



Annual Town Meeting May 2, 2016



Town Has Seen Significant Improvement

Welcome everyone to the Annual Town Meeting!

- University Station – continues to expand!
 - Stores and restaurants open.
 - Revenue has started to come.
 - Tax revenue.
 - Meals tax.
- Town has worked to provide high quality services and strengthen financial position.
 - Operating budgets – consistent and sustainable.
 - Reserves – have built to appropriate levels.
 - Capital – continued higher amounts for school and municipal needs.
 - OPEB – continued significant progress on liability.
 - AAA bond rating.

Welcome



Overview of Warrant Articles

There are 30 Articles on the Annual Town Meeting warrant.

- Financial Articles (11 Articles)
 - FY16 supplemental budgets
 - FY17 operating and capital budgets and reserve accounts
 - Short presentation on finances to follow.
- Tax Relief Articles



Article 12:

- Appropriate \$500K free cash – to reduce the tax rate
 - Results in \$65 savings to average home
 - Coupled with other budget action – total \$273 in tax relief

Article 13:

- Home Rule Petition to appropriate funds to the Aid to the Elderly and Disabled Taxation Fund
 - No appropriation this year
 - Asking the State for more tools
 - Target our most vulnerable residents



Overview of Warrant Articles

- Article 14:
 - Adopt local option provided by the Commonwealth to increase the Town's current 4% hotel tax to a maximum of 6%.
 - Surrounding communities all have the 6% rate.

- Article 15:
 - Request Town to borrow funds to construct new police headquarters.
 - Further detail provided when Article presented.

- Article 18:
 - Appropriate \$90K from free cash to design a sidewalk along Gay Street and along Route 109 from Millbrook to Pond Street, to allow the Town to submit an application to the State Complete Streets Program.



Overview of Warrant Articles

- Miscellaneous Articles

Article 16:

- Street acceptance – Blue Hill Drive – from Lea Road to Whitewood Road.

Article 17:

- Road improvements.

Article 19:

- Adopt a bylaw to regulate unattended collection bins throughout Town.

Article 20:

- Amend Town bylaw to expand provisions from Retail uses to Retail, Restaurant and Service uses.

Article 21:

- Home rule Petition – Sale of wine at farmer's market.
 - Follow through of previous approval by Town Meeting to allow the sale of wine at the farmer's market.



Overview of Warrant Articles

- Other Articles

Article 22:

- Historical Commission – historical structure demolition bylaw.

Articles 23 - 29

- Zoning Amendments.
 - Full report by Planning Board when Articles discussed.

Article 30

- Petition Article – Dover Terrace.



Summary.....

- Thank you for coming to Town Meeting to do the Town's important business.
- The Selectmen look forward to working toward a successful upcoming year ahead.
- Finance Director Ms. Dukeman will continue with more specific financial information.



Financial Summary



Town's Finances – Must Address Multiple Areas

- Financial action must address multiple needs to provide for quality services and financial strength.

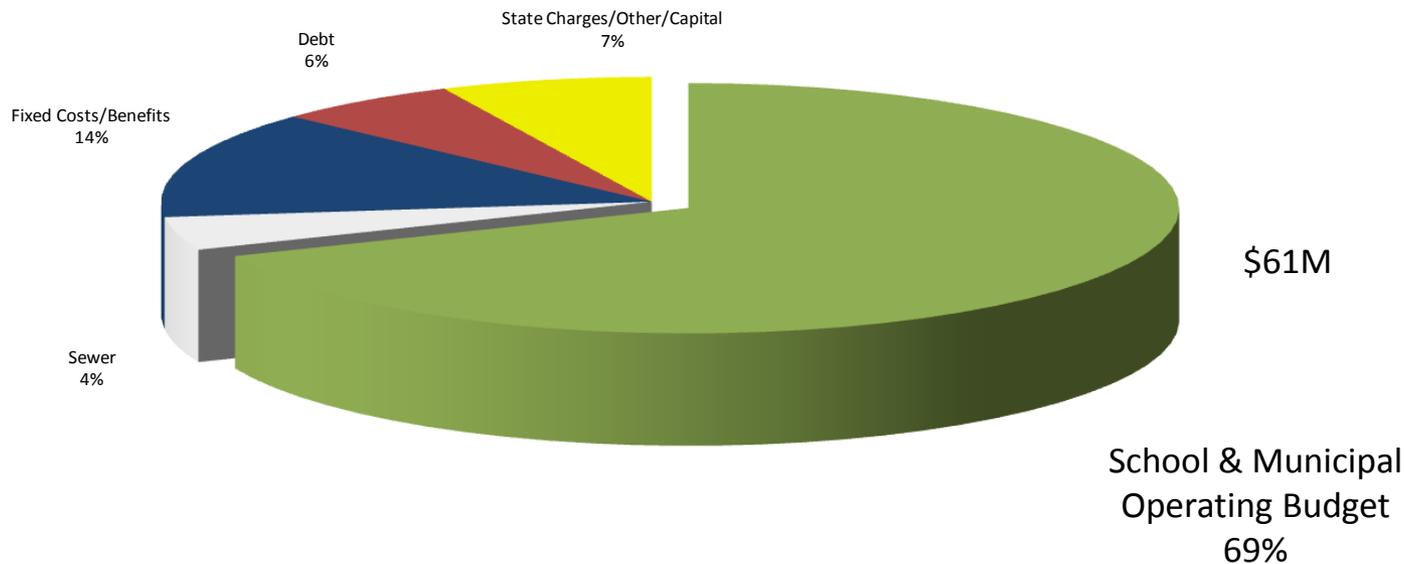


Board of Selectmen has worked hard to address all areas.



Operating Budget – Most Important Area of Spending

FY2017 Expenditure Summary - \$89.3M



Operating budget provides daily services to the community.

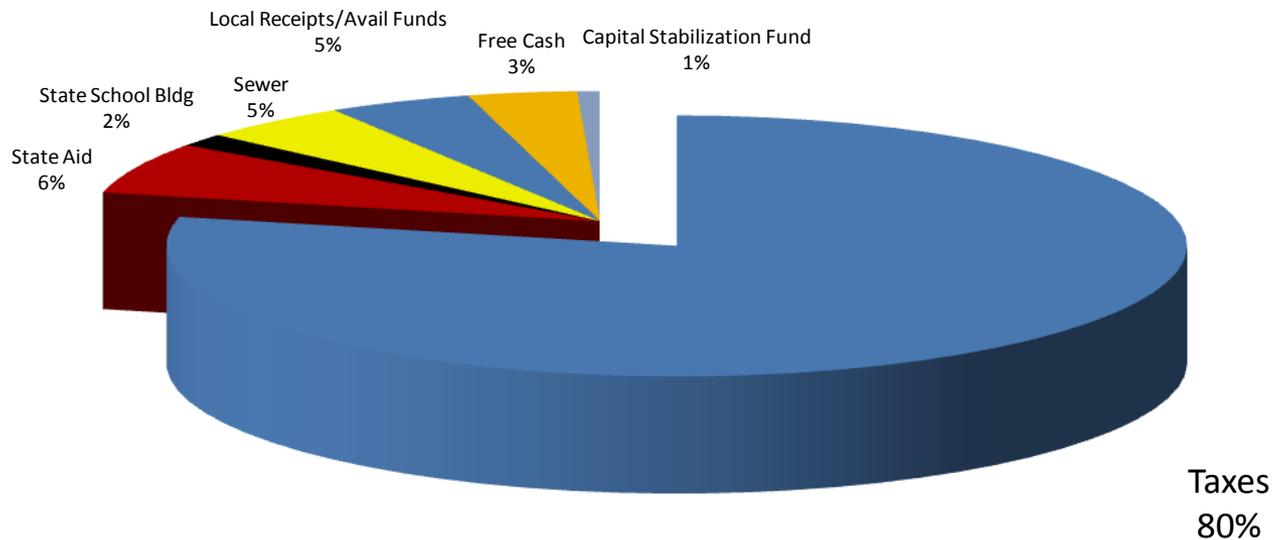


Challenging Financial Model

Always a challenging financial model:

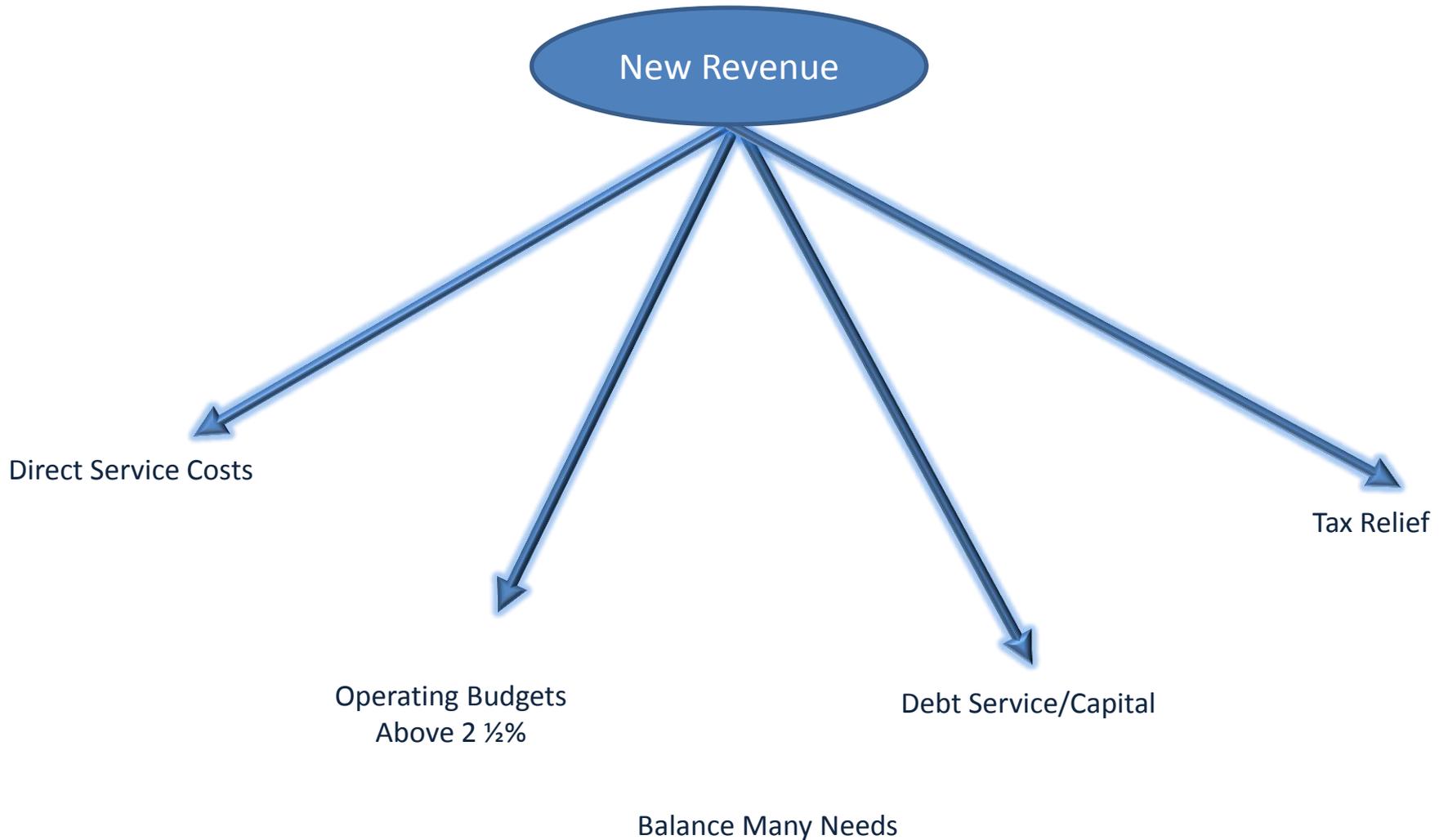
- Main revenue source is restricted (Prop 2 ½)
- Must balance tax bill impact.

FY2017 Projected Budget Revenue - Total \$89.3M





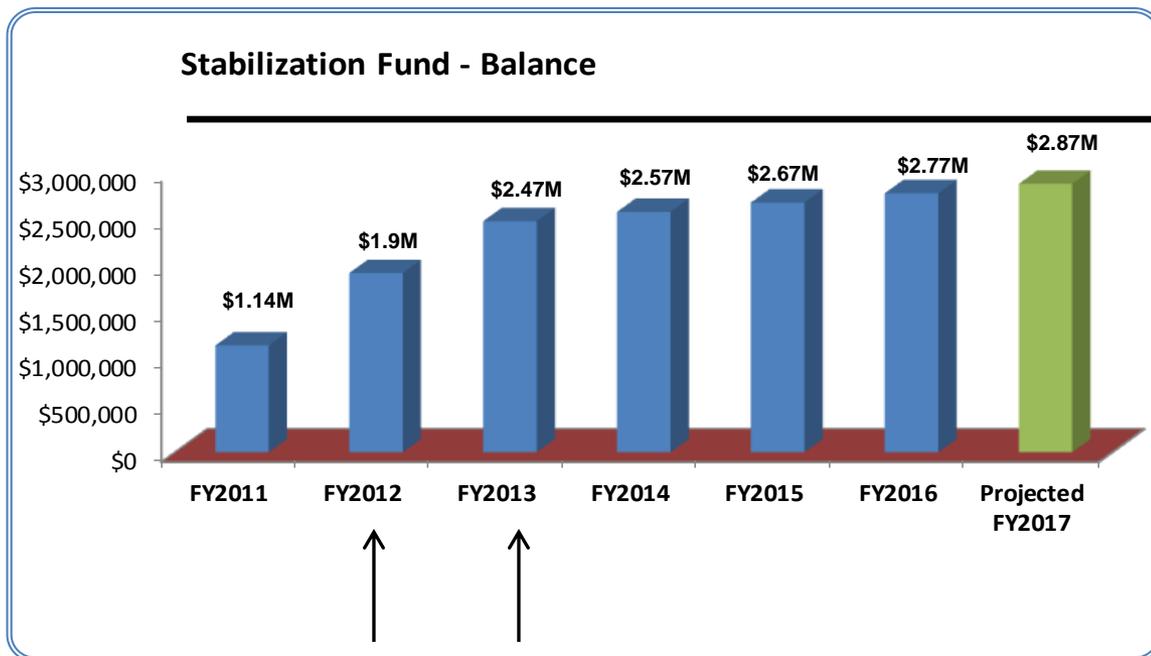
University Station Revenue Allocation – Address Multiple Areas





Stabilization Fund – At Target Level

- Funded by:
 - 2 significant one-time revenues.
 - Small annual appropriation.



Target
Approx.
\$2.88M
Target

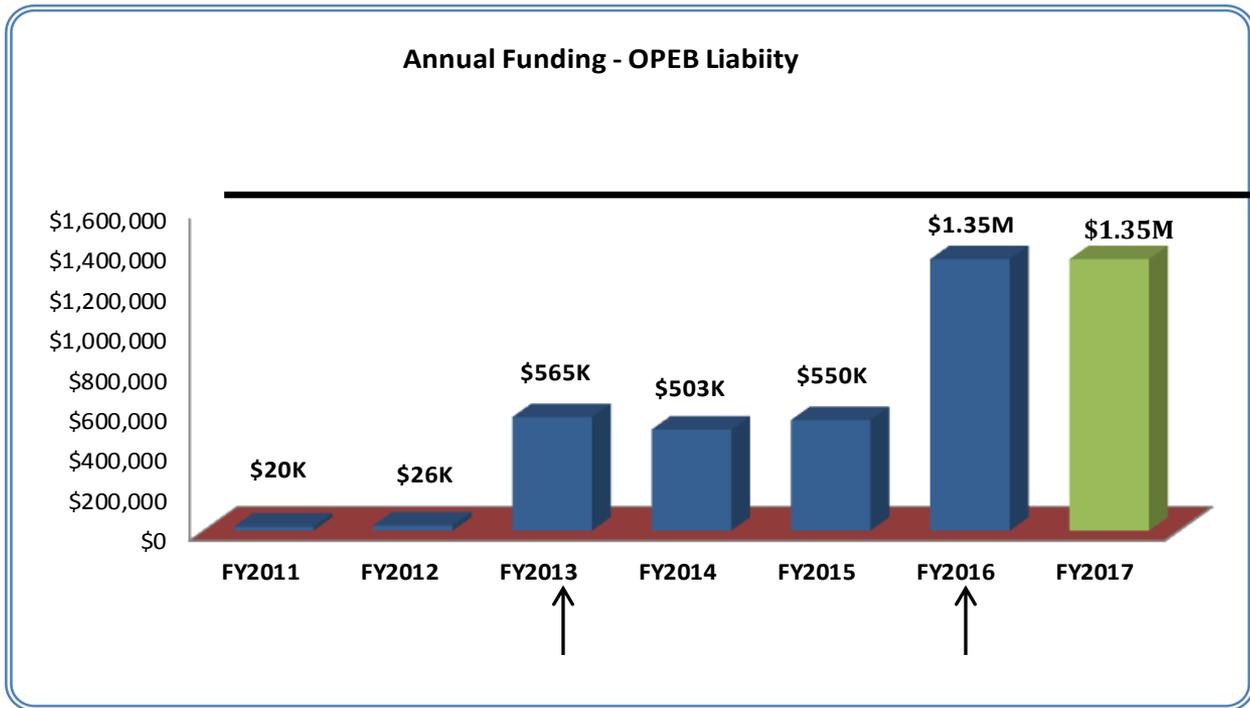
Town Meeting Action:

- Article 10 will appropriate \$100K from free cash to the Stabilization Fund.



OPEB Liability – Funded By Reductions in Health Care Costs

- Funded by:
 - 2 significant savings from health insurance changes.



Target
Approx.
\$1.35
Target

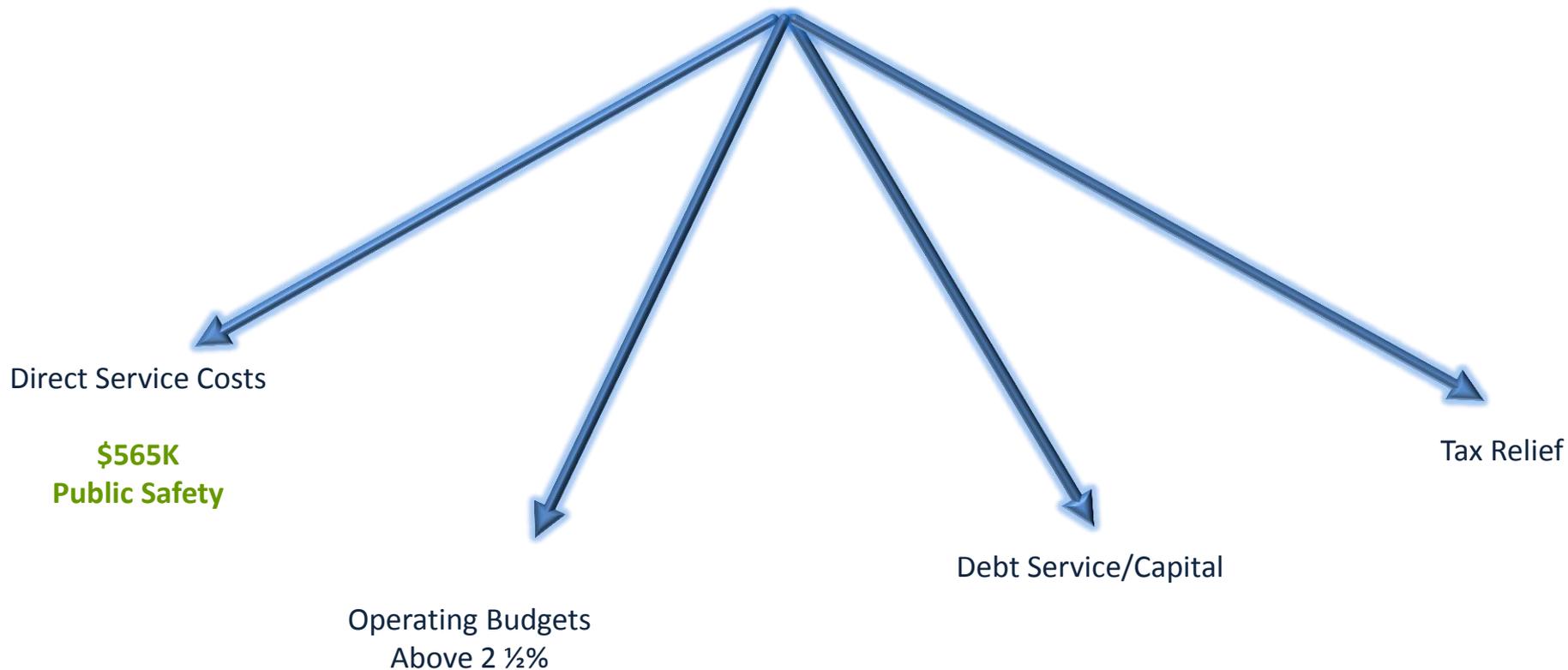
Town Meeting Action:

- Article 11 will appropriate \$1.35M from tax revenue to the OPEB Liability.



What Have We Done with University Station Revenue – FY15?

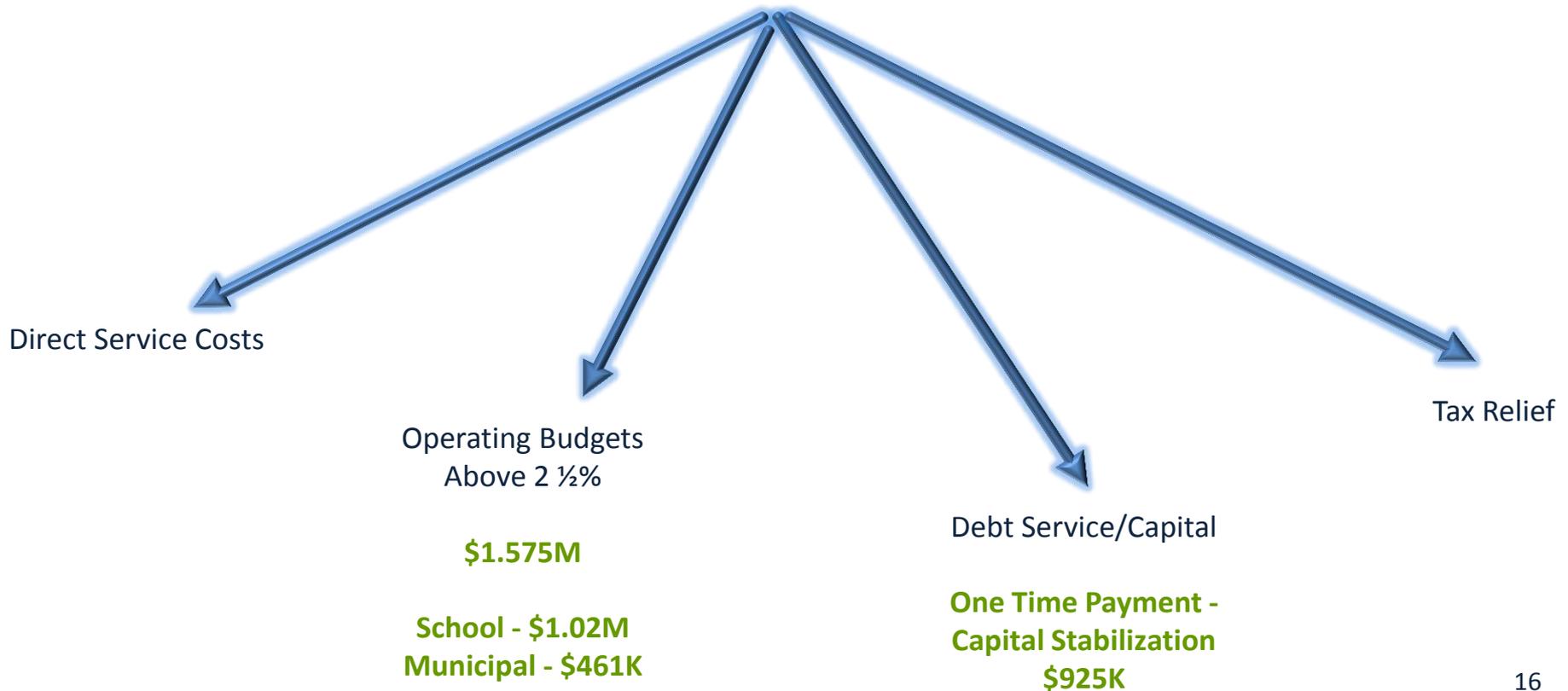
- FY15 new tax revenue - \$565K





What Have We Done with University Station Revenue – FY16?

- FY16 new tax revenue - \$3.2M
 - Finalized by Department of Revenue November, 2015.

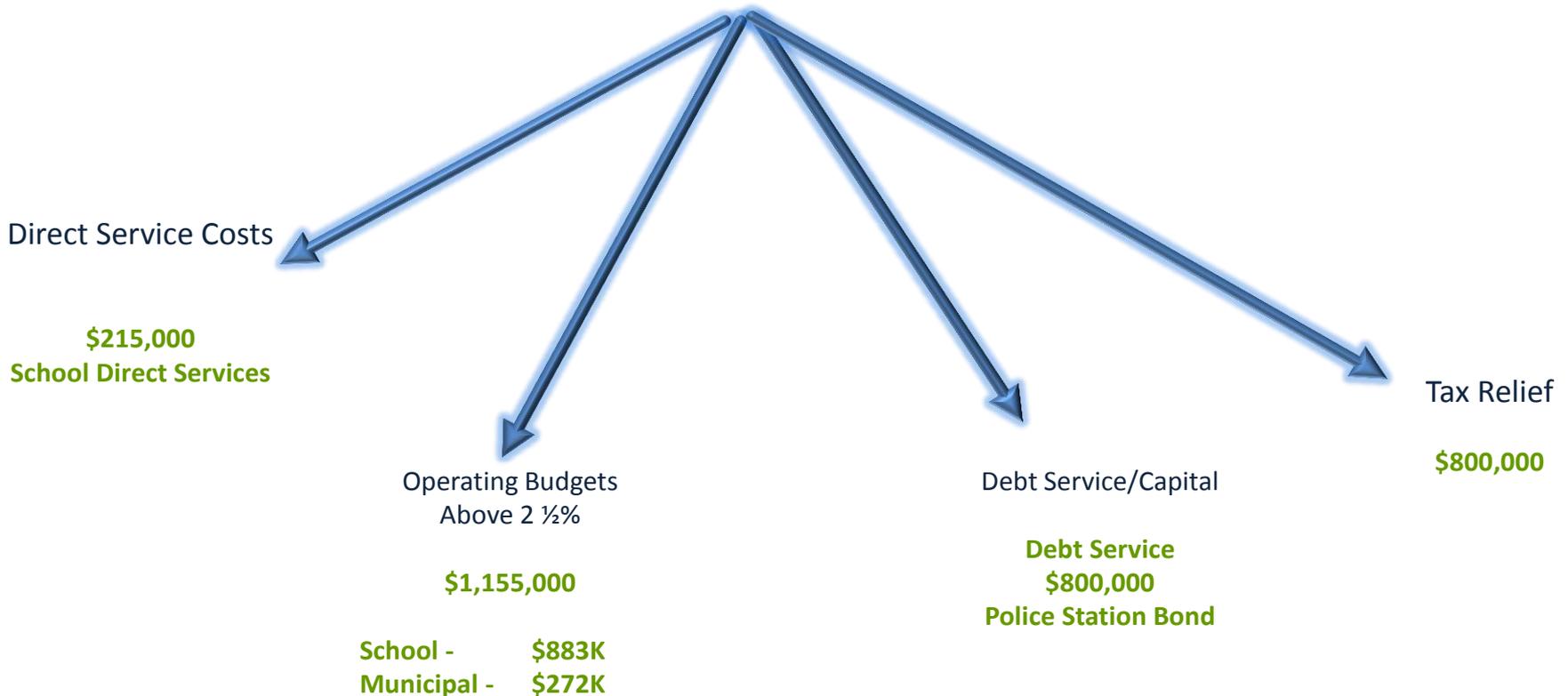




What is Planned for FY17?

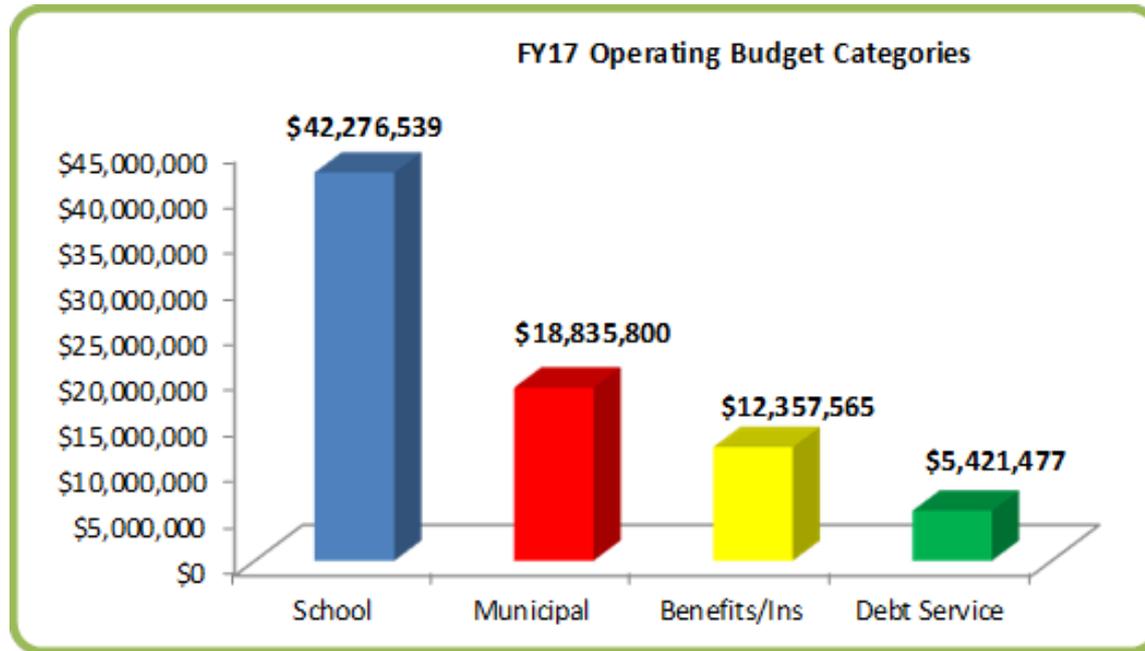
- FY17 estimated new additional tax revenue - \$1.3M ←
- Revenue available from previous year - \$1.67M

- FY17 total budget revenue - \$2.97M





FY17 Proposed Operating Budget - \$82.7M



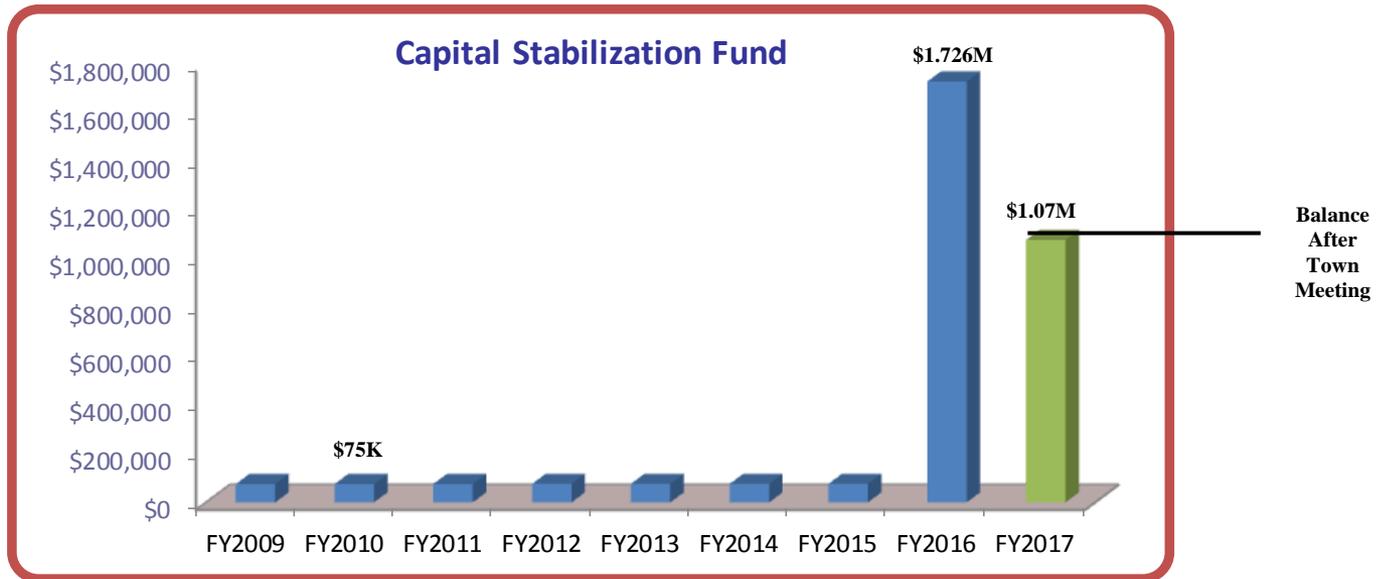
	FY16	FY17
School	5.3%	4.9%
Municipal	5.2%	3.7%

Town Meeting Action:

- Article 4 – FY17 operating budget.



Capital Stabilization Fund – To Save For and Pay For Large Capital



- Fall Town Meeting 2015 appropriated to account:
 - \$925K – University Station.
 - \$725K – one time bond premium revenue.
- Town Meeting tonight will use \$650K for high school turf field and track – Article 9.
- Plan to continually fund/use this account.
 - Potential at 2016 Fall Town Meeting to appropriate to this Fund actual University Station tax revenue that exceeds current estimate.



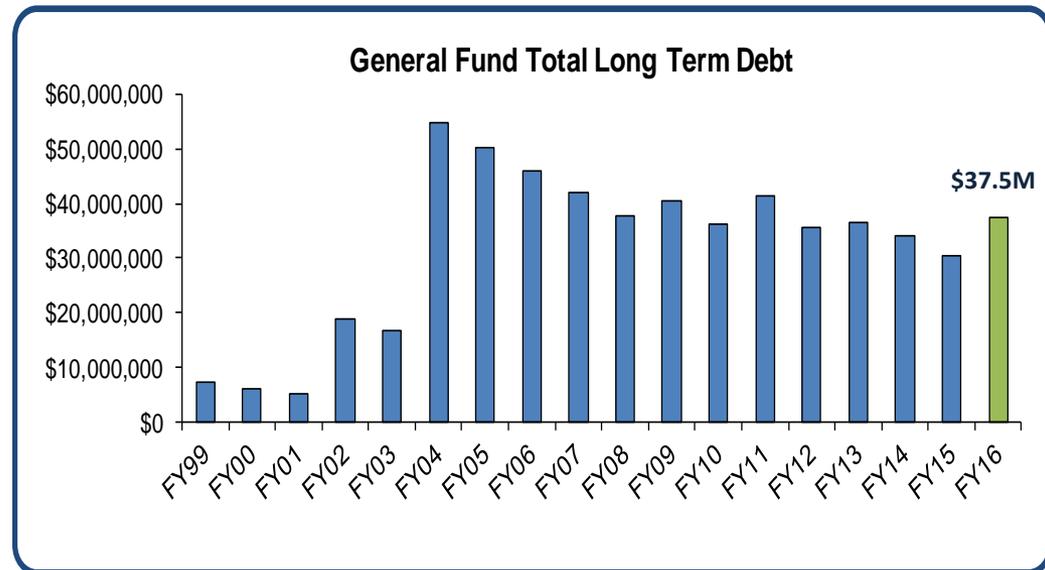
Town Debt – Capacity and Favorable Borrowing Climate

Current Debt Outstanding

- Total current debt outstanding - \$37.5M.
 - Approximately 40%, or \$13.7M, is for “new” High School.
 - FY17 is the 14th year of the High School 20 year bond.
 - Bond ends in 2023.

Favorable Borrowing Climate

- Very strong credit ratings.
 - Standard & Poor’s (2015) - AAA
 - Moody’s (2013) - Aa1
- Remains great interest rate environment.
 - Last bond sold August, 2015.
 - \$10.45M, 20-year term, 2.6% rate.

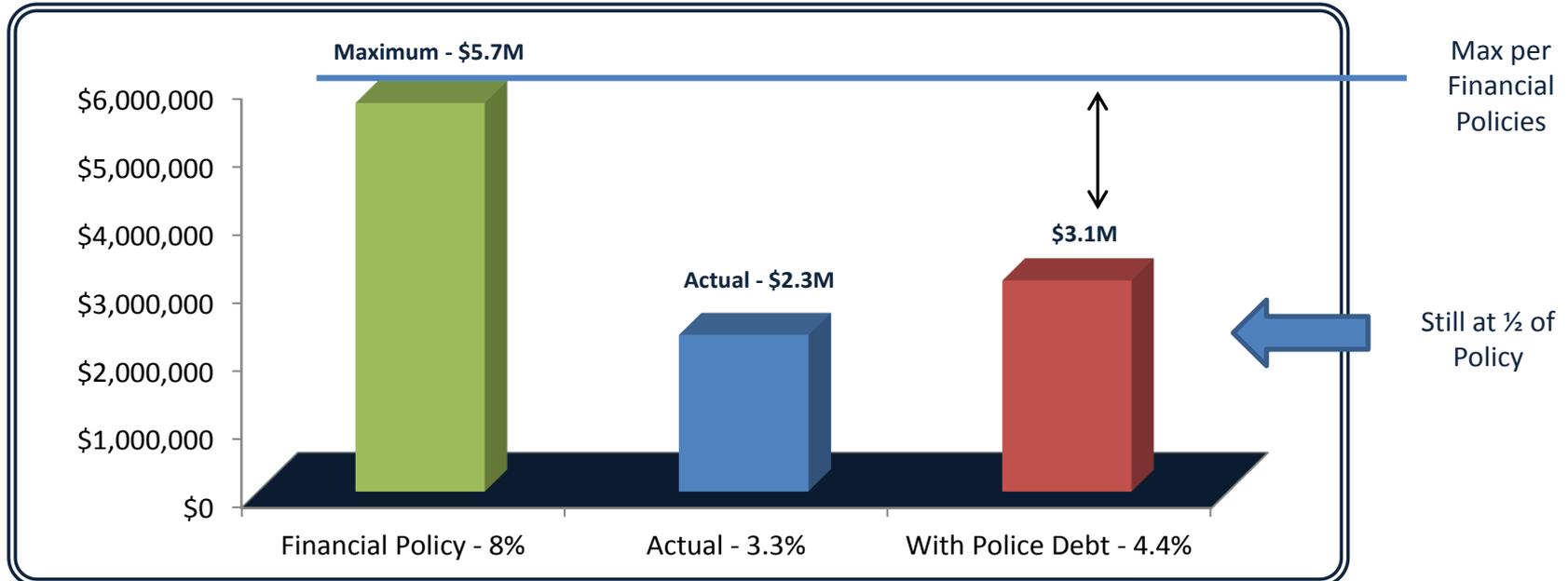




Debt Level – Well Within Guidelines

AAA Rating

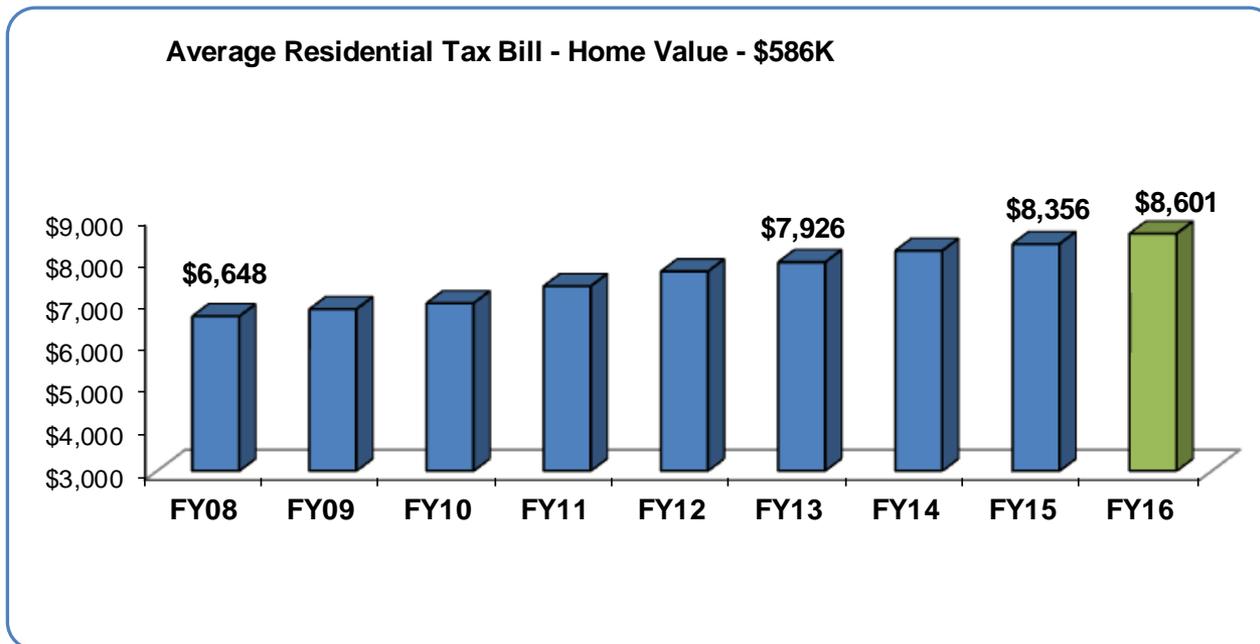
- Financial Policies – annual debt payments should not exceed 8% of net general fund revenue.



Capacity for Additional Debt



Average Residential Tax Bill



- Split tax rate - residential - \$14.66, commercial - \$28.27.
- Commercial is 14% of value, but pays 24% of total tax.
- Savings from commercial/residential tax split - \$1,155.



FY17 Tax Bill – Tax Relief Efforts



<u>Proposed Tax Bill Relief</u>	
• Pay for Police station <u>within</u> Prop 2 1/2	\$104
• Appropriate Free cash Article 12	\$65
• Uni Station revenue allocation (\$800K)	\$104
Total Proposed Tax Savings	\$273



Summary – Town Meeting Financial Articles

Current Year FY16

Articles 1 and 2 Clean up of FY16 budget. Transfers from available funds.

FY17 Articles

Article 4 – Appendix D FY17 municipal and school operating budget (pages 88 – 94).
Moderator will ask you to turn to page 88 of report.

Articles 5 - 9 School, municipal, sewer, and other capital.



Summary – Town Meeting Financial Articles

Reserve Account Articles

- Article 10 Stabilization Fund - \$100,000 appropriation from free cash.
- Article 11 OPEB Liability Fund - \$1,350,000 appropriation from taxation.

Other Articles

- Article 12 Reduce FY17 tax levy – appropriate \$500K from free cash.
- Article 13 Home Rule Petition – seeking tool for targeted senior tax relief.
- Article 15 Construct new Police headquarters – borrow funds within Proposition 2 ½.



Thank You For Coming to Town Meeting