



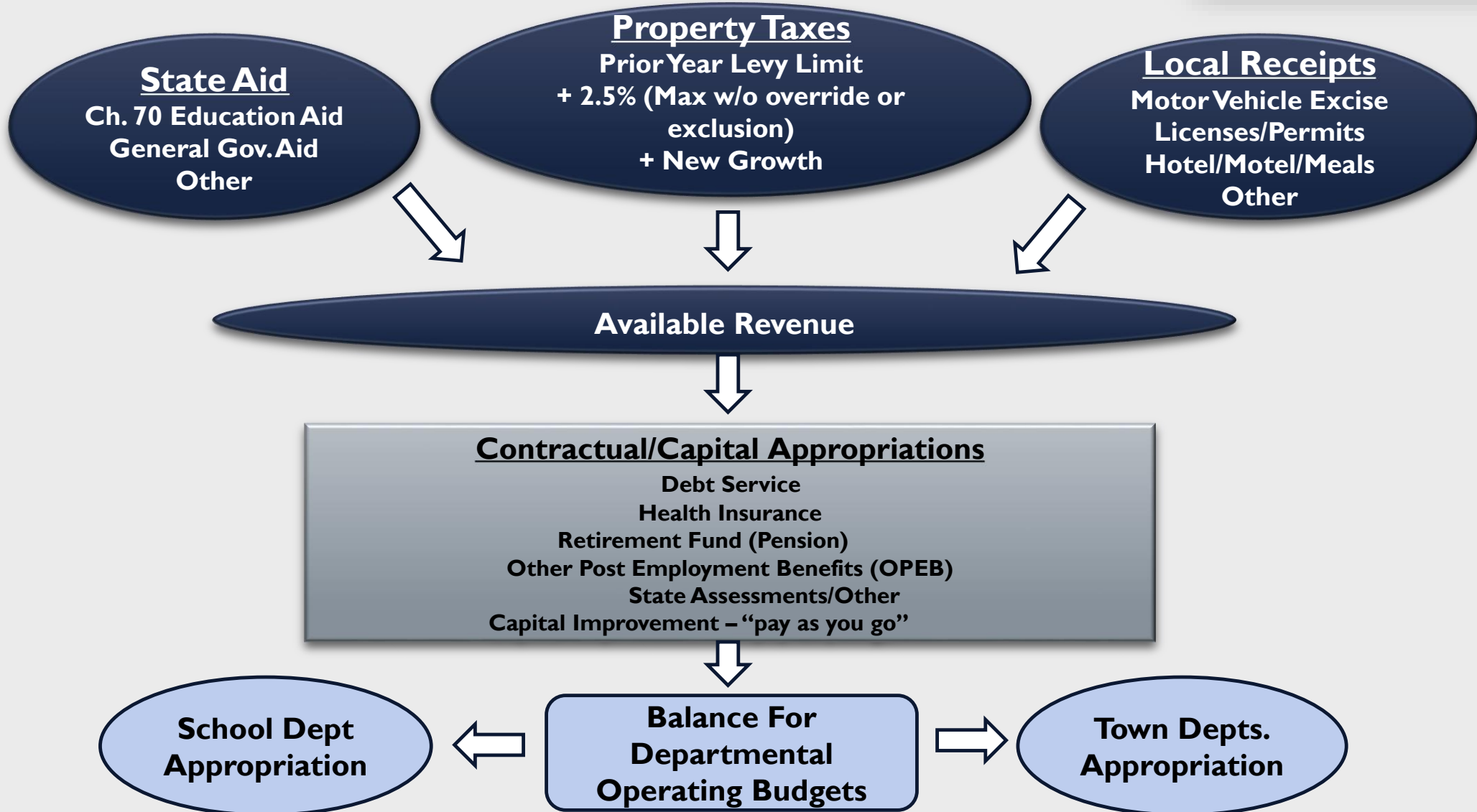
TOWN OF ANDOVER FINANCIAL ROUND TABLE

Andrew P. Flanagan, Town Manager

August 24, 2016

TOWN OF ANDOVER BUDGET MODEL

(EXCLUDING WATER/SEWER/OFFSET LOCAL RECEIPTS)



REVENUE ASSUMPTIONS



REVENUE ASSUMPTIONS



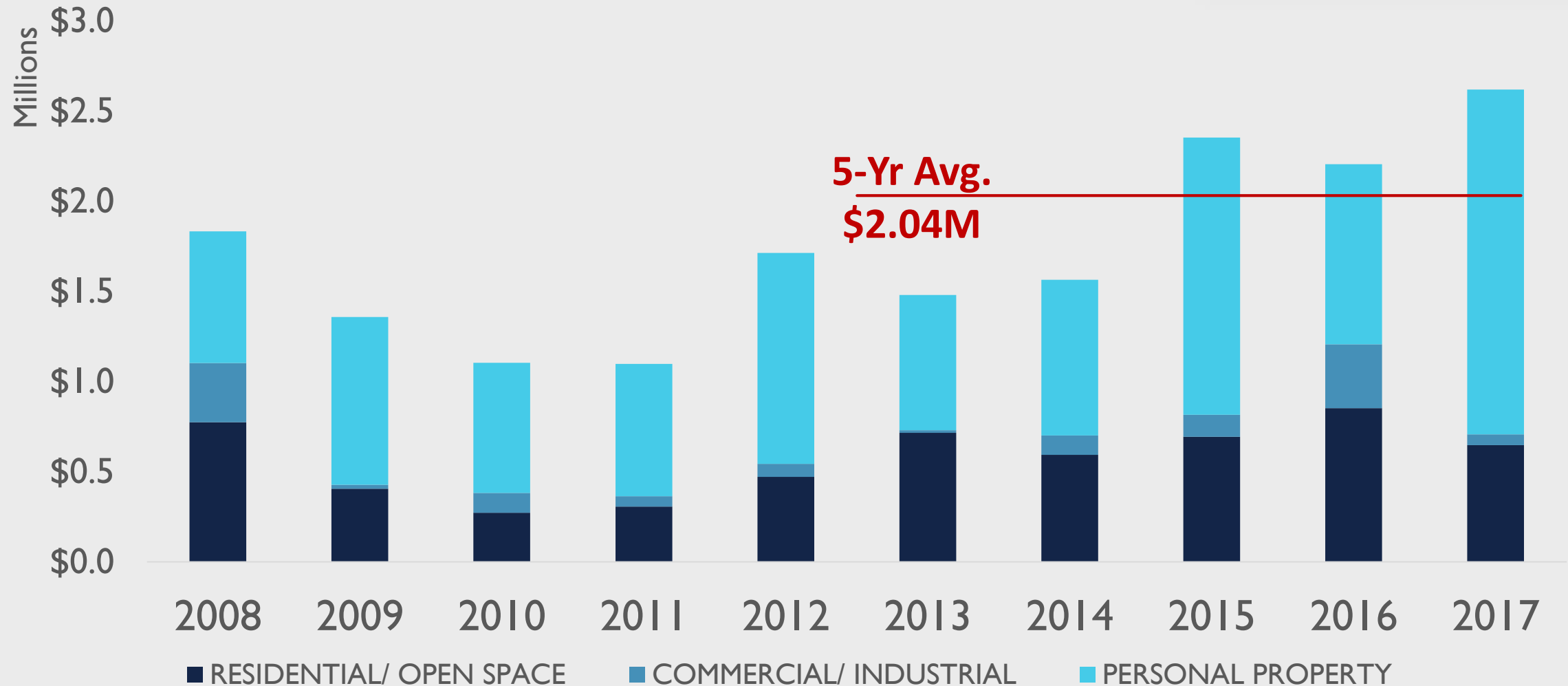
- Property Taxes
 - 2.5% Levy Increase
 - New Growth – 5 Year Average (\$2,039,798)
 - \$300K Excess Levy Capacity (Per BoS Vote)
- State Aid
 - 1% Annual Increase – Chapter 70 & Unrestricted General Government Aid
- Local Receipts
 - 5 Year Average (\$11,447,300)

FY18 TAX LEVY BREAKDOWN



	FY2017	FY2018	FY17-FY18	FY17-FY18
<u>TAX REVENUE</u>	<u>Projections</u>	<u>Projections</u>	<u>\$ Change</u>	<u>% Change</u>
Prior Year Levy Limit	\$124,996,152	\$130,721,056	\$5,724,904	4.58%
Annual 2.5% Increase	\$3,124,904	\$3,268,026	\$143,122	4.58%
New Growth	\$2,600,000	\$2,039,798	(\$560,202)	-21.55%
Unused Levy Capacity	(974,133)	(300,000)	\$674,133	-69.20%
Total Tax Levy	\$129,746,923	\$135,728,880	\$5,981,957	4.61%
Addtl. Taxes - Debt Exclusion	\$3,597,424	\$4,036,464	\$439,040	12.20%

NEW GROWTH HISTORY



REVENUE ASSUMPTIONS



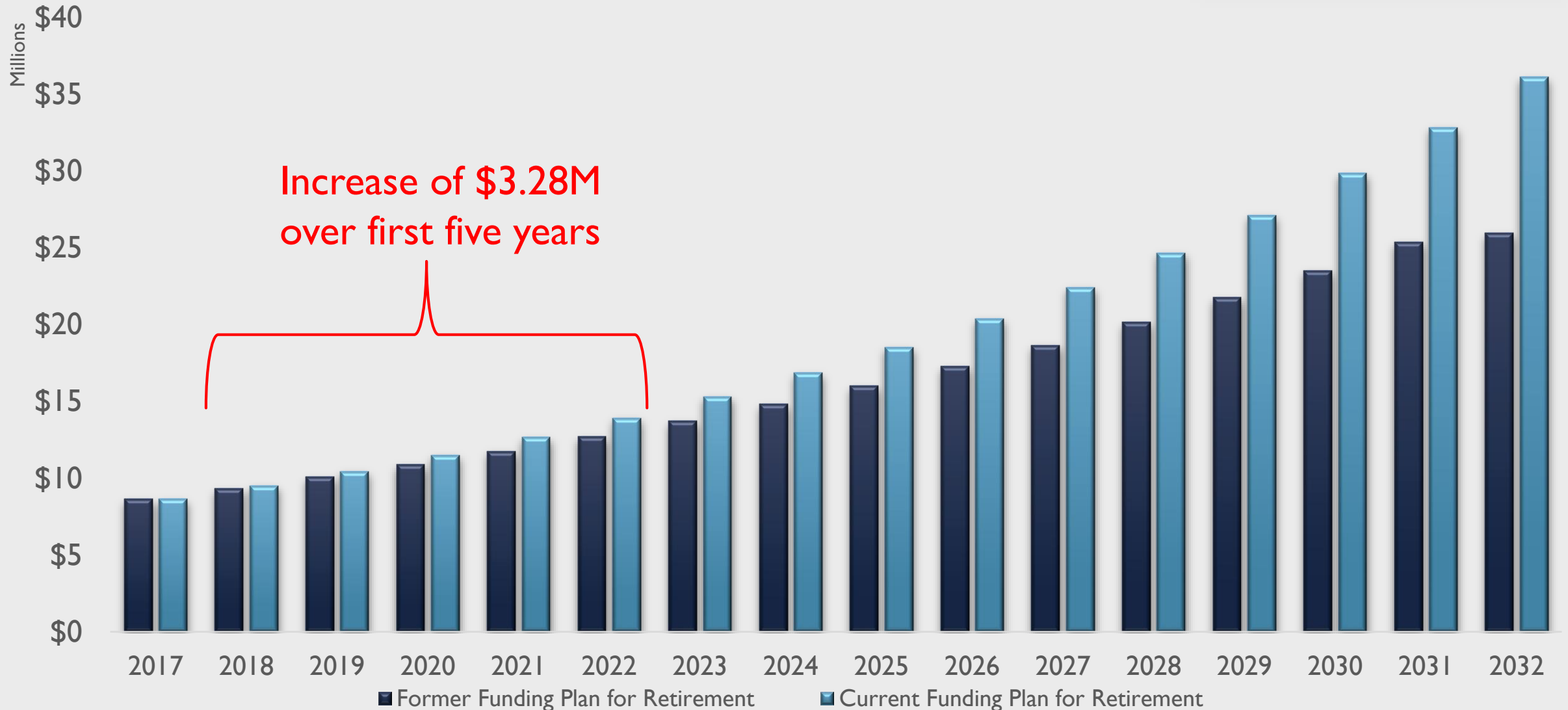
	FY2017	FY2018	FY17-FY18	FY17-FY18
	<u>Projections</u>	<u>Projections</u>	<u>\$ Change</u>	<u>% Change</u>
Tax Levy	\$129,746,923	\$135,728,880	\$5,981,957	4.61%
State Aid	\$12,473,856	\$12,598,595	\$124,739	1.00%
Local Receipts	\$10,997,428	\$11,447,300	\$449,872	4.09%
Total	\$153,218,207	\$159,774,775	\$6,556,568	4.3%

APPROPRIATIONS – OBLIGATIONS

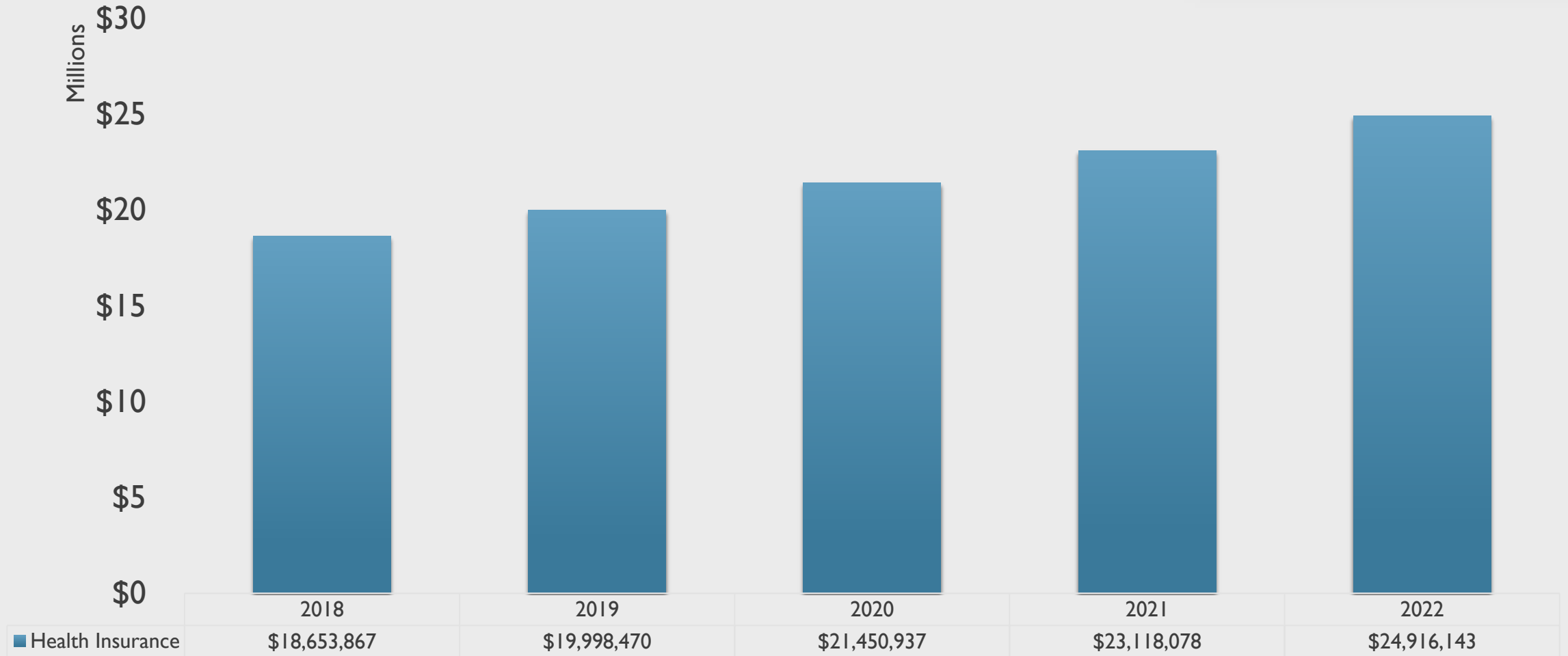
- RETIREMENT
- HEALTH INSURANCE
- OTHER POST EMPLOYMENT BENEFITS (OPEB)



FORMER VS. CURRENT RETIREMENT FUNDING SCHEDULE (10% ANNUAL INCREASE THROUGH 2032)



HEALTH INSURANCE

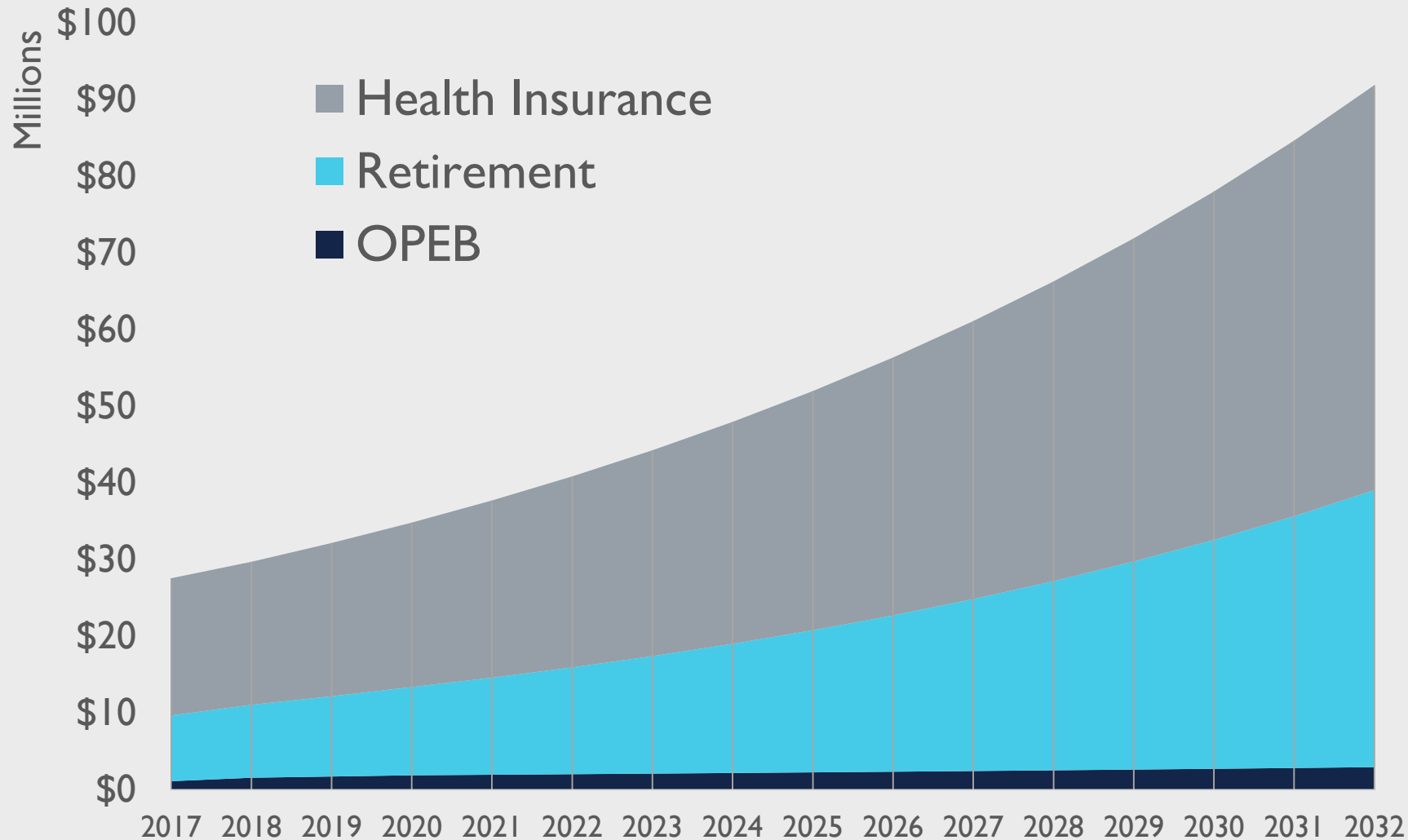


OTHER POST EMPLOYMENT BENEFITS (OPEB)



	General Fund OPEB Appropriation	Savings from OPEB Reform	Total OPEB Appropriation
FY 2018	\$943,513	\$632,938	\$1,576,451
FY 2019	\$967,100	\$769,703	\$1,736,803
FY 2020	\$991,278	\$906,194	\$1,897,472
FY 2021	\$1,016,060	\$951,504	\$1,967,563
FY 2022	\$1,041,461	\$999,079	\$2,040,540
FY 2023	\$1,067,498	\$1,049,033	\$2,116,531
FY 2024	\$1,094,185	\$1,101,484	\$2,195,670
FY 2025	\$1,121,540	\$1,156,559	\$2,278,099
FY 2026	\$1,149,578	\$1,214,387	\$2,363,965
FY 2027	\$1,178,318	\$1,275,106	\$2,453,424

PROJECTED OBLIGATIONS TO 2032



**Obligations as
Percentage of Budget**

FY 2017	16.93%
FY 2018	17.91%
FY 2019	18.57%
FY 2020	19.19%
FY 2021	19.92%
FY 2022	20.68%

APPROPRIATIONS – CAPITAL & DEBT

- CAPITAL CAPACITY
- NON – EXEMPT DEBT
- EXEMPT DEBT

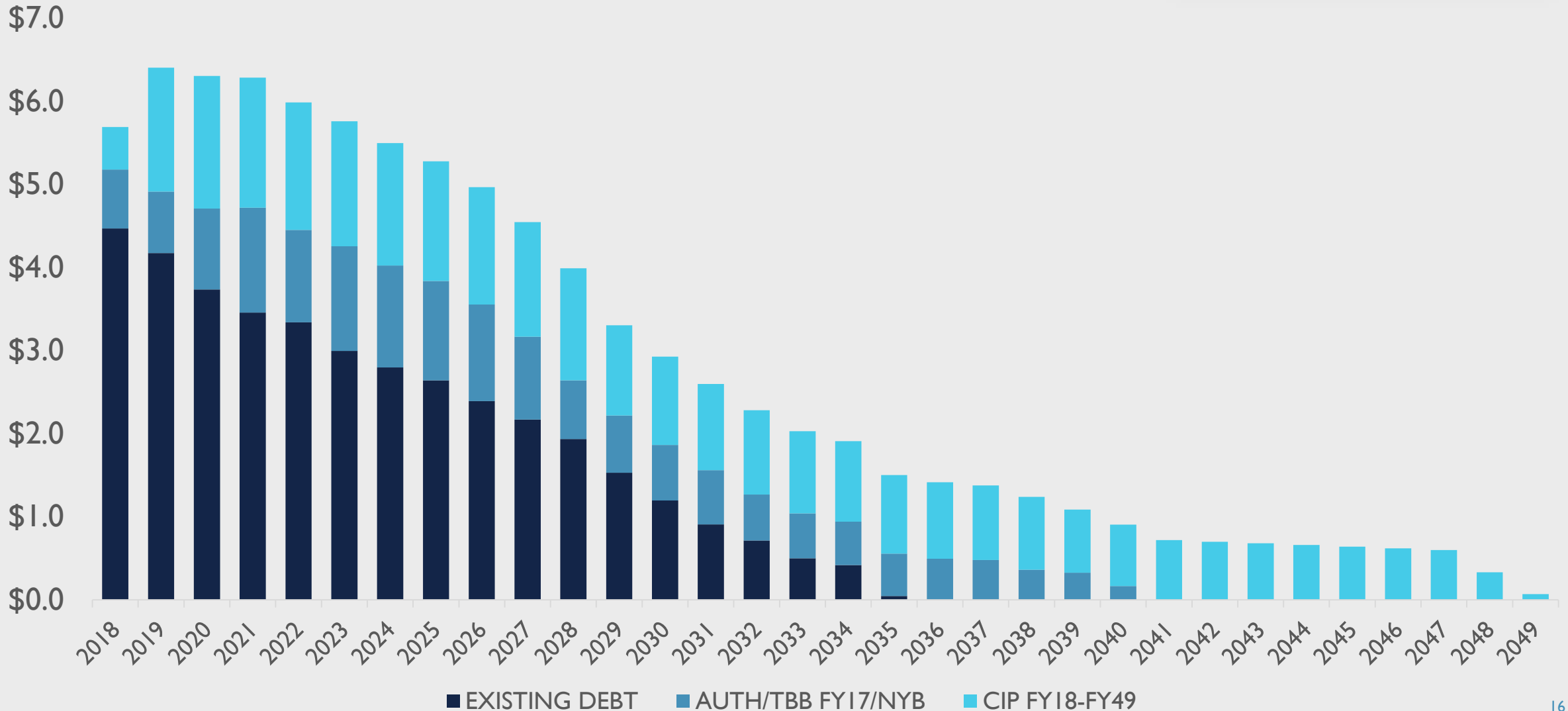


NON-EXEMPT CAPITAL AS % OF ADJUSTED BUDGET

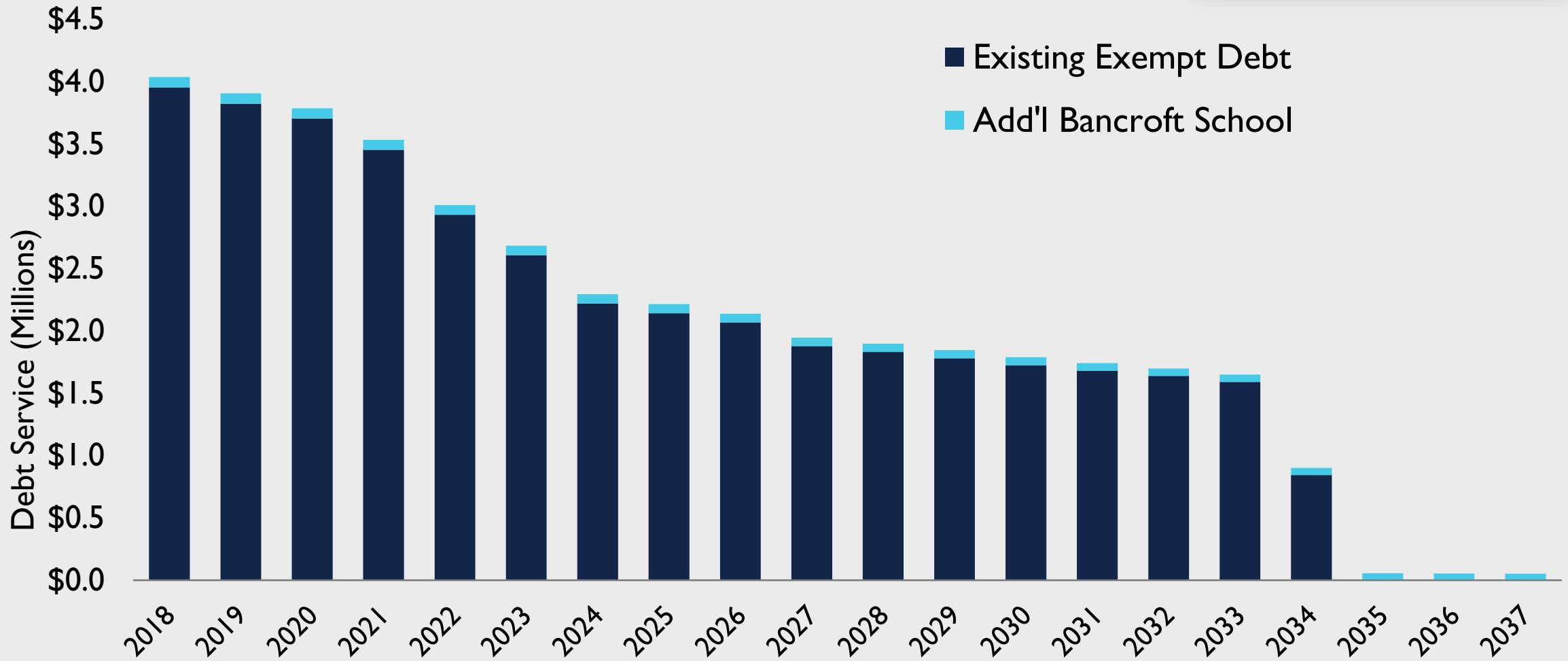


	FY18	FY19	FY20	FY21	FY22
Total Revenue	180,645,548	186,416,440	192,680,154	198,389,323	204,155,724
Less: Exempt Debt	(4,036,464)	(3,906,286)	(3,786,129)	(3,533,000)	(3,009,557)
Less: Water/Sewer Enterprise	(13,594,804)	(14,293,938)	(14,679,967)	(15,210,353)	(15,590,612)
Less: Water/Sewer Reserves & Articles	(703,000)	(663,000)	(1,015,000)	(750,000)	(750,000)
Less: Water/Sewer Reserves Operating	(506,634)	(211,583)	(161,507)	(73,654)	(75,495)
Adjusted Revenue Budget	161,804,646	167,341,633	173,037,551	178,822,316	184,730,060
Capital Projects from Taxation	3,257,000	2,862,000	2,800,000	2,750,000	2,900,000
Non-Exempt Debt	<u>6,011,318</u>	<u>6,707,679</u>	<u>7,103,933</u>	<u>7,532,571</u>	<u>7,665,564</u>
Total Non-Exempt Capital Outlay	9,268,318	9,569,679	9,903,933	10,282,571	10,565,564
	5.73%	5.72%	5.72%	5.75%	5.72%

GEN. FUND (NON-EXEMPT) DEBT SERVICE



GEN. FUND (EXEMPT) DEBT SERVICE



TOWN & SCHOOL OPERATIONS



TOWN AND SCHOOL OPERATIONS

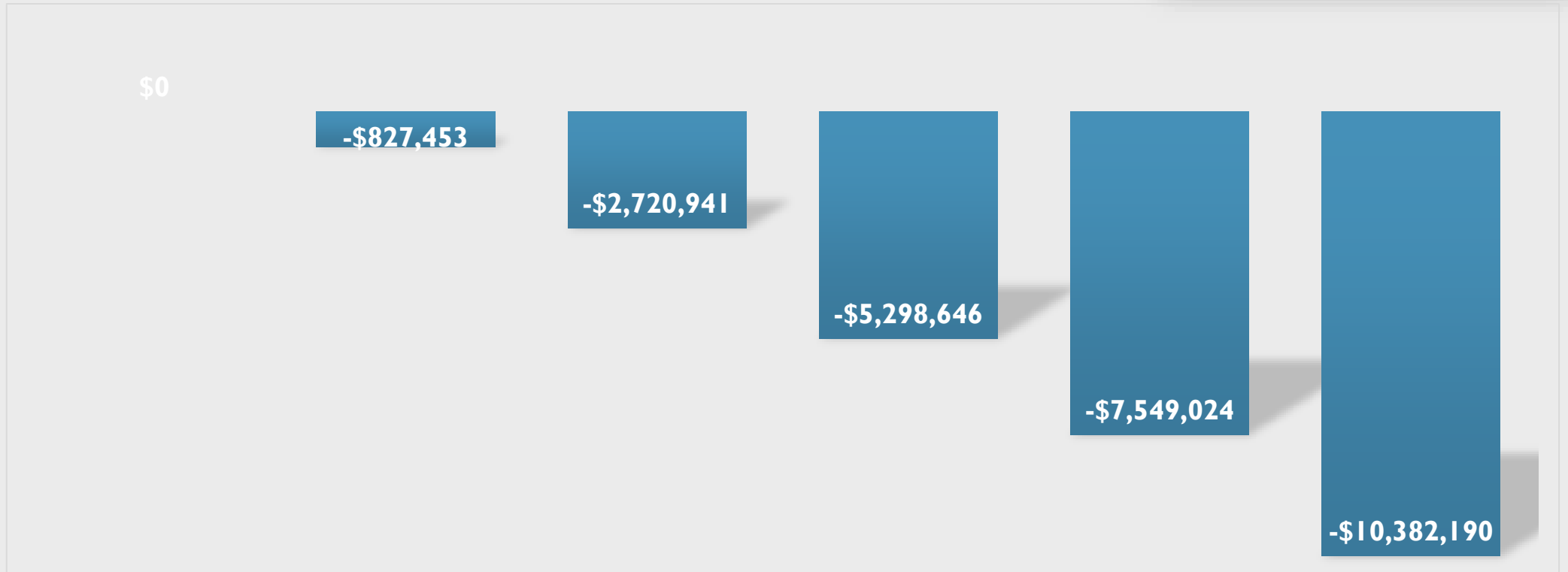


	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
School Operations (4.5% Annual Increase)	\$79,523,667	\$83,102,232	\$86,841,832	\$90,749,715	\$94,833,452
Town Operations (2.75% Annual Increase)	\$39,494,417	\$40,580,513	\$41,696,478	\$42,843,131	\$44,021,317
Total	\$119,018,084	\$123,682,745	\$128,538,310	\$133,592,846	\$138,854,769

STRUCTURAL IMPACTS



PROJECTED DEFICIT BASED ON ASSUMPTIONS



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$163,031,584	\$165,006,297	\$170,498,522	\$176,153,282	\$181,777,259	\$187,209,082
Appropriations	\$163,031,584	\$165,833,750	\$173,219,463	\$181,451,928	\$189,326,283	\$197,591,272
Deficit	\$0	-\$827,453	-\$2,720,941	-\$5,298,646	-\$7,549,024	-\$10,382,190

QUESTIONS

