Operating Budget Process

- Revenue Estimates for Upcoming Budget Prepared
- Town Departments and Schools prepare their annual budget requests
- Requests are reviewed and voted on by either the Board of Selectmen or School Committees
- Requests reviewed by Finance Committee
- Finance Committee makes recommendations to Town Meeting
- Town Meeting votes and approves budget amounts
Budget Calculations

Revenue – Expenses = $0 = Balanced Budget

The Town is required to vote a balanced budget by June 30th

Major Revenue Categories

- Real Estate and Property Taxes
- State Aid
- Local Fees (Excise Tax, Building Permits, Hotel & Meals Tax, Ambulance Bills, etc.)
Revenue

Real Estate and Property Taxes

- 2.5% Tax Increase Per Year: Maximum increase allowed by the state

- New Growth *(Taxes for New Construction or Major Renovations)*

- Debt Exclusions *(For Large Capital Projects)*
Revenue

Tax Calculations for FY21
(Note these figures were prior to COVID-19 impact)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year Tax Limit:</td>
<td>$ 22,913,366</td>
</tr>
<tr>
<td>+ 2.5% Increase</td>
<td>$ 572,834</td>
</tr>
<tr>
<td>+ New Growth (estimate)</td>
<td>$ 300,000</td>
</tr>
<tr>
<td>+ Debt Exclusions</td>
<td>$ 596,462</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 24,382,662</strong></td>
</tr>
</tbody>
</table>
Revenue

State Aid

■ Funds that Town Receives from State
■ Largest portion of State Aid is Chapter 70 Aid – Education Funding (Plainville Local Schools)
■ State Aid amounts have not kept pace with inflation
■ Additional Burden falls on the local taxpayers
CH70 Funding (Local Schools)

- Actual CH70 Aid
- CH70 Aid at 2.5%

$712,007 less funding over 5 years vs. 2.5% increase
Revenue
(Note these figures were prior to COVID-19 impact)

Real Estate & Property Taxes: $24,382,662
State Aid $4,137,956
Local Fees $4,021,122

Total Revenue $33,047,132
Expenses

Major Expense Categories

- **General Government** (Admin & Finance, IT, Legal, Land Use, Town Clerk)
- **Public Safety** (Police, Fire, Communications, Inspectional Services)
- **Public Works** (Highway, Trees, Snow and Ice, Street Lights, Building Maint)
- **Human Services** (Board of Health, Council on Aging, Veterans)
- **Culture & Recreation** (Parks, Library, Historical Commission)
- **Education** (Plainville, King Philip, Tri-County, Norfolk Agricultural, Charter)
- **Debt Service** (Principal and Interest Payments on Capital Projects)
- **Insurance/Benefits** (Health, Life, Retirement, Liability, Workers Comp)
- **State Assessments** (Retired Teachers Health Insurance, GATRA, Mosquito, etc.)
- **Other Uses** (FinComm Reserve, OPEB, Trash & Recycling, Prior Year Deficits, etc)
Major Expense Categories

- Education, 50.9%
- Public Safety, 17.9%
- Debt Service, 3.8%
- Insurance & Benefits, 15.3%
- General Government, 3.6%
- State Assessments, 1.2%
- Other Uses, 1.3%
- Public Works, 2.8%
- Snow & Ice, 0.9%
- Human Services, 1.4%
- Culture & Recreation, 0.9%
Expenses

Mandatory/Set Expenses:

- Snow & Ice Deficit from Previous Year
- Charter & School Choice Tuition
- Debt *(Principal & Interest Payments on Previously Approved Capital Projects)*
- Insurance & Benefits
- State Assessments
Expenses

Assessments:

- King Philip Regional Schools
- Tri County School
- Norfolk Agricultural School
- Regional Dispatch
Expenses

Department Budgets to Maintain Same Level of Service as Last Year:

- Local Schools
- Public Safety
- General Government
- Human Services
- Public Works
- Culture & Recreation
Expenses

- Department Budgets, 54.2%
- Mandatory Expenses, 23.0%
- Assessments, 22.7%
Expense
(Note these figures were prior to COVID-19 impact)

Mandatory Expenses: $ 8,492,742
Assessments $ 8,380,566
Department Budgets $ 19,982,557

Total Expenses $ 36,855,865
Budget Calculations
(Note these figures were prior to COVID-19 impact)

Revenue – Expenses = $0 = Balanced Budget

Revenues $ 33,047,132
Expenses - $ 36,855,865

Balance - $ 3,808,733

*Note this would include increased funding for snow and ice, OPEB and Fincom Reserve for emergency expenses
Major Budget Drivers

■ Less State Aid

■ Expenses increased more than 2.5% local tax increase

■ Major increases in Charter School Assessment

■ Deficit Funding Snow and Ice Expenses

■ Use of Free Cash to Fund Operating Budget
$2,379,071 more spent over 5 years vs. if went up 2.5%
$1,883,361 spent over 5 years vs. if it went up 2.5%
Charter School Assessments

$1,284,412 More Spent Over 5 Years vs. if went up 2.5%
Options for Balancing the Budget

■ Decrease Expenses by Cutting Budgets

■ Vote an Override to Raise Taxes More than 2.5%

■ Combination of Both
Decreasing Expenses/Budget Cuts

- Same funding as the last two years minus an additional 10% \( \text{(Note these figures were prior to COVID-19 impact)} \)

- Departments and Local Schools asked to detail how these potential cuts would impact the level of service that they provide to the community
Impacts of Budget Cuts
Same Funding as Last Two Years Minus 10%

- Layoffs and Reduction in hours and pay - Town Hall offices closed 1 additional full day a week

- Reduced support for Committees such as Planning, Zoning, Conservation, Open Space, Delay in Permitting & Growing Businesses – Impact on Revenue

- Reduction in the amount of inspections performed for building, wiring, plumbing and gas. Longer wait times for inspections
Impacts of Budget Cuts

- Layoffs and/or Reduction in hours for DPW, less work on street repairs and maintenance of public infrastructure

- Reduction in building maintenance & cleaning at library, town hall & senior center

- Senior Center and Library open less hours, decreased services

- Cuts in Public Health budget
Impacts of Budget Cuts - Fire

- Safety and Staffing – 6 Firefighters need to be laid off – 25% reduction in staff

- 2005 Staffing Levels but 54% more emergencies

- Many scenarios when only 1 or 2 firefighters will be available to respond

- Inability for Plainville Fire to answer all of the emergencies – Mutual Aid
Impacts of Budget Cuts - Fire

- No Training

- Morale low due to staffing, the need to function less safe, and operating outside of industry standards

- Complexities of responding to all hazards within a small town with less staff

- Second ambulance revenue loss of $260,000 a year. This nearly covers the layoff costs
Impacts of Budget Cuts - Fire

■ Every emergency will have less firefighters and paramedics available to help than we do today

■ Estimated 2 out of 5 emergencies will take between 10 and 15 minutes or more to get a firefighter or paramedic on scene

■ For 40% of calls, it is anticipated that we will struggle to have enough first responders to properly provide emergency services
Impacts of Budget Cuts - Police

- Department currently has 19 Full-time Police Officers positions

- Budget cuts will result in the lay-off of 5 Police Officers, 28% of the Force

- We will be staffing 24hrs a day, 7 days a week, with only 14 Officers (including Chief)

- Department of Justice Study shows New England has an average of 2.7 Officers per thousand

- Staffing Levels will fall to only 2-3 Officers per shift
Impacts of Budget Cuts - Police

- 1980 Population 5,446 - Ratio of Officers per thousand Residents 2.4
- 1990 Population 6,871 - Ratio of Officers per thousand Residents 1.8
- 2000 Population 7,683 – Ratio of Officers per thousand Residents 1.68
- 2004 Population 8,015 – Ratio of Officers per thousand Residents 1.62

- 2005 Approval of an additional 3 Officers to be added to the force
- 2009 (2) Police officer positions not funded budget reduction
- 2015 Study identifies need for 3 additional Officers

- 2019 Population 9,300 – Ratio of Officers per thousand Residents 2.0
- 2020 Population 9,300 - Ratio of Officers per thousand Residents 1.46

- The DOJ standard for Police Officers per thousand residents is 2.5
- Commercial Growth & Daytime Population/Commute Traffic
Impacts of Budget Cuts - Police

Mandated Training Requirements

- Municipal Training Council mandates a minimum of 40 hours of In-Service Training each year

- Municipal Training Council requires Use of Force training 4 times a year

- Specialty Training – Officers are required to have specialized training in many areas
Impacts of Budget Cuts - Police

Loss of Current Staffing/Funding will result in:

■ Elimination of the Dare Program

■ Elimination of a Detective Position 50% Cut in staffing

■ Reduction in Training for the Police Officers

■ Dark Station – Front Desk Personnel

■ Increase in overtime for replacement
Impacts of Budget Cuts - Police

Loss of Current Staffing/Funding will result in:

- Expense/time to train new personnel to fill lay off positions

- Officer Health and Wellness

- The staff will be unable to fill all of the required overtime shifts

- Staffing of Community Events
A 10% budget cut requires approximately $1.5 million in reductions from the district’s Fiscal Year 2020 REDUCED SERVICES BUDGET

Since 80% of the educational budget is based on personnel, 23.6 FTE positions would be eliminated in the following areas...
## Impact of Budget Cuts: Plainville Public Schools

<table>
<thead>
<tr>
<th>AREA</th>
<th>% REDUCTION</th>
<th>POSITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>20% Reduction</td>
<td>Special Education, Operations &amp; Maintenance</td>
</tr>
<tr>
<td>Certified Staff</td>
<td>20% Reduction</td>
<td>Teaching Positions &amp; Stipends (Classroom, Specialists, Others)</td>
</tr>
<tr>
<td>Classified Staff</td>
<td>18% Reduction</td>
<td>Technology Department, Secretarial, Custodial, Business Office, Tutors, Paraprofessionals</td>
</tr>
</tbody>
</table>

Non-personnel related reductions totaling $188,000 would also be executed.
Impact of Budget Cuts: Plainville Public Schools

- Average class size increase (from 18.0 to 22.5) in grades K-3
- Average class size increase (from 20.9 to 27.2) in grades 4-6
- Elimination of band and chorus programs – feeder programs to KP
- Significant reduction in supervision and evaluation of personnel and other programs
Impact of Budget Cuts: Plainville Public Schools

- Reduced services in technology, business office, main offices and custodial services

- Elimination of inclusion model to service students with disabilities and ELL services

- Significant decrease in student academic and behavioral support services

- Significant barriers to close student learning gaps
Impact of Budget Cuts: Plainville Public Schools

- Inability to ensure compliance with new state standards in social studies, science social-emotional learning

- Significant decline in staff learning and growth activities

- Failure to properly prepare our students with the academic and social competencies needed to be successful
King Philip Regional Schools: 
A world-class education

■ KPHS **ranked in top 10% nationally** by US News & World Report
  
  - *KP exceeds state averages in all grades and subjects on MCAS tests*
  
  - *KP exceeds state & national averages on AP and SAT exams*

■ KP is **12% below state average for per-pupil expenditures** and spends well below regional & state trends for net school spending over requirement
King Philip Regional Schools: A world-class education

- **Level service increase of only 3.49%** to FY 2021 operating budget
  
  *Increase of only 2.17% to Plainville’s operating assessment*
  
  *Average budget increase over three years of only 3.12%*

- **Items needed to grow the district, but not included in budget request:**
  
  *HS Engineering Teacher, MS World Language Teacher, Instructional Technology Specialist, History textbooks, Technology Upgrades, Capital Plan Improvements, Reductions to Athletics & Music User Fees (which are among the highest in the region)*
Impact of COVID-19 on Budget Projections

- Revenue decreases are expected both in the current year and in Fiscal Year 2021
- State Aid is expected to decrease – we will likely receive less than anticipated
- Tax payments, motor vehicle excise, permits, hotels and meals tax revenue have all been impacted
- Temporary Closing of Plainridge – our largest taxpayer
- Plainville Local Schools Have Reduced Their Level Service Request
Impact of COVID-19 on Budget Projections

■ $3.8 million dollar deficit to provide level service and properly fund snow and ice, fincom reserve and contribution to OPEB, could now be as high as a $4.9 million deficit.

■ Balancing the budget by only cutting expenses could potentially result in Department’s receiving up to 20% less funding than they have received for the last two years (but there are a lot of unknowns at this time)
Assumptions Made - COVID-19 Budget Projections
(All Estimates At This Time)

- $100,000 reduction in Anticipated New Growth
- $620,693 reduction in Estimated State Aid
- $324,761 reduction in Estimated Local Receipts
- $250,000 additional deficit to cover from FY2020
Impact of COVID-19 on Budget Projections

Scenario #1  Level Service Budget Requests
Snow and Ice & Fincom Reserve Not Fully Funded, No OPEB

Revenues  $ 32,001,678
Expenses   - $ 36,549,266

Balance   - $ 4,547,588
Impact of COVID-19 on Budget Projections

Scenario #2  Level Fund Budget Requests
Layoffs would occur throughout Town and Local Schools

Revenues         $ 32,001,678
Expenses         - $ 35,644,142

Balance         - $ 3,642,464
Impact of COVID-19 on Budget Projections

Scenario #3  Level Funding Minus 10%

Reductions that were highlighted in this presentation

\[
\begin{align*}
\text{Revenues} & \quad \$ 32,001,678 \\
\text{Expenses} & \quad - \$ 33,764,347 \\
\text{Balance} & \quad - \$ 1,762,669
\end{align*}
\]
Impact of COVID-19 on Budget Projections

Scenario #4  Level Funding Minus 20%

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$32,001,678</td>
</tr>
<tr>
<td>Expenses</td>
<td>-$31,990,470</td>
</tr>
<tr>
<td>Balance</td>
<td>$11,208</td>
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</table>
Override Options

- Override – mechanism to raise taxes more than 2.5%
- Requires a town-wide election
- Board of Selectmen vote whether or not to place an override on a ballot
- Selectmen also decide the amount of the override
Estimated Override Impacts

Average Single Family Home Valued at $391,569

4.5 Million (level service) = $270.18 quarter $90.06 month

3.6 Million (level fund) = $216.34 quarter $72.11 month

1.7 million (level fund minus 10%) = $101.81 quarter $33.94 month
Estimated Override Impacts

Average Senior Mobile Homeowner (i.e Sunset Acres)

4.5 Million (level service) = $14.89 quarter $4.96 month

3.6 Million (level fund) = $11.92 quarter $3.97 month

1.7 million (level fund minus 10%)= $ 5.61 quarter $1.87 month
<table>
<thead>
<tr>
<th>Municipality</th>
<th>FY2020 Ave S/F Value</th>
<th>S/F Tax Bill</th>
<th>4.5M on 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellingham</td>
<td>324,325</td>
<td>4,612</td>
<td></td>
</tr>
<tr>
<td>North Attleborough</td>
<td>399,143</td>
<td>5,728</td>
<td></td>
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<tr>
<td>Plainville</td>
<td>391,569</td>
<td>5,756</td>
<td>6,837</td>
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<tr>
<td>Franklin</td>
<td>460,387</td>
<td>6,680</td>
<td></td>
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<tr>
<td>Wrentham</td>
<td>473,190</td>
<td>6,743</td>
<td></td>
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<tr>
<td>Foxborough</td>
<td>473,016</td>
<td>6,892</td>
<td></td>
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<tr>
<td>Mansfield</td>
<td>467,148</td>
<td>7,175</td>
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<tr>
<td>Medway</td>
<td>434,730</td>
<td>7,608</td>
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<tr>
<td>Walpole</td>
<td>531,919</td>
<td>7,973</td>
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<tr>
<td>Millis</td>
<td>413,602</td>
<td>8,330</td>
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</tr>
<tr>
<td>Norfolk</td>
<td>492,401</td>
<td>9,178</td>
<td></td>
</tr>
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Next Steps

■ Finance Committee Continued Review of Budgets

■ Board of Selectmen decide whether or not to place an override question on the ballot for a town-wide election, which will include the amount of the override

■ Finance Committee will publish public budget recommendations

■ Town Meeting on June 1st – budget will be voted