

Town of Norfolk Board of Selectmen Meeting

March 12, 2007
Financial Update



Agenda

- Review of FY07 Budget Development
- FY08 Revenue Projections
- FY08 Budget Philosophy / BOS Goals
- Departmental Budgets
- Bond Rating
- Summary

Fiscal 2007 Budget

(1000s)	FY06	FY07	% Change
Municipal	7,200	7,392	2.67%
Education	13,672	14,385	5.22%
Fixed	2,306	2,576	11.75%
Debt	2,271	2,464	8.53%
Total	25,449	26,819	5.38%

Fiscal 2007 Budget – Education Operating Expenses

(1000s)	FY06	FY07	% Change
King Philip	4,138	4,592	11.00%
NPS	9,247	9,500	2.74%
Tri-County	287	291	23.14%
Total	13,672	14,385	5.22%

Estimated 4 Sources of Income – FY08

Real Estate Taxes	71.14 % of Total – 4.5% Increase
State Aid	17.58 % of Total – 2.0% Increase
Local Revenues	11.28 % of Total – 2.1% Increase
Other Sources	?? (\$400,000 Free Cash in FY07)

Additional Prison Mitigation Funds \$192,000

Does not include excluded debt

4 Sources of Income – FY08

Real Estate Taxes	71.14%	}	\$17,654,696
New Growth			\$ 350,000
State Aid	17.58%		\$ 4,449,388
Local Revenues	11.28%		<u>\$ 2,853,254</u>
Total			\$25,307,338
Reserves			\$ 15,000
Excluded Tax Revenue			<u>\$ 1,718,765</u>
Total Estimate Revenue			\$ 27,041,103

Board of Selectmen Goals

- Maintain Reasonable Services
- Present a balanced budget

Budget Status

- Pending Negotiations
 - DPW
 - Town Hall Administrative
- Liability Insurance (Estimated = 10%)
- Budget Deficit of \$880k based upon preliminary budgets
- FY07 Budget Surpluses / Deficits (Snow & Ice)

Recent General Operating Overrides

June 2005	General Override	\$1,158,801
June 2001	Road Program	\$ 300,000
June 2000	Police	\$ 92,158
June 2000	Library	\$ 35,170
June 2000	Teachers	\$ 184,079
June 2000	World Language	\$ 104,544
July 1997	Elem School	\$ 156,448
May 1997	Senior Center Design	\$ 50,000
May 1997	Equip Ladder Truck	\$ 11,000

June 2005 General Override

*King Philip funded at 8.61%

● General Government	\$129,903
● Public Safety	\$130,065
● Elementary School	\$657,983
● Public Works	\$161,244
● Human Services	\$ 13,048
● Culture	\$ 50,656
● Insurance	<u>\$ 15,092</u>
Total	\$1,158,801

Fiscal 2008 Budget – Preliminary Budgets

(1000s)	FY07	FY08	%
Municipal	7,392	7,519	1.71%
Education	14,385	15,412	7.14%
Fixed	2,576	2,803	8.81%
Debt	2,464	2,188	(11.20)%
Total	26,819	27,922	4.11%



THE BIG PICTURE

2008

New Revenue

● Excluded Debt	(\$336,717)
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● R.E. Taxes	\$783,041
● Local Receipts	\$ 29,000
● State Aid	\$116,797
● Total	\$928,838

REVENUES (thousands)

INCREASE

\$929

EXPENSES INCREASE (thousands)

Tri-County	\$ 68
Health Insurance	\$ 54
Unemployment Comp	\$ 69
Norfolk County Retirement	<u>\$ 41</u>
	\$ 232
King Philip Operating - Requested	<u>\$ 882</u>
Total	\$1,114

THE PROBLEM (thousands)

- REVENUES + \$ 929
- Allocated EXPENSES - \$ 1,114

We have a (\$ 185)
shortfall, before covering local departments

Budget Highlights

- DPW Below FY06 & FY07 funding
- Education K-6 budget increase 0.81%
- Municipal Budget increased 1.71%
- Public Safety Increased 3.47% *

*Number does reflect offsetting revenues from
ALS Services

Budget Highlights (cont)

- Human Services * down 3.51% in FY07, up 0.55% in FY08
- Employee Benefits up 8% (\$193k)

* Human Services includes Board of Health, Council on Aging, Veteran's Services

FY08 Budget

Impact Statements

King Philip

- Request = 13.4% Operating Budget Increase
- Translates to 19.13% Assessment Increase, or \$878,748
- Unaffordable based upon anticipated revenues

*Separate Capital Request

Norfolk Public Schools – FY08 Budget

Norfolk Public Schools: NORFOLK, MASSACHUSETTS

FY2008 Budget Development

<u>Account #</u>	<u>Description</u>	<u>FY2006 Actual Expense</u>	<u>FY 2007 Approved Budget</u>	<u>FY 2007 Projected Expense</u>	<u>FY 2008 Request</u>	<u>\$ Chg</u>	<u>% Chg</u>	<u>FY 2008 Restructure Services</u>	<u>\$ Chg</u>	<u>% Chg</u>
Function Code Summary										
1999	District Leadership & Administration	371,249	379,465	402,089	404,932	25,467	6.7	404,932	25,467	6.7
2999	Instructional Services	7,040,839	7,272,424	7,335,055	7,755,189	482,765	6.6	7,615,474	343,050	4.7
3999	Student Services	562,680	601,400	581,472	562,264	-39,136	-6.5	562,264	-39,136	-6.5
4999	Operations & Maintenance	722,375	769,985	807,485	771,817	1,832	0.2	771,817	1,832	0.2
5999	Fixed Charges	34,730	19,900	19,900	25,200	5,300	26.6	25,200	5,300	26.6
7999	Acquisition, Improve & Replace of FA	0	0	0	0	0	0.0	0	0	0.0
9999	Programs with Other School Districts	487,202	457,289	282,042	198,083	-259,206	-56.7	198,083	-259,206	-56.7
Total Budget		9,219,075	9,500,463	9,428,043	9,717,485	217,022	2.28	9,577,770	77,307	0.81
Department Manager's Summary										
	Salaries- Teachers		5,075,063	5,067,064	5,513,006	437,943	8.6	5,673,734	598,671	11.8
	Salaries- All Other		2,265,553	2,346,843	2,379,105	113,552	5.0	2,078,662	-186,891	-8.2
	District Wide		479,047	490,347	480,993	1,946	0.4	480,993	1,946	0.4
	H. Olive Day		217,400	217,400	213,597	-3,803	-1.7	213,597	-3,803	-1.7
	Freeman-Centennial		264,863	264,863	238,299	-26,564	-10.0	238,299	-26,564	-10.0
	Operations		407,105	444,605	411,820	4,715	1.2	411,820	4,715	1.2
	Special Education		791,432	596,921	480,665	-310,767	-39.3	480,665	-310,767	-39.3
Total Budget			9,500,463	9,428,043	9,717,485	217,022	2.28	9,577,770	77,307	0.81

Norfolk Public Schools

- Restructured Services Budget = 0.81% or \$77,307 increase
- NPS School Committee and Superintendent have presented the Restructured Services through a variety of channels

Police Department Staff

<u>Budget Year</u>	<u>Population</u>	<u>Officers</u>	<u>Fed Guidelines</u>
1995	8,356	17	17.5
2001	9,050	17	19.0
2007	9,534	17	19.7+
1995	491 Residents / Officer		
2007	561 Residents / Officer		

Police Department Impact

- Maintains 17 Staff
 - Chief of Police
 - Lieutenant
 - 4 Sergeants
 - 11 Patrolman
- Dare maintained, but will continue to heavily rely upon fund raising
- Reduced participation in Metro-LEC

Police Department (Continued)

\$18,500 = Communication Repair & Maint

\$18,000 = Vehicle Maintenance

\$15,500 = Operating Equipment Repairs

\$12,750 = Uniform Cleaning

\$12,750 = Uniform Replacement

\$ 6,880 = Office Supplies

\$ 6,500 = Training Expenses

\$ 4,500 = Reserve Officer Equipment

Fire Department Impact

- Salary Budget increased, to fund 12th Firefighter for 12 mos. (FY07 = 6 Months)
- Reduce Staff meeting budget by 57%.
 - Distribute Electronically
 - Less frequent meetings
 - Reduces sharing of information
- Training budget reduced 9%

Fire Department (Continued)

- Fire Equipment Repair / Maint reduced 34%
 - Reduction in funds for Jaws of life, portable fire extinguishers, power saws, generators, etc
- Vehicle Repair / Maint. Reduced 38%
 - Ground and aerial ladders, pump testing
- Ambulance Repair / Maintenance Red. 18%
 - 2nd line ambulance is at risk with reduced maintenance funds

Fire (Continued)

- This submitted budget retains the ALS service, and ensures minimal 24/7 emergency services protection, through the on-duty career staff, supported by recall of off-duty and call members for fires, serious accidents, ambulance coverage and response of the second ambulance.

Town Hall

18 Departments -

23.35 FTE's

Town Administrator

Building

Zoning Board

Conservation Com

Planning

Board of Health

Accounting

Assessing

Treasury / Collection

Personnel

Advisory

Recreation

Clerk

Facilities

Perm Bld Comm

Elections

Voter Registration

Comm Preservation

DPW Impact

- FY07 Reduced budget from FY06 = 0.65%
- FY07 Reduced 1 staff employee
- FY08 Propose reducing budget from FY07 = 0.50%
- FY08 Reduce 1 position by moving costs to project monitoring and review
- No funding for project engineering (FY07, FY08)

Library Impact

- 2007 – 1 layoff (full time cataloger)
- 2008
 - Eliminate Pages
 - Lay off Part time library associate
- Reduce open hours by ½ hour per day
- Supplies, postage, licenses, agreements & service contract line items are inadequate

Town Hall Impact

Selectmen / Town Administrator

Town Administrator = 1 employee

Selectmen's office = 1 employee

Shared employee = .75

- Reduce expense budget by 6.3%
- Reduce Training / Meeting budget by \$3,500

Town Hall (Continued)

Finance (Accounting, Assessors, Treasurer/Collection)

- 7 ¼ employees
- Reductions in training budget

Facilities Management

- Total budget = \$443,399
- $\frac{3}{4}$ of an employee
- FY08 Budget increases 5.4%
- Potential issues if we don't have warm weather

Recreation

- More administrative costs paid for from the Recreation Revolving Account
(Approx. \$8,600 of Admin Costs is funded from Revolving)

Salary Management

- Personnel Costs

- Signed = 4% Fire & Police

- (Total pay increase – Salary + Stipends)

- Personnel Employees – 5.2% Increase (proposed)

- (2.5% Step + 2.7% COLA)

- Under Negotiation

- Town Hall Administrative

- Highway

- Contractual

Summary

- King Philip is the one significant outstanding variable
- Each % increase = approximate \$50,000
- Anticipating the final increase to be between 6 – 8%
- That leaves us with an operational deficit between \$300,000 - \$400,000

Next Steps

- Finalize King Philip budget
- Continue to seek budget reductions
- Lobby for additional State Aid
- Seek additional revenue sources (grants)

- Present a balanced budget to the Town

Non – Exempt Debt

<u>Purpose</u>	<u>FY</u> <u>2008</u>	<u>FY</u> <u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Surface Drain	58,092.00	54,548.00				
Town Hall	79,055.25	76,577.50	74,060.00	71,489.50	68,866.00	61,341.00
Building Remodeling	9,952.25	9,625.00	9,292.50	8,953.00	8,606.50	8,256.50
Landfill Close-out	22,901.25	22,200.00	21,487.50	20,760.00	20,017.50	19,267.50
Sewer	14,715.00	14,445.00	14,175.00	13,860.00	13,522.50	13,185.00
Highway Building Addition	18,170.00	17,810.00	17,450.00	17,030.00	14,580.00	14,205.00
Departmental Equipment	29,370.00	27,560.00	26,780.00			
Fire Equipment	43,265.00	42,245.00	41,225.00	40,205.00	39,057.50	37,867.50
Sewer CW-04-12 MWPAT	14,304.43	14,303.82	14,304.18	14,304.42	14,304.46	14,304.22
Underground Utilities	70,008.75	68,657.00	67,309.00	65,959.00	64,440.00	62,865.00
Underground Utility ST due 1/18/08	85,489.53					
BAN interest due 8/31/07	24,277.70	30,000.00	24,000.00	18,000.00	12,000.00	6,000.00
EST. Ban Paydown (FY07 Vehicle)		120,000.00	120,000.00	120,000.00	120,000.00	120,000.00
Estimated Pump Truck interest		27,500.00	27,500.00	24,750.00	22,000.00	19,250.00
Estimated Pump Truck principal			55,000.00	55,000.00	55,000.00	55,000.00
Total Non-Exempt Debt	469,601.16	525,471.32	512,583.18	470,310.92	452,394.46	431,541.72

Exempt Debt

<u>Purpose</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund Exempt Debt						
School Construction	18,649.00	17,833.00				
Departmental Equipment	23,345.00	22,410.00	21,460.00	20,490.00		
School Remodeling	227,760.00	217,984.00				
Land Acquisition Refunding	27,680.00	25,720.00	24,800.00	22,880.00		
School Construction Refunding	436,658.75	417,338.75	393,218.75	372,498.75	343,058.75	248,858.75
School Remodeling Refunding	17,280.00	16,680.00	15,080.00	13,520.00		
Library Plans	30,455.00	29,855.00	29,255.00	28,555.00	25,805.00	25,130.00
Library Construction	216,970.00	212,980.00	208,990.00	204,335.00	199,347.50	194,360.00
Total Exempt Debt	998,797.75	960,800.75	692,803.75	662,278.75	568,211.25	468,348.75