

# TOWN OF MILLIS

YEAR END REVIEW REPORT TO  
BOARD OF SELECTMEN ON  
FINANCIAL AND OPERATIONAL  
CONDITION  
AS OF 1/11/2015



# REPORT COMPONENTS

- FINANCIAL STABILITY
  - OUTSIDE AGENCIES
  - INDEPENDENT AUDITS
  - DATA COMPARISON
- REVENUE
  - STATE AID
  - TAX LEVY
  - LOCAL RECEIPTS
- FREE CASH
- TRENDS
- EXPENSE DRIVERS

# OUTSIDE FINANCIAL REVIEWS

- ▣ MOODY'S INVESTMENT SERVICE:
  - REVIEW FROM BOND ANTICIPATION NOTE ISSUANCE LAST AUGUST
  - MODERATELY SIZED TAX BASE \$1.0 BILLION
  - LOW UNEMPLOYMENT - 4.3% MAY 2015
  - STABLE FINANCIAL POSITION
  - MANAGEABLE DEBT AND PENSION BURDEN
  - SOUND MANAGEMENT , CONSERVATIVE BUDGETING PRACTICES
  - MULTI YEAR TREND OF OPERATING SURPLUSES

# OUTSIDE REVIEWS CONT'D

- ▣ MIG1 RATING (STD) CHARACTERIZED BY:
  - SUPERIOR CREDIT QUALITY
  - PROTECTION AFFORDED BY ESTABLISHED CASH FLOW
  - HIGHLY RELIABLE LIQUIDITY
  - DEMONSTRATED ACCESS TO BOND MARKET

# OUTSIDE REVIEWS CONT'D

▣ Aa3 RATING (LTD) CHARACTERIZED BY:

- DEBT OBLIGATIONS ARE JUDGED TO BE OF HIGH QUALITY AND SUBJECT TO LOW CREDIT RISK

# OUTSIDE AUDITORS

- ▣ ROUTINELY CITE WELL RUN AUDITS
- ▣ NO MATERIAL FINDINGS
- ▣ STRONG STABILIZATION AND FREE CASH BALANCES
- ▣ REGULAR WATER & SEWER SURPLUSES



# AVG. SINGLE FAMILY TAX BILL

		EQV	AVG SF	BOND	PER CAP	\$ AVG	STATE
	<u>POP</u>	<u>PERCAP</u>	<u>TAX BILL</u>	<u>RATE</u>	<u>INCOME</u>	<u>SF HOME</u>	<u>AID</u>
NORFOLK	11,539	\$132,175	\$7,603	Aa3	\$43,801	\$430,517	\$4,725,816
HOLLISTON	14,014	\$151,561	\$7,495	Aa2	\$47,765	\$386,757	\$11,652,340
LITTLETON	9,132	\$173,098	\$6,724	Aa2	\$42,066	\$371,489	\$5,251,175
MEDWAY	12,864	\$132,961	\$6,610	Aa3	\$42,181	\$362,402	\$11,727,818
UPTON	7,640	\$140,125	\$6,200	Aa3	\$42,100	\$365,783	\$694,064
<b>MILLIS</b>	<b>7995</b>	<b>\$132,557</b>	<b>\$6,027</b>	<b>Aa3</b>	<b>\$36,594</b>	<b>\$354,534</b>	<b>\$6,031,098</b>
WRENTHAM	11,118	\$168,200	\$5,845	Aa2	\$47,602	\$390,162	\$4,888,886
GRAFTON	18,045	\$126,757	\$5,620	Aa2	\$40,648	\$340,581	\$12,258,757
W. BRIDGEWATER	6,941	\$143,369	\$5,089	A1	\$30,095	\$285,759	\$4,940,216
PLAINVILLE	8,440	\$138,159	\$4,909	Aa3	\$36,179	\$318,353	\$4,332,166
BELLINGHAM	16,521	\$137,287	\$3,772	Aa2	\$31,333	\$264,700	\$12,444,860

# MAJOR REVENUE COMPONENTS

- ▣ PROPERTY TAX LEVY
- ▣ 2.5% INCREASES, GROWTH, DEBT

FY	TAX LEVY	%INC
2012	\$15,615,164	1.8%
2013	\$16,328,377	4.5%
2014	\$17,214,070	5.4%
2015	\$17,832,070	3.6%
2016	\$18,590,427	4.3%



# MAJOR REVENUE COMPONENTS

- ▣ STATE AID: NOTE DECLINING INCREASES

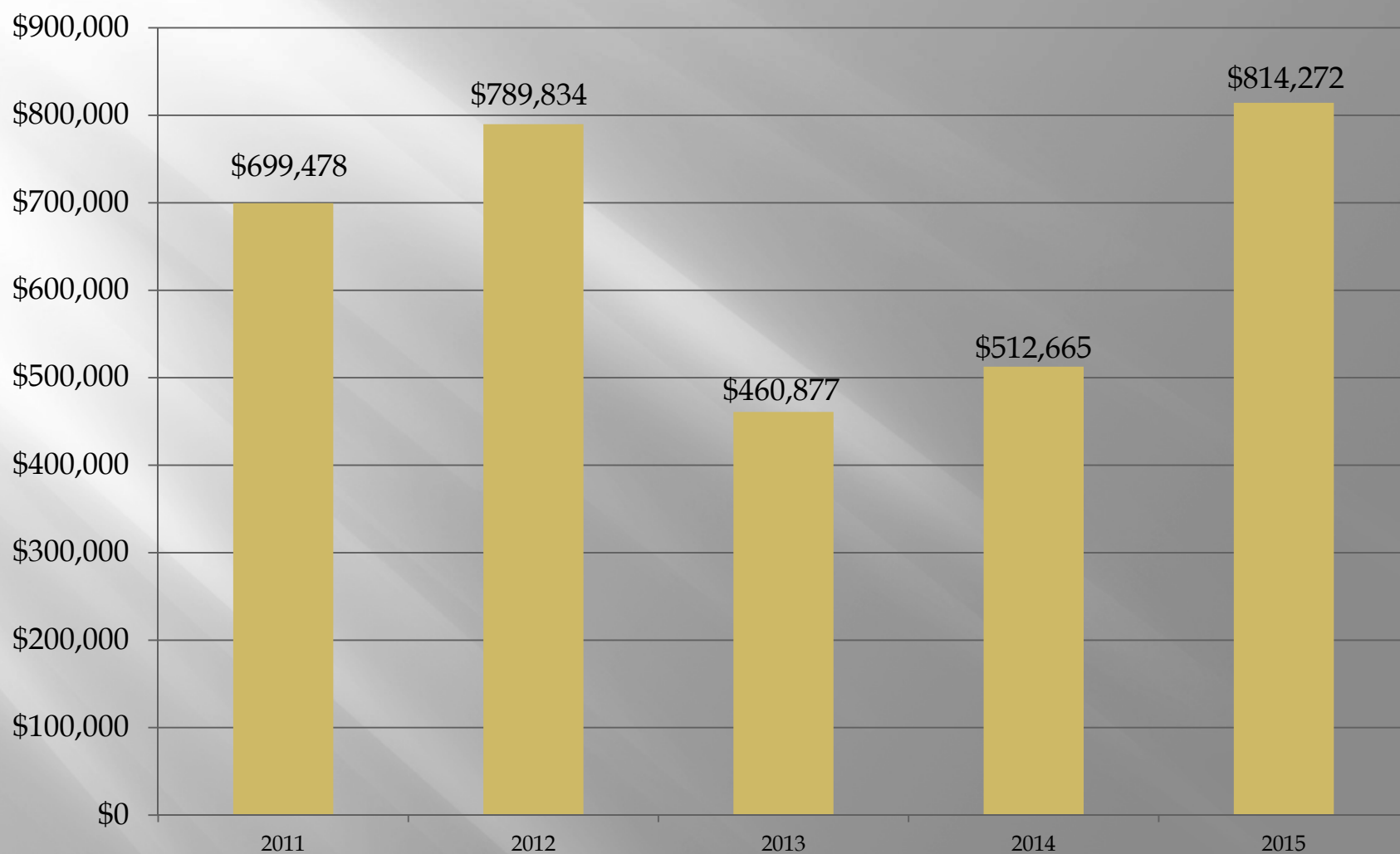
FY	STATE AID	DIF
2010	\$4,708,837	\$499,686
2011	\$5,224,713	\$515,876
2012	\$5,447,866	\$223,153
2013	\$5,813,422	\$365,556
2014	\$5,897,717	\$84,295
2015	\$6,031,098	\$133,381
2016	\$6,042,078	\$10,980

# MAJOR REVENUE COMPONENTS

## ▣ LOCAL ESTIMATED RECEIPTS

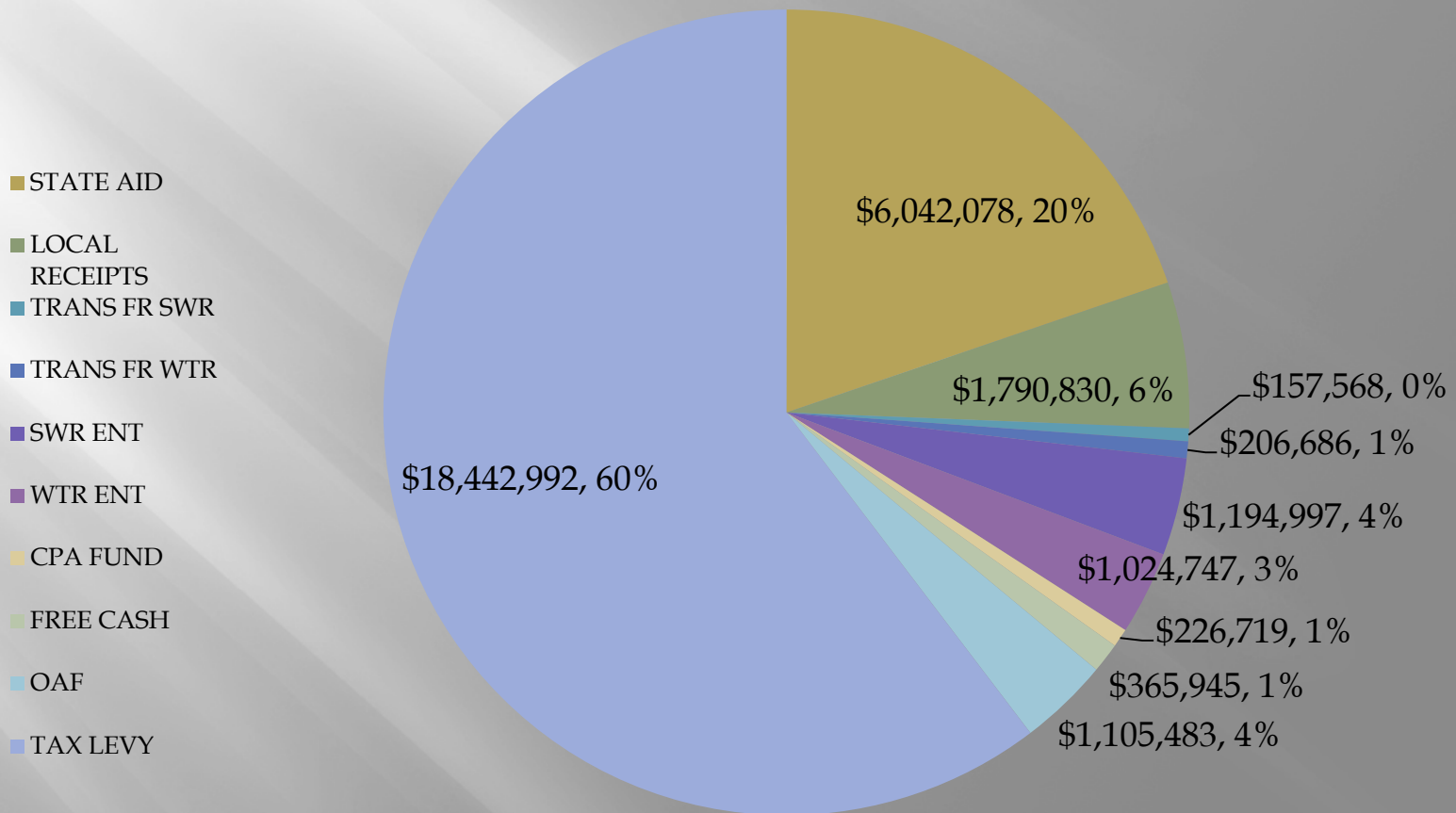
FY	LER	DIF
2010	\$1,832,712	\$1,832,712
2011	\$1,953,191	\$120,479
2012	\$2,010,708	\$57,517
2013	\$2,336,046	\$325,338
2014	\$2,107,424	(\$228,622)
2015	\$2,137,793	\$30,369

# FREE CASH HISTORY



# REVENUE CHART JUNE TM

## TOWN OF MILLIS REVENUE SOURCES JUNE ATM



# REVENUE TRENDS

## FREE CASH

Result	avg last 5 yr	avg last 3 yr	avg last 2 yr	2.5% growth
FY	Scenario 1	Scenario 2	Scenario 3	Scenario 4
2011	\$699,478	\$699,478	\$699,478	\$699,478
2012	\$789,834	\$789,834	\$789,834	\$789,834
2013	\$460,877	\$460,877	\$460,877	\$460,877
2014	\$512,665	\$512,665	\$512,665	\$512,665
2015	\$814,272	\$814,272	\$814,272	\$814,272
2016	\$655,425	\$595,938	\$663,469	\$834,629
2017	\$646,615	\$640,958	\$738,870	\$855,495
2018	\$617,971	\$683,723	\$701,169	\$876,882

# FREE CASH REINVESTMENT

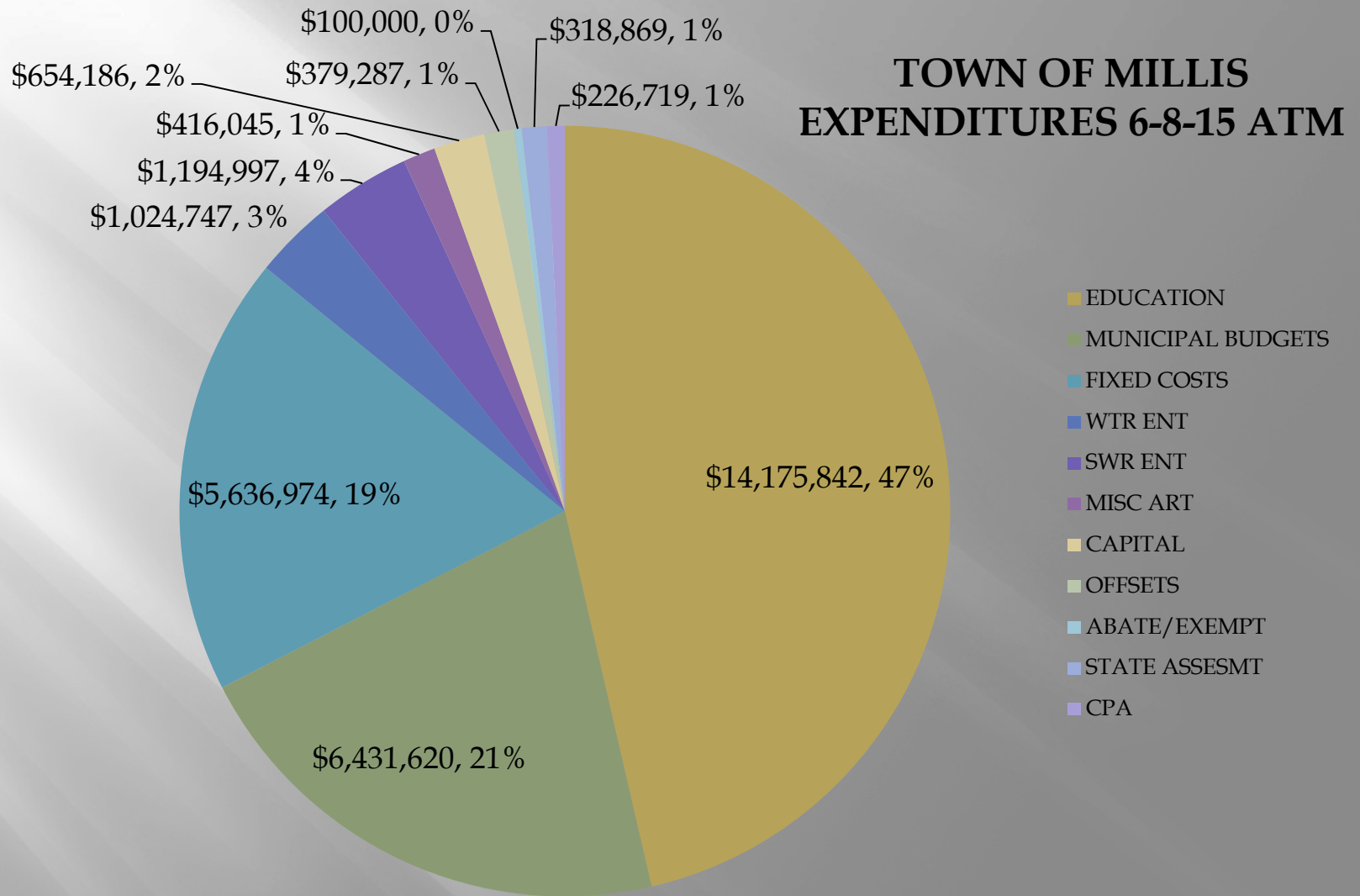
- ▣ WHERE DOES FREE CASH GO?
  - CAPITAL PROJECTS
  - CASH RESERVES (STABILIZATION/OPEB)
  - ONE TIME EXPENSES
    - ▣ MANAGEMENT STUDIES
    - ▣ GRANT MATCHES
  - EXTRAORDINARY BUDGET NEEDS/GAP FILLER



# REVENUE TRENDS TAXATION

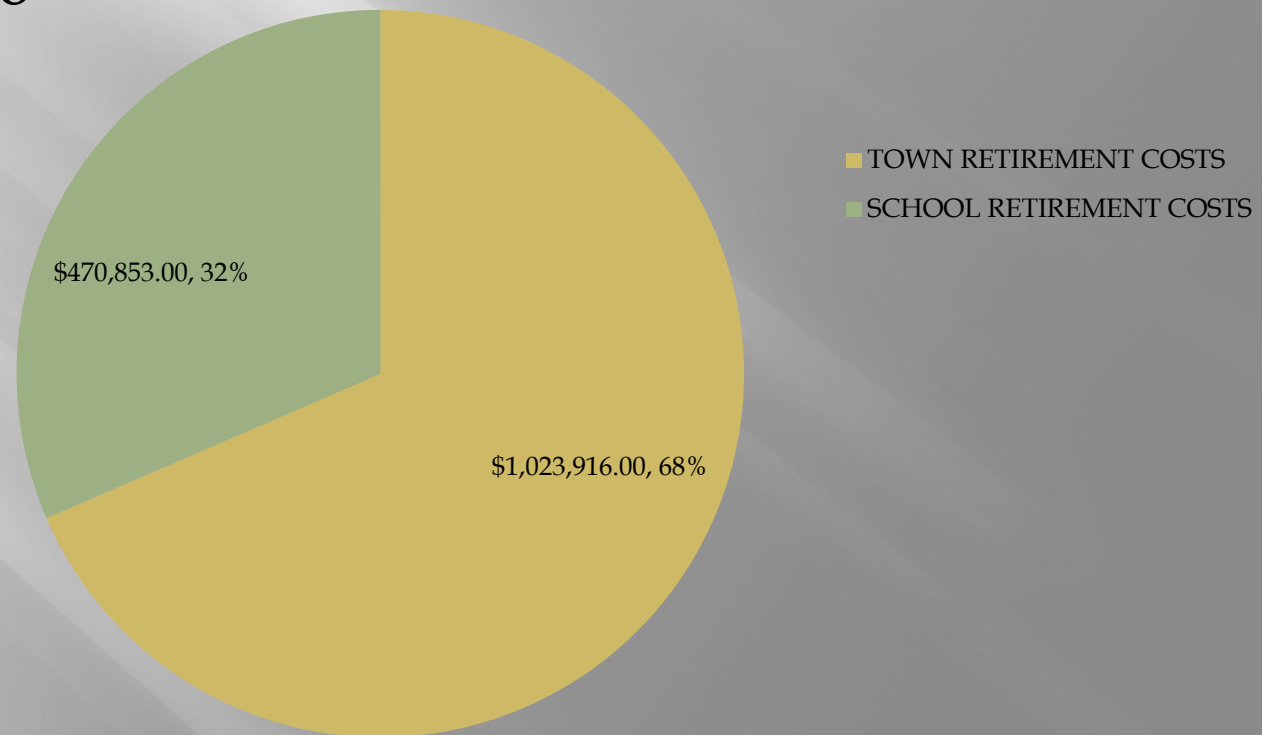
FY	BASE LEVY	2.5% INC.	GROWTH	TOTAL	DIF
2012	\$14,799,741	\$369,994	\$262,878	\$15,432,613	
2013	\$15,432,613	\$385,815	\$141,196	\$15,959,624	\$527,011
2014	\$15,959,624	\$403,644	\$205,784	\$16,569,052	\$609,428
2015	\$16,569,052	\$414,226	\$129,065	\$17,112,343	\$543,291
2016	\$17,112,343	\$427,809	\$297,761	\$17,837,913	\$725,570
2017	\$17,837,913	\$445,948	\$207,337	\$18,491,198	\$653,285
2018	\$18,491,198	\$462,280	\$207,337	\$19,160,815	\$669,617
2019	\$19,160,815	\$479,020	\$207,337	\$19,847,172	\$686,357

# WHERE DOES REVENUE GO?



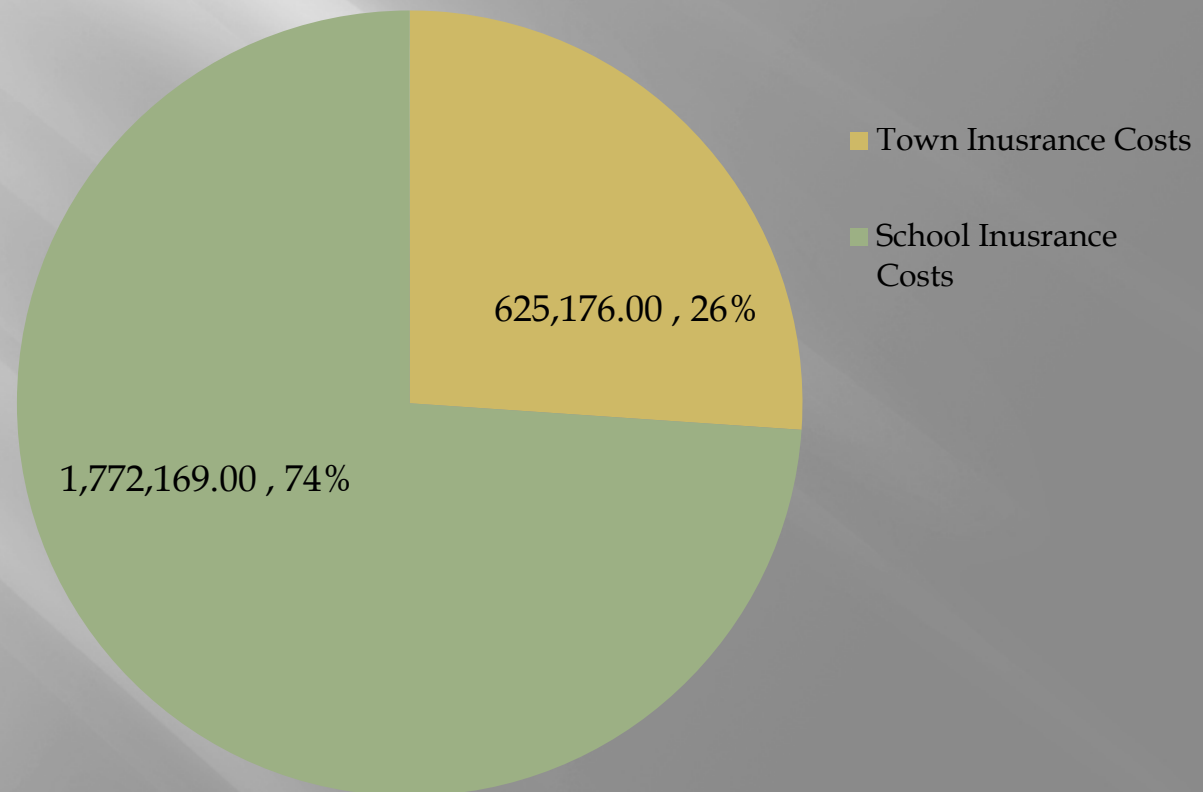
# MAJOR BUDGET DRIVERS

- ▣ NORFOLK COUNTY RETIREMENT ASSESSMENT, FY17 \$1,494,769, FY12 \$1,030,266



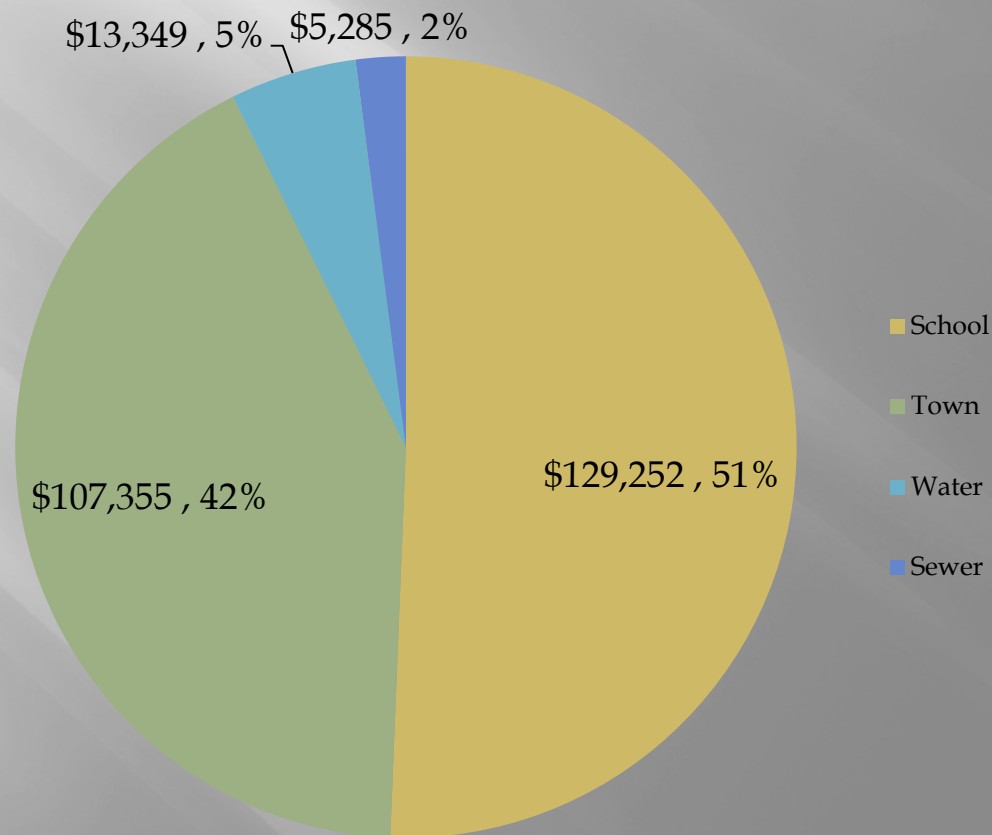
# MAJOR BUDGET DRIVERS

- HEALTH INSURANCE COSTS FOR EMPLOYEES AND RETIREES, FY11 \$2,018,333, FY16 Est. \$2,397,345



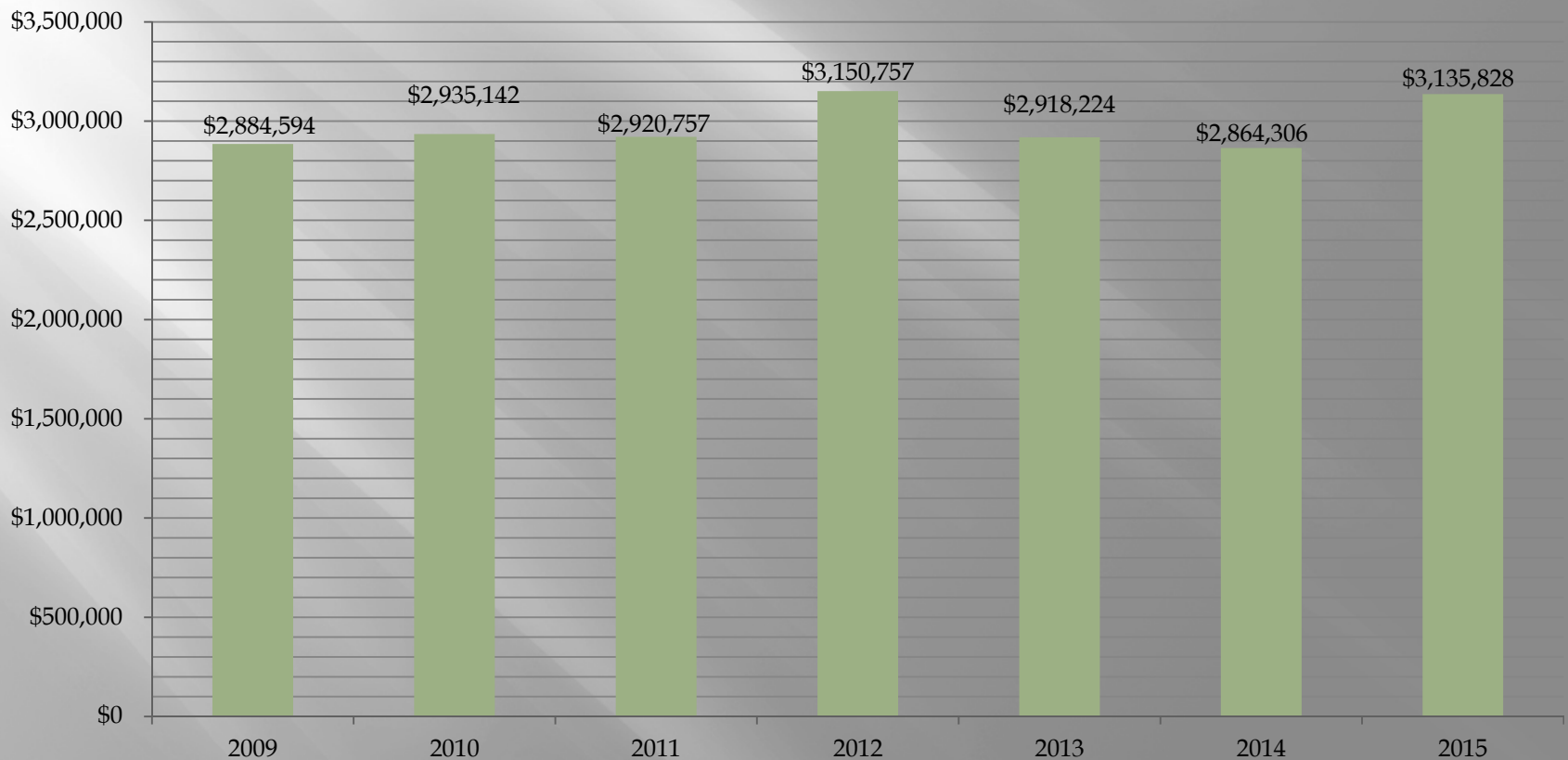
# MAJOR BUDGET DRIVERS

- GENERAL INSURANCE COSTS (Liability, WC, Property, Auto) FY 16 \$255,421, FY 11 \$192,476



# MAJOR BUDGET DRIVERS

- ▣ SPECIAL EDUCATION COSTS
- ▣ FY09 \$2,884,594 - FY15 \$3,135,828





# ADDED BUDGET DRIVERS

## ▣ TOWN

- STORMWATER COSTS
- WATER, SEWER REGS
- SPCC TRAINING & IMPLEMENTATION

## ▣ SCHOOLS

- MENTAL HEALTH SERVICES
- STUDENT SOCIAL, EMOTIONAL WELL BEING
- DATING VIOLENCE
- BULLYING
- UNFUNDED MANDATES (9 Pages)

# **FUTURE REVENUE (5-7 YRS)**

## **▣ REAL ESTATE DEVELOPMENT (EST)**

▪ ACORN ST.	\$347,465
▪ JOPA	\$8,000
▪ KENSINGTON PL.	\$64,000
▪ SPRING ST DUPLEX	\$11,000
▪ BANK	\$5,500
▪ SPRING ST APARTMENTS	\$58,000
▪ ROCKVILLE MEADOWS	\$25,000
▪ SOUTH END FARM	\$236,000
▪ GLEN ELLEN	\$2,800,000

# **FUTURE REVENUE CONT'D**

- ▣ **MEDICAL MARIJUANA DISPENSARY**
- ▣ **SALE OF WATER**
- ▣ **GREEN COMMUNITIES GRANTS**
- ▣ **COMMERCIAL DEVELOPMENT**
  - **TRACTOR SUPPLY**
  - **ASSISTED LIVING FACILITY**
  - **HERMAN SHOE PROPERTY**
  - **MAIN ST. SOLAR FACILITY**

# FUTURE OPERATIONAL NEEDS

- ▣ SCHOOL BUDGET
- ▣ PUBLIC SAFETY
  - FIRE ALS STAFF
  - POLICE STAFF
  - AMBULANCE, NEW , 2<sup>nd</sup>?
- ▣ DPW STAFF
- ▣ ADMIN STAFF
- ▣ HUMAN SERVICES STAFF
- ▣ LIBRARY STAFF
- ▣ FIELD MAINTENANCE/STAFF

# FUTURE CAPITAL NEEDS

- ▣ MSBA CLYDE BROWN EXPANSION
- ▣ FIELDS
- ▣ **ROADS, ROADS, ROADS & SIDEWALKS**
- ▣ CULVERTS
  - VILLAGE AT HIMMELFARB
  - LARCH RD.
  - ORCHARD ST.
- ▣ DOVER RD. BRIDGE
- ▣ DPW ROOF/BUILDING
- ▣ TECHNOLOGY
- ▣ WATER MAIN REPLACEMENT

# UNKNOWNNS

- ▣ STORMWATER COSTS
- ▣ EPA SEWER SYSTEM REGS
- ▣ WATER SYSTEM REGS
- ▣ INCREASED SCHOOL SPECIAL ED COSTS
- ▣ VOLUNTEERISM
- ▣ STAFF RETENTION-FUTURE?
- ▣ VOTER PRIORITIES
- ▣ POPULATION DECLINE
- ▣ OPEB COSTS



# CURRENT YEAR BUDGET ISSUES

- ▣ POLICE WAGES
- ▣ VETERANS BENEFITS
- ▣ TOWN COUNSEL
- ▣ FINANCE COMM. EXPENSES
- ▣ BLDG. INSPECTION WAGES FROM FEES
- ▣ SEWER EXPENSES