

# FINANCIAL SUMMIT #1

TOWN of FOXBOROUGH, MA

June 20, 2017

Planning Our Financial Future



# Welcome Foxborough Town Officials

Board of Selectmen	School Committee	Board of Water & Sewer Commissioners	Planning Board	Advisory Committee	School & Town Administration	Department Heads
David Feldman Chris Mitchell Mark Elfman Ginny Coppola Jim DeVellis	Bruce Gardner Tina Belanger Beverley Lord Marilyn Weiss Chris Connolly	Mike Stanton Richard Pacella Bob Garber	Kevin Weinfeld John Rhoads Gordon Greene Ronald Bressé Gary Whitehouse Tracey Vasile	Susan Dring Bernard Dumont Jessica Allen Rob Canfield Seth Ferguson Thom Freeman Javed Hussain Heidi Krockta Sean McCarthy Stephanie McGowan Michelle Raymond Brent Ruter	Bill Keegan Mary Beth Bernard Randy Scollins Debra Spinelli Amy Berdos Bill Yukna	Bill Baker Bill Casbarra Bob Cutler Paige Duncan Chris Gallagher Deb Giardino Roger Hatfield Roger Hill Aaron Hyre Mike Johns Manny Leite Vicki Lowe Tony Moussalli Jane Sears Pierce Hanne Simonds Lisa Sinkus Bob Worthley Pauline Zajdel

# Agenda

- **Why Are We Here**
- **What Has Been Accomplished & What Still Needs to Be Accomplished**
- **Is the Town Spending Too Much? Let's Take a Closer Look**
- **What is the Town of Foxborough's True Mission**
  - ❑ **What are We Missing (Blind Spots) & What Changes (if any) are Needed?**
- **What is Our Plan Going Forward**
  - ❑ **Is Providing Tax Relief An Option We Should Pursue Now?**
  - ❑ **Should We Reduce, Maintain or Improve Town Services?**
  - ❑ **What are Our Cost Priorities and What Can We Do to Reduce Costs?**
  - ❑ **Is Growing the Local and Regional Economy the Best Answer?**

# Why Are We Here

- **During the FY 2018 Budget Process the Topic of Cutting Taxes was Raised**
  - **Why do we need to levy to the limit?**
  - **Can we cut budgets?**
  - **What is the best way to handle excess stadium P.I.L.O.T. payments?**
- **After Several Public Discussions - Voted by the BOS, Adcom & Town Meeting to:**
  - **Place \$532K into Capital Stabilization rather than reduce taxes or cut budgets**
  - **This amount equals half of the allowed Prop 2 ½ tax increase, or 1 ¼%**
  - **Intent is to reduce borrowing for next Debt Excluded project – Burrell School**
    - ☐ **Saving the taxpayer \$167K in Interest costs in addition to the \$532K, or almost \$700K**
- **However, it was also resolved that we would hold a Financial Summit Meeting**
  - **To educate public officials on the Town's Finances**
  - **To establish consensus on the Town's Budget Priorities**
  - **To begin a process of creating a Financial Master Plan for Foxborough**

# What Has Been Accomplished - Efficiency

## Smaller and or More Efficient Government

- **Town Charter Change to Town Manager/BOS form of Government - 2004**
- **Centralized Information Technology (IT) Dept. (Town/School) - 2009**
- **Consolidated DPW (Highway/Tree & Park/Water/Sewer) – 2011**
- **Outsourced/Privatized Solid Waste Collection & Disposal - 2013**
- **Established Regional Sewer Partnership (Mansfield/Foxborough/Norton) – 2014**
  - **Adds 380,000 gallons of sewer capacity to 450,000 existing for a total of 830,000**
- **Moved All Municipal Employees from Weekly to Bi-Weekly Pay – 2015**
- **Insourced Payroll Function & Decentralized All Payroll Entry to Departments – 2015 - 2017**
- **Centralized Facilities Maintenance Dept. (Town/School) – 2015**
- **Reorganized Fire Department Management Structure – 2016**
- **Reorganized Police Department Management Structure - 2017**
- **Regional Dispatch Partnership Signed (Mansfield / Foxborough / Norton / Easton) - 2017**

# **What Has Been Accomplished - Smarter**

## **Smarter & More Progressive Government**

- **Seasoned Management Team – Average 33 Career years of experience across top 13 Foxborough Mngrs**
- **Permanent Municipal School Building Committee delivers remarkable value w/each building project (e.g., Town Hall, High School, Library, Public Safety, Ahern, DPW Admin Bldg, Memorial Hall)**
- **Pavement Management System (Roads) in Place - \$6MM invested in roads over last 6 years**
- **Remote Electronic Monitoring of entire Water System (SCADA System) - 2015**
- **New Human Resources Dept. centralizing policies & processes (Town / School) – 2015**
- **Reactivated Personnel Board – 2015**
- **Held First Successful Auction of Real Estate Tax Title Properties - 2015**
- **Comprehensive 3 Year Update (2012-2015) resulting in an Award Winning Land Use Master Plan – 2015**
- **Modernized Town-wide Telephone & Email Systems – 2015 & 2016**
- **Part-time Electrical/Plumbing inspectors changed from fee to wage based reducing overall cost – 2016**
- **Achieved Triple A credit rating, saving \$1.6MM in interest costs in 2016 alone – 2016**
- **Town adoption by major policy boards of Financial Policies in the areas of Reserves, Free Cash, Contingent Liabilities, Capital Improvement Planning & Debt - 2016**
- **Solar Field Revenue Stream Starting Soon - \$7.4MM over 20 years – 2017**
- **Outsourced Janitorial work for Major Municipal Buildings, Library, Town Hall– 2014 - 2017**
- **Consistently bargained sustainable employee compensation plans – prudently managing 60% of the Town's total budget within its recurring revenue stream**
- **Bargaining language consistency across employee union contract agreements, introducing performance evaluations, revising dated pay plans to support explainable, sustainable, compensation plans**

# What Has Been Accomplished – the Economy

## Reactivated & Newly Charged Economic Development Committee – 2015

- **New Medi-Tech Corporate Training & Conference Center (Node 3) – 2015**
- **Gillette Stadium Reinvestments (Node 1) – 2015**
  - **New 1,000 Capacity Field Viewing Lounge**
  - **4 New Super Sized Luxury Boxes**
  - **New “Cross Pavilion” Corporate Function Facility**
  - **New Administrative Office Additions to the Stadium Structure**
- **Downtown Redevelopment – Mixed Use Overlay District Created (Node 2) – 2015**
- **Schneider Electric \$30MM+ Office Complex Investment (Node 2) – 2016**
- **Patriot Place New 136 Room Hilton Garden Hotel (Node 1) – 2016**
- **Long-Term Liquor License Strategy – 9 new licenses result - 2016**
- **Forbes Crossing New 139 Room Hampton Suites Hotel (Node 3) – Complete in 2017**
  - **3 New Restaurants, plus 3 Existing Restaurants & Renovation of Entire Plaza**
  - **New Traffic Calming Roundabout supported w/\$625K State Grant & \$150K in Mitigation**
- **248 Unit 40B Condo Complex - Domain (Node 3) – Complete in 2017 & 2018**

# What Has Been Accomplished - Investment

## Recent Major Investments in Town Assets

- New Multi-Functional Financial System & Town-wide Fiber Network - \$750K - 2008
- New Joint Public Safety Building – \$15.4MM – 2008
- 119 Space Resident Only Commuter Parking Lot – \$18K (+~\$10MM from Fed) - 2010
- High School Renovation & Turf Field - \$17.7MM (\$7MM from State) – 2012
- Library Renovation & Expansion \$11.5MM (\$3.6MM from State) – 2014
- New Water Treatment Plant (Oak St.) \$6.2MM – 2014
- Expanded Recreation Complex (Payson Rd.) - ~\$500K (100% Dvlpr Mitigation & Grants) - 2014
- Water Tank Refurbishment (1MM Gallon) - \$1MM – 2015
- Centralized Data Center (*on fully redundant town owned fiber ring*) - \$600K - 2015
- New DPW Administration Building - \$600K – 2015
- Pavement Management / Roads - \$6MM over last 6 years
- Route 140 (State Hgwy) Water Main Replace - \$1.3MM – 2016
- Major Heavy Equipment Vehicle Replacement - \$4.4MM over last 6 years
- New Town Hall (\$6.86MM Included Debt, 16.5K sf) – Complete 2017



# What Has Been Accomplished - Savings

## Direct Taxpayer Savings

- Renegotiated Stadium Lease Agreement in 2006 yielding an additional **\$1.5MM to date**
- OPEB funding strategy and health insurance plan design changes have already **reduced this liability** from \$62.2MM to \$22.7MM, or **\$39.5MM** – since 2009
- Loss Control Committee continues to drive down general liability risk resulting in reduced growth in general insurance and worker's comp premium costs - **\$50K p/year** – started in 2010
- Veterans Benefits providing highest levels of relief in the Town's history – since 2011
- Split Tax Rate maintaining consistent share of tax burden between Residential & Business - **\$203 avg Residential savings annually** – started in 2012
- Refinancing eligible Town debt yielded **\$1.7MM in direct Tax & Rate Payer savings** in 2012 & 2015
- Shifted Health Insurance Cost from Town to Employees & Retirees – **\$500K p/year** in 2013 & 2017
- **\$800K** in low interest private Sewer System replacement loans - 2014
- Town Hall Debt Funded with Included Debt / Within Budget Resources - **~\$515K 1<sup>st</sup> year**
  - **\$1,200 total savings** to average taxpayer, or **~\$60 p/year** - 2016
- AAA credit rating saved **\$1.6MM in interest costs** for Town Hall & Pumping Station Road Water Treatment projects - 2016
- Free Kindergarten – Pending Continued Financial Support of LRP - **~\$3K p/student** - 2017
- Senior Tax Credit programs raised to maximums allowed by law - 2017

# What Still Needs to Be Accomplished

## Economic Development

- **Train / Light Rail / Bus Corridor Connecting All 4 Nodes – Currently Under Review**
- **Major Mixed-Use Rt. 1 Development (Node 1) – Anticipated Start in 2017 / 2018?**
- **Other Rt. 1 Development (Node 1)**
- **Downtown Revitalization (Node 2)**
  - **Sewer - \$550K invested -2017**
  - **Fire Station & former Funeral Home Redevelopment - 2017/2018?**
- **Strategic Deployment of New Town Liquor Licenses - 2017**
- **Retooled Zoning Approaches - 2014 to present**
- **Route 140 (State Hgwy) Tri-Town Corridor Study Started in 2016 by State DOT (Node 3)**
- **Address Town Center Parking Deficiencies**

# What Still Needs to Be Accomplished

## Property

- 2 Solar Projects of 3.8MM KW (\$7.4MM net to Town over 20 yrs) – Near Completion 2017
- New Pumping Station Rd. Water Treatment Plant (\$16.7MM) – Complete 2019
- Burrell Elementary School (~\$15MM, ~50% State Funded) – Complete 2019
- Taylor Elementary School Renovation - TBD
- Complete High School Turf Field Complex at High School Campus – Track & Stands
- Fire Substation on Southeast Side of Foxborough
- Walkable Sidewalks – Complete Streets Program
- Maintain Funding of Road Maintenance
- Increase Stewardship of Conservation Land
- Town-Owned Cemetery Repair & Preservation Program
- Memorial Hall Part-time Staffing for Increased Open Hours & Utilization
- Continue to Address Abandoned Buildings
- Build Reserves to Reduce Future Borrowings for Buildings & Repair

# What Still Needs to Be Accomplished

## Operations

- Upgrade Public Safety Communications Network
- Develop A Comprehensive Geographic Information System (GIS) & Support Staff
- Increased Investment in Technology & Supporting IT Staff
- Monthly Water Meter Reading & Billing Capability
- Modernize Electronic Bill Payment Capabilities
- Retool Website Presence (Funding provided in FY 2018 Budget)
- Establish An Economic Development Staff Presence
- Provide an Adequate Level of Administrative Support in Identified Departments
- Establish A Paid & Volunteer Succession Planning Program
- Provide Appropriate Highway Dept Labor Support to Maintain Fields and Streets
- Expand Sewer Infrastructure & Fully Deploy the SCADA System
- Unfunded Mandates
  - Storm Water Management – MS4 regulation
  - Dam Rebuilding
  - Process State Civil Service Work Based on Reduced State Support of Program
  - Implement On-Going Changes to Federal Wage and Hour Laws

# Is the Town Spending Too Much

## Context

- **No General Overrides in Foxborough - Ever**
  - **10 of Foxborough's 15 surrounding Towns have General Overrides avg'ing \$4.4MM**
    - ❑ 3 of the 5 without Overrides have asked voters for them
  - **259 out of 351, or 74%, of Massachusetts Cities & Towns have General Overrides avg'ing \$2.9MM**
  - **Comparatively Foxborough's property taxes are very competitive w/ surrounding & similar towns**
  - **Foxborough has 11.6% less Taxable Property Value compared to avg. of our 15 surrounding towns**
    - ❑ 11.6% more Taxable Property could yield \$5.7MM annually.
- **Rigorous & Cooperative Annual Budget Process**
  - **Long Range Plan updated & reviewed annually to create budget context**
  - **Detailed School / Town Administration, Departmental Boards & Advisory Committee Reviews**
  - **School & Town Officials Maintain an Excellent Partnership on Joint Town-Wide Priorities**

**Foxborough is living within its means under the Tax Levy – Unlike 74% of the State.  
The Town's budgeting process is thorough & cost conscious.**

# Is the Town Spending Too Much

## Policy

- **Town Boards unanimously Adopted Responsible Financial Policies in the areas of:**
  - **Contingent Liability Funding**
    - ❑ OPEB – Funding at the ARC with full funding by 2038
    - ❑ Pension – Funding at the ARC with full funding by 2031
  - **Borrowing**
    - ❑ Responsible level & prudent mix of Excluded/Included AAA rated debt keeps tax burden to a minimum
  - **Reserves**
    - ❑ Operating Reserve – Tight spending controls requires only minimal reserve level
    - ❑ Free Cash
      - ❖ Local Receipts budgeted conservatively to generate necessary Free Cash to fund following year's Operating & Capital Budgets
      - ❖ \$1.5MM is the Usual Annual Target from this Source
      - ❖ **Failing to** Under Budget this revenue source would create a significant budgetary challenge in the following year, and take away the Town's Financially Flexibility & Stability
    - ❑ Stabilization
      - ❖ Core – Maintained at 5% of Operating Budget
      - ❖ Capital – Funded when able, currently \$1.1MM

### **These Financial Policies Require:**

**Fully Funding of Liabilities; Limits on the Use of Debt; and Mandate Reserve Levels -  
The result being fiscally conservative stewardship of the Town's Resources.**

# Is the Town Spending Too Much - History

GENERAL FUND OPERATING BUDGETS (\$'s in Millions)	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17	10 Year	
											CAGR %	\$ Growth
<b>TOTAL MUNICIPAL</b>	\$ 10.3	\$ 11.5	\$ 11.6	\$ 11.9	\$ 12.3	\$ 12.9	\$ 13.6	\$ 14.1	\$ 15.2	\$ 15.7	<b>4.99%</b>	<b>\$ 6.06</b>
	6.9%	11.3%	1.0%	2.6%	3.3%	4.9%	5.8%	3.7%	7.8%	3.1%		
<b>TOTAL SCHOOL</b>	\$ 23.4	\$ 24.9	\$ 26.3	\$ 27.0	\$ 27.4	\$ 28.2	\$ 29.4	\$ 30.5	\$ 31.7	\$ 33.0	<b>3.87%</b>	<b>\$ 10.41</b>
	3.9%	6.3%	5.4%	2.7%	1.5%	2.9%	4.4%	3.7%	4.0%	3.9%		
<b>FIXED COSTS</b>	\$ 7.3	\$ 8.3	\$ 9.0	\$ 9.6	\$ 10.4	\$ 10.4	\$ 10.1	\$ 10.8	\$ 11.7	\$ 13.0	<b>6.75%</b>	<b>\$ 6.21</b>
	8.8%	13.6%	8.2%	6.4%	8.2%	-0.2%	-2.1%	6.2%	8.9%	10.4%		
DEBT SERVICE - Included	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.6	<b>5.56%</b>	<b>\$ 0.27</b>
DEBT SERVICE - Excluded	\$ 2.0	\$ 1.3	\$ 2.1	\$ 2.7	\$ 2.4	\$ 3.0	\$ 2.9	\$ 2.8	\$ 2.7	\$ 2.5	<b>4.87%</b>	<b>\$ 0.96</b>
<b>TOTAL DEBT SERVICE</b>	\$ 2.39	\$ 1.67	\$ 2.48	\$ 3.05	\$ 2.73	\$ 3.24	\$ 3.11	\$ 3.03	\$ 2.84	\$ 3.19	<b>5.00%</b>	<b>\$ 1.23</b>
	22.1%	-29.9%	48.2%	23.0%	-10.7%	18.8%	-4.0%	-2.5%	-6.3%	12.2%		
<b>TOTAL GENERAL FUND BUDGET</b>	\$ 43.5	\$ 46.4	\$ 49.3	\$ 51.5	\$ 52.8	\$ 54.7	\$ 56.3	\$ 58.5	\$ 61.6	\$ 64.8	<b>4.71%</b>	<b>\$ 21.35</b>
	6.3%	6.7%	6.4%	4.4%	2.5%	3.6%	3.0%	3.8%	5.3%	5.3%		

**General Fund Budgets have grown in total by 4.7% on average over the last 10 years.**

**Fixed Costs by 6.75% or \$6.2MM; Debt Service by 5.0% or \$1.2MM,**

**Municipal by 4.99% or \$6.1MM; & School by 3.9%, or \$10.4MM.**

**Health Plan Redesign & Loss Control Committee efforts have saved millions in Fixed Costs.**

**Debt Refinancing & the AAA Credit Rating have also saved millions.**

# Is the Town Spending Too Much – By Division

GENERAL FUND DIVISIONAL OPERATING BUDGETS (\$'s in Millions)	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17	10 Year	
											CAGR %	\$ Growth
<b>GENERAL GOVERNMENT</b>	\$ 1.7	\$ 2.0	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.1	\$ 2.3	\$ 2.3	\$ 3.0	\$ 3.0	<b>6.78%</b>	<b>\$ 1.47</b>
	7.0%	18.0%	-10.1%	3.1%	5.0%	9.5%	6.4%	1.9%	28.7%	2.6%		
<b>PUBLIC SAFETY</b>	\$ 5.6	\$ 6.2	\$ 6.5	\$ 6.6	\$ 6.8	\$ 7.0	\$ 7.4	\$ 7.8	\$ 8.1	\$ 8.4	<b>4.96%</b>	<b>\$ 3.23</b>
	7.9%	11.5%	3.6%	2.4%	2.6%	3.5%	6.0%	4.5%	3.8%	4.0%		
<b>PUBLIC WORKS</b>	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.2	<b>3.66%</b>	<b>\$ 0.65</b>
	4.0%	6.6%	4.0%	-0.1%	5.1%	5.6%	4.4%	3.4%	5.0%	-1.1%		
<b>HUMAN SERVICES</b>	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 1.0	<b>7.98%</b>	<b>\$ 0.53</b>
	5.6%	11.7%	6.2%	6.9%	7.0%	15.5%	5.0%	0.5%	9.7%	12.5%		
<b>CULTURE &amp; RECREATION</b>	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.1	\$ 1.1	<b>1.82%</b>	<b>\$ 0.18</b>
	6.1%	6.4%	-1.4%	4.7%	-0.4%	-1.4%	5.2%	4.2%	-3.7%	-0.9%		
<b>FOXBOROUGH PUBLIC SCHOOLS</b>	\$ 23.4	\$ 24.9	\$ 26.3	\$ 27.0	\$ 27.4	\$ 28.2	\$ 29.4	\$ 30.5	\$ 31.7	\$ 33.0	<b>3.87%</b>	<b>\$ 10.41</b>
	3.9%	6.3%	5.4%	2.7%	1.5%	2.9%	4.4%	3.7%	4.0%	3.9%		
<b>TOTAL DIVISION BUDGETS</b>	\$ 33.7	\$ 36.4	\$ 37.9	\$ 38.9	\$ 39.7	\$ 41.1	\$ 43.0	\$ 44.6	\$ 47.0	\$ 48.7	<b>4.22%</b>	<b>\$ 16.47</b>
	4.8%	7.8%	4.0%	2.6%	2.1%	3.6%	4.8%	3.7%	5.2%	3.6%		

**In total, Divisional Budgets grew 4.2% annually on average over the last 10 years.**

**Human Services grew by an annual average of just under 8% over 10 Years, led by increases in Veterans Services & Council on Aging & Human Services.**

**General Govt grew an avg. 6.8% due primarily to establishing a Central Maintenance Dept.**

**Public Safety grew ~5%, Public Schools by 3.9%, Public Works by 3.7%, & Culture & Rec by 1.8%**



# Is the Town Spending Too Much – Fixed Costs

GENERAL FUND "FIXED COSTS" BUDGETS (\$'s in Millions)											10 Year	
	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17	CAGR %	\$ Growth
GROUP HEALTH / LIFE INSURANCE	\$ 4.8	\$ 5.4	\$ 5.8	\$ 6.3	\$ 6.6	\$ 6.4	\$ 6.0	\$ 6.0	\$ 6.5	\$ 7.2	5.53%	\$ 2.99
	13.6%	13.0%	7.6%	8.9%	5.1%	-3.9%	-5.8%	0.7%	7.5%	10.6%		
PENSION EXPENSE	\$ 1.6	\$ 1.9	\$ 2.1	\$ 2.2	\$ 2.4	\$ 2.5	\$ 2.6	\$ 3.0	\$ 3.3	\$ 3.7	8.43%	\$ 2.03
	0.3%	16.2%	11.9%	3.8%	7.9%	4.9%	4.1%	16.7%	9.6%	10.1%		
GENERAL INSURANCES	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9	4.21%	\$ 0.29
	3.6%	14.2%	4.5%	0.0%	-3.9%	7.8%	1.6%	4.7%	7.0%	3.5%		
OPEB LIABILITY - RETIREE HEALTH	\$ -	\$ -	\$ -	\$ -	\$ 0.3	\$ 0.4	\$ 0.5	\$ 0.6	\$ 0.7	\$ 0.8	100.00%	\$ 0.80
	na	na	na	na	na	33.3%	25.0%	20.0%	16.7%	14.3%		
S.E. REGIONAL SCHOOL ASSMT.	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.4	3.80%	\$ 0.12
	-1.6%	11.8%	14.4%	-6.3%	6.4%	-9.8%	-21.0%	8.3%	25.1%	19.8%		
ALL OTHER	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	-1.30%	\$ (0.01)
	0.0%	1.8%	-21.9%	5.9%	2.6%	0.0%	1.6%	0.0%	0.0%	0.0%		
<b>TOTAL "FIXED COSTS" BUDGETS</b>	<b>\$ 7.3</b>	<b>\$ 8.3</b>	<b>\$ 9.0</b>	<b>\$ 9.6</b>	<b>\$ 10.4</b>	<b>\$ 10.4</b>	<b>\$ 10.1</b>	<b>\$ 10.8</b>	<b>\$ 11.7</b>	<b>\$ 13.0</b>	<b>6.75%</b>	<b>\$ 6.21</b>
	8.8%	13.6%	8.2%	6.4%	8.2%	-0.2%	-2.1%	6.2%	8.9%	10.4%		

**Health Insurance & Pension costs drove \$5MM, or 80%, of the \$6.2MM increase in Fixed Costs.**

**Health Plan design changes, or cost shifting to EE's & Retirees, is saving the Town millions.**

**Large increases in Pension assessments are paying down the unfunded liability by 2031.**

**OPEB liability is being funded at the ARC to be paid down by 2038.**

**Loss Control Committee efforts are saving \$100's of thousands in General Insurance premiums.**

# Should We Provide Tax Relief – Revenue Trend

GENERAL FUND BUDGETED REVENUE (\$'s in Millions)											10 Year	
	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17	CAGR %	\$ Growth
<b>TOTAL NET TAXES</b>	\$ 28.1	\$ 28.9	\$ 32.7	\$ 34.5	\$ 35.3	\$ 37.6	\$ 38.9	\$ 40.3	\$ 41.8	\$ 43.8	<b>5.16%</b>	<b>\$ 17.32</b>
% of Total Revenue	64.6%	62.2%	66.2%	67.0%	66.9%	68.8%	69.1%	68.9%	68.0%	67.6%		
<b>NET STATE AID</b>	\$ 8.3	\$ 8.0	\$ 8.5	\$ 8.3	\$ 8.2	\$ 8.1	\$ 8.2	\$ 8.4	\$ 8.6	\$ 8.6	<b>0.23%</b>	<b>\$ 0.19</b>
% of Total Revenue	19.2%	17.3%	17.2%	16.1%	15.6%	14.9%	14.6%	14.5%	14.0%	13.2%		
<b>LOCAL RECEIPTS</b>	\$ 4.9	\$ 6.0	\$ 5.2	\$ 5.6	\$ 5.9	\$ 6.5	\$ 6.8	\$ 7.5	\$ 7.7	\$ 9.3	<b>7.54%</b>	<b>\$ 4.83</b>
% of Total Revenue	11.3%	13.0%	10.5%	10.9%	11.2%	11.8%	12.1%	12.8%	12.6%	14.4%		
<b>OTHER SOURCES</b>	\$ 1.0	\$ 2.0	\$ 1.6	\$ 1.9	\$ 1.7	\$ 1.3	\$ 1.3	\$ 1.3	\$ 2.0	\$ 1.7	<b>7.63%</b>	<b>\$ 0.90</b>
% of Total Revenue	2.2%	4.3%	3.2%	3.7%	3.3%	2.4%	2.3%	2.2%	3.2%	2.7%		
<b>FREE CASH</b>	\$ 1.2	\$ 1.5	\$ 1.4	\$ 1.2	\$ 1.6	\$ 1.1	\$ 1.1	\$ 1.0	\$ 1.4	\$ 1.3	<b>-1.04%</b>	<b>\$ (0.15)</b>
% of Total Revenue	2.8%	3.2%	2.9%	2.3%	3.1%	2.1%	1.9%	1.7%	2.2%	2.1%		
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$ 43.5</b>	<b>\$ 46.4</b>	<b>\$ 49.3</b>	<b>\$ 51.5</b>	<b>\$ 52.8</b>	<b>\$ 54.7</b>	<b>\$ 56.3</b>	<b>\$ 58.5</b>	<b>\$ 61.6</b>	<b>\$ 64.8</b>	<b>4.50%</b>	<b>\$ 23.10</b>
Total Revenue Growth	4.2%	6.7%	6.4%	4.4%	2.5%	3.6%	3.0%	3.8%	5.3%	5.3%		

**General Fund Budgeted Revenues have grown in total by 4.5% on average over the last 10 years.**

**Taxes by 5.2% or \$17.3MM; Net State Aid is flat; Local Receipts by 7.5% or \$4.8MM; Other Sources by \$900K, with 60% of Other Sources growth from Ambulance Receipts.**

**40% of Property Tax Growth is from New Growth.**

**With State Aid not growing, there is greater reliance on Local Receipts & Taxes.**

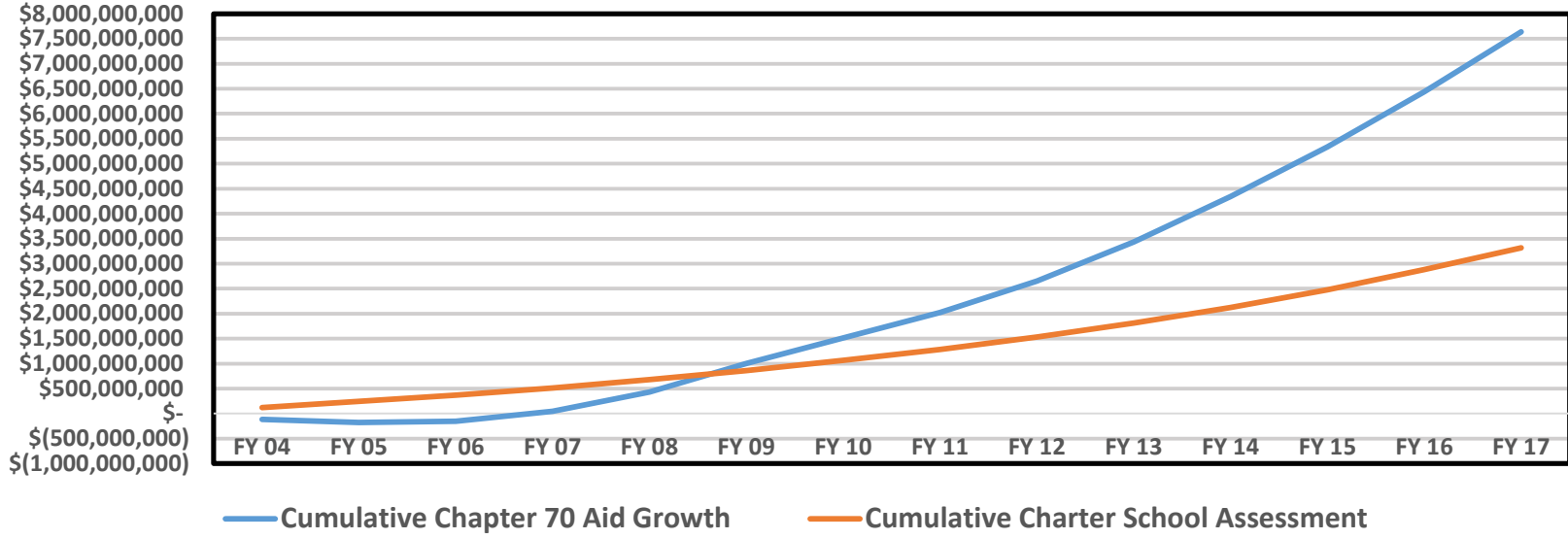
# Should We Provide Tax Relief – State Aid

FOXBOROUGH STATE AID Actuals (\$'s in Millions)											10 Year	
	FY '08	FY '09	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17	CAGR %	\$ Growth
SCHOOL AID - CH. 70	\$ 7.7	\$ 7.6	\$ 8.3	\$ 8.3	\$ 8.3	\$ 8.5	\$ 8.5	\$ 8.6	\$ 8.7	\$ 8.8	1.67%	\$ 1.34
LOTTERY AID	\$ 1.9	\$ 1.7	\$ 1.3	\$ 1.3	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	-2.40%	\$ (0.39)
ALL OTHER STATE AID	\$ 0.7	\$ 0.9	\$ 0.8	\$ 0.9	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	-2.68%	\$ (0.10)
<b>TOTAL STATE AID</b>	<b>\$ 10.2</b>	<b>\$ 10.2</b>	<b>\$ 10.4</b>	<b>\$ 10.5</b>	<b>\$ 9.8</b>	<b>\$ 9.9</b>	<b>\$ 10.1</b>	<b>\$ 10.2</b>	<b>\$ 10.4</b>	<b>\$ 10.6</b>	<b>0.84%</b>	<b>\$ 0.85</b>
% Growth	5.1%	-0.3%	2.6%	0.3%	-6.0%	1.0%	1.3%	1.0%	1.9%	2.0%		
<b>NET CHARTER SCHOOL ASSESSMENT</b>	<b>\$ 1.1</b>	<b>\$ 1.1</b>	<b>\$ 1.2</b>	<b>\$ 1.2</b>	<b>\$ 1.3</b>	<b>\$ 1.3</b>	<b>\$ 1.3</b>	<b>\$ 1.3</b>	<b>\$ 1.3</b>	<b>\$ 1.5</b>	<b>4.09%</b>	<b>\$ 0.51</b>
ALL OTHER ASSESSMENTS	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	4.17%	\$ 0.15
<b>TOTAL ASSESSMENTS</b>	<b>\$ 1.4</b>	<b>\$ 1.5</b>	<b>\$ 1.5</b>	<b>\$ 1.5</b>	<b>\$ 1.6</b>	<b>\$ 1.6</b>	<b>\$ 1.7</b>	<b>\$ 1.7</b>	<b>\$ 1.7</b>	<b>\$ 2.0</b>	<b>4.11%</b>	<b>\$ 0.66</b>
% Growth	7.2%	2.1%	1.9%	3.7%	2.7%	1.8%	6.0%	-1.4%	3.6%	14.4%		
<b>TOTAL NET STATE AID</b>	<b>\$ 8.8</b>	<b>\$ 8.7</b>	<b>\$ 9.0</b>	<b>\$ 8.9</b>	<b>\$ 8.3</b>	<b>\$ 8.3</b>	<b>\$ 8.4</b>	<b>\$ 8.5</b>	<b>\$ 8.6</b>	<b>\$ 8.6</b>	<b>0.23%</b>	<b>\$ 0.2</b>
% Growth	4.8%	-0.7%	2.7%	-0.3%	-7.5%	0.8%	0.4%	1.4%	1.5%	-0.4%		

State Aid **Revenue** growth is Anemic at less than 1% on avg. over the last 10 years.  
 State **Assessment** growth avg's 4.1% over the same time period.  
 Charter School Assessment has grown \$510K.  
 Resulting in relatively flat State Aid over the last 10 Years.

# Should We Provide Tax Relief – Charter Impact

CHAPTER 70 EDUCATION AID GROWTH VS.  
 CHARTER SCHOOL ASSESSMENT  
 Across the Entire Commonwealth of Massachusetts  
 FY 2004 - 2017



**Net Charter School Assessments Across the State Have Absorbed 43.4% of All Increases in Chapter 70 Aid Over the Last 14 Fiscal Years, or \$3.3 Billion.**

**The Town of Foxborough's Experience is Even Worse, with 98.2% of All Increases in Chapter 70 Aid Over the Last 17 Years Being Diverted to the Foxborough Charter School.**

**That's \$19.2MM in Ch. 70 Growth VS. \$18.9MM in Net Charter Assessments in Foxborough.**

# What is the Town's True Mission

- Promote further business investment in Foxborough?
- Attain level of taxable property value that will allow for not levying to the limit?
- What service levels are acceptable to the Community of Foxborough?
  - Reduce Service levels – where?
  - Increase Service levels – where?
- Maintain expensive assets & replace as appropriate?
- Maintain adherence to adopted Financial Policies?
- Maintain highest credit rating?
- Pay employees competitively?
- Pursue additional regionalization opportunities?
- Explore optimization / synergies amongst existing services?

# What is Our Plan Going Forward – LRP Operating

GENERAL FUND REVENUE & EXPENSE FORECAST* ( <i>\$'s in Millions</i> )										
	BUDGET					FORECAST				
	FY '13	FY '14	FY '15	FY '16	FY '17	FY '18	FY '19	FY '20	FY '21	FY '22
TOTAL REVENUE	\$ 57.08	\$ 58.84	\$ 60.96	\$ 64.09	\$ 67.93	\$ 70.36	\$ 72.32	\$ 75.07	\$ 77.67	\$ 81.89
% Growth	3.5%	3.1%	3.6%	5.1%	6.0%	3.6%	2.8%	3.8%	3.5%	5.4%
TOTAL EXPENDITURES	\$ 57.08	\$ 58.84	\$ 60.96	\$ 64.09	\$ 67.67	\$ 70.13	\$ 72.09	\$ 75.07	\$ 77.67	\$ 80.66
% Growth	3.5%	3.1%	3.6%	5.1%	5.6%	3.6%	2.8%	4.1%	3.5%	3.9%
NET SURPLUS / (DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ 0.27	\$ 0.23	\$ 0.23	\$ -	\$ -	\$ 1.23
* School and Recreation Dept Other Sources and Uses of Funds are included in this presentation										

Revenues are Forecast to grow by an average of 3.81% over the next 5 years.

The largest annual Revenue growth of 5.4% in FY '22 is driven largely by New Growth Taxes related to anticipated Rt. 1 Commercial Development

Expenses are Forecast to grow by an average of 3.58%, assuming no significant increases in service or staffing levels.

Forecast surplus in FY '22 could possibly allow for not increasing the levy by 2.5% in that year.

# What is Our Plan Going Forward – LRP Capital

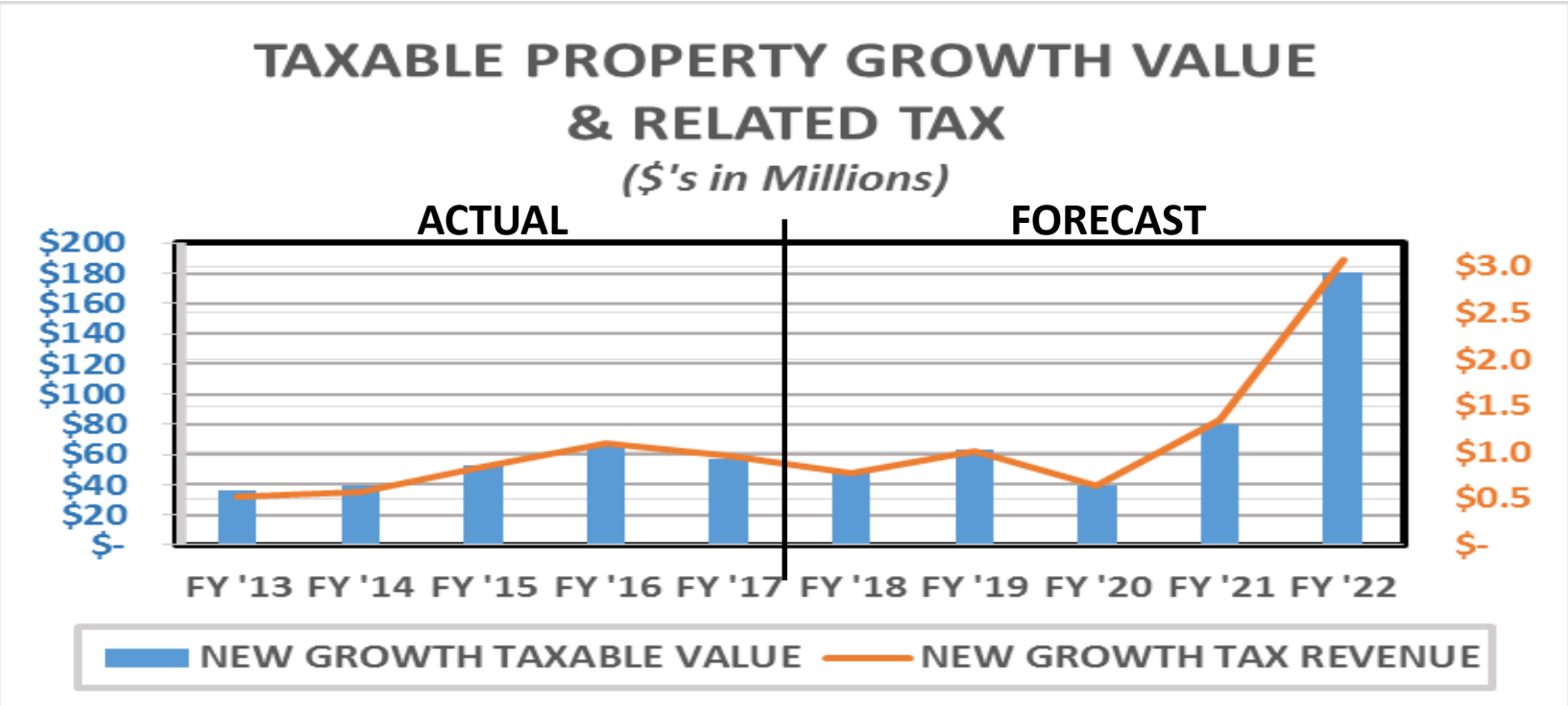
GENERAL FUND CAPITAL PLAN & ASSUMED FUNDING FORECAST						
	FORECAST					
	FY '18	FY '19	FY '20	FY '21	FY '22	
<b>CIP PLAN:</b>						
Major Building Construction / Renovation	-	14,300,000	-	700,000	6,000,000	Burrell School, Taylor School, Fire Sub-Station, COA
Roadway Reconstruction	985,799	1,000,000	1,000,000	1,000,000	1,000,000	Estimated Funding Level
Other School Related	463,000	1,637,500	375,000	375,000	375,000	Normal Replacements, + FHS Track & Stands
Other Municipal Related	726,900	525,000	574,000	317,000	264,000	Current 5 Year Plan
Ambulance & Related Equip. Replacement	-	341,000	-	630,000	508,160	Current 5 Year Plan
<b>TOTAL CIP PLAN</b>	<b>2,175,699</b>	<b>17,803,500</b>	<b>1,949,000</b>	<b>3,022,000</b>	<b>8,147,160</b>	
<b>CIP FUNDING:</b>						
MSBA / State Grant Funding	-	7,441,000	-	-	-	Estimated 49.31% School Reimbursement Rate
Excluded Debt Bonds	-	5,759,000	-	-	5,300,000	Burrell School, & COA Building Possibly
Stabilization - Capital	-	1,100,000	-	-	-	For Burrell School
Sale of Assets	-	-	-	-	500,000	COA Building Possibly?
Town Other Sources	34,000	-	34,000	-	200,000	Apparatus Revolving acct, COA Friends Gift?
Chapter 90	645,397	645,397	645,397	645,397	645,397	Ch. 90 State Aid
Local Receipts - Capital	270,000	354,603	354,603	354,603	354,603	Meals Tax for Roads
Ambulance Receipts - Capital	-	341,000	-	630,000	508,160	6 year Ambulance Replace sched + Other Fire Capital
Overlay Surplus - Capital	-	-	50,000	50,000	50,000	Forecast Surplus
<b>Free Cash - Capital</b>	<b>1,226,302</b>	<b>2,162,500</b>	<b>865,000</b>	<b>1,342,000</b>	<b>589,000</b>	<b>Needed to fund balance of 5 year plan</b>
<b>TOTAL CIP FUNDING</b>	<b>2,175,699</b>	<b>17,803,500</b>	<b>1,949,000</b>	<b>3,022,000</b>	<b>8,147,160</b>	
NET CIP SURPLUS / (DEFICIT)	-	-	-	-	-	

**The Town's 5 Year Capital Plan is Balanced based on 10 different funding sources of \$33.1MM.**

**A combination of State Grants (\$10.7MM), Excluded Debt (\$11.1MM), Meals Tax (\$1.7MM), Ambulance Receipts (\$1.5MM), Capital Stabilization (\$1.1MM), Sale of Assets (\$500K), & Miscellaneous Sources (\$418K) fund most of the plan.**

**Free Cash totaling \$6.1MM provides the balance needed to fund the plan.**

# What is Our Plan Going Forward – **New Growth**

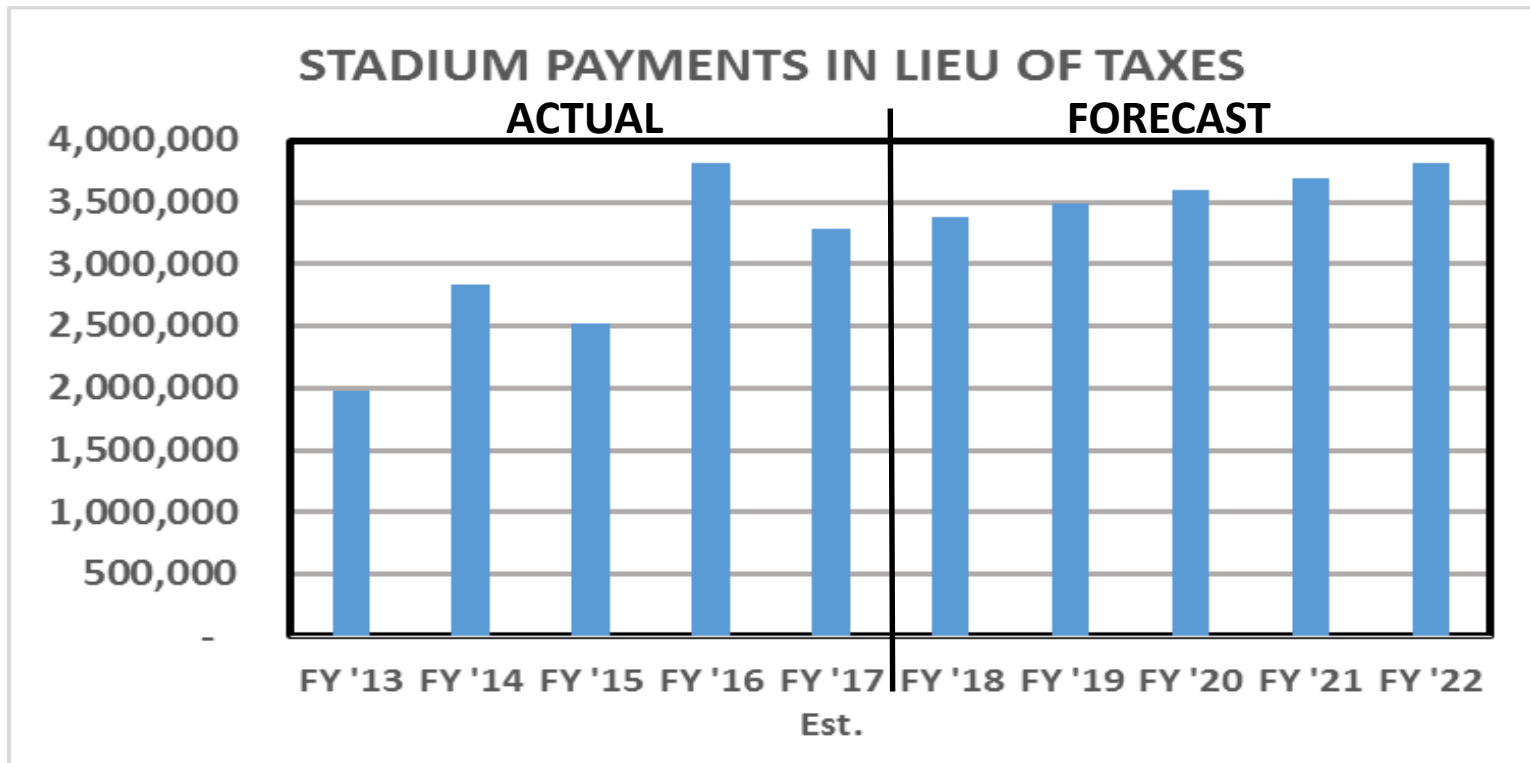


**\$200MM of the \$260MM in Taxable New Growth Value in FY '21 & '22 is associated with anticipated Investment on Route 1.**

**That Investment will be the determining factor in the Town's ability to not levy to the limit in FY '22.**



# What is Our Plan Going Forward – Stadium Pmts



**Stadium PILOT payments have been unpredictable, averaging \$2.9MM over the last 5 years. However they are forecast to grow by 3% annually.**

# What is Our Plan Going Forward – Free Cash Recharge

## TARGETED FREE CASH GENERATION from LOCAL RECEIPTS

*(\$'s in Millions)*

	<u>FY '18</u>	<u>FY '19</u>	<u>FY '20</u>	<u>FY '21</u>	<u>FY '22</u>
ESTIMATED GROSS LOCAL RECEIPTS	\$ 12.1	\$ 12.5	\$ 12.9	\$ 13.0	\$ 13.2
LESS ESTIMATED MEALS TAX REVENUE	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3
EST. LOCAL RECEIPTS LESS MEALS TAX	\$ 11.1	\$ 11.4	\$ 11.7	\$ 11.8	\$ 11.9
BUDGETED LOCAL RECEIPTS for OPERATING BUDGETS	\$ 9.5	\$ 9.9	\$ 10.2	\$ 10.3	\$ 10.4
TARGETED FREE CASH GENERATION	<u>\$ 1.5</u>	<u>\$ 1.5</u>	<u>\$ 1.5</u>	<u>\$ 1.5</u>	<u>\$ 1.5</u>

**Local Receipts are Budgeted Conservatively in Order to Generate the Necessary Free Cash to Fund the Following Year's Operating & Capital Budgets.**

**\$1.5MM is the Annual Free Cash Target from this Source.**

**Not Under Budgeting this Revenue Source Would Create a Significant Budgetary Challenge in the Following Year, and Take Away the Town's Financially Flexibility**

# What is Our Plan Going Forward – Free Cash

FREE CASH ESTIMATES					
<i>(\$'s in Millions)</i>					
	FY '18	FY '19	FY '20	FY '21	FY '22
<b>SOURCES:</b>					
LOCAL RECEIPTS	\$ 2.1	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5
UNEXPENDED BUDGETS	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
BALANCE SHEET CHANGES	\$ 0.5	\$ 0.2	\$ 0.2	\$ -	\$ -
OTHER	\$ 0.2	\$ -	\$ 0.0	\$ 0.1	\$ 0.2
UNUSED FREE CASH from PRIOR YEAR	\$ 3.4	\$ 3.6	\$ 3.5	\$ 2.6	\$ 2.9
<b>TOTAL FREE CASH GENERATED</b>	<b>\$ 6.6</b>	<b>\$ 5.7</b>	<b>\$ 5.6</b>	<b>\$ 4.6</b>	<b>\$ 4.9</b>
<b>USES:</b>					
CURRENT YEAR PURPOSES	\$ 0.4	\$ 0.2	\$ 0.4	\$ 0.2	\$ 0.2
<b>NEXT YEAR'S OPERATING BUDGET</b>	<b>\$ 1.0</b>	<b>\$ 1.2</b>	<b>\$ 1.2</b>	<b>\$ 1.0</b>	<b>\$ 1.0</b>
<b>NEXT YEAR'S CAPITAL BUDGET</b>	<b>\$ 1.6</b>	<b>\$ 0.9</b>	<b>\$ 1.3</b>	<b>\$ 0.6</b>	<b>\$ 1.3</b>
UNUSED MEALS TAX	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.2
<b>TOTAL FREE CASH USES</b>	<b>\$ 3.1</b>	<b>\$ 2.3</b>	<b>\$ 3.0</b>	<b>\$ 1.8</b>	<b>\$ 2.6</b>
<b>ENDING FREE CASH BALANCE</b>	<b>\$ 3.5</b>	<b>\$ 3.4</b>	<b>\$ 2.6</b>	<b>\$ 2.8</b>	<b>\$ 2.4</b>

## Free Cash is Generated for 3 Primary Purposes:

- 1) Funding for next year's **Operating & Capital budgets** - est'd annual need of \$1.6MM to \$2.6MM
- 2) Fund One Time Needs: Contract Settlements; Stabilization Reserves; etc.
- 3) Financial Stability in times of financial stress – 5% of General Fund Budgets is Optimal, or \$3.4MM

# What is Our Plan Going Forward – **Meals Tax**

ACTUAL & ESTIMATED MEALS TAX REVENUES & USES												
	ACTUALS						ESTIMATES					FY 12 - 22
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 est.	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTALS
<b>MEALS TAX REVENUE</b>	666,801	818,981	853,798	910,190	976,196	1,025,006	1,076,256	1,130,069	1,186,572	1,245,901	1,308,196	<b>11,197,966</b>
<b>OPEB Funding</b>	300,000	400,000	500,000	600,000	700,000	800,000	800,000	800,000	800,000	800,000	800,000	<b>7,300,000</b>
<b>ROAD Funding</b>	75,000	100,000	295,000	879,782	254,000	217,058	340,402	354,603	354,603	354,603	354,603	<b>3,579,654</b>
<b>TOTAL USES</b>	375,000	500,000	795,000	1,479,782	954,000	1,017,058	1,140,402	1,154,603	1,154,603	1,154,603	1,154,603	<b>10,879,654</b>
<i>to be APPROPRIATED</i>	291,801	318,981	58,798	41,190	70,402	59,386	41,452	-	31,969	91,298	153,593	318,313

**The first year of Meals Tax Revenue for Foxborough was FY 2012.**

**The voted BOS policy is to dedicate these funds to the OPEB Liability & Road Improvements.**

**Through the forecast time period \$11.2MM will be collected.**

**\$7.3MM is intended for OPEB and \$3.6MM for Roads.**

**Any balance has gone to Roads. OPEB may need increased funding in the future to maintain funding at the ARC.**

# What is Our Plan Going Forward – Ambulance Receipts

<b>AMBULANCE (EMS) RECEIPTS RESERVED FUND ESTIMATES</b>						
	<b>FY '18</b>	<b>FY '19</b>	<b>FY '20</b>	<b>FY '21</b>	<b>FY '22</b>	<b>FY '23</b>
<b>BEGINNING BALANCE</b>	1,769,127	2,109,294	2,140,692	2,546,128	2,355,426	2,262,974
<b>FIRE OPERATING BUDGET</b>	949,081	949,081	949,081	949,081	949,081	949,081
<b>FIRE CAPITAL BUDGET</b>		341,000	-	630,000	566,460	1,055,000
<b>TOTAL APPROPRIATIONS</b>	<b>949,081</b>	<b>1,290,081</b>	<b>949,081</b>	<b>1,579,081</b>	<b>1,515,541</b>	<b>2,004,081</b>
<b>BALANCE NET of APPROPRIATIONS</b>	820,046	819,213	1,191,611	967,047	839,885	258,893
<b>RECEIPTS</b>	1,289,248	1,321,480	1,354,517	1,388,380	1,423,089	1,458,666
<b>ENDING BALANCE</b>	2,109,294	2,140,692	2,546,128	2,355,426	2,262,974	1,717,559

**Ambulance Receipts are Voted at Town Meeting to Fund the Fire department Operating Budget, in Addition to the Primary Purpose of Funding New Ambulances on a 6 Year Replacement Schedule. The growth in this important revenue source has enabled the funding of all Fire Capital Equipment, freeing up Free Cash for Other Town Wide Capital Needs.**

**This has allowed the Town to make progress on many deferred capital needs.**

# What if Levy Limit was increased by 1 ¼% vs. 2 ½%

REDUCE LEVY LIMIT INCREASES FROM 2.5% to 1.25%					
STARTING in FY 2019					
	FY '18	FY '19	FY '20	FY '21	FY '22
TARGETED ENDING FREE CASH BALANCE - CURRENT LRP	\$ 3,493,146	\$ 3,422,029	\$ 2,593,011	\$ 2,813,340	\$ 2,375,635
LOSE 1.25 % of LEVY LIMIT TAX for 4 YEARS - CUMULATIVE EFFECT	-	555,289	1,137,189	1,741,686	2,378,173
RESULTING ENDING FREE CASH BALANCE	\$ 3,493,146	\$ 2,866,740	\$ 1,455,822	\$ 1,071,653	\$ (2,539)

**Reducing the Levy Limit Increase from 2.5% to 1.25% starting in FY '19 & continuing thru FY '22 would eliminate the Free Cash balance completely in 4 years.**

**This would eliminate the prospect of not levying to the limit in FY '22, in addition to resulting in a ~\$2MM shortfall in the FY '24 budget, unless significant service reductions were made.**

# Summary

- **The Town of Foxborough continues to maintain a strong financial position, by design:**
  - **Healthy Reserves & Liquidity**
  - **Contingent Liabilities Funded at the ARC**
  - **Balanced Sustainable Spending & Service Level Goals**
    - ❑ Without General Overrides, whereas 74% of Massachusetts Towns have them
    - ❑ Despite flat state aid funding for over a decade
  - **Reasonable and Balanced (*Included/Excluded*) Debt Levels**
  - **Water & Sewer Enterprises Fully Self-Sustaining**
- **Stability of this strong position is enhanced by the Strategic direction that has never been clearer or stronger:**
  - **Updated Land Use Master Plan**
  - **Revitalized Economic Development Committee**
  - **Stabilizing New Regional Sewer Partnership & Future Regional Dispatch Partnership**
  - **Centralization of Major Town Functions**
  - **Formally Adopted Financial Policies**
- **Experienced senior management team, supported by policy boards, is driving and supporting not only appropriate investment in the Town's assets and services, but in the local economy as well**
  - **Despite these achievements, there are still many unmet service needs in the Town**
- **The combined effect of these interwoven strategies developed and implemented by the Town's management and supported by the policy boards, is helping to fuel, in large part, the continuing significant private investment & expansion in the local economy by both businesses and citizens**
- **We ask for your input on what we should be doing differently**