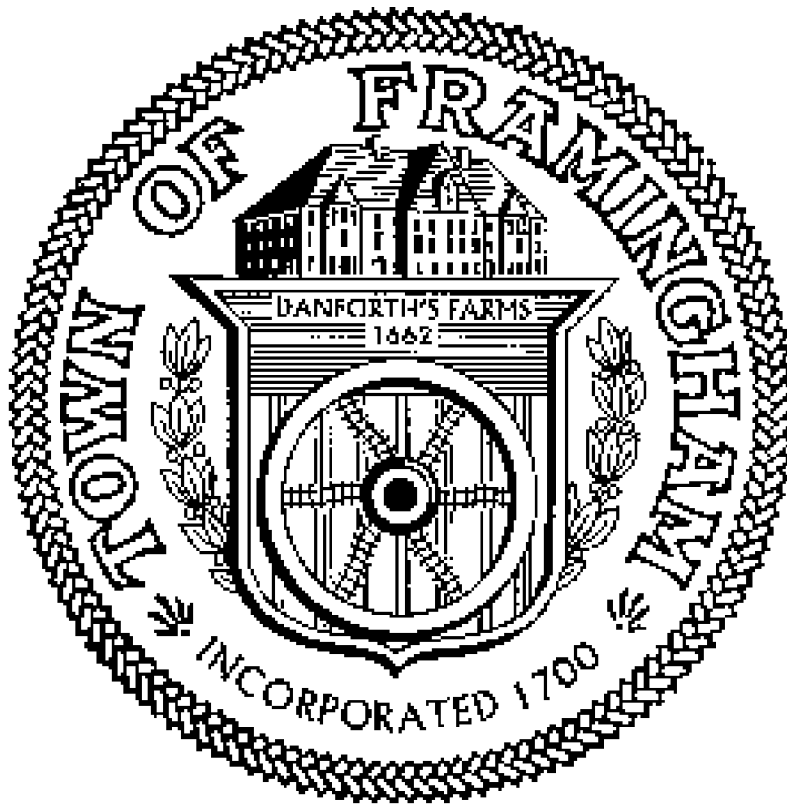


Town of Framingham

Office of the Chief Financial Officer



Long Term Financial Forecast

December 19, 2006

Long Term Financial Forecast

Introduction

Article II of the Towns by-laws requires the CFO to develop a long term financial forecast for the Town. The forecast presented here is a five year forecast of General Fund revenues and expenditures. The intent is to provide residents, taxpayers and Town Government officials with a picture of our financial future and recommendations for improvement.

Revenue Assumptions

The assumptions used to project revenues are relatively simple: (1) property taxes increase by 2.5% and the amount of new growth (2) state aid increases by 12% in Chapter 70, 8% in lottery aid and additional assistance remains flat; (3) Local receipts increase by 6% in FY08 with the infusion of the Arena revenue, and 3.4% for future years, with some specific items at a varying percentage increase. The transfer of overhead costs from the Water and Sewer Enterprise funds increase by seven to eight percent for the first three years. This is due to the correction of the indirect (or overhead) calculation, which had not been reviewed for a number of years. Because the effect of this correction would have been substantial, it is phased in over four years, beginning in FY07. In the fourth and fifth years of this projection the increase in indirect is one to two percent. The Arena Enterprise fund is recommended to be abolished in FY08. The operations of the Arena are anticipated to be incorporated into the General Fund and the revenues combined with General Fund revenue. The indirect transfer is included in FY07 and the transfer out to the Arena Fund is listed in the summary for FY07 only. Free cash is projected to be level at \$2.6 million. Following the current free cash allocation formula,

Expenditure Assumptions

The bases for projecting expenditures have multiple components:

- (1) salary increases are assumed to increase in three scenarios:
 - a. by 4.5% overall (including steps and cost of living adjustment);
 - b. by 5% overall (including steps and cost of living adjustment);
 - c. by 6% overall (including step and cost of living adjustment).

The first two scenarios attempt to comply with the resolution passed in Town Meeting in June of 2006. Generally, increases in salary have just referred to the cost of living adjustments agreed to in collective bargaining agreements. In this resolution, as well as this forecast, the percentages referenced include the increases between

- (2) Health insurance increases at 9%; a conservative figure, yet realistic if we manage our health benefits aggressively.
- (3) Pension funding increases 8.2% in FY08 and drops to 4.9%, 6.6%, 3.7%, and 4.9% for the rest of the forecast. This is based on the funding schedule certified by the state Public Employee Retirement Administration. This schedule will pay down the unfunded pension liability in 2028. Additional detail is included in the last two pages of the report.

- (4) Energy increases by 5% which includes no growth in the usage price for three years as contracted by the Town. At the end of that contract both usage and delivery charged increase by 5%.
- (5) No additional staff has been added and no programs have been cut as part of this forecast. The only structural change is the transfer of the Arena from an enterprise fund to the General Fund. That enterprise fund is not solvent without a transfer from the General Fund, yet overhead charges are legal to assess against the enterprise fund. The financial operation as a department within the General Fund will be more direct and straightforward. This arrangement is included in FY08 forward. This change will be included as a recommendation in the FY08 Operating Budget when it is issued by the CFO's Office.
- (6) Free cash allocated to the stabilization fund is steady at \$330,000.

One item that is absent from this forecast is the future cost of health and other benefits paid to retirees, so-called OPEB costs. This is currently under study by a contracted actuary. This will be a substantial liability. Some local municipalities have completed their valuations and the numbers are shocking. There is both local and national discussion about how best to account for this liability and how to fund it.

Conclusions

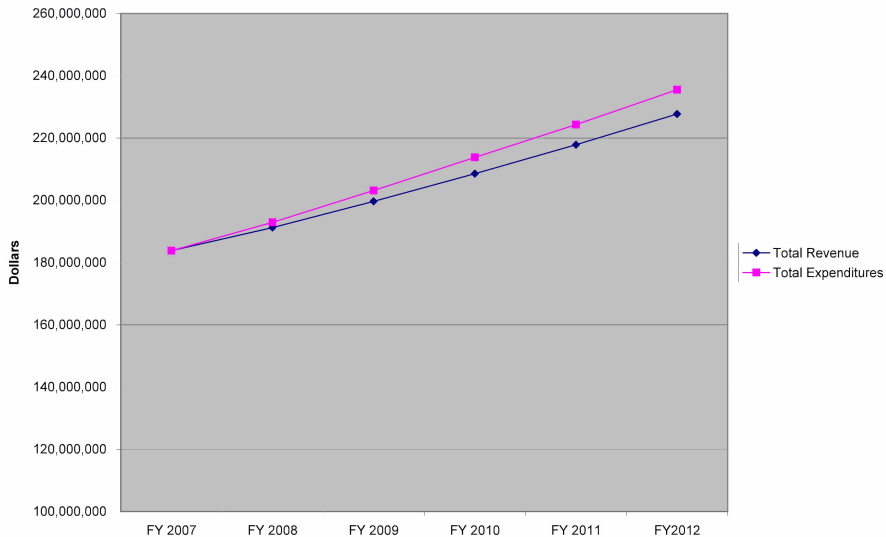
The revenue gap, or deficit projected for FY08 is \$1.69 million. That gap grows steadily through fiscal year 2012. Growth in property taxes alone does not support the growth in the cost of services. The Town needs additional economic development or redevelopment to increase new growth. State aid is not the solution either. The state must support the costs it mandates, including special education and school transportation. But that will not cover the increasing costs of energy, health insurance and pensions. New and creative sources of revenue must be found, including local option taxes and the ability to turn Town physical resources into money making venues versus drains on the expense budget.

The Town needs to rethink how certain services are provided and whether it can still provide those services. We also need to be aggressive in managing the cost of health care, and other personnel costs. Great steps have been made so far in both of these categories. Salary increases must not exceed the growth in revenues. Several of the existing collective bargaining agreements grow at a rate that matches the revenue growth rate. However, all salaries need to fall within that parameter. This does not devalue to hard work of Town employees. The Town just cannot afford it.

Forecast Summary at 4.5% Salary Growth (steps and cost of living adjustment)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue						
Property Taxes	135,455,006	140,836,381	146,442,066	152,281,707	158,365,376	164,703,585
State Aid	27,180,304	28,850,458	30,954,407	33,270,821	35,848,109	38,691,620
Local Receipts	16,035,696	16,991,809	17,548,581	18,140,830	18,751,359	19,404,703
Enterprise Indirect Transfer	2,040,332	2,096,548	2,256,479	2,396,106	2,419,345	2,467,732
Free Cash	2,822,482	2,186,277	2,160,000	2,160,000	2,160,000	2,160,000
Parking Tickets	66,000	66,000	66,000	66,000	66,000	66,000
Stabilization Fund	198,958	198,958	198,958	198,958	198,958	198,958
Miscellaneous	26,149	23,000	23,000	23,000	23,000	23,000
Total Revenue	183,824,927	191,249,431	199,649,491	208,537,422	217,832,147	227,715,597
Revenue Growth		4.0%	4.4%	4.5%	4.5%	4.5%
Expenditures						
Municipal Departments	45,266,772	47,366,426	49,160,944	50,907,173	52,798,189	54,819,394
School Departments	86,116,178	89,933,136	93,919,921	98,084,118	102,433,651	106,976,801
Insurances	29,139,056	31,645,121	34,377,067	37,341,402	40,562,301	44,069,236
Retirement	8,330,230	9,138,636	9,578,870	10,171,563	10,525,274	11,030,019
Debt Service	8,167,988	8,576,352	9,848,792	10,906,433	11,551,386	12,118,980
Stabilization/Reserves	1,158,950	765,300	708,900	708,900	708,900	708,900
Miscellaneous	200,000	-	-	-	-	-
Non Appropriations	5,445,753	5,514,825	5,584,843	5,655,820	5,727,771	5,800,707
Total Expenditures	183,824,927	192,939,795	203,179,337	213,775,409	224,307,471	235,524,037
Expenditure Growth		5.0%	5.3%	5.2%	4.9%	5.0%
Projected Balance	-	(1,690,364)	(3,529,846)	(5,237,988)	(6,475,324)	(7,808,439)

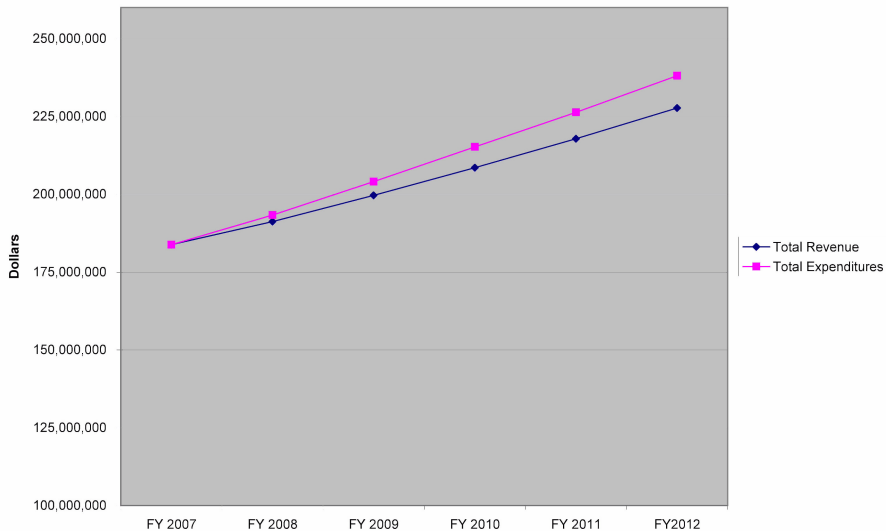
Revenue Gap at 4.5% Salary Increases (steps & COLA)



Forecast Summary at 5% Salary Growth (steps and cost of living adjustment)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY2012
Revenue						
Property Taxes	135,455,006	140,836,381	146,442,066	152,281,707	158,365,376	164,703,585
State Aid	27,180,304	28,850,458	30,954,407	33,270,821	35,848,109	38,691,620
Local Receipts	16,035,696	16,991,809	17,548,581	18,140,830	18,751,359	19,404,703
Enterprise Indirect Transfer	2,040,332	2,096,548	2,256,479	2,396,106	2,419,345	2,467,732
Free Cash	2,822,482	2,186,277	2,160,000	2,160,000	2,160,000	2,160,000
Parking Tickets	66,000	66,000	66,000	66,000	66,000	66,000
Stabilization Fund	198,958	198,958	198,958	198,958	198,958	198,958
Miscellaneous	26,149	23,000	23,000	23,000	23,000	23,000
Total Revenue	183,824,927	191,249,431	199,649,491	208,537,422	217,832,147	227,715,597
Revenue Growth		4.0%	4.4%	4.5%	4.5%	4.5%
Expenditures						
Municipal Departments	45,266,772	47,494,099	49,451,115	51,374,974	53,459,821	55,657,231
School Departments	86,116,178	90,226,446	94,534,407	99,049,631	103,782,156	108,742,509
Insurances	29,139,056	31,645,121	34,377,067	37,341,402	40,562,301	44,069,236
Retirement	8,330,230	9,138,636	9,578,870	10,171,563	10,525,274	11,030,019
Debt Service	8,167,988	8,576,352	9,848,792	10,906,433	11,551,386	12,118,980
Stabilization/Reserves	1,158,950	765,300	708,900	708,900	708,900	708,900
Miscellaneous	200,000	-	-	-	-	-
Non Appropriations	5,445,753	5,514,825	5,584,843	5,655,820	5,727,771	5,800,707
Total Expenditures	183,824,927	193,360,779	204,083,993	215,208,723	226,317,609	238,127,582
Expenditure Growth		5.2%	5.5%	5.5%	5.2%	5.2%
Projected Balance	-	(2,111,348)	(4,434,503)	(6,671,301)	(8,485,462)	(10,411,985)

Revenue Gap at 5% Salary Increases (steps & COLA)



Forecast Summary at 6% Salary Growth (steps and cost of living adjustment)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY2012
Revenue						
Property Taxes	135,455,006	140,836,381	146,442,066	152,281,707	158,365,376	164,703,585
State Aid	27,180,304	28,850,458	30,954,407	33,270,821	35,848,109	38,691,620
Local Receipts	16,035,696	16,991,809	17,548,581	18,140,830	18,751,359	19,404,703
Enterprise Indirect Transfer	2,040,332	2,096,548	2,256,479	2,396,106	2,419,345	2,467,732
Free Cash	2,822,482	2,186,277	2,160,000	2,160,000	2,160,000	2,160,000
Parking Tickets	66,000	66,000	66,000	66,000	66,000	66,000
Stabilization Fund	198,958	198,958	198,958	198,958	198,958	198,958
Miscellaneous	26,149	23,000	23,000	23,000	23,000	23,000
Total Revenue	183,824,927	191,249,431	199,649,491	208,537,422	217,832,147	227,715,597
Revenue Growth		4.0%	4.4%	4.5%	4.5%	4.5%
Expenditures						
Municipal Departments	45,266,772	47,821,609	50,023,986	52,261,637	54,715,613	57,270,999
School Departments	86,116,178	90,500,987	95,026,036	99,777,338	104,766,205	110,004,515
Insurances	29,139,056	31,645,121	34,377,067	37,341,402	40,562,301	44,069,236
Retirement	8,330,230	9,138,636	9,578,870	10,171,563	10,525,274	11,030,019
Debt Service	8,167,988	8,576,352	9,848,792	10,906,433	11,551,386	12,118,980
Stabilization/Reserves	1,158,950	765,300	708,900	708,900	708,900	708,900
Miscellaneous	200,000	-	-	-	-	-
Non Appropriations	5,445,753	5,531,849	5,619,487	5,708,695	5,799,505	5,891,945
Total Expenditures	183,824,927	193,979,854	205,183,138	216,875,969	228,629,183	241,094,595
Expenditure Growth		5.5%	5.8%	5.7%	5.4%	5.5%
Projected Balance	-	(2,730,423)	(5,533,647)	(8,338,547)	(10,797,037)	(13,378,997)

Revenue Gap at 6% Salary Increases (steps & COLA)



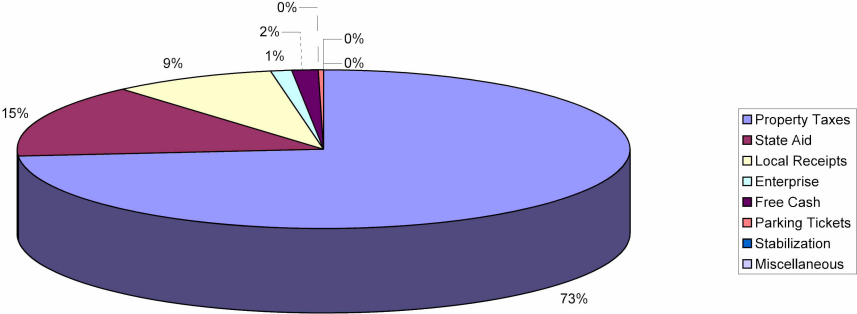
Long Term Financial Forecast

Town of Framingham: General Fund Revenue, by Revenue Type

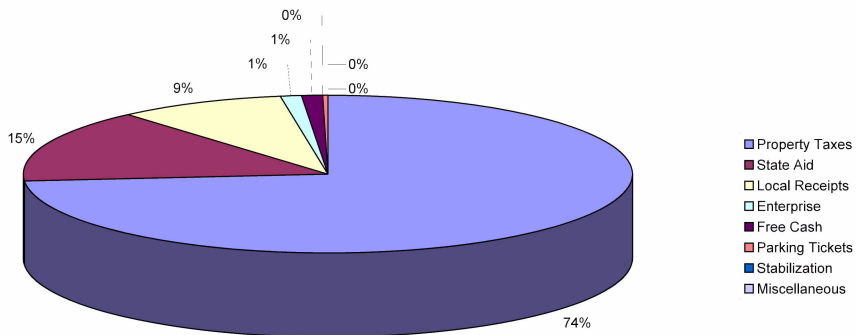
Office of the CFO

Revenue Type	FY07	FY08	%	FY09	%	FY10	%	FY11	%	FY12	%
Town Property Taxes	74%	74%		73%		73%		73%		72%	
Property Tax Levy	133,555,006	138,841,381	4.0%	144,357,291	4.0%	150,103,117	4.0%	156,088,750	4.0%	162,324,511	4.0%
New Growth Estimate	1,900,000	1,995,000	5.0%	2,084,775	4.5%	2,178,590	4.5%	2,276,626	4.5%	2,379,075	4.5%
Total Taxes	135,455,006	140,836,381	4.0%	146,442,066	4.0%	152,281,707	4.0%	158,365,376	4.0%	164,703,585	4.0%
State Aid	15%	15%		16%		16%		16%		17%	
Chapter 70	10,628,154	11,903,532	12.0%	13,331,956	12.0%	14,931,791	12.0%	16,723,606	12.0%	18,730,439	12.0%
Lottery Proceeds	7,557,866	8,162,495	8.0%	8,815,495	8.0%	9,520,734	8.0%	10,282,393	8.0%	11,104,985	8.0%
Additional Assistance	4,697,500	4,697,500	0.0%	4,697,500	0.0%	4,697,500	0.0%	4,697,500	0.0%	4,697,500	0.0%
Charter Schools	364,429	357,140	-2.0%	353,569	-1.0%	350,033	-1.0%	346,533	-1.0%	343,068	-1.0%
State Owned Land	470,088	479,150	1.9%	491,129	2.5%	491,129	0.0%	503,407	2.5%	503,407	0.0%
Police Career Incentive	402,941	415,029	3.0%	427,480	3.0%	440,305	3.0%	453,514	3.0%	467,119	3.0%
Surviving Spouses	75,170	75,170	0.0%	75,170	0.0%	75,170	0.0%	75,170	0.0%	75,170	0.0%
Elderly Persons	16,566	16,732	1.0%	16,899	1.0%	17,068	1.0%	17,239	1.0%	17,411	1.0%
Veterans	-	81,750	100%	83,250	1.8%	85,132	2.3%	86,788	1.9%	90,563	4.3%
SBA Reimbursements	2,967,590	2,661,959	-10.3%	2,661,959	0.0%	2,661,959	0.0%	2,661,959	0.0%	2,661,959	0.0%
Total State Aid	27,180,304	28,850,458	6.1%	30,954,407	7.3%	33,270,821	7.5%	35,848,109	7.7%	38,691,620	7.9%
Local Receipts	8.7%	8.9%		8.8%		8.7%		8.6%		8.5%	
Excise & other Taxes (all)	8,246,000	8,336,706	1.1%	8,428,410	1.1%	8,521,122	1.1%	8,614,855	1.1%	8,709,618	1.1%
User Fees	938,382	1,035,301	10.3%	1,087,066	5.0%	1,141,419	5.0%	1,198,490	5.0%	1,258,415	5.0%
Penalties, Interest, Fines	1,270,400	1,333,920	5.0%	1,400,616	5.0%	1,470,647	5.0%	1,544,179	5.0%	1,621,388	5.0%
Licenses & Permits	1,957,425	2,074,871	6.0%	2,199,363	6.0%	2,331,324	6.0%	2,471,204	6.0%	2,619,476	6.0%
PILOT	835,450	844,978	1.1%	851,610	0.8%	857,358	0.7%	863,225	0.7%	869,213	0.7%
Investment Income	926,900	1,010,321	9.0%	1,101,250	9.0%	1,205,869	9.5%	1,314,397	9.0%	1,439,265	9.5%
Rental	621,383	656,571	5.7%	697,276	6.2%	778,846	6.2%	778,846	5.2%	822,255	5.6%
Loring Arena	-	385,000	100%	390,000	1.3%	396,000	1.5%	401,000	1.3%	406,000	1.2%
Miscellaneous	1,239,756	1,314,141	6.0%	1,392,990	6.0%	1,476,569	6.0%	1,565,163	6.0%	1,659,073	6.0%
Total Local Receipts	16,035,696	16,991,809	6.0%	17,548,581	3.3%	18,140,830	3.4%	18,751,359	3.4%	19,404,703	3.5%
Enterprise Indirect Transfer	1.1%	1.1%		1.1%		1.1%		1.1%		1.1%	
Water Indirect	1,014,914	1,094,212	7.8%	1,175,097	7.4%	1,234,096	5.0%	1,234,094	0.0%	1,258,776	2.0%
Sewer Indirect	924,839	1,002,336	8.4%	1,081,382	7.9%	1,162,010	7.5%	1,185,250	2.0%	1,208,955	2.0%
Arena Indirect	100,579	-	-100%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Indirect	2,040,332	2,096,548	2.8%	2,256,479	7.6%	2,396,106	6.2%	2,419,345	1.0%	2,467,732	2.0%
Certified Free Cash	4,064,138	2,643,795	-35%	2,600,000	-1.7%	2,600,000	0.0%	2,600,000	0.0%	2,600,000	0.0%
Operating	1,870,042	1,500,000	-20%	1,500,000	0.0%	1,500,000	0.0%	1,500,000	0.0%	1,500,000	0.0%
Capital	202,440	343,139	70%	330,000	-4%	330,000	0.0%	330,000	0.0%	330,000	0.0%
Stabilization	750,000	343,139	-54%	330,000	-4%	330,000	0.0%	330,000	0.0%	330,000	0.0%
Total Used in Budget	2,822,482	2,186,277	-23%	2,160,000	-1.2%	2,160,000	0.0%	2,160,000	0.0%	2,160,000	0.0%
Parking Tickets	66,000	66,000	0.0%	66,000	0.0%	66,000	0.0%	66,000	0.0%	66,000	0.0%
Stabilization Fund	198,958	198,958	0.0%	198,958	0.0%	198,958	0.0%	198,958	0.0%	198,958	0.0%
Miscellaneous	26,149	23,000	-12%	23,000	0.0%	23,000	0.0%	23,000	0.0%	23,000	0.0%
Grand Total	183,824,927	191,249,431	4.0%	199,649,491	4.4%	208,537,422	4.5%	217,832,147	4.5%	227,715,597	4.5%
Annual Dollar growth		7,424,504		8,400,059		8,887,931		9,294,725		9,883,451	

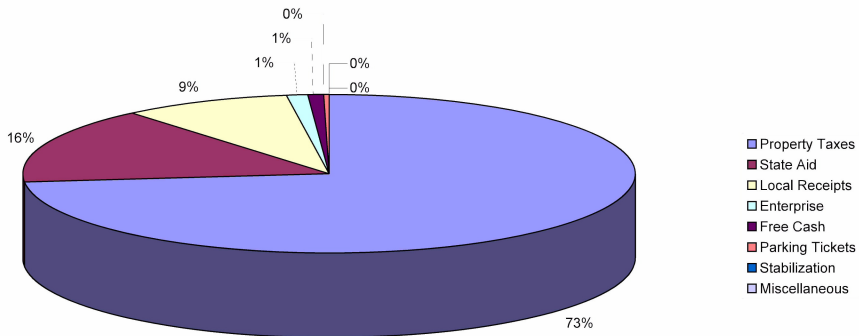
FY07 Revenue Types



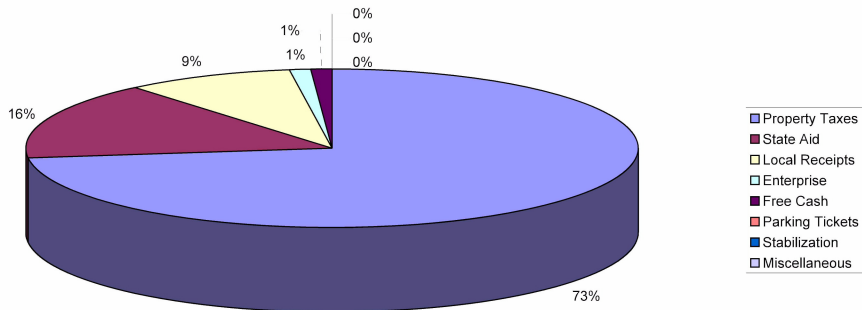
FY08 Revenue Types



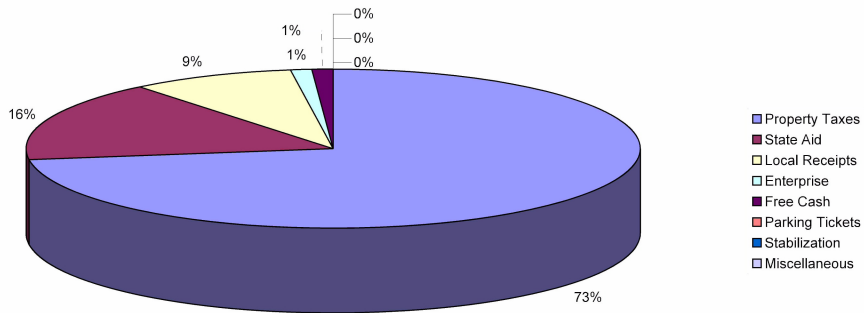
FY09 Revenue Types



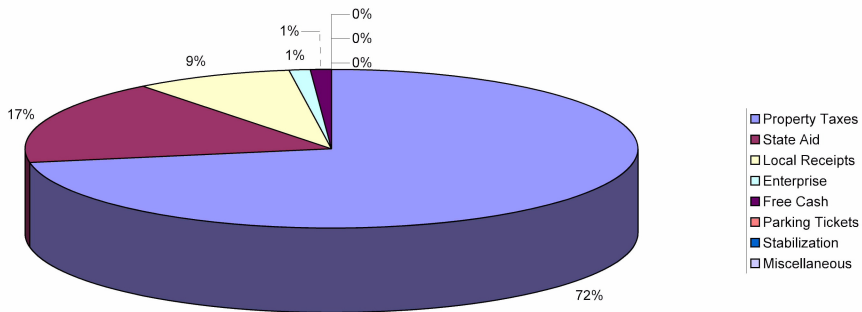
FY10 Revenue Types



FY11 Revenue Types



FY12 Revenue Types



Long Term Financial Forecast

Town of Framingham: General Fund Expenditures (4.5% Salary Increase steps and COLA)

Office of the CFO

	Salaries						Total By Fiscal Year					
Department	FY07	FY08	FY09	FY10	FY11	FY12	FY07	FY08	FY09	FY10	FY11	FY12
Accounting	241,842	252,725	264,098	275,982	288,401	301,379	247,302	258,185	269,558	281,442	293,861	306,839
Animal Control	145,001	151,526	158,345	165,470	172,916	180,698	173,521	181,446	188,673	196,450	204,325	212,542
Assessing	354,200	338,947	324,352	310,384	297,018	310,384	474,845	447,592	432,997	419,029	405,663	431,029
Building Inspection	634,372	662,919	692,750	723,924	756,500	790,543	680,156	718,256	746,133	769,853	802,475	836,564
Building Services	488,146	510,113	533,068	557,056	582,123	608,319	1,443,861	1,477,215	1,516,698	1,573,961	1,616,775	1,661,147
Cemeteries	-	-	-	-	-	-	27,292	28,000	28,000	28,500	28,500	29,000
CFO	172,945	180,728	188,860	197,359	206,240	215,521	241,580	251,363	261,495	270,994	279,875	289,156
Conservation	72,317	75,571	78,972	82,526	86,239	90,120	107,031	110,600	114,316	118,188	122,223	126,427
Council on Aging	238,407	249,135	260,346	272,062	284,305	297,098	273,282	283,730	294,941	306,657	318,900	331,693
DPW Admin	474,542	495,896	518,212	541,531	565,900	591,366	544,136	565,650	588,105	611,565	636,074	661,679
DPW Engineering	657,236	686,812	717,718	750,015	783,766	819,036	735,990	756,875	797,062	820,641	863,674	890,227
DPW Fleet	464,984	485,908	507,774	530,624	554,502	579,455	1,017,041	1,053,861	1,091,854	1,133,491	1,174,483	1,217,035
DPW Highway	1,638,822	1,712,569	1,789,635	1,870,168	1,954,326	2,042,270	2,815,771	2,913,053	3,015,223	3,124,083	3,234,499	3,349,264
DPW Sanitation	956,223	999,253	1,044,219	1,091,209	1,140,314	1,191,628	3,975,757	4,025,319	4,077,316	4,132,466	4,188,707	4,247,197
DPW Snow & Ice	125,000	127,500	130,050	132,651	135,304	138,010	641,500	654,000	666,980	680,220	693,724	707,498
Elections	51,725	54,053	56,485	59,027	61,683	64,459	178,890	123,472	184,043	128,840	131,636	192,552
Emergency Mngmt	-	-	-	-	-	-	31,405	16,405	31,405	16,405	31,405	16,405
Fire Department	10,705,923	11,187,690	11,691,136	12,217,237	12,767,012	13,341,528	11,303,941	11,800,586	12,303,425	12,849,421	13,398,960	13,989,376
Human Resources	314,004	328,134	342,900	358,331	374,456	391,306	367,163	381,293	396,059	411,490	427,615	444,465
Legal Services	-	-	-	-	-	-	537,800	548,556	559,527	570,718	582,132	593,775
Library	1,936,915	2,024,076	2,115,160	2,210,342	2,309,807	2,413,748	2,414,288	2,499,306	2,600,521	2,698,175	2,808,088	2,910,588
Loring Arena	-	321,028	335,474	350,571	366,346	382,832	-	467,442	484,602	505,209	523,913	543,399
Parks & Recreation	1,573,387	1,651,939	1,726,277	1,803,959	1,885,137	1,969,968	1,957,750	2,040,410	2,118,796	2,202,087	2,287,467	2,376,560
Planning Board	189,110	197,620	206,513	215,806	225,517	235,665	208,460	216,970	225,863	235,156	244,867	255,015
Planning Department	377,107	394,077	411,810	430,342	449,707	469,944	712,933	738,328	768,110	799,112	831,384	864,980
Police Department	9,806,292	10,058,575	10,511,211	10,984,216	11,478,505	11,995,038	10,270,442	10,731,560	11,195,634	11,679,578	12,187,099	12,714,053
Public Health	485,933	507,800	530,651	554,530	579,484	605,561	566,094	587,961	612,812	636,691	662,645	688,722
Purchasing	60,399	63,117	65,957	68,925	72,027	75,268	141,519	144,399	147,402	150,533	153,798	157,203
Selectmn/Town Mgr	325,973	348,142	363,808	380,180	397,288	415,166	419,718	442,262	458,305	475,054	492,542	510,801
Streetlights	-	-	-	-	-	-	464,722	474,416	484,314	504,429	514,948	525,688
Technology Services	529,409	573,232	599,028	625,984	654,153	683,590	1,067,098	1,163,512	1,192,430	1,222,526	1,253,855	1,286,470
Town Clerk	207,744	217,092	226,862	237,070	247,739	258,887	221,649	230,997	240,767	250,975	261,644	272,792
Treasurer/Collector	470,333	491,498	513,615	536,728	560,881	586,120	630,808	651,973	674,090	697,203	721,356	746,595
Veterans	64,703	67,615	70,657	73,837	77,160	80,632	175,769	180,861	186,168	191,658	197,337	203,213
Weights & Measures	104,067	108,750	113,644	118,758	124,102	129,686	141,599	143,133	148,027	153,141	158,485	164,069
Zoning Board of App	38,771	40,516	42,339	44,244	46,235	48,316	55,659	57,437	59,295	61,234	63,259	65,373
Subtotal	33,705,832	35,564,556	37,131,925	38,771,047	40,485,095	42,303,542	45,266,772	47,366,426	49,160,944	50,907,173	52,798,189	54,819,394
School Department	58,662,134	61,301,930	64,060,516	66,943,240	69,955,685	73,103,691	78,216,178	81,638,136	85,210,171	88,938,880	92,831,152	96,894,176
Keefe Tech Assess	-	-	-	-	-	-	7,900,000	8,295,000	8,709,750	9,145,238	9,602,499	10,082,624
Subtotal School	58,662,134	61,301,930	64,060,516	66,943,240	69,955,685	73,103,691	86,116,178	89,933,136	93,919,921	98,084,118	102,433,651	106,976,801

Long Term Financial Forecast

Town of Framingham: General Fund Expenditures (4.5% Salary Increase steps and COLA)

Office of the CFO

Department	Salaries						Total By Fiscal Year					
	FY07	FY08	FY09	FY10	FY11	FY12	FY07	FY08	FY09	FY10	FY11	FY12
Town Committees	-	-	-	-	-	-						
FinComm	-	-	-	-	-	-	2,030	2,000	2,000	2,000	2,000	2,000
Reserve Fund	-	-	-	-	-	-	400,000	400,000	400,000	400,000	400,000	400,000
Stabilization Fund	-	-	-	-	-	-	750,000	356,400	300,000	300,000	300,000	300,000
Subtotal	-	-	-	-	-	-	1,158,950	765,300	708,900	708,900	708,900	708,900
Insurances												
Liability Insurance							695,604	758,208	826,447	900,827	981,902	1,070,273
Self Insurance							30,000	30,000	30,000	30,000	30,000	30,000
Health Insurance							26,200,952	28,559,038	31,129,351	33,930,993	36,984,782	40,313,412
Unemployment							300,000	325,000	325,000	325,000	325,000	325,000
Workers Comp							600,000	600,000	630,000	645,750	661,894	678,441
Sick Leave Buyback							60,000	60,000	60,000	66,000	66,000	66,000
Medicaid Part 1							40,000	40,000	40,000	40,000	40,000	40,000
P&F Retired Medical							5,000	5,000	5,000	5,000	5,000	5,000
Medicare/FICA							1,207,500	1,267,875	1,331,269	1,397,832	1,467,724	1,541,110
Subtotal Insurances							29,139,056	31,645,121	34,377,067	37,341,402	40,562,301	44,069,236
Retirement												
Contributory							8,166,783	8,983,361	9,420,800	10,021,397	10,382,616	10,884,793
Non-contributory							163,447	155,275	158,070	150,166	142,658	145,226
Subtotal Retirement							8,330,230	9,138,636	9,578,870	10,171,563	10,525,274	11,030,019
Debt Service												
P & I Bonds							7,909,860	8,311,352	9,578,542	10,625,670	11,264,835	11,821,352
BAN Interest							158,128	160,000	160,000	165,000	165,000	170,000
Interest on Abatmnt							100,000	105,000	110,250	115,763	121,551	127,628
Subtotal Debt Service	-	-	-	-	-	-	8,167,988	8,576,352	9,848,792	10,906,433	11,551,386	12,118,980
Non Appropriations												
Tax Title							42,000	42,000	42,000	42,000	42,000	42,000
Teachers Pay Defer							198,958	198,958	198,958	198,958	198,958	198,958
Cherry Sheet Charge							3,404,795	3,455,867	3,507,705	3,560,321	3,613,725	3,667,931
Tax Overlay							1,800,000	1,818,000	1,836,180	1,854,542	1,873,087	1,891,818
Subtotal Non App							5,445,753	5,514,825	5,584,843	5,655,820	5,727,771	5,800,707
Transfer to Arena	-	-	-	-	-	-	200,000	-	-	-	-	-
Grand Total	92,367,966	96,866,485	101,192,441	105,714,287	110,440,780	115,407,233	183,824,927	192,939,795	203,179,337	213,775,409	224,307,471	235,524,037
		4.9%	4.5%	4.5%	4.5%	4.5%		5.0%	5.3%	5.2%	4.9%	5.0%

Long Term Financial Forecast

Town of Framingham: General Fund Expenditures (5% Salary Increase steps and COLA)

Office of the CFO

	Salaries						Total By Fiscal Year					
Department	FY07	FY08	FY09	FY10	FY11	FY12	FY07	FY08	FY09	FY10	FY11	FY12
Accounting	241,842	252,725	264,098	275,982	288,401	301,379	247,302	258,185	269,558	281,442	293,861	306,839
Animal Control	145,001	152,251	159,864	167,857	176,250	176,249	173,521	182,171	190,191	198,836	207,658	208,093
Assessing	354,200	338,947	324,352	310,384	297,018	284,228	474,845	447,592	432,997	419,029	405,663	404,873
Building Inspection	634,372	664,505	696,069	729,132	763,766	800,045	680,156	719,842	749,452	775,061	809,741	846,065
Building Services	488,146	510,113	533,068	557,056	582,123	608,319	1,443,861	1,477,215	1,516,698	1,573,961	1,616,775	1,661,147
Cemeteries	-	-	-	-	-	-	27,292	28,000	28,000	28,500	28,500	29,000
CFO	172,945	181,160	189,765	198,779	208,221	218,111	241,580	251,795	262,400	272,414	281,856	291,746
Conservation	72,317	75,571	78,972	82,526	86,239	90,120	107,031	110,600	114,316	118,188	122,223	126,427
Council on Aging	238,407	249,135	260,346	272,062	284,305	297,098	273,282	283,730	294,941	306,657	318,900	331,693
DPW Admin	474,542	498,269	523,183	549,342	576,809	605,649	544,136	568,023	593,076	619,375	646,982	675,963
DPW Engineering	657,236	690,098	724,603	760,833	798,874	838,818	735,990	760,162	803,947	831,458	878,782	910,010
DPW Fleet	464,984	488,233	512,645	538,277	565,191	593,451	1,017,041	1,056,186	1,096,724	1,141,144	1,185,171	1,231,031
DPW Highway	1,638,822	1,720,763	1,806,801	1,897,141	1,991,998	2,091,598	2,815,771	2,921,248	3,032,390	3,151,056	3,272,171	3,398,592
DPW Sanitation	956,223	1,004,034	1,054,236	1,106,948	1,162,295	1,220,410	3,975,757	4,030,100	4,087,332	4,148,204	4,210,688	4,275,979
DPW Snow & Ice	125,000	127,500	130,050	132,651	135,304	138,010	641,500	654,000	666,980	680,220	693,724	707,998
Elections	51,725	54,053	56,485	59,027	61,683	64,459	178,890	123,472	184,043	128,840	131,636	192,552
Emergency Mngmt	-	-	-	-	-	-	31,405	16,405	31,405	16,405	31,405	16,405
Fire Department	10,705,923	11,241,219	11,803,280	12,393,444	13,013,116	13,663,772	11,303,941	11,854,116	12,415,569	13,025,628	13,645,064	14,311,621
Human Resources	314,004	328,919	344,543	360,909	378,052	396,009	367,163	382,078	397,702	414,068	431,211	449,168
Legal Services	-	-	-	-	-	-	537,800	548,556	559,527	570,718	582,132	593,775
Library	1,936,915	2,033,761	2,135,449	2,242,221	2,354,332	2,472,049	2,414,288	2,508,990	2,620,811	2,730,054	2,852,613	2,968,888
Loring Arena	-	321,028	337,079	353,933	371,630	390,212	-	467,442	486,207	508,571	529,197	550,778
Parks & Recreation	1,573,387	1,659,806	1,742,797	1,829,937	1,921,433	2,017,505	1,957,750	2,048,277	2,135,316	2,228,064	2,323,763	2,424,097
Planning Board	189,110	198,093	207,502	217,358	227,683	238,498	208,460	217,443	226,852	236,708	247,033	257,848
Planning Department	377,107	395,020	413,783	433,438	454,026	475,592	712,933	739,271	770,083	802,208	835,703	870,628
Police Department	9,806,292	10,086,607	10,590,937	11,120,484	11,676,508	12,260,333	10,270,442	10,759,592	11,275,360	11,815,847	12,385,102	12,979,349
Public Health	485,933	507,800	530,651	554,530	579,484	605,561	566,094	587,961	612,812	636,691	662,645	688,722
Purchasing	60,399	63,117	65,957	68,925	72,027	75,268	141,519	144,399	147,402	150,533	153,798	157,203
Selectmn/Town Mgr	325,973	348,957	365,532	382,895	401,082	420,134	419,718	443,077	460,029	477,769	496,336	515,769
Streetlights	-	-	-	-	-	-	464,722	474,416	484,314	504,429	514,948	525,688
Technology Services	529,409	574,556	601,847	630,435	660,381	691,749	1,067,098	1,164,836	1,195,249	1,226,977	1,260,082	1,294,628
Town Clerk	207,744	217,612	227,948	238,776	250,118	261,998	221,649	231,517	241,853	252,681	264,023	275,903
Treasurer/Collector	470,333	491,498	513,615	536,728	560,881	586,120	630,808	651,973	674,090	697,203	721,356	746,595
Veterans	64,703	67,615	70,657	73,837	77,160	80,632	175,769	180,861	186,168	191,658	197,337	203,213
Weights & Measures	104,067	108,750	113,644	118,758	124,102	129,686	141,599	143,133	148,027	153,141	158,485	164,069
Zoning Board of App	38,771	40,516	42,339	44,244	46,235	48,316	55,659	57,437	59,295	61,234	63,259	65,373
Subtotal	33,705,832	35,692,229	37,422,096	39,238,848	41,146,728	43,141,379	45,266,772	47,494,099	49,451,115	51,374,974	53,459,821	55,657,231
School Department	58,662,134	61,595,240	64,675,002	67,908,752	71,304,190	74,869,399	78,216,178	81,931,446	85,824,657	89,904,393	94,179,656	98,659,884
Keefe Tech Assess	-	-	-	-	-	-	7,900,000	8,295,000	8,709,750	9,145,238	9,602,499	10,082,624
Subtotal School	58,662,134	61,595,240	64,675,002	67,908,752	71,304,190	74,869,399	86,116,178	90,226,446	94,534,407	99,049,631	103,782,156	108,742,509

Long Term Financial Forecast

Town of Framingham: General Fund Expenditures (5% Salary Increase steps and COLA)

Office of the CFO

Department	Salaries						Total By Fiscal Year					
	FY07	FY08	FY09	FY10	FY11	FY12	FY07	FY08	FY09	FY10	FY11	FY12
Town Committees	-	-	-	-	-	-						
FinComm	-	-	-	-	-	-	2,030	2,000	2,000	2,000	2,000	2,000
Reserve Fund	-	-	-	-	-	-	400,000	400,000	400,000	400,000	400,000	400,000
Stabilization Fund	-	-	-	-	-	-	750,000	356,400	300,000	300,000	300,000	300,000
Subtotal	-	-	-	-	-	-	1,158,950	765,300	708,900	708,900	708,900	708,900
Insurances												
Liability Insurance							695,604	758,208	826,447	900,827	981,902	1,070,273
Self Insurance							30,000	30,000	30,000	30,000	30,000	30,000
Health Insurance							26,200,952	28,559,038	31,129,351	33,930,993	36,984,782	40,313,412
Unemployment							300,000	325,000	325,000	325,000	325,000	325,000
Workers Comp							600,000	600,000	630,000	645,750	661,894	678,441
Sick Leave Buyback							60,000	60,000	60,000	66,000	66,000	66,000
Medicaid Part 1							40,000	40,000	40,000	40,000	40,000	40,000
P&F Retired Medical							5,000	5,000	5,000	5,000	5,000	5,000
Medicare/FICA							1,207,500	1,267,875	1,331,269	1,397,832	1,467,724	1,541,110
Subtotal Insurances							29,139,056	31,645,121	34,377,067	37,341,402	40,562,301	44,069,236
Retirement												
Contributory							8,166,783	8,983,361	9,420,800	10,021,397	10,382,616	10,884,793
Non-contributory							163,447	155,275	158,070	150,166	142,658	145,226
Subtotal Retirement							8,330,230	9,138,636	9,578,870	10,171,563	10,525,274	11,030,019
Debt Service												
P & I Bonds							7,909,860	8,311,352	9,578,542	10,625,670	11,264,835	11,821,352
BAN Interest							158,128	160,000	160,000	165,000	165,000	170,000
Interest on Abatmnt							100,000	105,000	110,250	115,763	121,551	127,628
Subtotal Debt Service	-	-	-	-	-	-	8,167,988	8,576,352	9,848,792	10,906,433	11,551,386	12,118,980
Non Appropriations												
Tax Title							42,000	42,000	42,000	42,000	42,000	42,000
Teachers Pay Defer							198,958	198,958	198,958	198,958	198,958	198,958
Cherry Sheet Charge							3,404,795	3,455,867	3,507,705	3,560,321	3,613,725	3,667,931
Tax Overlay							1,800,000	1,818,000	1,836,180	1,854,542	1,873,087	1,891,818
Subtotal Non App							5,445,753	5,514,825	5,584,843	5,655,820	5,727,771	5,800,707
Transfer to Arena	-	-	-	-	-	-	200,000	-	-	-	-	-
Grand Total	92,367,966	97,287,469	102,097,098	107,147,600	112,450,918	118,010,778	183,824,927	193,360,779	204,083,993	215,208,723	226,317,609	238,127,582
		5.3%	4.9%	4.9%	4.9%	4.9%		5.2%	5.5%	5.5%	5.2%	5.2%

Long Term Financial Forecast

Town of Framingham: General Fund Expenditures (6% salary increase steps and COLA)

Office of the CFO

Department	Salaries						Total By Fiscal Year					
	FY07	FY08	FY09	FY10	FY11	FY12	FY07	FY08	FY09	FY10	FY11	FY12
Accounting	241,842	252,725	264,098	275,982	288,401	301,379	247,302	258,185	269,558	281,442	293,861	306,839
Animal Control	145,001	153,701	162,923	172,699	183,060	194,044	173,521	183,621	193,251	203,678	214,469	225,889
Assessing	354,200	338,947	324,352	310,384	297,018	284,228	474,845	447,592	432,997	419,029	405,663	404,873
Building Inspection	634,372	664,505	696,069	729,132	763,766	800,045	680,156	719,842	749,452	775,061	809,741	846,065
Building Services	488,146	510,113	533,068	557,056	582,123	608,319	1,443,861	1,477,215	1,516,698	1,493,961	1,534,775	1,577,097
Cemeteries	-	-	-	-	-	-	27,292	28,000	28,000	28,500	28,500	29,000
CFO	172,945	181,160	189,765	198,779	208,221	218,111	241,580	251,795	262,400	272,414	281,856	291,746
Conservation	72,317	75,571	78,972	82,526	86,239	90,120	107,031	110,600	114,316	118,188	122,223	126,427
Council on Aging	238,407	249,135	260,346	272,062	284,305	297,098	273,282	283,730	294,941	306,657	318,900	331,693
DPW Admin	474,542	498,269	523,183	549,342	576,809	605,649	544,136	568,023	593,076	619,375	646,982	675,963
DPW Engineering	657,236	690,098	724,603	760,833	798,874	838,818	735,990	760,162	803,947	831,458	878,782	910,010
DPW Fleet	464,984	492,883	522,456	553,803	587,032	622,253	1,017,401	1,060,836	1,106,536	1,156,671	1,207,012	1,259,834
DPW Highway	1,638,822	1,737,151	1,841,380	1,951,863	2,068,975	2,193,114	2,815,771	2,937,636	3,066,969	3,205,778	3,349,148	3,500,107
DPW Sanitation	956,223	1,013,596	1,074,412	1,138,877	1,207,210	1,279,642	3,975,757	4,039,662	4,107,509	4,180,134	4,255,602	4,335,212
DPW Snow & Ice	125,000	127,500	130,050	132,651	135,304	138,010	641,500	654,000	666,980	680,220	693,724	707,498
Elections	51,725	54,053	56,485	59,027	61,683	64,459	178,890	181,472	184,159	186,956	189,868	192,901
Emergency Mngmt	-	-	-	-	-	-	31,405	16,405	31,405	16,405	31,405	16,405
Fire Department	10,705,923	11,348,278	12,029,175	12,750,926	13,515,981	14,326,940	11,303,941	11,961,175	12,641,464	13,383,110	14,147,929	14,974,788
Human Resources	314,004	328,919	344,543	360,909	378,052	396,009	367,163	382,078	397,702	414,068	431,211	449,168
Legal Services	-	-	-	-	-	-	537,800	548,556	559,527	570,718	582,132	593,775
Library	1,936,915	2,053,130	2,176,318	2,306,897	2,445,311	2,592,029	2,414,288	2,528,359	2,661,680	2,794,730	2,943,591	3,088,868
Loring Arena	-	321,028	340,290	360,707	382,349	405,290	-	467,442	489,417	515,345	539,916	565,857
Parks & Recreation	1,573,387	1,674,540	1,775,013	1,881,513	1,994,404	2,114,068	1,957,750	2,063,011	2,167,532	2,279,641	2,396,734	2,520,660
Planning Board	189,110	198,093	207,502	217,358	227,683	238,498	208,460	217,443	226,852	236,708	247,033	257,848
Planning Department	377,107	395,020	413,783	433,438	454,026	475,592	712,933	739,271	770,083	802,208	835,703	870,628
Police Department	9,606,292	10,182,670	10,793,630	11,441,247	12,127,722	12,855,386	10,270,442	10,855,655	11,478,052	12,136,610	12,836,316	13,574,401
Public Health	485,933	507,800	530,651	554,530	579,484	605,561	566,094	587,961	612,812	636,691	662,645	688,722
Purchasing	60,399	63,117	65,957	68,925	72,027	75,268	141,519	144,399	147,402	150,533	153,798	157,203
Selectmen/Town Mgr	325,973	348,957	365,532	382,895	401,082	420,134	419,718	443,077	460,029	477,769	496,336	515,769
Streetslights	-	-	-	-	-	-	464,722	474,416	484,314	504,429	514,948	525,688
Technology Services	529,409	574,556	601,847	630,435	660,381	691,749	1,067,098	1,164,836	1,195,249	1,226,977	1,260,082	1,294,628
Town Clerk	207,744	217,612	227,948	238,776	250,118	261,998	222,649	231,517	241,853	252,681	264,023	275,903
Treasurer/Collector	470,333	491,733	513,861	536,985	561,149	586,401	630,808	652,208	674,336	697,460	721,624	746,876
Veterans	64,703	67,615	70,657	73,837	77,160	80,632	175,769	180,861	186,168	191,658	197,337	203,213
Weights & Measures	104,067	108,750	113,644	118,758	124,102	129,686	141,599	143,133	148,027	153,141	158,485	164,069
Zoning Board of Appl	38,771	40,516	42,339	44,244	46,235	48,316	55,659	57,437	59,295	61,234	63,259	65,373
Subtotal	33,705,832	35,961,740	37,994,851	40,147,395	42,426,286	44,838,848	45,266,772	47,821,609	50,023,986	52,261,637	54,715,613	57,270,999
School Department	-	-	-	-	-	-	78,216,178	82,126,987	86,233,336	90,545,003	95,072,253	99,825,866
Keefe Tech Assess	-	-	-	-	-	-	7,900,000	8,374,000	8,792,700	9,232,335	9,693,952	10,178,649
Subtotal School	-	-	-	-	-	-	86,116,178	90,500,987	95,026,036	99,777,338	104,766,205	110,004,515

Long Term Financial Forecast

Town of Framingham: General Fund Expenditures (6% salary increase steps and COLA)

Office of the CFO

Department	Salaries						Total By Fiscal Year					
	FY07	FY08	FY09	FY10	FY11	FY12	FY07	FY08	FY09	FY10	FY11	FY12
Town Committees	-	-	-	-	-	-						
FinComm	-	-	-	-	-	-	2,030	2,000	2,000	2,000	2,000	2,000
Reserve Fund	-	-	-	-	-	-	400,000	400,000	400,000	400,000	400,000	400,000
Stabilization Fund	-	-	-	-	-	-	750,000	356,400	300,000	300,000	300,000	300,000
Subtotal	-	-	-	-	-	-	1,158,950	765,300	708,900	708,900	708,900	708,900
Insurances												
Liability Insurance							695,604	758,208	826,447	900,827	981,902	1,070,273
Self Insurance							30,000	30,000	30,000	30,000	30,000	30,000
Health Insurance							26,200,952	28,559,038	31,129,351	33,930,993	36,984,782	40,313,412
Unemployment							300,000	325,000	325,000	325,000	325,000	325,000
Workers Comp							600,000	600,000	630,000	645,750	661,894	678,441
Sick Leave Buyback							60,000	60,000	60,000	66,000	66,000	66,000
Medicaid Part 1							40,000	40,000	40,000	40,000	40,000	40,000
P & F Retired Medical							5,000	5,000	5,000	5,000	5,000	5,000
Medicare/FICA							1,207,500	1,267,875	1,331,269	1,397,832	1,467,724	1,541,110
Subtotal Insurances							29,139,056	31,645,121	34,377,067	37,341,402	40,562,301	44,089,236
Retirement												
Contributory							8,166,783	8,983,361	9,420,800	10,021,397	10,382,616	10,884,793
Non-contributory							163,447	155,275	158,070	150,166	142,658	145,226
Subtotal Retirement							8,330,230	9,138,636	9,578,870	10,171,563	10,525,274	11,030,019
Debt Service												
P & I Bonds							7,909,860	8,311,352	9,578,542	10,625,670	11,264,835	11,821,352
BAN Interest							158,128	160,000	160,000	165,000	165,000	170,000
Interest on Abatements							100,000	105,000	110,250	115,763	121,551	127,628
Subtotal Debt Service	-	-	-	-	-	-	8,167,988	8,576,352	9,848,792	10,906,433	11,551,386	12,118,980
Non Appropriations												
Tax Title							42,000	42,000	42,000	42,000	42,000	42,000
Teachers Pay Deferral							198,958	198,958	198,958	198,958	198,958	198,958
Cherry Sheet Charges							3,404,795	3,472,891	3,542,349	3,613,196	3,685,460	3,759,169
Tax Overlay							1,800,000	1,818,000	1,836,180	1,854,542	1,873,087	1,891,818
Subtotal Non App							5,445,753	5,531,849	5,619,487	5,708,695	5,799,505	5,891,945
Transfer to Arena	-	-	-	-	-	-	200,000	-	-	-	-	-
Grand Total	33,705,832	35,961,740	37,994,851	40,147,395	42,426,286	44,838,848	183,824,927	193,979,854	205,183,138	216,875,969	228,629,183	241,094,595
Annual growth rates	6.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.5%	5.8%	5.7%	5.4%	5.5%	

Pension Funding Schedule 2008 to 2029

Fiscal Year	Pension Funding Requirement*	% Inc from Prior Year	Unfunded Actuarial Liability	% Inc from Prior Year
2007	\$ 8,445,484		\$ 87,506,346	
2008	9,140,000	8.2%	88,888,915	1.6%
2009	9,590,000	4.9%	89,824,687	1.1%
2010	10,220,000	6.6%	90,552,593	0.8%
2011	10,601,755	3.7%	90,872,784	0.4%
2012	11,119,017	4.9%	91,032,543	0.2%
2013	11,661,767	4.9%	90,885,129	-0.2%
2014	12,231,272	4.9%	90,391,571	-0.5%
2015	12,828,864	4.9%	89,509,132	-1.0%
2016	13,455,943	4.9%	88,190,978	-1.5%
2017	14,113,979	4.9%	86,385,823	-2.0%
2018	14,804,515	4.9%	84,037,535	-2.7%
2019	15,529,173	4.9%	81,084,723	-3.5%
2020	16,289,655	4.9%	77,460,274	-4.5%
2021	17,087,750	4.9%	73,090,863	-5.6%
2022	17,925,339	4.9%	67,896,420	-7.1%
2023	18,804,393	4.9%	61,789,544	-9.0%
2024	19,726,988	4.9%	54,674,881	-11.5%
2025	20,695,302	4.9%	46,448,443	-15.0%
2026	21,711,623	4.9%	39,996,871	-13.9%
2027	22,778,355	4.9%	26,196,638	-34.5%
2028	23,898,022	4.9%	13,913,187	-46.9%
2029	10,534,000	-55.9%	-	-100.0%

* This includes the share of the pension appropriation contributed by the Housing Authority, approximately 3.4%. This amount is contributed in addition to the Town's General Fund appropriation.

Framingham Pension Fund is merged with the state PRIT fund. The funding schedule assumes an annual rate of return of 8%.

Pension Funding Schedule

