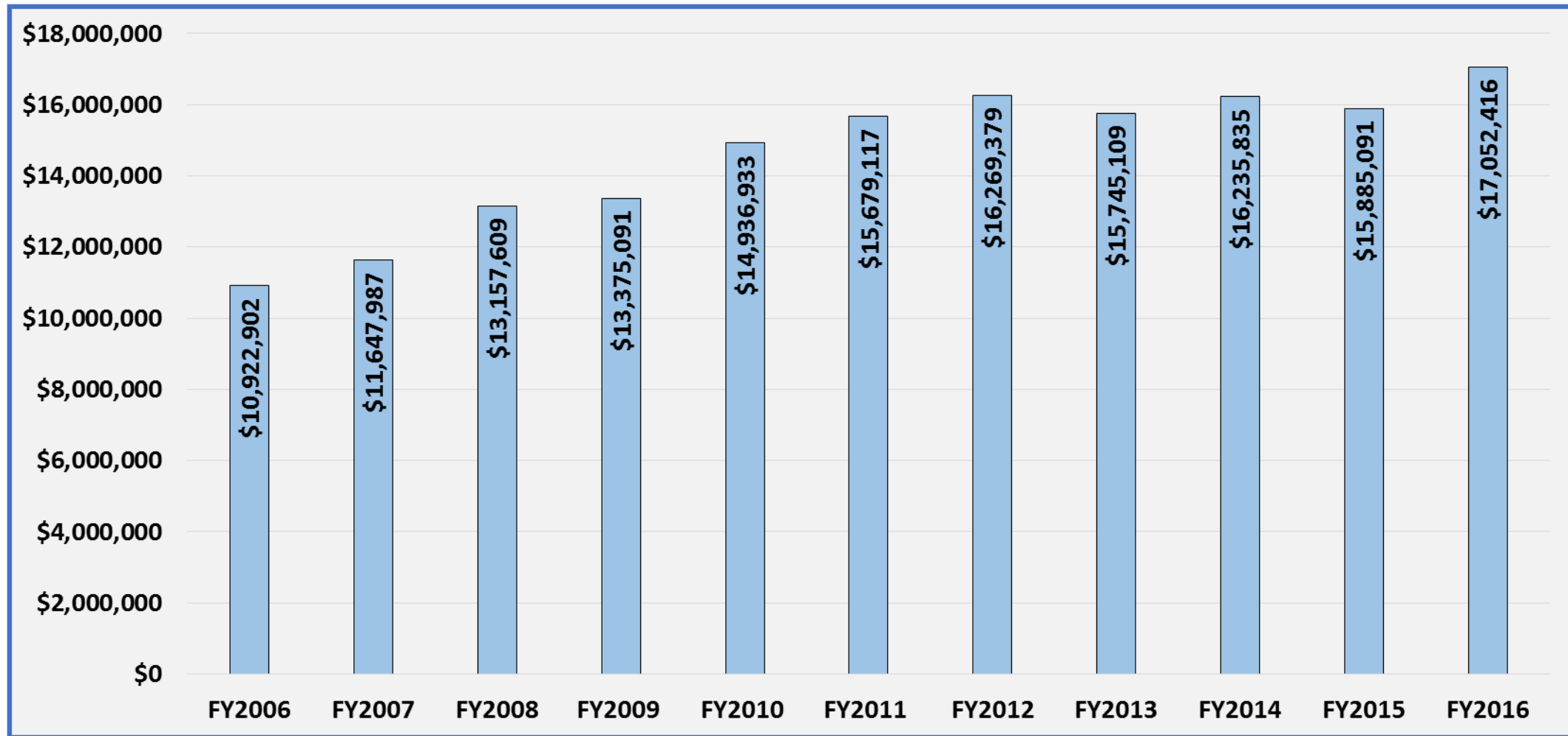
FISCAL YEAR	BUDGET	ACTUAL RECURRING	ACTUAL NON-RECURRING	TOTAL	RECEIPTS OVER BUDGET
FY15	\$10,027,000	\$12,286,745	\$267,667	\$12,554,412	\$2,527,412
FY14	\$9,793,675	\$10,939,634	\$1,130,844	\$12,070,478	\$2,276,803
FY13	\$9,607,500	\$10,851,739	\$565,018	\$11,416,757	\$1,809,257
FY12	\$9,414,860	\$9,702,951	\$689,754	\$10,392,705	\$977,845
FY11	\$9,201,000	\$9,677,802	\$376,000	\$10,053,802	\$852,802

Free Cash History

Fiscal Year	Certified Free Cash Going into Town Meeting	Free Cash as % of Budget	Amount Spent by Town Meeting	Amount Remaining after Town Meeting
2006	\$3,013,073	2.5%	\$2,287,000	\$726,073
2007	\$5,432,796	4.4%	\$3,532,368	\$1,900,428
2008	\$2,333,996	1.9%	\$1,763,147	\$570,849
2009	\$2,221,828	1.8%	\$334,000	\$1,887,828
2010	\$1,602,874	1.3%	\$1,123,500	\$479,374
2011	\$1,609,894	1.2%	\$992,000	\$617,894
2012	\$1,239,055	0.9%	\$0	\$1,239,055
2013	\$4,073,271	2.6%	\$3,180,966	\$892,305
2014	\$3,963,320	2.4%	\$3,300,000	\$663,320
2015	\$5,761,265	3.3%	\$4,821,083	\$940,182
2016	Est. \$5,500,000			

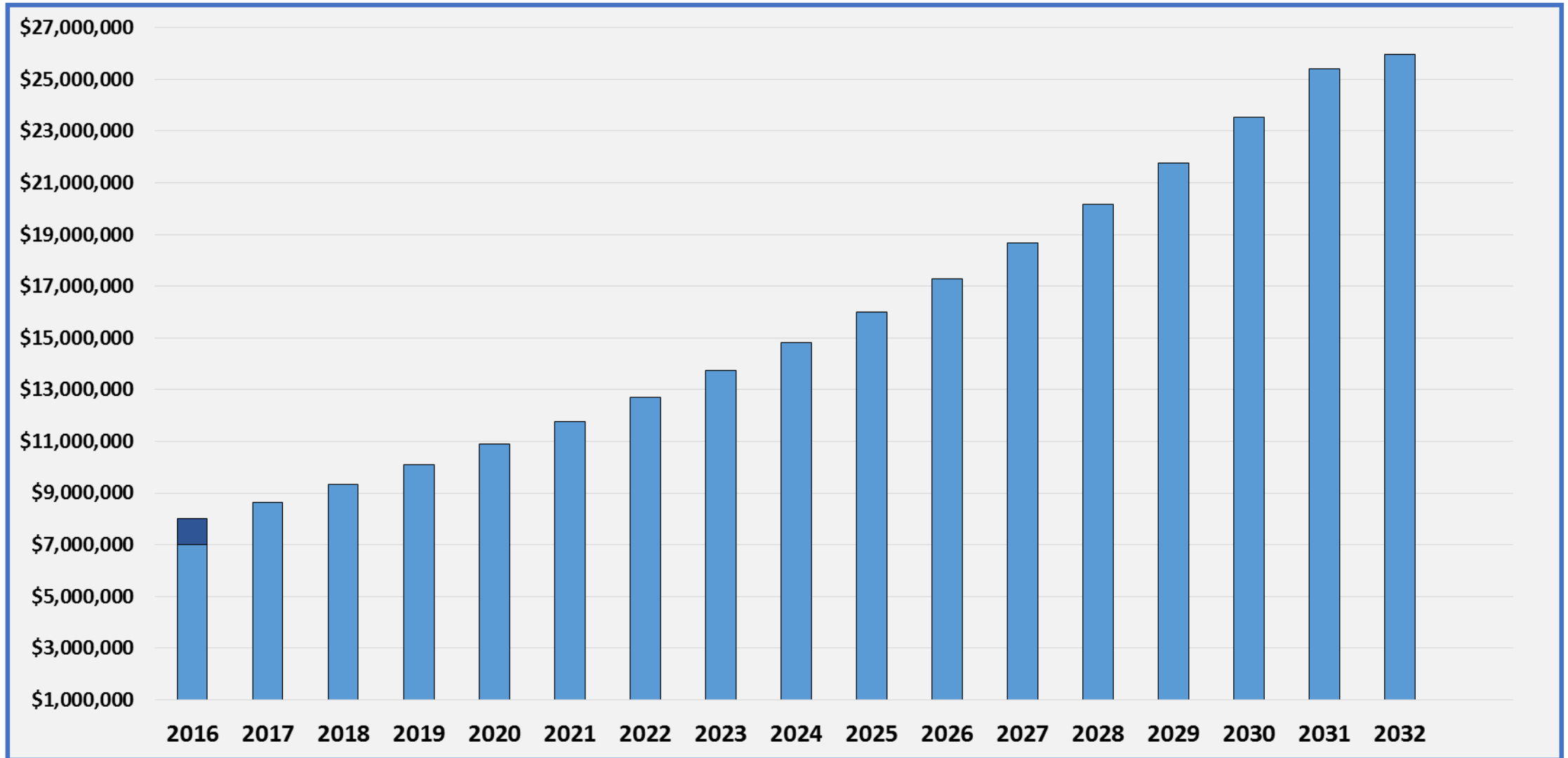
Health Insurance Appropriations (Including RMTs)

10-Years – Average Yearly Increase = \$613,000 / 4.7%



Current Retirement Funding Schedule

Additional \$1M to base starting in FY16 / 8.0% incr. per year / Fully funded by FY32



Key Dates in the FY17 Budget Process

- Jan 5th** **FY17 Dept. Operating Budget Requests to Town Manager**
- Jan 22nd** **Preliminary School Dept. Budget submitted**
- Jan. 29th** **Warrant closes for the 2016 Annual Town Meeting**
- Feb. 5th** **TM's FY17 Recommended Operating Budget released**
- Mar. 30th** **Final Board Votes & Chairs Letters due for FinCom Report**
- Apr. 5th** **Finance Committee Report sent to printer**
- Apr. 22nd** **Finance Committee Report mailed to residents**
- May 2nd** **First night of the 2016 Annual Town Meeting**