



FISCAL YEAR 2013

TOWN OF WATERTOWN

PRELIMINARY BUDGET

OVERVIEW

November 9, 2011

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Revenue and Other Sources

General Fund

REVENUE AND OTHER SOURCES	FY2010 BUDGET	FY2010 ACTUAL	FY2011 BUDGET	FY2011 ACTUAL	FY2012 BUDGET
Real & Personal Property Tax	\$68,870,136	\$69,576,247	\$71,404,348	\$71,979,026	\$74,139,035
State Aid	\$10,589,035	\$10,490,578	\$10,007,422	\$9,869,936	\$9,587,202
TOTAL	\$79,459,171	\$80,066,825	\$81,411,770	\$81,848,962	\$83,726,237

Local Receipts - Detail

Source	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
Motor Vehicle	\$3,250,000	\$3,222,958	\$3,250,000	\$3,200,927	\$3,250,000
Other Excise	\$220,000	\$166,737	\$485,000	\$489,217	\$495,000
Penalties & Int.	\$195,000	\$286,671	\$195,000	\$291,996	\$195,000
Pilot	\$2,125,087	\$2,044,615	\$2,054,420	\$2,001,278	\$2,092,944
Comm. Trash	\$40,000	\$39,625	\$40,000	\$48,199	\$40,000
Fees	\$1,750,000	\$1,889,207	\$1,740,000	\$1,776,586	\$1,781,000
Rentals	\$141,802	\$147,949	\$135,713	\$143,958	\$135,356
Cemetery	\$55,000	\$53,895	\$55,000	\$50,775	\$55,000
Recreation	\$380,000	\$372,591	\$390,000	\$388,822	\$390,000
License & Permits	\$205,000	\$196,538	\$205,000	\$197,251	\$205,000
Fines & Forfeits	\$885,000	\$849,785	\$885,000	\$895,416	\$885,000
Investment Income	\$525,000	\$224,310	\$175,000	\$74,234	\$100,000
Sale of Town Prop.	\$5,000	\$3,000	\$5,000	\$6,050	\$531,860
Court Judge/Settlements	\$1,000	\$0	\$0	\$0	\$74,941
Grant/Employee Reimbursemt	\$135,000	\$95,476	\$120,000	\$72,126	\$120,000
Belmont Reim	\$36,600	\$35,135	\$37,515	\$35,135	\$38,467
Adv Bus Shelters	\$15,000	\$16,131	\$15,000	\$11,928	\$12,000
Medicaid	\$150,000	\$273,477	\$373,000	\$414,043	\$373,000
Medicare Part D	\$60,000	\$59,043	\$30,000	\$29,546	\$0
One Time Restoration of State Aid					\$407,932
Misc	\$0	\$195,631	\$0	\$106,168	\$0
TOTAL	\$10,174,489	\$10,172,774	\$10,190,648	\$10,233,655	\$11,182,500

Revenue & Other Sources

Source Transfer from:	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
Sale of Lots	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Parking Meter	\$325,000	\$325,000	\$340,000	\$340,000	\$350,000
Cemetery	\$25,000	\$25,000	\$30,000	\$30,000	\$20,000
Free Cash	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Cap. Proj. Stabilization	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Victory Field Rev.	\$0	\$0	\$0	\$0	\$60,000
Election Reimbur. Revolving	\$0	\$0	\$0	\$0	\$34,100
Overlay Surplus	\$500,000	\$500,000	\$0	\$0	\$0
Water Fund	\$1,216,040	\$1,216,040	\$1,296,564	\$1,296,564	\$1,308,092
Sewer Fund	\$1,153,465	\$1,153,465	\$1,199,725	\$1,199,725	\$1,250,071
TOTAL	\$5,484,505	\$5,484,505	\$5,131,289	\$5,131,289	\$5,287,263

Revenue Summary

Source	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
Property Tax	\$68,870,136	\$69,576,247	\$71,404,348	\$71,979,026	\$74,139,035
State Aid	\$10,589,035	\$10,490,578	\$10,007,422	\$9,869,936	\$9,587,202
Local Receipts	\$10,174,489	\$10,172,773	\$10,190,648	\$10,233,654	\$11,182,500
Other Sources	\$5,484,505	\$5,484,505	\$5,131,289	\$5,131,289	\$5,287,263
TOTAL REVENUE	\$95,118,165	\$95,724,103	\$96,733,707	\$97,213,906	\$100,196,000

Expenditures

General Government

	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
General Government Totals	\$5,305,154	\$4,219,219	\$4,574,953	\$3,996,755	\$5,575,137

Expenditures

	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
State & County Charges	\$2,251,870	\$2,173,444	\$2,161,479	\$2,143,386	\$2,211,377
Miscellaneous	\$354,012	\$354,012	\$384,211	\$383,979	\$942,190

Expenditures

	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
Retirement	\$7,645,088	\$7,645,088	\$8,498,329	\$8,498,245	\$8,822,766
Insurance & Employee Benefits	\$12,127,710	\$11,338,259	\$12,617,192	\$12,375,321	\$13,281,474

Expenditures

	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
Debt Retirement	\$6,783,584	\$6,634,505	\$6,943,336	\$6,908,661	\$7,163,595
School Capital Projects	\$500,000	\$500,000	\$0	\$0	\$0
Town Capital Projects	\$832,170	\$832,170	\$824,254	\$824,254	\$863,500

Expenditures

	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
Public Safety	\$14,461,915	\$14,337,470	\$14,649,249	\$14,552,181	\$14,892,670
Public Works	\$4,418,615	\$3,924,872	\$4,252,084	\$3,914,201	\$4,514,071
Snow & Ice	\$762,324	\$761,978	\$1,502,402	\$1,498,452	\$882,000
Waste Disposal	\$3,149,695	\$2,883,470	\$3,210,961	\$2,959,941	\$3,236,940

Expenditures

	FY2010 Budget	FY2010 Actual	FY2011 Budget	FY2011 Actual	FY2012 Budget
Library	\$2,158,259	\$2,102,300	\$2,184,327	\$2,120,526	\$2,216,528
Recreation Department	\$226,523	\$221,150	\$228,250	\$226,998	\$229,771
Skating Arena	\$337,860	\$328,889	\$337,860	\$333,639	\$337,760
Education	\$32,927,708	\$32,927,685	\$33,471,000	\$33,470,005	\$34,140,000
TOTALS	\$95,118,165	\$92,038,469	\$96,733,707	\$95,032,650	\$100,196,000

Unreserved Fund Balance

Certified Free Cash Analysis

	UNRESERVED FUND BALANCE CERTIFIED FREE CASH ANALYSIS				
	FY2007	FY2008	FY2009	FY2010	FY2011
UNRESERVED FUND BALANCE BEGINNING OF FISCAL YEAR	\$ 7,478,000	\$ 7,486,000	\$ 6,830,000	\$ 5,150,000	\$ 6,676,000
REVENUES OVER/(UNDER) BUDGET	\$ 1,774,000	\$ 827,000	\$ (1,188,000)	\$ 606,000	\$ 480,000
EXPENDITURES (OVER)/UNDER BUDGET	\$ 384,000	\$ 322,000	\$ 1,978,000	\$ 3,080,000	\$ 1,701,000
USE OF FREE CASH	\$(1,750,000)	\$ (1,750,000)	\$ (1,750,000)	\$ (1,750,000)	\$ (1,750,000)
GAAP ADJUSTMENTS	\$ (400,000)	\$ (55,000)	\$ (720,000)	\$ (410,000)	TBD
UNRESERVED FUND BALANCE END OF FISCAL YEAR	\$ 7,486,000	\$ 6,830,000	\$ 5,150,000	\$ 6,676,000	\$ 7,107,000
CERTIFIED FREE CASH	\$ 6,515,846	\$ 5,566,570	\$ 4,753,849	\$ 6,075,642	TBD
FY 2011 AMOUNTS ARE SUBJECT TO CLASSIFICATION CHANGES VIA AUDIT					

Financial Reserve Goal

To fund and maintain Financial Reserves of 7 – 10% of the Town's annual budget, we must:

- 1. Preserve or improve the Town's bond rating**
- 2. Promote financial flexibility and stability**
- 3. Meet extraordinary and unforeseen events**
- 4. Have sufficient liquidity and cash flow to pay bills on time without the necessity of short term borrowing**

A declining reserve is an indicator that Watertown is living beyond its means.

Capital Improvement Program

Fiscal Year 2012 Budget Message:

The five year Capital Improvement Program (CIP) is included within the FY2012 Budget.

The FY2012-2016 General Fund CIP totals \$85,334,700 of which \$26,720,500 is the bonding requirement. Street and Sidewalk bonds of \$38,000,000 listed in Fiscal Year 2016 are not included in the bonding requirement. The funding source in the amount of \$12,695,000 within the CIP has not been determined.

The FY2012-2016 Water/Sewer Enterprise Funds CIP totals \$7,692,000 of which \$130,000 is the bonding requirement.

The CIP includes all known capital needs, regardless of the source of funding.

Permanent Debt (Principal Only): June 30, 2011 Balances

Bond Issue	Balances
FY2004 Bond Issue	\$ 1,270,000
FY2004 Bond Issue \$5,263,000 (see \$3,000,000 funded by Enterprise)	\$ 350,000
FY2005 Bond Issue	\$ 10,890,000
FY2007 Bond Issue	\$ 1,520,000
FY2008 Bond Issue	\$ 11,820,000
FY2009 Refunding Bond Issue	\$ 9,876,000
FY2010 Bond Issue	\$ 5,100,000
TOTAL	\$ 40,826,000

Budgeted FY2012 Bond Payments

Bond Issue		
FY2004 Bond Issue		\$175,000
FY2004 Bond Issue \$5,263,000 (see \$3,000,000 funded by Enterprise)		\$50,000
FY2005 Bond Issue		\$800,000
FY2007 Bond Issue		\$300,000
FY2008 Bond Issue		\$1,915,000
FY2009 Refunding Bond Issue		\$1,593,000
FY2010 Bond Issue		\$350,000
FY2012 PERMANENT DEBT PAYMENT		\$5,183,000

Bond Issues: June 30, 2012 Balances

FY2004 Bond Issue		\$ 1,095,000
FY2004 Bond Issue \$5,264,000 (see \$3,000,000 funded by Enterprise		\$ 300,000
FY2005 Bond Issue		\$ 10,090,000
FY2007 Bond Issue		\$ 1,220,000
FY2008 Bond Issue		\$ 9,905,000
FY2009 Refunding Bond Issue		\$ 8,283,000
FY2010 Bond Issue		\$ 4,750,000
TOTAL		\$ 35,643,000

Permanent Debt Summary

June 30, 2011 Balance	\$40,826,000
Fiscal Year 2012 Bond Payment	\$(5,183,000)
Permanent Debt Balance June 30, 2012	\$35,643,000

Debt Summary

Total Permanent Debt	\$35,643,000
Authorized Debt (not yet issued): Schools, Victory Field, Telephone	\$3,985,000
Total Permanent & Short Term and Authorized Un-Issued Debt	\$39,628,000

Sewer Enterprise Fund

		FY 2011 BUDGET	FY 2011 ACTUAL	FY 2012 BUDGET
REVENUE & OTHER SOURCES:				
	USAGE CHARGES	\$ 8,355,289	\$ 7,891,765	\$ 8,610,277
	MUNICIPAL CHARGES	\$ 98,619	\$ 98,619	\$ 122,221
	INTEREST AND PENALTY CHARGES		\$ 72,662	
	SEWER LIENS		\$ 393,601	
	OTHER UTILITY CHARGES	\$ 5,000	\$ 10,890	\$ 5,000
	INTEREST INCOME	\$ 25,000	\$ 24,899	\$ 25,000
TOTAL REVENUE		\$ 8,483,908	\$ 8,492,436	\$ 8,762,498
EXPENDITURE & OTHER USES:				
	PERSONNEL SERVICES	\$ 343,741	\$ 342,725	\$ 347,498
	SUPPLIES AND SERVICES	\$ 397,078	\$ 356,742	\$ 398,478
	MWRA ASSESSMENT	\$ 5,271,603	\$ 5,271,596	\$ 5,591,351
	CAPTIAL OUTLAY	\$ 942,900	\$ 942,458	\$ 942,900
	TRANSFER TO GENERAL FUND	\$ 1,199,725	\$ 1,199,725	\$ 1,250,071
	DEBT SERVICE	\$ 328,861	\$ 328,861	\$ 232,200
TOTAL EXPENDITURES		\$ 8,483,908	\$ 8,442,107	\$ 8,762,498

Water Enterprise Fund

		FY 2011 BUDGET	FY 2011 ACTUAL	FY 2012 BUDGET
REVENUE & OTHER SOURCES:				
	USAGE CHARGES	\$ 5,354,559	\$ 5,210,953	\$ 5,314,262
	MUNICIPAL CHARGES	\$ 164,592	\$ 164,592	\$ 153,418
	INTEREST AND PENALTY CHARGES		\$ 45,618	
	WATER LIENS		\$ 222,161	
	OTHER UTILITY CHARGES	\$ 25,000	\$ 38,109	\$ 25,000
	TEST CHARGES	\$ 50,000	\$ 23,730	\$ 50,000
	INTEREST INCOME	\$ 10,000	\$ 10,385	\$ 10,000
	TOTAL REVENUE	\$ 5,604,151	\$ 5,715,548	\$ 5,552,680
EXPENDITURE & OTHER USES:				
	PERSONNEL SERVICES	\$ 779,192	\$ 731,023	\$ 782,616
	SUPPLIES AND SERVICES	\$ 330,136	\$ 261,426	\$ 330,136
	MWRA ASSESSMENT	\$ 2,683,079	\$ 2,683,079	\$ 2,638,812
	CAPTIAL OUTLAY	\$ 207,000	\$ 206,998	\$ 207,000
	TRANSFER TO GENERAL FUND	\$ 1,296,564	\$ 1,296,564	\$ 1,308,092
	DEBT SERVICE	\$ 308,180	\$ 288,180	\$ 286,024
	TOTAL EXPENDITURES	\$ 5,604,151	\$ 5,467,270	\$ 5,552,680

Water & Sewer Prior Year Funds

Balances as of July 1, 2011

ACCOUNT DESCRIPTION	PRIOR YR FUND BALANCE	CURR. YR FUND CARRYOVER	TOTAL OF BOTH FUNDS
WATER:			
IMPROVEMENTS	\$ 122,171	\$ 85,275	\$ 207,446
SIDEWALK REPAIR SERVICES	\$ 124,200	\$ 26,200	\$ 150,400
STREET REPAIR SERVICES	\$ 91,703		\$ 91,703
COMPUTER MAINTENANCE	\$ 66,124		\$ 66,124
WATER MATERIALS & SUPPLIES	\$ 2,692		\$ 2,692
CONTRACTED SERVICES	\$ 2,215		\$ 2,215
REPLACEMENT OF EQUIPMENT	\$ 2,444	\$ 22,074	\$ 24,518
TOTAL WATER PRIOR YEAR	\$ 411,549	\$ 133,549	\$ 545,098
SEWER:			
ACCOUNT DESCRIPTION			
	PRIOR YR FUND BALANCE	CURR. YR FUND CARRYOVER	TOTAL OF BOTH FUNDS
IMPROVEMENTS	\$ 3,352,820	\$ 708,625	\$ 4,061,445
CONTRACTED SERVICES	\$ 399,595	\$ 95,000	\$ 494,595
STREET REPAIR SERVICES	\$ 149,892	\$ 12,300	\$ 162,192
RENTAL OF EQUIPMENT	\$ 135,375	\$ 54,000	\$ 189,375
SIDEWALK REPAIR SERVICES	\$ 134,134	\$ 30,000	\$ 164,134
ADDITIONAL EQUIPMENT	\$ 112,941	\$ 139,775	\$ 252,716
REPLACEMENT OF EQUIPMENT	\$ 39,450	\$ 15,000	\$ 54,450
SEWER MATERIALS & SUPPLIES	\$ 10,884		\$ 10,884
TOTAL SEWER PRIOR YEAR	\$ 4,335,091	\$ 1,054,700	\$ 5,389,791

Prior Year Fund (Fund 02)

Balances as of July 1, 2011

FUND DESCRIPTION			FUND BALANCE
FIRE REPLACEMENT OF EQUIPMENT			\$ 55,524
DPW STREET LIGHTING			\$ 50,799
DPW PARKS IMPROVEMENT			\$ 36,880
TOWN ASSESSOR'S APPELATE TAX BOARD			\$ 19,942
TOTAL FUND 02			\$ 163,145

Overlay Accounts

Balances as of June 30, 2011

FISCAL YEAR			AMOUNTS	
2002			\$	117,631
2003			\$	159,750
2004				
2005			\$	133,994
2006			\$	143,874
2007			\$	78,187
2008			\$	424,954
2009			\$	389,483
2010			\$	599,726
2011			\$	508,718
			\$	2,556,317
Balance as of 11/2/11 is \$1,765,723				

Special Revenue Accounts

Balance as of June 30, 2011

FUND DESCRIPTION			FUND BALANCE
O'NEILL PROPERTY CHARITABLE			\$ 1,172,768
PARKING METER FUND		**	\$ 556,076
AFFORDABLE HOUSING DEV			\$ 268,665
HOSMER EXTENDED DAY PROGRAM			\$ 222,057
VICTORY FIELD FUNDRAISING			\$ 200,000
DISABILITY ACCESS			\$ 169,694
COMMANDER'S MANSION REVOLVING			\$ 153,184
SPED CIRCUIT BREAKER			\$ 147,660
COMMUNITY DEV. BLOCK GRANT			\$ 144,982
RECREATION REVOLVING			\$ 113,806
TOP TEN TOTAL			\$ 3,148,892
ALL OTHERS (128)			\$ 647,918
TOTAL SPECIAL REVENUE (138)			\$ 3,796,810
**INCLUDES AMOUNTS TO BE TRANSFERRED FOR FY12 BUDGET			

Capital Projects Accounts

Balances as of June 30, 2011

FUND DESCRIPTION			FUND BALANCE
FY 10 SEWER IMPROVEMENTS			\$ 1,500,000
FY 11 STREET & SIDEWALK			\$ 672,404
POLICE STATION BLDG			\$ 567,926
FY 10 WATER IMPROVEMENTS			\$ 454,983
MWRA I & I PHASE 4			\$ 439,400
DPW RENOVATION			\$ 418,128
FY 10 STREET & SIDEWALK			\$ 357,839
TOWN HALL IMPROVEMENTS			\$ 271,911
MWRA SEWER BD			\$ 263,224
CEMETERY EXPANSION			\$ 231,323
TOP TEN TOTAL			\$ 5,177,138
ALL OTHERS (46)			\$ 2,240,265
TOTAL CAPITAL PROJECTS (56)			\$ 7,417,403
TOTAL INCLUDES LOAN ORDER AUTHORIZATIONS NOT YET BORROWED			
Available fund balance as of 10-31-11 is \$5,370,684			

Trusts and Agency Accounts

Balances as of June 30, 2011

FUND DESCRIPTION			BALANCE
STABILIZATION FUND			\$ 1,213,615
OPEB STABILIZATION			\$ 1,075,446
CEMETERY PERPETUAL CARE (NON-EXPENDABLE)			\$ 913,041
CAPITAL PROJ. STABILIZATION		**	\$ 557,865
UPIT MEMORIAL SCHOLARSHIP (NON-EXPENDABLE)			\$ 180,000
SCHOOL GENERAL SCHOLARSHIP			\$ 132,062
CONSERVATION TRUST			\$ 106,238
CEMETERY PERPETUAL CARE (EXPENDABLE)		**	\$ 87,621
MIDDLE SCHOOL STUDENT ACTIVITY			\$ 58,528
ASA PRATT TRUST			\$ 50,379
TOP TEN TOTAL			\$ 4,374,795
ALL OTHERS (61)			\$ 269,131
TOTAL TRUSTS & AGENCY (72)			\$ 4,643,926
**INCLUDES AMOUNTS TO BE TRANSFERRED FOR FY12 BUDGET			

FY2012 Budget Development

(Included for background informational purposes)

To preserve the Town's financial condition we must:

1. Continue to strive to provide the highest level of essential services possible with the most efficient utilization of resources.
2. Ensure annual costs of all operations to be funded on an annual basis out of current revenues.
3. Not defer maintenance and/or recognition of costs of capital equipment, facilities and infrastructure to future years.
4. Remain focused on achieving our long term goal of sound financial management and fiscal stability.
5. Present budget based on sound business practices.

Town Council FY2012 Budget Policy Guidelines

(adopted December 7, 2010)

Some of the top priorities are as follows:

- Continue the improvement program for the Town's streets and sidewalks, including street trees and planting strips. Pursue state/federal funding such as the Transportation Improvement Program (TIP) and School Safety Zone funding to improve traffic and safety.
- Public safety: Police, Fire and Dispatch together represent the Town's biggest expenditure after education. Proceed with a Public Safety study to determine how to best deliver the level of service citizens want, more efficiently.
- Move forward with an Energy Services Company (ESCO) agreement to implement plan towards reducing municipal baseline energy usage by 20% in 5 years. Obtain energy-related grants by becoming certified under the Green Communities Act.
- Implement the Town-wide Economic Development Program (including the newly rezoned Pleasant Street Corridor District), with a long- term goal to increase town revenue. The Program should include a marketing plan to prospective developers as well as the use of state and federal grants and redevelopment programs.
- Create a Comprehensive Plan for the Town dealing with a broad spectrum of issues, including development, zoning, and transportation, in order to encourage Town government and its citizens to work in concert towards common goals. Incorporate all previous resources, such as the Economic Development Study, the Open Space Plan, the Pleasant Street Corridor District Study, etc. Include traffic and transportation resources and improvements, and a review of the Zoning Ordinance.
- Support the possibilities of providing more services on a regional basis in accordance with the Town Council Resolution.

Energy Costs

		FY 2011	FY 2011	FY 2012	FY 2011	FY 2011	FY 2012
		BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET
		ELECTRICITY	ELECTRICITY	ELECTRICITY	GAS	GAS	GAS
STREET LIGHTING		\$ 254,000	\$ 253,749	\$ 254,000			
TOWN HALL		\$ 62,630	\$ 62,402	\$ 62,630	\$ 26,140	\$ 22,932	\$ 21,640
POLICE		\$ 82,500	\$ 75,930	\$ 80,000	\$ 45,510	\$ 35,768	\$ 35,000
FIRE		\$ 40,337	\$ 40,336	\$ 39,375	\$ 40,850	\$ 38,952	\$ 30,840
DPW PROP. & BLDGS		\$ 110,000	\$ 105,891	\$ 120,000	\$ 100,427	\$ 100,427	\$ 103,000
DPW CEMETERY		\$ 3,200	\$ 2,122	\$ 3,200			
DPW PARKS		\$ 7,300	\$ 6,205	\$ 7,300	\$ 20,400	\$ 19,404	\$ 14,200
COUNCIL ON AGING		\$ 9,130	\$ 8,725	\$ 8,500	\$ 4,550	\$ 4,256	\$ 5,350
LIBRARY		\$ 113,832	\$ 113,832	\$ 110,000	\$ 30,925	\$ 30,925	\$ 30,000
RECREATION		\$ 4,525	\$ 4,525	\$ 4,525			
SKATING ARENA		\$ 112,386	\$ 109,847	\$ 111,000	\$ 37,223	\$ 37,223	\$ 36,000
	SUB-TOTAL TOWN	\$ 799,840	\$ 783,564	\$ 800,530	\$ 306,025	\$ 289,887	\$ 276,030
HIGH SCHOOL		\$ 243,086	\$ 233,506	\$ 243,087	\$ 228,273	\$ 231,681	\$ 228,274
MIDDLE SCHOOL		\$ 147,116	\$ 136,491	\$ 147,117	\$ 113,189	\$ 74,453	\$ 113,090
CUNNIFF		\$ 61,070	\$ 52,617	\$ 61,074	\$ 28,860	\$ 52,050	\$ 28,861
HOSMER		\$ 158,982	\$ 146,514	\$ 158,982	\$ 137,770	\$ 145,399	\$ 137,770
LOWELL		\$ 36,735	\$ 64,276	\$ 36,736	\$ 111,412	\$ 118,891	\$ 111,412
PHILLIPS		\$ 32,978	\$ 34,816	\$ 32,980	\$ 60,564	\$ 74,496	\$ 60,564
	SUB-TOTAL SCHOOL	\$ 679,967	\$ 668,220	\$ 679,976	\$ 680,068	\$ 696,970	\$ 679,971
	GRAND TOTAL	\$ 1,479,807	\$ 1,451,784	\$ 1,480,506	\$ 986,093	\$ 986,857	\$ 956,001

FY2013 Preliminary Budget Overview – Revenues & Expenditures

- Annual revenues and expenditures will be estimated by use of objective analysis. The assumptions and factors through which the estimates are derived will be clearly stated and explained during the budget process.
- The numbers provided are preliminary and subject to change as the budget process evolves.

Revenue Forecast

Assumptions:

Real estate and Personal property taxes are increased 2.5% per year. New growth is projected to be \$1,200,000 annually from FY2013 through FY2015.

Funding for the Optional Tax Exemption for homeowners at 100% over the statutory level is included in the overlay adjustment.

Revenue Forecast

Proposition 2 ½ debt exclusion override is based on bond costs and school construction reimbursements.

Cherry sheet receipts are funded at 4% below the FY2012 level and does not include the one time payment of \$407,932 received in October 2011.

The majority of Local Receipts is projected to remain constant or increase 2.5% annually. Motor vehicle excise is projected at \$3,250,000 and investment income is projected at \$100,000 annually.

Revenue Forecast

Other financing Sources reflect transfers from the following:

- Parking Meter Fund to partially offset the Parking Lots and Meters Budget.
- Cemetery Perpetual Care Expendable Trust Fund and the Sale of Lots Fund to partially offset the Department of Public Works Cemetery Budget.
- Victory Field Revolving Fund to offset the debt service for the Project.
- Water and Sewer Enterprise Funds to cover applicable indirect costs and debt service.

Revenue Forecast

Utilization of Free Cash is projected at \$1,750,000 in FY2013 and \$1,500,000 annually thereafter. However, results of general fund financial activity and funding requirements of future capital needs may affect this level.

Transfer from the Capital Projects Stabilization Fund is projected at \$500,000 in FY2013 and \$160,000 in FY2014, which represents the balance of the fund.

Revenue Forecast

Taxes

	FY2012	FY2013	FY2014	FY2015
Prior Year Levy Limit	\$71,929,016	\$74,716,644	\$77,784,561	\$80,929,175
Add 2.5%	\$1,798,225	\$1,867,916	\$1,944,614	\$2,023,229
New Growth	\$989,403	\$1,200,000	\$1,200,000	\$1,200,000
Adjusted Levy Limit	\$74,716,644	\$77,784,561	\$80,929,175	\$84,152,404
Overlay	(\$950,000)	(\$1,050,000)	(\$950,000)	(\$950,000)
Debt Exclusion	\$372,391	\$327,872	\$278,050	\$226,620
Net Levy Limit	\$74,139,035	\$77,062,433	\$80,257,225	\$83,429,024

Revenue Forecast

State Aid

	FY2012	FY2013	FY2014	FY2015
Cherry Sheet Receipts	\$8,673,994	\$8,327,034	\$8,327,034	\$8,327,034
School Construction Reimbursement	\$913,208	\$913,208	\$913,208	\$913,208
Total State Aid	\$9,587,202	\$9,240,242	\$9,240,242	\$9,240,242

Revenue Forecast

Local Receipts

	FY2012	FY2013	FY2014	FY2015
Motor Vehicle Excise	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000
Other Excise	\$495,000	\$495,000	\$495,000	\$495,000
Penalties & Interest	\$195,000	\$195,000	\$195,000	\$195,000
Pilot	\$2,092,944	\$2,111,402	\$2,132,516	\$2,153,841
Commercial Trash	\$40,000	\$40,000	\$40,000	\$40,000
Fees	\$1,781,000	\$1,825,525	\$1,871,163	\$1,917,942
Rentals	\$135,356	\$159,990	\$159,615	\$159,230
Cemetery	\$55,000	\$55,000	\$55,000	\$55,000
Recreation	\$390,000	\$390,000	\$390,000	\$390,000

Revenue Forecast

Local Receipts cont'd

	FY2012	FY2013	FY2014	FY2015
License & Permits	\$205,000	\$205,000	\$205,000	\$205,000
Fines & Forfeits	\$885,000	\$885,000	\$885,000	\$885,000
Investment Income	\$100,000	\$100,000	\$100,000	\$100,000
Sale of Town Property	\$531,860	\$5,000	\$5,000	\$5,000
Belmont Reimbursement	\$38,467	\$39,429	\$40,414	\$41,425
Grant/Employee Reimbursement	\$120,000	\$120,000	\$120,000	\$120,000
Adv Bus Shelters	\$12,000	\$12,000	\$12,000	\$12,000
Medicaid Reimbursement	\$373,000	\$373,000	\$373,000	\$373,000
Court Judge / Settlements	\$74,941			
One Time Restoration of State Aid	\$407,932			
Total Local Receipts	\$11,182,500	\$10,261,346	\$10,328,709	\$10,397,438

Revenue Forecast

Other Financing Sources

Transfer from:	FY2012	FY2013	FY2014	FY2015
Sale of Lots	\$15,000	\$15,000	\$15,000	\$15,000
Parking Meter	\$350,000	\$350,000	\$350,000	\$350,000
Cemetery Perpetual Care	\$20,000	\$20,000	\$20,000	\$20,000
Free Cash	\$1,750,000	\$1,750,000	\$1,500,000	\$1,500,000
Cap Proj. Stabilization Fund	\$500,000	\$500,000	\$160,000	
Victory Field Revolving Fund	\$60,000	\$60,000	\$262,500	\$253,125
Election Reimburs. Revolving Fund	\$34,100			
Water Fund	\$1,308,092	\$1,308,092	\$1,308,092	\$1,308,092
Sewer Fund	\$1,250,071	\$1,250,071	\$1,250,071	\$1,250,071
Total Other Sources	\$5,287,263	\$5,253,163	\$4,865,663	\$4,696,288

Revenue Forecast Summary

Source	FY2012	FY2013	FY2014	FY2015
Real Estate & Pers. Prop. Tax	\$74,139,035	\$77,062,432	\$80,257,225	\$83,429,024
State Aid	\$9,587,202	\$9,240,242	\$9,240,242	\$9,240,242
Local Receipts	\$11,182,500	\$10,261,346	\$10,328,709	\$10,397,438
Other Financing Sources	\$5,287,263	\$5,253,163	\$4,865,663	\$4,696,288
TOTAL REVENUE	\$100,196,000	\$101,817,183	\$104,691,838	\$107,762,992

Expenditure Forecast

Assumptions:

Departmental expenditures are projected to increase 2.5% annually.

The Waste Disposal appropriation is projected to increase 3% annually and includes funding of the Service Agreement with Wheelabrator North Andover. The results of the upcoming “Invitation to Bid” for Municipal Solid Waste Collection and Single Stream Recycling Services may affect this appropriation.

Expenditure Forecast

State assessments, exclusive of the MBTA assessment, are projected to increase 2.5% annually. The MBTA assessment is projected to increase 2.75% annually.

Pension costs are based on the Watertown Contributory Retirement Board's funding schedule which has the Retirement System being fully funded by the end of FY2022. Thereafter, any revised funding schedule is subject to approval by the Public Employee Retirement Administration Commission (PERAC).

Expenditure Forecast

Health insurance costs, included within insurance & employee benefits, are projected to increase 8% annually from FY2013 through FY2015.

Debt figures are from current and future debt as listed in the FY2012 – FY2016 CIP/Debt Projection Table of the Capital Improvement Program. The level of projected debt may change pending decisions on various projects that are listed within the Proposed FY2012 – FY2016 Capital Improvement Program, the Facilities Assessment Study, and the results of the soon to be updated Roadway Management Study.

Town Capital Projects are listed in the Capital Improvement Program.

Street & sidewalk improvements are projected to increase 5% annually.

Expenditure Forecast

Departmental Expenditures

Source	FY2012	FY2013	FY2014	FY2015
General Government	\$4,215,638	\$4,321,029	\$4,429,055	\$4,539,781
Public Safety	\$14,892,670	\$15,264,987	\$15,646,611	\$16,037,777
Public Works	\$4,514,071	\$4,626,923	\$4,742,596	\$4,861,161
Snow/Ice Removal	\$882,000	\$973,000	\$1,064,000	\$1,155,000
Waste Disposal	\$3,236,940	\$3,334,048	\$3,434,070	\$3,537,092
Health & Human Services	\$886,221	\$908,377	\$931,086	\$954,363
Library	\$2,216,528	\$2,271,941	\$2,328,740	\$2,386,958
Recreation	\$567,531	\$581,719	\$596,262	\$611,169
Education	\$34,140,000	\$34,993,500	\$35,868,338	\$36,765,046
TOTAL	\$65,551,599	\$67,275,524	\$69,040,757	\$70,848,346

Expenditure Forecast

Source	FY2012	FY2013	FY2014	FY2015
State & County Charges	\$2,211,377	\$2,271,651	\$2,333,569	\$2,397,177
Pension Costs	\$8,822,766	\$9,178,382	\$9,538,470	\$9,933,544
Insurance & Employee Benefits	\$13,281,474	\$14,249,224	\$15,303,889	\$16,437,023

Expenditure Forecast

Debt and Interest

Source	FY2012	FY2013	FY2014	FY2015
Permanent Debt/Interest	\$6,539,020	\$6,219,667	\$4,648,476	\$4,493,871
Authorized & Planned Debt/Interest	\$594,575	\$1,877,383	\$3,777,588	\$4,721,145
Cost of Bond Certification	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL	\$7,163,595	\$8,127,050	\$8,456,064	\$9,245,016

Expenditure Forecast

Debt and Interest

Source	FY2012	FY2013	FY2014	FY2015
Permanent Debt/Interest	\$6,539,020	\$6,219,667	\$4,648,476	\$4,493,871
Authorized & Planned Debt/Interest	\$594,575	\$1,877,383	\$3,777,588	\$4,721,145
Planned Debt/Interest				
Streets & Sidewalks	\$0	\$825,000	\$1,959,500	\$2,556,500
Other	\$594,575	\$1,052,383	\$1,818,088	\$2,164,645
Cost of Bond Certification	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL	\$7,163,595	\$8,127,050	\$8,456,064	\$9,245,016

Expenditure Forecast

Capital Projects

Source	FY2012	FY2013	FY2014	FY2015
Town	\$145,000	\$150,000	\$155,000	\$160,000
Street & Sidewalk Improvements	\$718,500	\$754,425	\$792,146	\$831,754
TOTAL	\$863,500	\$904,425	\$947,146	\$991,754

Expenditure Forecast

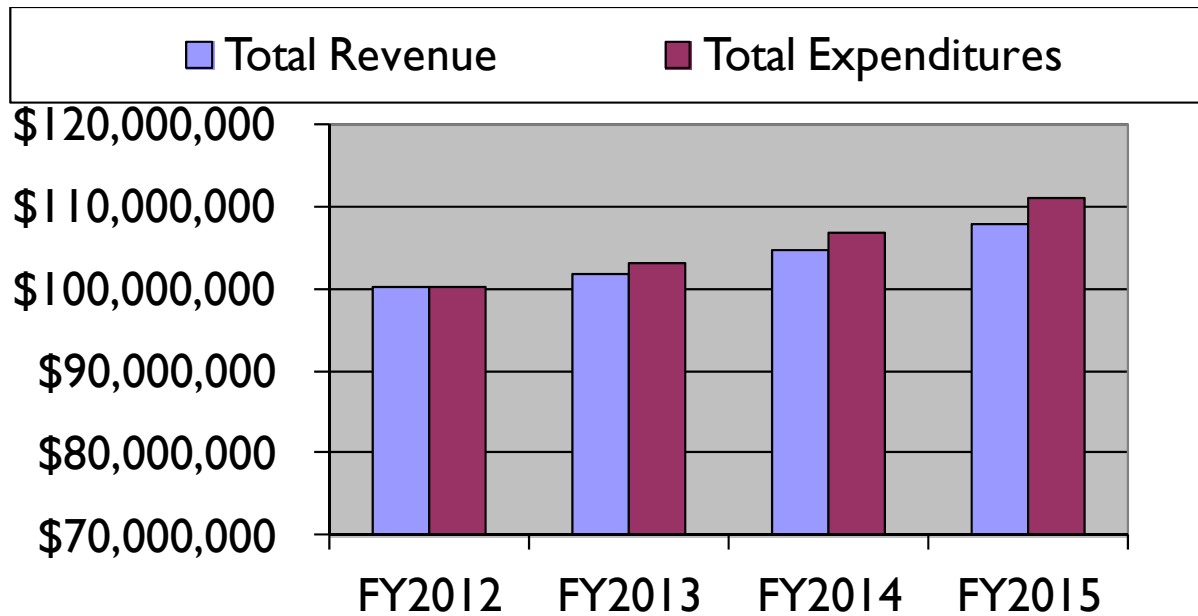
Summary

	FY2012	FY2013	FY2014	FY2015
Departmental	\$65,551,599	\$67,275,524	\$69,040,757	\$70,848,346
State Assessments	\$2,211,377	\$2,271,651	\$2,333,569	\$2,397,177
Pension Costs	\$8,822,766	\$9,178,382	\$9,538,470	\$9,933,544
Insurance	\$13,281,474	\$14,249,224	\$15,303,889	\$16,437,023
Debt & Interest	\$7,163,595	\$8,127,050	\$8,456,064	\$9,246,016
Capital Projects	\$863,500	\$904,425	\$947,146	\$991,754
Other Financing Uses & Misc	\$2,301,689	\$1,144,280	\$1,151,343	\$1,158,583
Total Expenditures	\$100,196,000	\$103,150,537	\$106,771,239	\$111,012,443

Forecast Summary

	FY2012	FY2013	FY2014	FY2015
Total Revenue	\$100,196,000	\$101,817,183	\$104,691,838	\$107,762,992
Total Expenditures	\$100,196,000	\$103,150,537	\$106,771,239	\$111,011,442
Projected Surplus/(Deficits)	\$0	(\$1,333,353)	(\$2,079,401)	(\$3,248,450)
Prior Year Balance Budget		\$0	\$1,333,353	\$2,079,401
Remaining Surplus/(Deficit)		(\$1,333,353)	(\$746,047)	(\$1,169,049)

Forecast Summary



Forecast Comparison

	PROJECTED	PROJECTED	
	4/26/2011	11/9/2011	
	FY 2013	FY 2013	VARIANCE
	BUDGET	BUDGET	
REVENUE:			
TAXES	\$ 76,678,545	\$ 77,062,433	\$ 383,888
STATE AID	\$ 9,603,482	\$ 9,240,242	\$ (363,240)
LOCAL RECEIPTS	\$ 10,261,345	\$ 10,261,345	\$ -
OTHER FINANCING SOURCES	\$ 4,561,163	\$ 5,253,163	\$ 692,000
TOTAL REVENUE	\$ 101,104,534	\$ 101,817,183	\$ 712,649
EXPENDITURES:			
EDUCATION APPROPRIATION	\$ 34,993,500	\$ 34,993,500	\$ -
TOWN DEPTS. APPROP.	\$ 27,927,723	\$ 27,974,976	\$ 47,253
WASTE DISPOSAL	\$ 3,334,048	\$ 3,334,048	\$ -
SNOW & ICE REMOVAL	\$ 973,000	\$ 973,000	\$ -
STATE ASSESSMENTS	\$ 2,272,061	\$ 2,271,651	\$ (410)
PENSION COSTS	\$ 9,178,382	\$ 9,178,382	\$ -
INSURANCE & EMP. BENEFITS	\$ 14,689,828	\$ 14,249,224	\$ (440,604)
DEBT AND INTEREST	\$ 8,127,050	\$ 8,127,050	\$ -
CAPITAL PROJECTS & OFU	\$ 2,048,705	\$ 2,048,705	\$ -
TOTAL EXPENDITURES	\$ 103,544,298	\$ 103,150,537	\$ (393,761)
PROJECTED SURPLUS/(DEFICIT)	\$ (2,439,764)	\$ (1,333,353)	\$ 1,106,410

Projected Comparison

	FY2012	FY2013	Variance
Taxes	\$74,139,035	\$77,062,433	\$2,923,398
State Aid	\$9,587,202	\$9,240,242	(\$346,960)
Local Receipts	\$11,182,500	\$10,261,346	(\$921,154)
Other Financing	\$5,287,263	\$5,253,163	(\$34,100)
Total Revenue	\$100,196,000	\$101,817,183	\$1,621,183
Education Appropriation	\$34,140,000	\$34,993,500	\$853,500
Town Depts. Approp.	\$27,292,659	\$27,974,976	\$682,317
Waste Disposal	\$3,236,940	\$3,334,048	\$97,108
Snow & Ice Removal	\$882,000	\$973,000	\$91,000
State Assessments	\$2,211,377	\$2,271,651	\$60,274
Pension Costs	\$8,822,766	\$9,178,382	\$355,616
Insurance	\$13,281,474	\$14,249,224	\$967,750
Debt & Interest	\$7,163,595	\$8,127,050	\$963,455
Capital Projects & OFU	\$3,165,189	\$2,048,705	(\$1,116,484)
Total Expenditures	\$100,196,000	\$103,150,537	\$2,954,537
Projected Surplus/(Deficit)	\$0	(\$1,333,353)	(\$1,333,353)
Projected Surplus/(Deficit) No Departmental Growth		\$202,464	\$202,464

FY2012 Budget Issues

- Ongoing/Upcoming Infrastructure Improvements
 - Street & Sidewalks
 - Water & Sewer
 - Parks
- FY2011 & FY2012 Loan Order Items
- Reuse of Town Buildings
- Waste Collection & Single Stream Recycling
- ESCO
- Public Safety Study
- Comprehensive Plan
- Snow and Ice Removal

FY2013 Budget Issues

- Uncertainty of Future Local Aid
- Economy Driven Revenues
- Collective Bargaining
- Health Insurance/Retirement/OPEB
- FY2013 Capital Improvement Program
- Shared/Regionalized Services
- Departmental Operating Budgets

