

Section II: Revenues



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The summary below presents gross and net general fund revenues. The FY09 revenues presented are those reflected in the Tax Rate Recapitulation Sheet submitted to the Department of Revenue for the certification of the FY09 tax rate. Gross General Fund Revenues include all revenues projected as available for use in FY2010. Net General Fund Revenues are gross revenues less revenues set-aside to fund designated expenses. In FY2010, Gross Revenues are projected to increase by approximately \$4.74 million, or 3.51%, while Net Revenues are projected to increase by approximately \$5.17 million, or 3.92%.

General Fund Revenue Summary	FY07 Actual	FY08 Actual	FY 2009 Recap	FY2010 Projected	FY 09-10 Change	
					\$	%
Property Tax Levy	\$ 96,010,528	\$ 104,879,746	\$ 110,778,389	\$ 114,759,106	\$ 3,980,717	3.59%
State Aid	\$ 8,304,953	\$ 9,064,275	\$ 9,963,453	\$ 9,058,898	\$ (904,555)	-9.08%
Local Receipts	\$ 12,910,086	\$ 12,189,265	\$ 9,395,065	\$ 9,770,000	\$ 374,935	3.99%
Available Funds	\$ 4,763,000	\$ 4,216,097	\$ 5,620,168	\$ 6,053,619	\$ 433,451	7.71%
Revenue Offsets	\$ (1,465,774)	\$ (1,897,006)	\$ (2,540,476)	\$ (1,836,461)	\$ 704,015	-27.71%
Enterprise Receipts	\$ 1,772,313	\$ 1,752,885	\$ 1,710,887	\$ 1,662,522	\$ (48,365)	-2.83%
Gross General Fund Revenues	\$ 122,295,105	\$ 130,205,261	\$ 134,927,485	\$ 139,467,683	\$ 4,540,198	3.36%
Less - Revenues Set-Aside for Designated Expenses	\$ 3,931,000	\$ 2,395,000	\$ 3,015,750	\$ 2,381,409	\$ (634,341)	-21.03%
Net General Fund Revenues	\$ 118,364,105	\$ 127,810,261	\$ 131,911,735	\$ 137,086,274	\$ 5,174,539	3.92%

Detailed Description:

Property Tax Levy: The increase in property tax levy of \$3.98 million or 3.59 percent is based on the statutory increase in the tax levy allowed under Proposition 2 1/2 plus estimated new growth (increase in the tax levy due to new construction) of \$1.9 million.

State Aid: FY2010 state aid is projected to decrease by approximately \$905,000, or 9%, from its FY09 level. This projection reflects a \$900,000 cut in non-categorical, unrestricted state aid, which is comprised of a \$629,624 reduction in unrestricted aid called for in the Governor's proposed FY2010 budget plus an additional \$270,376 as a hedge against additional cuts in aid that might be recommended by the House and/or the Senate in their proposed 2010 budgets. Note that this recommendation does not include any estimate of revenue to would be distributed to the Town if the Legislature adopts the Governor's proposal to add 1% each to the state meals tax and state rooms tax.

Local Receipts: Local receipts are shown above as increasing by approximately \$375,000, or 3.99%, from FY09 estimates reflected on the FY09 Tax Rate Recapitulation Sheet submitted to the Department of Revenue for the certification of the FY09 tax rate. This is somewhat of an artificial change as the FY09 base reflects reductions in local receipts to absorb surplus revenue not needed to balance the FY09 budget. In fact, the true estimated net reduction in local receipts is approximately \$380,000. This is a net change primarily driven by the following. First, is a decrease in anticipation of the effects of the economic downturn: a \$306,000 decrease in the estimate of motor vehicle excise. Second is the reclassification of \$143,000 in Liberty Ride revenues as revolving fund revenues pursuant to the creation of the Liberty Ride/Tourism revolving fund at the 2008 annual town meeting. Third is the elimination of \$187,500 in water and sewer fund payments-in-lieu of taxes (FY09 was the final year of a multi-year phase-out of these payments pursuant to the 2005 decision of the Selectmen to eliminate this program). Finally, is an increase of \$43,000 in fees and charges voted by the Selectmen as measures to balance the FY2010 budget and \$75,000 in additional ambulance fee receipts as a result of the proposed daytime staffing of the second ambulance.

Generally, local receipt projections are based on the average revenue received in each category for the prior five-year period.

Available Funds: Available Funds are projected to increase by approximately \$433,000 or 7.7% . On a net basis (i.e., funds available to support recurring operating budget costs), Available Funds are projected to increase by approximately \$129,800, or 3.8%. This category includes the parking meter and cemetery fund balances available for appropriation, free cash, overlay surplus, special Stabilization Funds (e.g. Lexpress/Transportation Demand Management and School Bus Transportation/Avalon Bay funds), Insurance Proceeds subject to appropriation, and Proceeds from the Sale of Assets. The largest component of FY2010 Available Funds is general fund undesignated FY09 balance (free cash). Certified free cash as of 7/1/08 is \$5,481,717. Of this amount, 200,000 is set-aside to cover unanticipated FY09 costs. Of the residual balance, it is proposed that \$2,741,027 be used to support the FY2010 operating budget. This does not include the \$900,000 in free cash applied to offset anticipated cuts in state aid. Other proposed uses of free cash are described below under Revenues Set Aside for Designated Expenses.

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Revenue Offsets: Revenue Offsets represent the set-aside of a portion of projected revenues needed for particular purposes including (1) components of state aid (Public Library aid and School Lunch reimbursements) that are distributed as Cherry Sheet aid, but in fact are categorical grants that are not available to support general fund operations; (2) cherry sheet assessments - estimated charges to be levied by the Commonwealth to cover the costs of state and regional services provided to the Town; (3) the Assessor's Overlay account which covers the cost of abatements and exemptions granted to property taxpayers; and, (4) potential snow and ice deficits.

Revenue Offsets are shown as decreasing by approximately \$699,000 or 27.5%. The drop is attributable to the changes in Overlay from \$1.27 million in FY09 to \$750,000 in FY2010. The FY2009 amount is funded with one-time revenue from FY09 new growth on newly taxable poles and wires that must be held in the Overlay account until litigation on the taxing of this infrastructure is concluded. In addition, FY09 offsets also include \$497,000 in funds to cover the FY08 snow and ice deficit. The FY2010 offsets includes only \$300,000 to offset any FY09 snow and ice deficit that might be generated.

Enterprise Receipts: This category represents transfers from enterprise funds to the general fund to cover general fund expenditures that support the operations of the water, sewer, and recreation departments. The approximately \$621,500, or 3.6% decrease in FY 2009 is due to a decrease in water and sewer indirects. The reduction in water and sewer indirects reflects year 3 of a 6 year plan to bring indirects in line with revised estimates of indirect costs.

Revenues Set Aside for Designated Expenses: This represents components of Gross General Fund Revenues that are set aside to finance non-operating budget expenses. The amount proposed for FY2010 and their financing sources are: \$440,690 (free cash) to be used for supplemental funding of the OPEB account; \$850,000 (\$822,450 from free cash and \$27,550 from proceeds from the sale of real estate) to be applied to cash capital; \$350,000 (free cash) to be used for supplemental funding of the SPED reserve; \$538,125 (tax levy) for the Street Reconstruction program funded in the 2001 override, \$157,594 (tax levy) for the Building Envelope capital program funded in the 2006 override, and \$45,000 (tax levy) for the Senior Work-Off program.

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Table 1: Property Tax Levy

	FY 2008	FY 2009	FY 2010	FY 09-10 Change	
	Recap	Recap	Projected	\$	%
Tax Levy	\$ 96,012,202	\$ 104,879,746	\$ 110,106,445	\$ 5,226,699	4.98%
Prop. 2.5%	\$ 2,400,305	\$ 2,621,994	\$ 2,752,661	\$ 130,667	4.98%
New Growth	\$ 2,485,650	\$ 3,276,649	\$ 1,900,000	\$ (1,376,649)	-42.01%
Override	\$ 3,981,589	\$ -	\$ -	\$ -	0.00%
Subtotal	\$ 104,879,746	\$ 110,778,389	\$ 114,759,106	\$ 3,980,717	3.59%

Table 2: State Aid

	FY 2008	FY 2009	FY 2010	FY 09-10 Change	
	Cherry Sheet	Recap	Projected	\$	%
Chapter 70	\$ 6,740,205	\$ 7,601,057	\$ 7,601,057	\$ -	0.00%
Charter School Reimbursement	\$ -	\$ 13,861	\$ -	\$ (13,861)	-100.00%
Lottery, Beano, Charity Games	\$ 1,907,409	\$ 1,907,409	\$ 1,362,869	\$ (544,540)	-28.55%
Police Career Incentive	\$ 237,868	\$ 258,718	\$ 190,082	\$ (68,636)	-26.53%
Veterans' Benefits & Exemptions	\$ 116,059	\$ 117,851	\$ 115,264	\$ (2,587)	-2.20%
Offsets (School Lunch & Library)	\$ 62,734	\$ 64,557	\$ 60,002	\$ (4,555)	-7.06%
Potential Additional Local Aid Reductions	\$ -	\$ -	\$ (270,376)	\$ (270,376)	0.00%

sub-Total (Cherry Sheet)	\$ 9,064,275	\$ 9,963,453	\$ 9,058,898	\$ (904,555)	-9.08%
School Construction (MSBA)	\$ -	\$ -	\$ -	\$ -	0.00%
Subtotal	\$ 9,064,275	\$ 9,963,453	\$ 9,058,898	\$ (904,555)	-9.08%

Table 3: Local Receipts

	FY 2008	FY 2009	FY 2010	FY 09-10 Change	
	Actual	Recap	Projected	\$	%
Motor Vehicle Excise Tax	\$ 3,758,043	\$ 3,534,967	\$ 3,646,000	\$ 111,033	3.14%
Other Excise	\$ 294,217	\$ 427,969	\$ 496,000	\$ 68,031	15.90%
Penalties & Interest	\$ 317,016	\$ 267,000	\$ 285,000	\$ 18,000	6.74%
PILOT's	\$ 803,593	\$ 631,000	\$ 454,000	\$ (177,000)	-28.05%
Rentals	\$ 338,597	\$ 192,000	\$ 228,000	\$ 36,000	18.75%
Departmental-Schools	\$ 415,914	\$ 261,258	\$ 292,000	\$ 30,742	11.77%
Departmental-Municipal	\$ 1,685,125	\$ 1,476,871	\$ 1,673,000	\$ 196,129	13.28%
Licenses & Permits	\$ 1,920,467	\$ 1,474,000	\$ 1,560,000	\$ 86,000	5.83%
Special Assessments	\$ 128,963	\$ 43,000	\$ 27,000	\$ (16,000)	-37.21%
Fines & Forfeits	\$ 370,368	\$ 337,000	\$ 359,000	\$ 22,000	6.53%
Investment Income	\$ 1,666,272	\$ 750,000	\$ 750,000	\$ -	0.00%
Miscellaneous Non-Recurring	\$ 490,690	\$ -	\$ -	\$ -	0.00%
Subtotal	\$ 12,189,265	\$ 9,395,065	\$ 9,770,000	\$ 374,935	3.99%

Table 4: Available Funds

	FY 2008	FY 2009	FY 2010	FY 09-10 Change	
	Appropriated	Recap	Projected	\$	%
Parking	\$ 350,000	\$ 325,000	\$ 325,000	\$ -	0.00%
Cemetery	\$ 100,000	\$ 120,000	\$ 120,000	\$ -	0.00%
Health Trust Fund					
Free Cash	\$ 3,543,097	\$ 4,860,766	\$ 5,281,717	\$ 420,951	8.66%
Brookhaven	\$ -	\$ 50,000	\$ -	\$ (50,000)	-100.00%
Insurance Proceeds	\$ -	\$ 138,402	\$ 52,387	\$ (86,015)	-62.15%
Overlay Surplus	\$ 100,000	\$ -	\$ 104,965	\$ 104,965	0.00%
Proceeds from the Sale of Assets	\$ -	\$ -	\$ 27,550	\$ 27,550	0.00%
TDM Receipts (Lexpress)	\$ 58,000	\$ 61,000	\$ 72,000	\$ 11,000	18.03%
School Bus Stabilization Fund	\$ 65,000	\$ 65,000	\$ 70,000	\$ 5,000	7.69%
Subtotal	\$ 4,216,097	\$ 5,620,168	\$ 6,053,619	\$ 433,451	7.71%

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	FY 2008 Recap	FY 2009 Recap	FY 2010 Projected	FY 09-10 Change	
				\$	%
Cherry Sheet Assessments	\$ (695,146)	\$ (701,893)	\$ (726,459)	\$ (24,566)	3.50%
Cherry Sheet Offsets					
School Lunch	\$ (20,745)	\$ (19,986)	\$ (20,744)	\$ (758)	0.00%
Public Libraries	\$ (41,989)	\$ (44,571)	\$ (39,258)	\$ 5,313	0.00%
Overlay (abatements) ¹	\$ (1,139,126)	\$ (1,276,988)	\$ (750,000)	\$ 526,988	-41.27%
Snow Deficit	\$ -	\$ (497,038)	\$ (300,000)	\$ 197,038	-39.64%
Subtotal	\$ (1,897,006)	\$ (2,540,476)	\$ (1,836,461)	\$ 704,015	-27.71%

	FY 2008 Appropriated	FY 2009 Recap	FY 2010 Projected	FY 09-10 Change	
				\$	%
Water	\$ 859,728	\$ 820,952	\$ 782,176	\$ (38,776)	-4.72%
Wastewater (Sewer)	\$ 737,309	\$ 714,536	\$ 691,763	\$ (22,773)	-3.19%
Recreation	\$ 155,848	\$ 175,399	\$ 188,583	\$ 13,184	7.52%
Subtotal	\$ 1,752,885	\$ 1,710,887	\$ 1,662,522	\$ (48,365)	-2.83%
Gross General Fund Revenues	\$ 130,205,261	\$ 134,927,485	\$ 139,467,683	\$ 4,540,198	3.36%
Revenues Set Aside for Designated Expenses	\$ 2,395,000	\$ 3,015,750	\$ 2,381,409	\$ (634,341)	-21.03%
Total - General Fund Available for Appropriation	\$ 127,810,261	\$ 131,911,735	\$ 137,086,274	\$ 5,174,539	3.92%

¹ FY09 overlay is higher than FY2010 because it includes an amount related to the new growth on newly taxable poles and wires that must be held in the overlay account until litigation on the taxing of this infrastructure is resolved.