

TOWN OF GREENWICH



Financial Trends 2009-2018

September 3, 2019



TOWN OF GREENWICH

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Peter J. Tesei
First Selectman

TO: All Department Heads and Appointing Authorities
CC: BET Members
FROM: Peter J. Tesei, First Selectman
DATE: September 3, 2019
SUBJECT: Financial Trends Analysis: 2009-2018

Purpose

This document presents a ten-year historical analysis of several financial trends that describe the Town's revenues, expenditures, and fund balances. This information helps provide context for the Town's broader economic environment as departments develop their budgets for the upcoming fiscal year.

Methodology

The data and information used in this analysis comes from the Comprehensive Annual Financial Reports (CAFR), the Town Budget Books, and the Actuarial Valuation Reports. The notes on the bottom of each graph indicate the specific sources that were used as well as how the figures were calculated, where applicable.

Summary

The Town's consistent philosophy of maintaining a strong fund balance, issuing five-year bonds, and using conservative revenue and expenditure assumptions in building the annual budget represent a prudent approach to financial management. This approach has been noted by all three credit rating agencies; in addition to sound financial management practices, the agencies cite the Town's sizeable tax base, strong liquidity, modest debt burden, and manageable long-term liabilities as credit strengths.

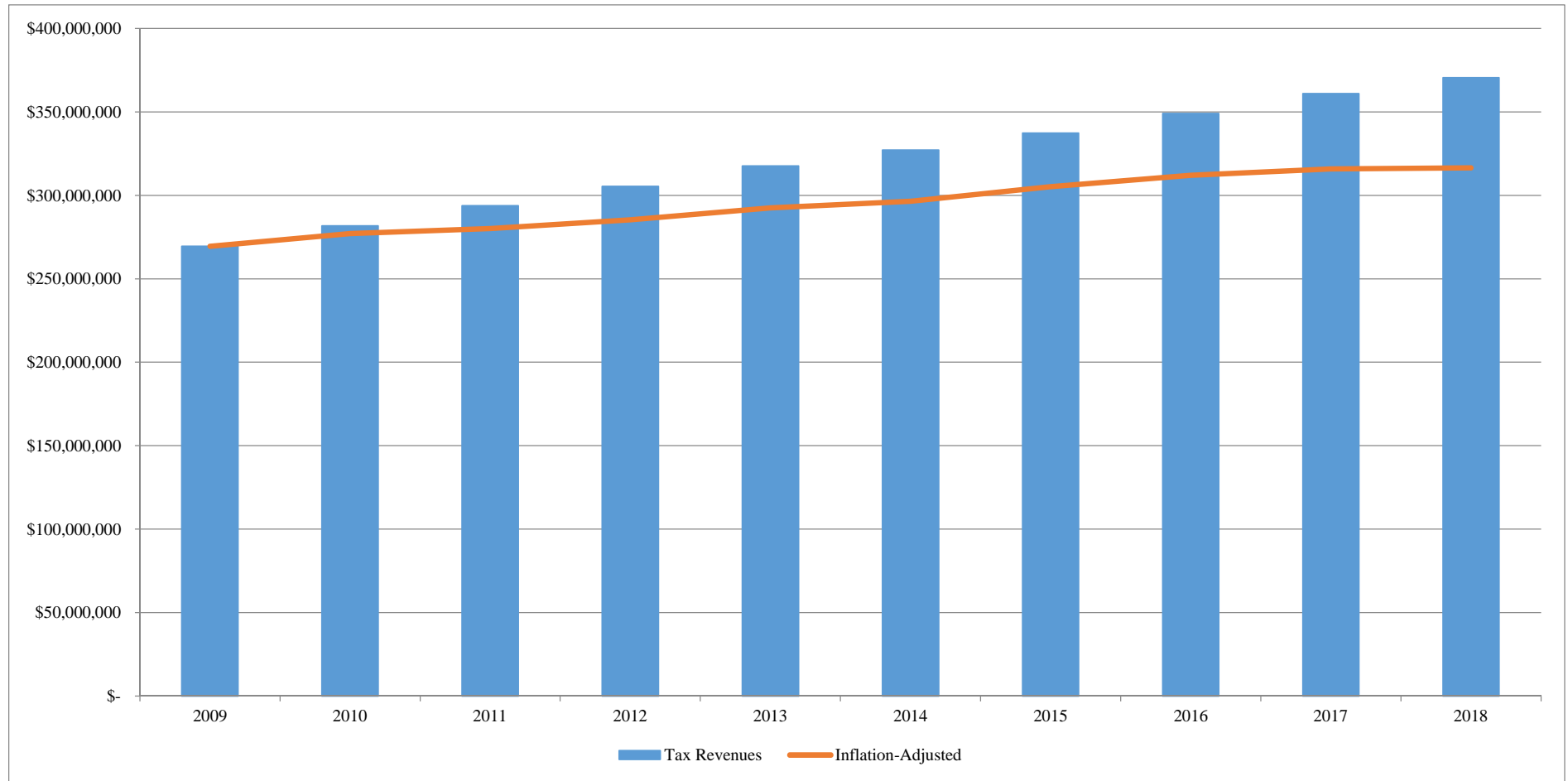
Revenues and expenditures have been adjusted for inflation, where prudent, so that trends can be assessed more accurately. When shown, inflation adjustments are in 2009 dollars, based conservatively on the Consumer Price Index for all urban customers, all items. Two trends of note are that revenue collection for property taxes is outpacing inflation and that operating expenditures have either remained relatively flat or decreased over the last ten years, except for a major increase in Fixed Charges, when adjusted for inflation. Employee pension obligations, healthcare costs, and debt service continue to exert financial pressures on the Town.

**TOWN OF GREENWICH
FINANCIAL TRENDS: 2009-2018
TABLE OF CONTENTS**

I. Revenues	
Tax Revenues	1
Property Values Trends	2
Revenue per Real Estate Unit	4
Net Taxable Grand List	5
Tax Rate % Change	6
Operating Revenues Trends	7
State Aid as a % of Operating Revenues	9
II. Expenditures	
Expenditures Trends	10
Expenditures per Real Estate Unit	13
Capital as a % of Operating Expenditures	14
Total Outstanding Debt	15
Outstanding Debt per Capita	16
Debt Service as a % of Operating Expenditures	17
Debt Service Trend and Forecast	18
Debt Service per Capita	19
Personnel Costs Trend	20
Personnel Costs as a % of Expenditures	22
Healthcare as a % of Salaries	23
Defined Benefit (DB) and Defined Contribution (DC) as a % of Salaries	24
Defined Benefit (DB) Pension Funded Ratio	25
III. Fund Balances	
Fund Balance	26
Unassigned Fund Balance as a % of Operating Expenditures	27
Unassigned Fund Balance By Type	28

I. REVENUES

Tax Revenues



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tax Revenues	\$269,521,769	\$281,635,664	\$293,708,168	\$305,393,536	\$317,606,627	\$327,149,349	\$337,168,005	\$349,023,115	\$360,852,227	\$370,421,371
Inflation-Adjusted	\$269,521,769	\$277,090,612	\$280,126,031	\$285,365,528	\$292,493,348	\$296,472,188	\$305,189,131	\$311,984,117	\$315,829,611	\$316,475,007

Notes

Includes real estate, personal property, and motor vehicle

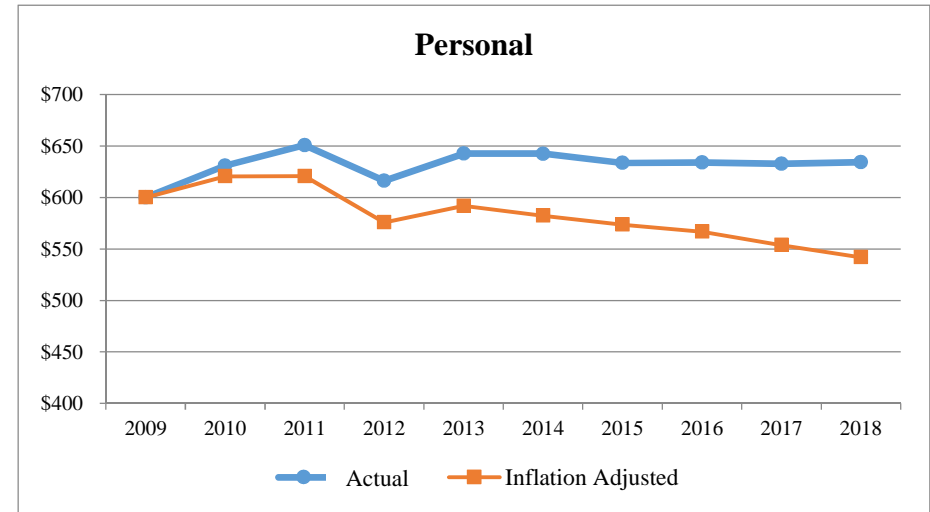
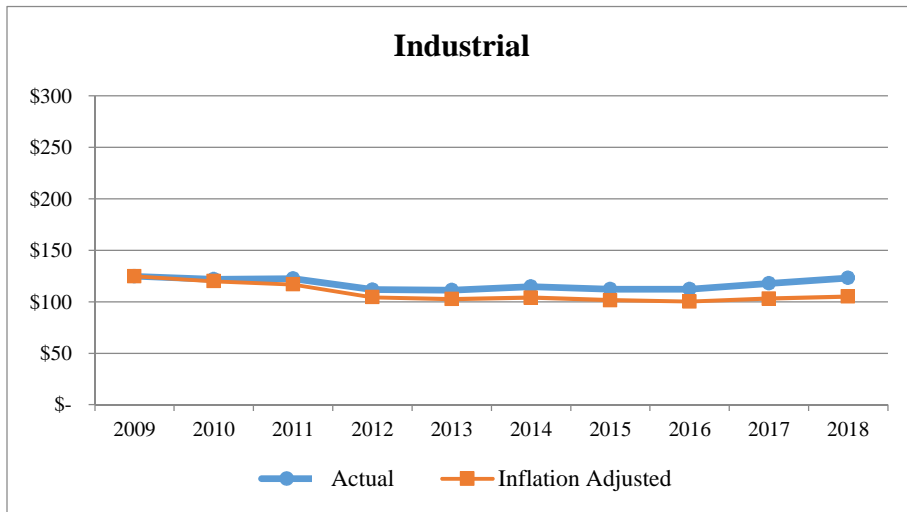
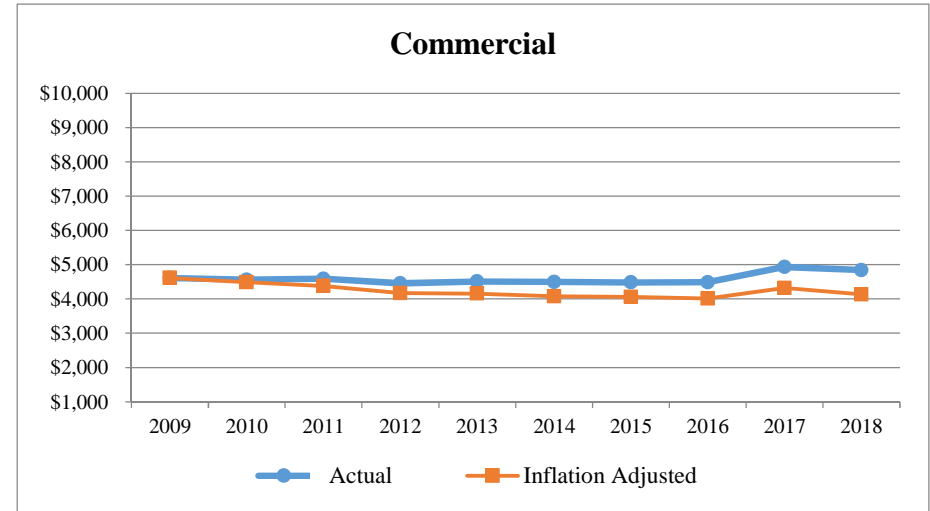
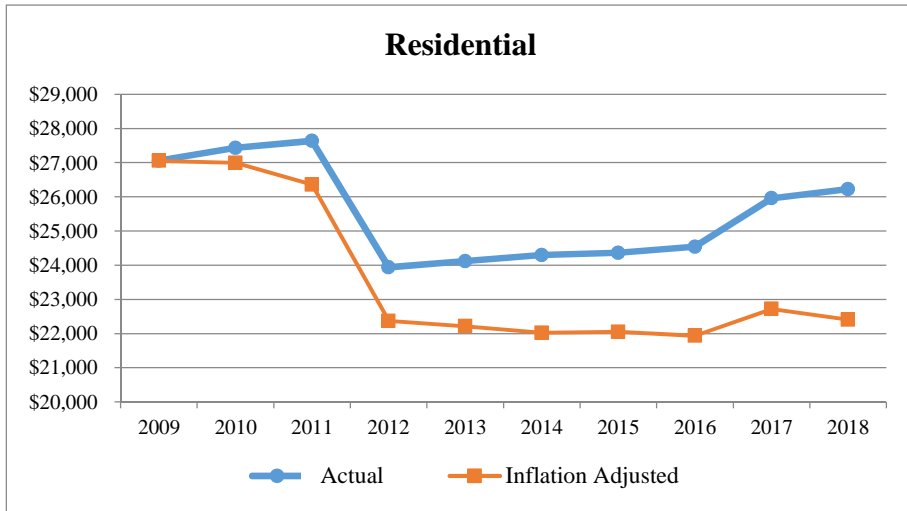
Source: 2018 CAFR, page 122

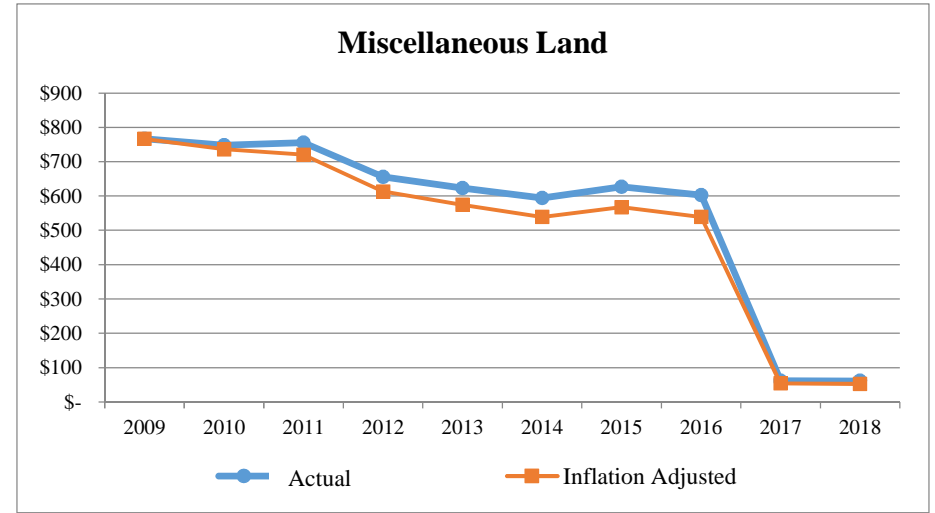
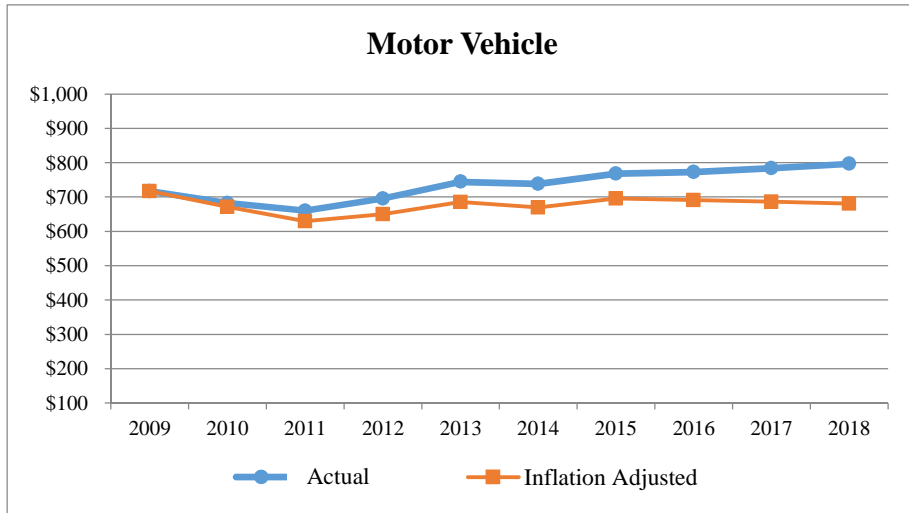
Inflation-adjusted figures are in 2009 dollars; CPI for all urban customers, all items: <http://data.bls.gov/cgi-bin/surveymost?cu>

Comments

Tax revenues are outpacing inflation.

Property Values Trends
(in millions)





	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential	\$ 27,056	\$ 27,436	\$ 27,638	\$ 23,941	\$ 24,121	\$ 24,299	\$ 24,361	\$ 24,540	\$ 25,958	\$ 26,223
Commercial	\$ 4,612	\$ 4,562	\$ 4,591	\$ 4,459	\$ 4,512	\$ 4,498	\$ 4,483	\$ 4,488	\$ 4,936	\$ 4,840
Industrial	\$ 125	\$ 122	\$ 122	\$ 112	\$ 111	\$ 115	\$ 112	\$ 112	\$ 118	\$ 123
Personal	\$ 600	\$ 631	\$ 651	\$ 616	\$ 643	\$ 643	\$ 634	\$ 634	\$ 633	\$ 634
Motor Vehicle	\$ 717	\$ 683	\$ 660	\$ 695	\$ 745	\$ 739	\$ 768	\$ 773	\$ 784	\$ 797
Miscellaneous Land	\$ 767	\$ 748	\$ 756	\$ 656	\$ 624	\$ 595	\$ 627	\$ 603	\$ 62	\$ 62

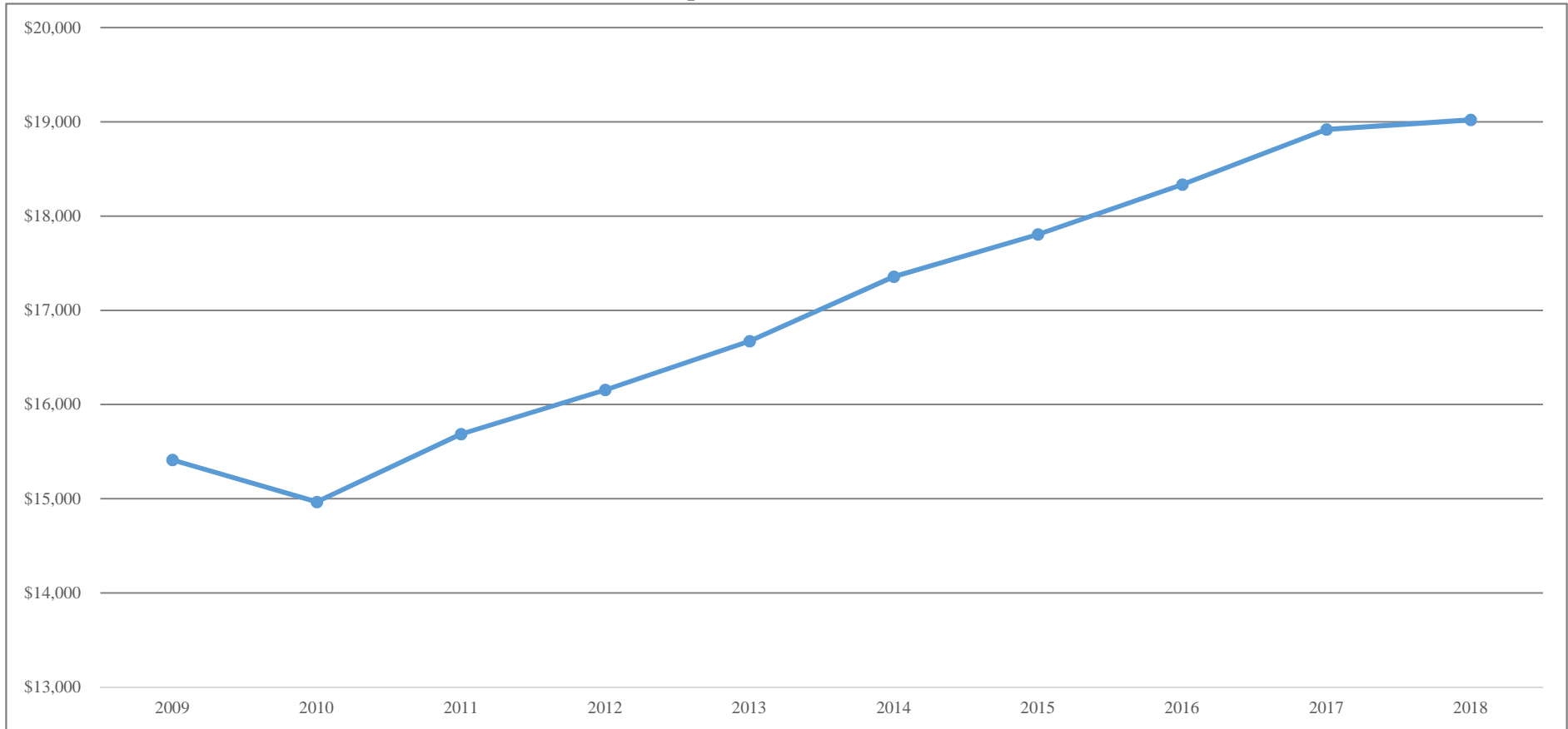
Notes

Source: 2018 CAFR, page 124-125

Comments

2010 and 2015 were revaluation years, which impacted FY12 and FY17 property values, respectively. The decrease in 'Motor Vehicle' in FY11 was due to a drop in used car values, as fewer people were purchasing new cars. The change in FY17 'Miscellaneous Land' was due to the reclassification of about 434 vacant parcels as 'Residential' because they were determined to be buildable property.

Revenue per Real Estate Unit



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues	\$327,843,780	\$319,003,347	\$334,461,553	\$344,702,179	\$356,146,597	\$370,669,796	\$380,428,883	\$391,425,167	\$404,208,302	\$406,849,445
Real Estate Units	21,270	21,313	21,321	21,335	21,361	21,354	21,365	21,349	21,363	21,389
Revenue per Unit	\$ 15,413	\$ 14,968	\$ 15,687	\$ 16,157	\$ 16,673	\$ 17,358	\$ 17,806	\$ 18,335	\$ 18,921	\$ 19,021

Notes

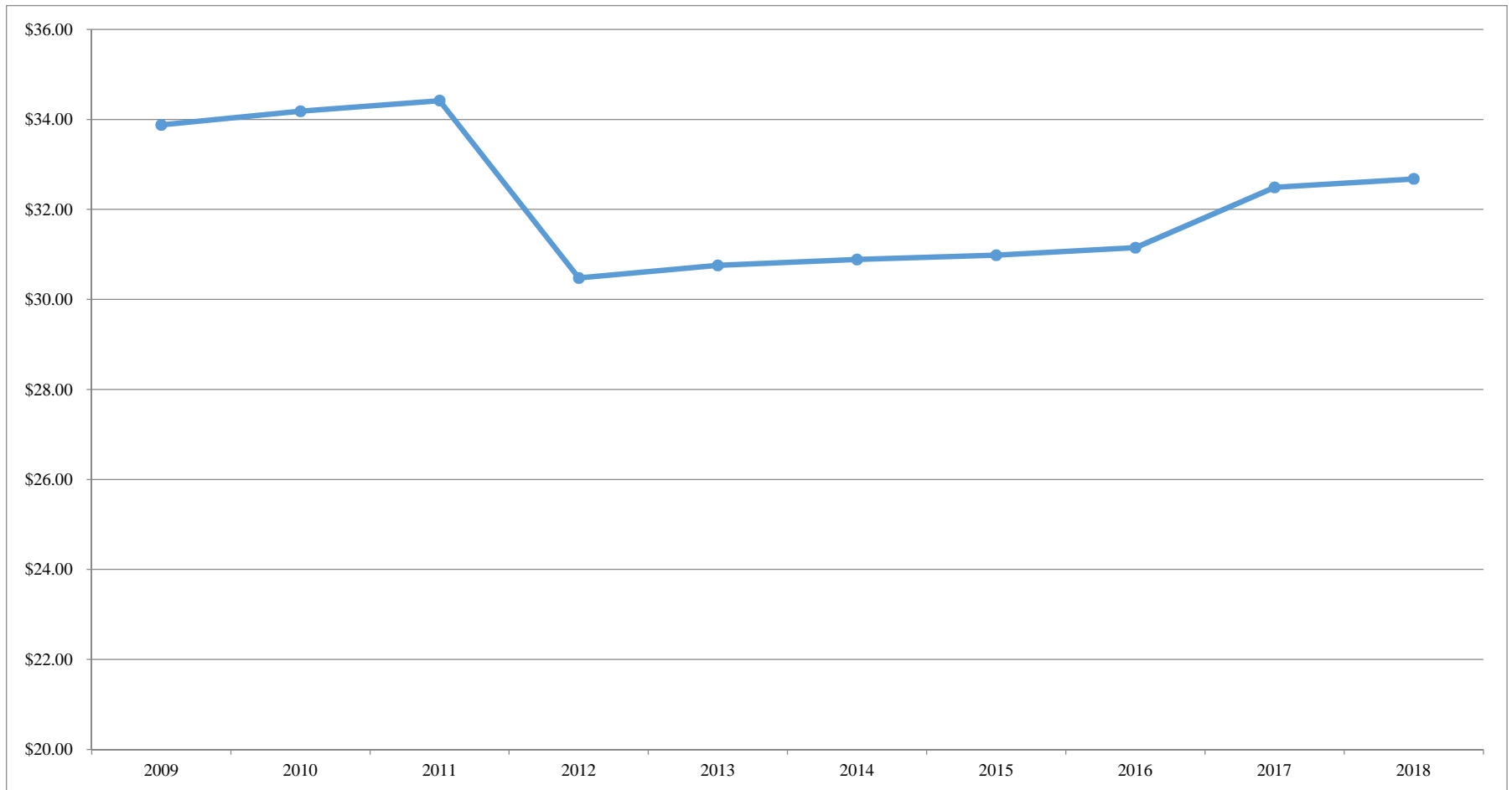
Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Source for Real Estate Units: Budget Book – Budget Schedules, Assessor's Table of Valuations (Residential, Commercial, Industrial, Public Utilities, Vacant Land, Use Land, Apartments)

Comments

Between FY09 and FY10, Revenues decreased by \$8.8 million due to the economic recession. In particular, three significant revenue sources were impacted: building permits, conveyance taxes, and interest earnings.

Net Taxable Grand List
(in billions)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Grand List	\$ 33.88	\$ 34.18	\$ 34.42	\$ 30.48	\$ 30.75	\$ 30.89	\$ 30.99	\$ 31.15	\$ 32.49	\$ 32.68
Change Over Prior Year		0.90%	0.69%	-11.44%	0.90%	0.43%	0.32%	0.53%	4.31%	0.58%

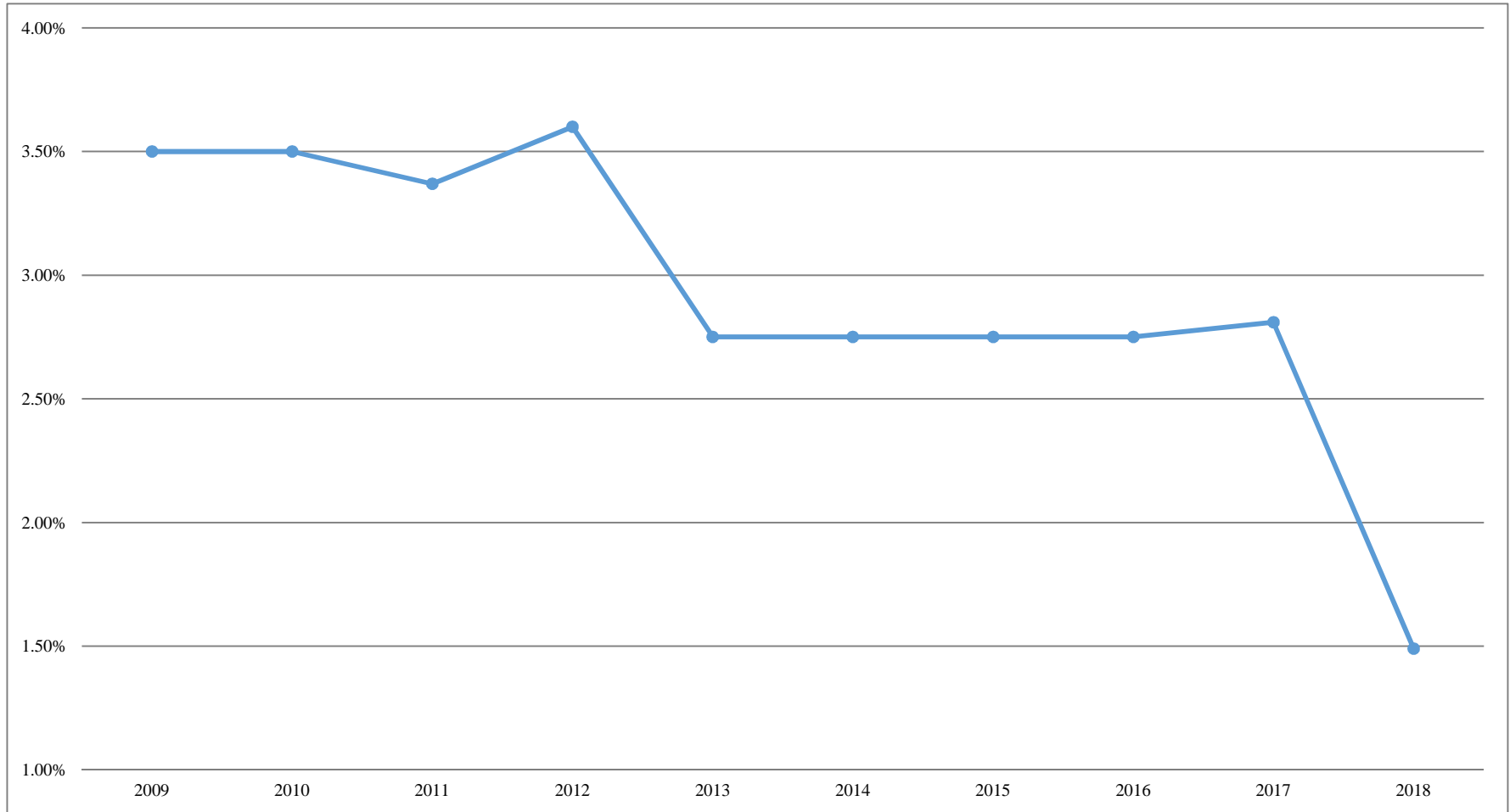
Notes

Source: 2018 CAFR, page 124-125

Comments

2010 and 2015 were revaluation years, which impacted the FY12 and FY17 grand list, respectively.

Tax Rate % Change



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Mill Rate	8.04	8.32	8.60	10.11	10.39	10.68	10.97	11.27	11.20	11.37
% Change	3.50%	3.50%	3.37%	3.60%	2.75%	2.75%	2.75%	2.75%	2.81%	1.49%

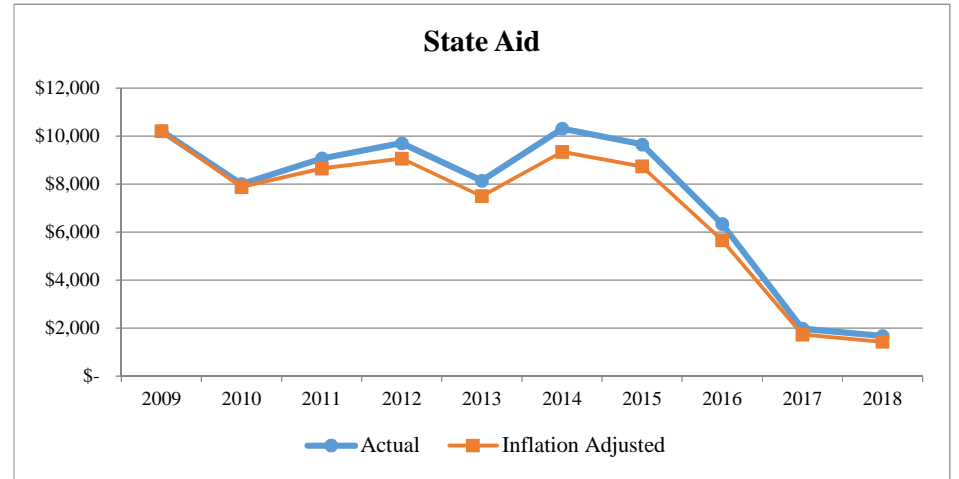
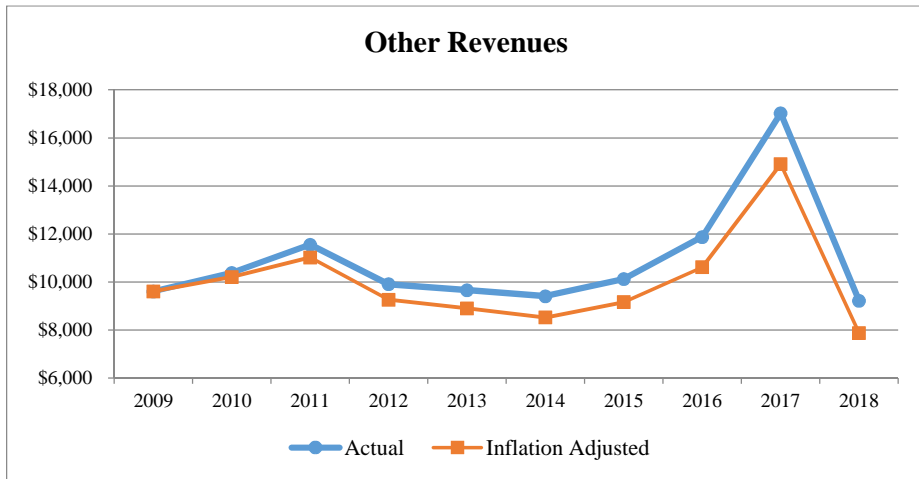
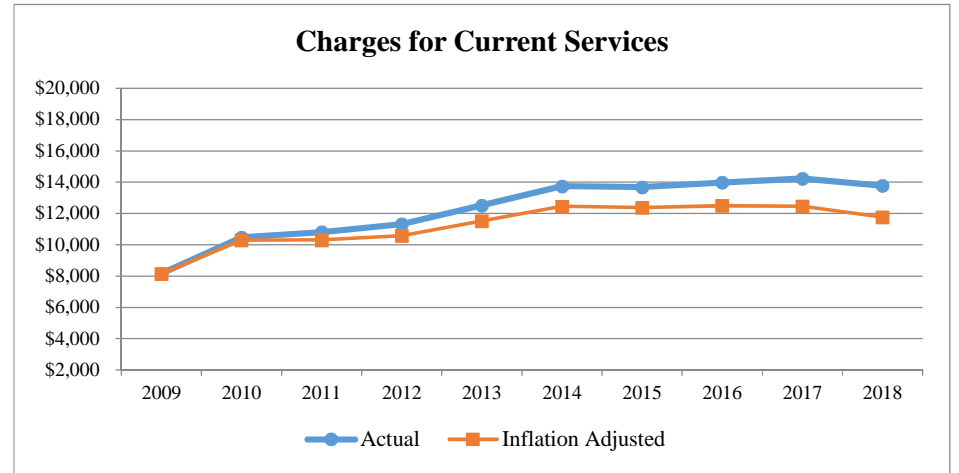
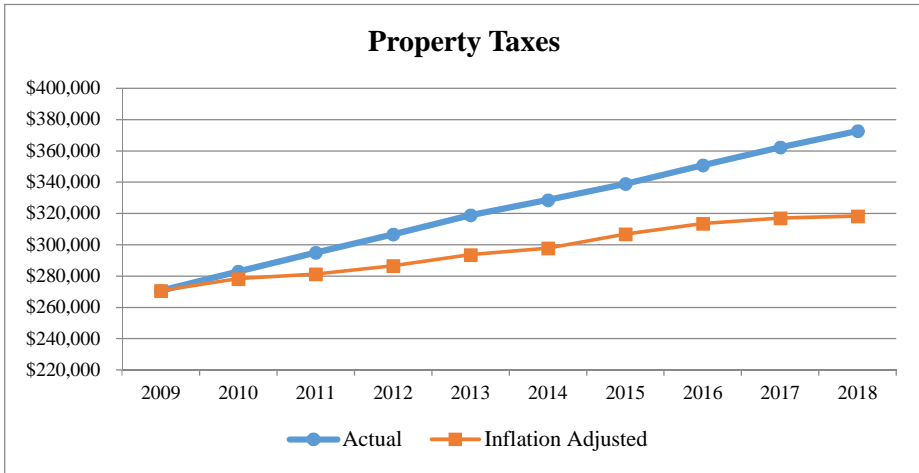
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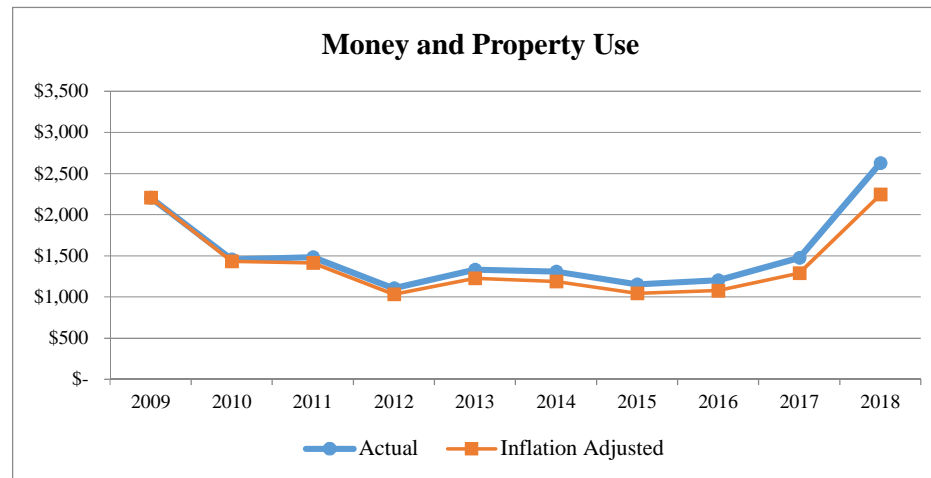
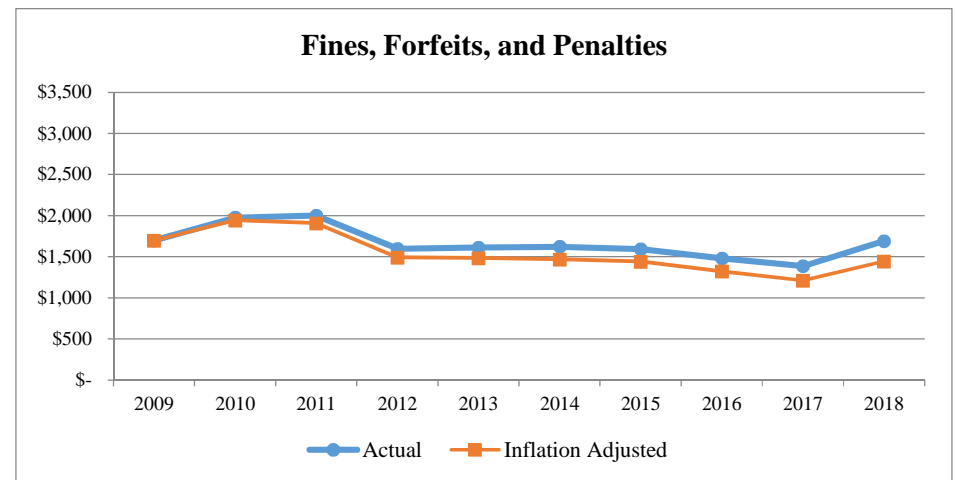
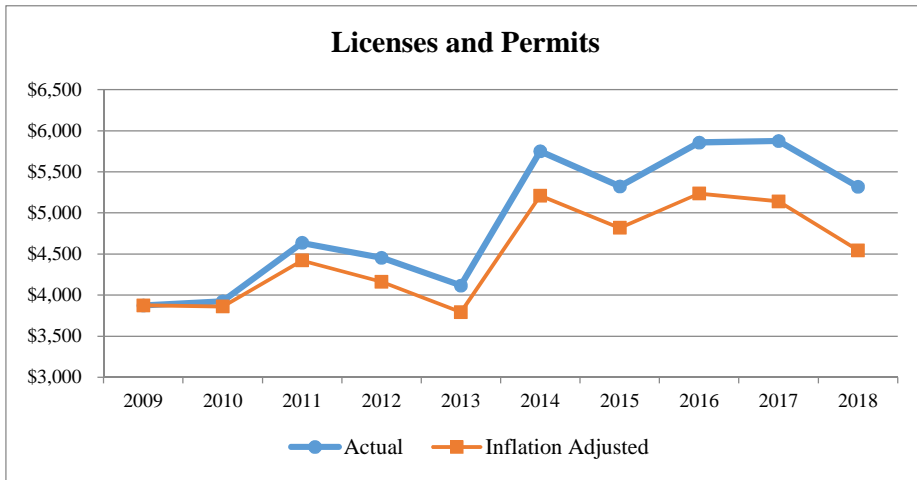
Source: Budget Book – Tax Rates and Tax Levy Comparisons (2018 Budget Book Exhibits; Page 2)

Comments

This chart has been adjusted to exclude the impact of property revaluations. The FY12 mill rate increase of 17.56% was due to the 2010 property revaluation, which resulted in a decrease in the Grand List. In the absence of the revaluation, the estimated rate increase would have been 3.60%. The FY17 mill rate was reduced by 0.61% due to a property revaluation resulting in a Grand List increase. If there had not been a revaluation, the estimated mill rate increase for FY17 would have been 2.81%. The decrease in the FY18 mill rate increase was primarily driven by savings from transition to State Paternership Plan and Lean Six Sigma process improvements and waste reduction.

Operating Revenues Trends
(in thousands)





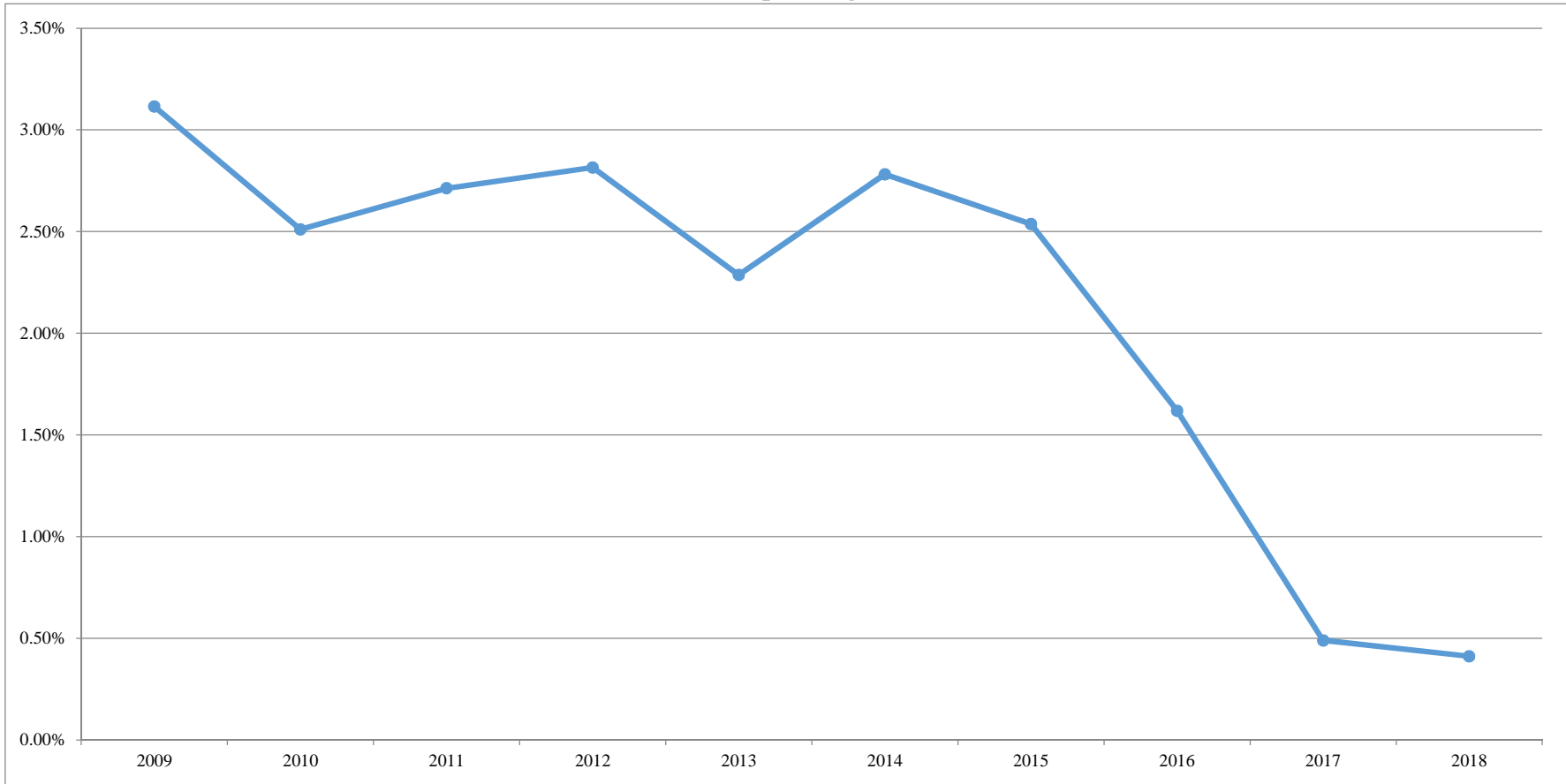
Notes

Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Comments

Charges for Current Services includes revenues earned from real estate conveyance taxes, beach cards and admissions, land records recording fees and other charges. Other Revenues includes employee and retiree contributions for health insurance, cancellation of prior year encumbrances, contribution from the Peterson Trust (Greenwich Library) and other sources. Charges for Current Services and State Aid are normalized (patient fees and medicare/medicaid payments removed) to account for the removal of the Nathaniel Witherell from the General Fund in FY10. Inflation-adjusted figures are in 2009 dollars; CPI for all urban customers, all items. For Other Revenues, FY17 increase was due to large cancellation of prior years' encumbrances and the FY18 decrease was primarily due to accounting changes for retirement reserve investment fees and OPEB. The revenue increase in Money and Property Use is primarily due to higher interest rates.

State Aid as a % of Operating Revenues



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
State Aid	\$ 10,211,979	\$ 8,008,920	\$ 9,075,046	\$ 9,705,340	\$ 8,143,729	\$ 10,313,036	\$ 9,653,244	\$ 6,336,055	\$ 1,978,151	\$ 1,673,104
Total Revenues	\$327,843,780	\$319,003,347	\$334,461,553	\$344,702,179	\$356,146,597	\$370,669,796	\$380,428,883	\$391,425,167	\$404,208,302	\$406,849,445
State Aid as a % of Revenues	3.11%	2.51%	2.71%	2.82%	2.29%	2.78%	2.54%	1.62%	0.49%	0.41%

Notes

Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

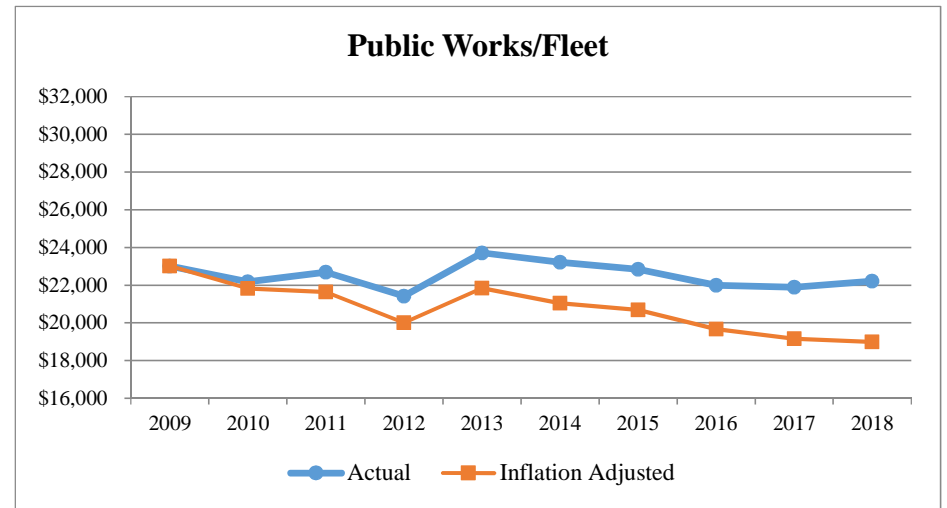
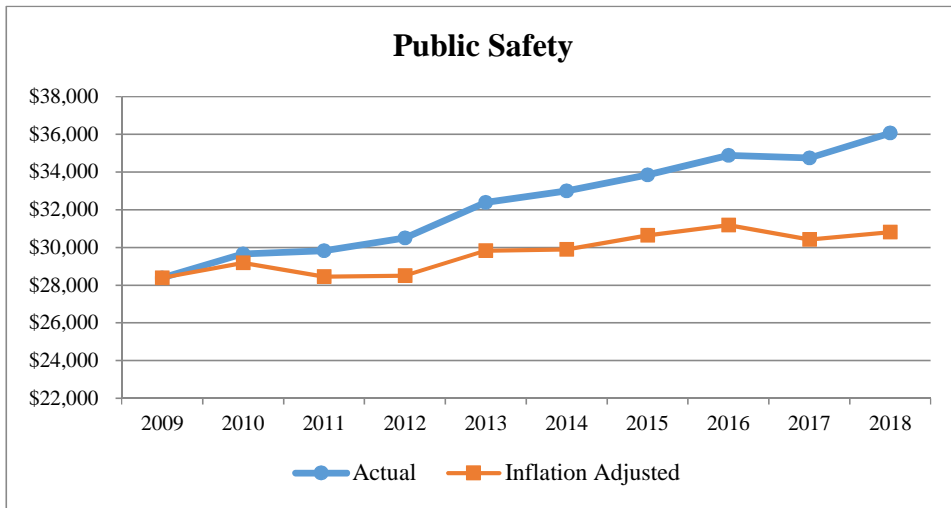
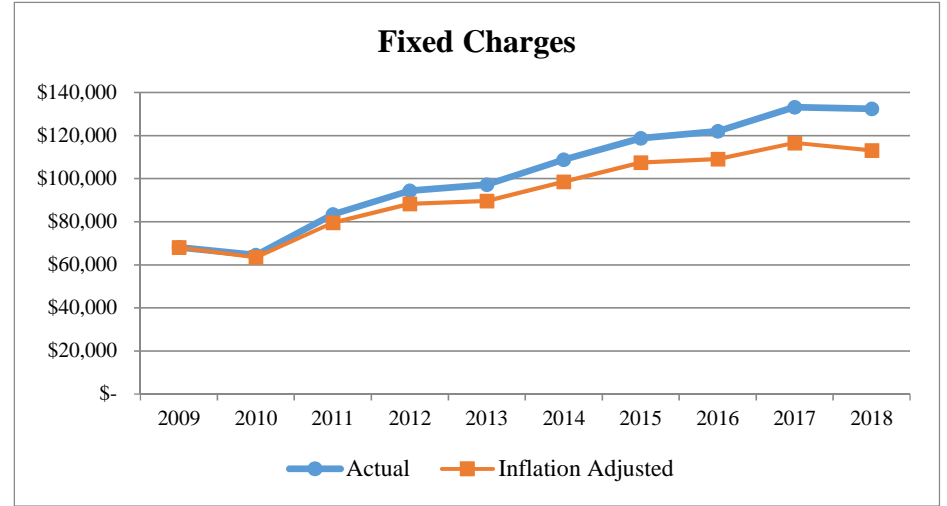
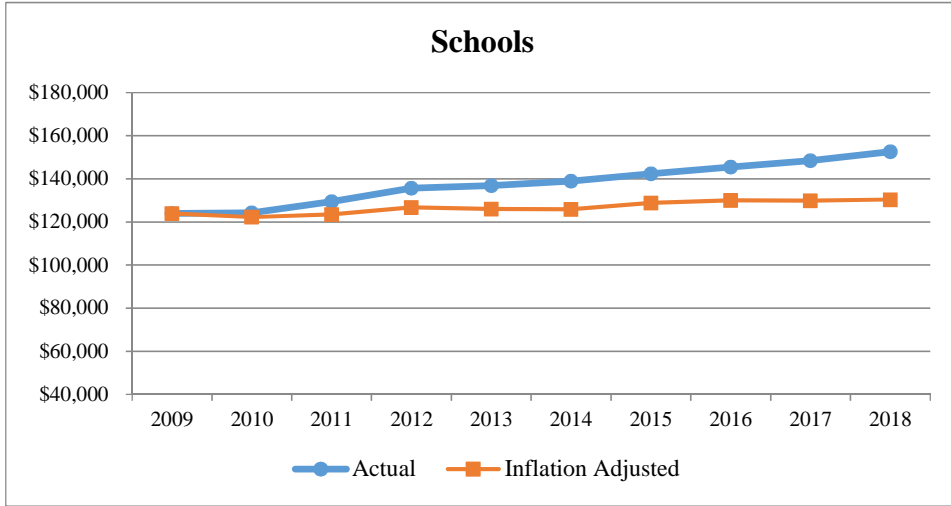
Historical Data: Budget Book (2009)

Comments

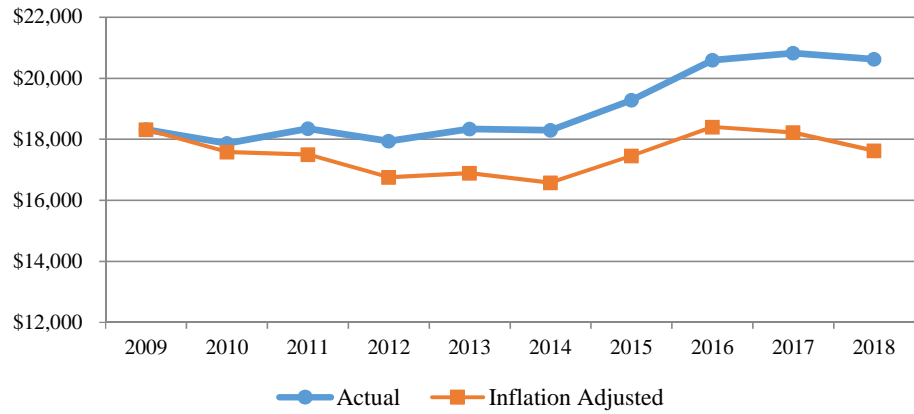
In FY10, Nathaniel Witherell was removed from the General Fund and Medicare/Medicaid reimbursements from the State were accounted for in the revolving fund. State Aid has steadily declined since 2014 and the decline is expected to continue.

II. EXPENDITURES

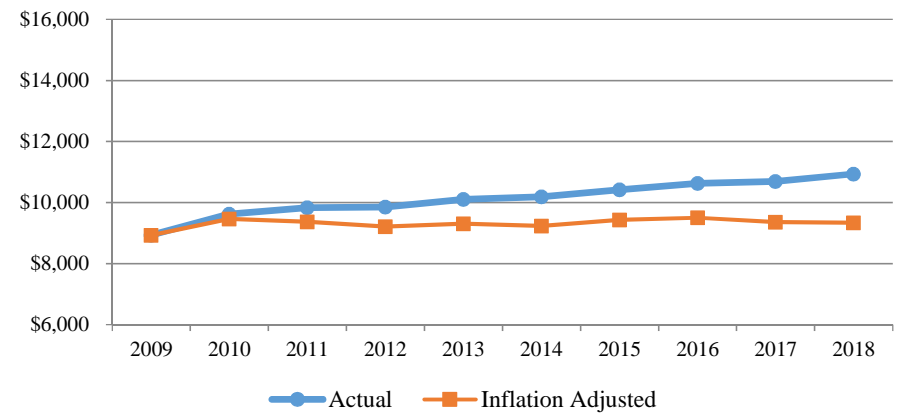
Expenditures Trends
(in thousands)



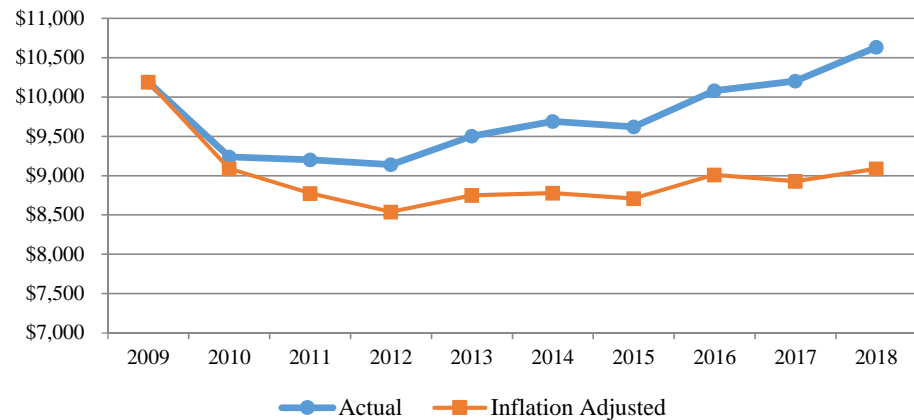
General Government



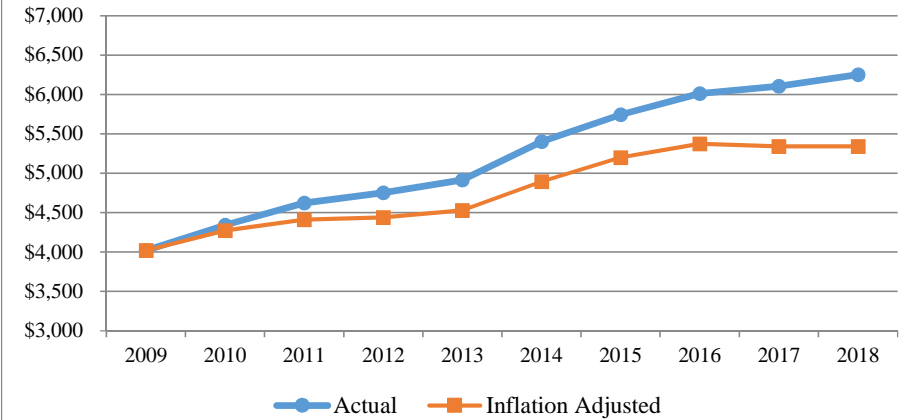
Libraries

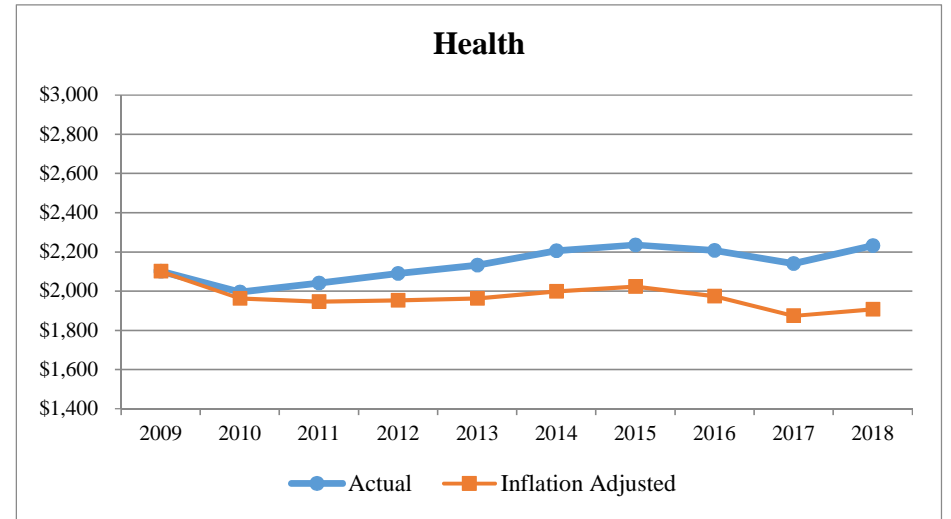
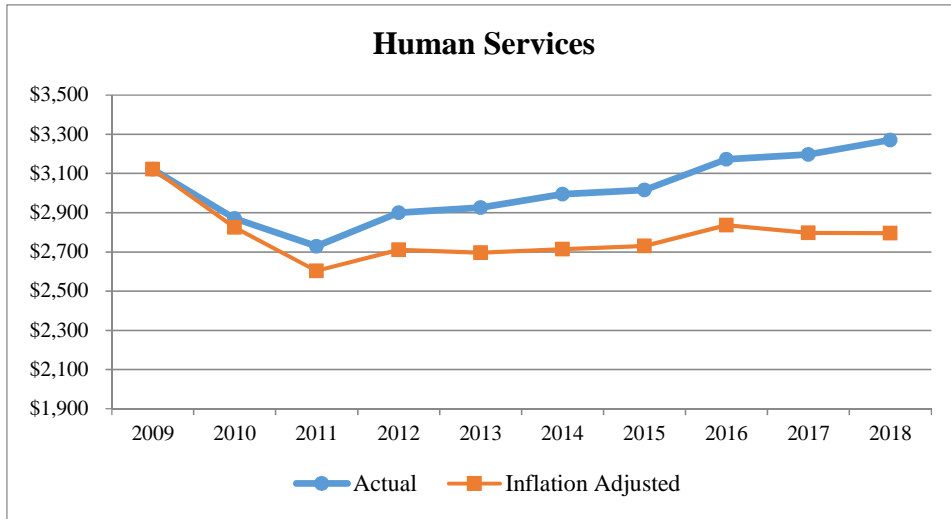


Parks and Recreation



External Operations





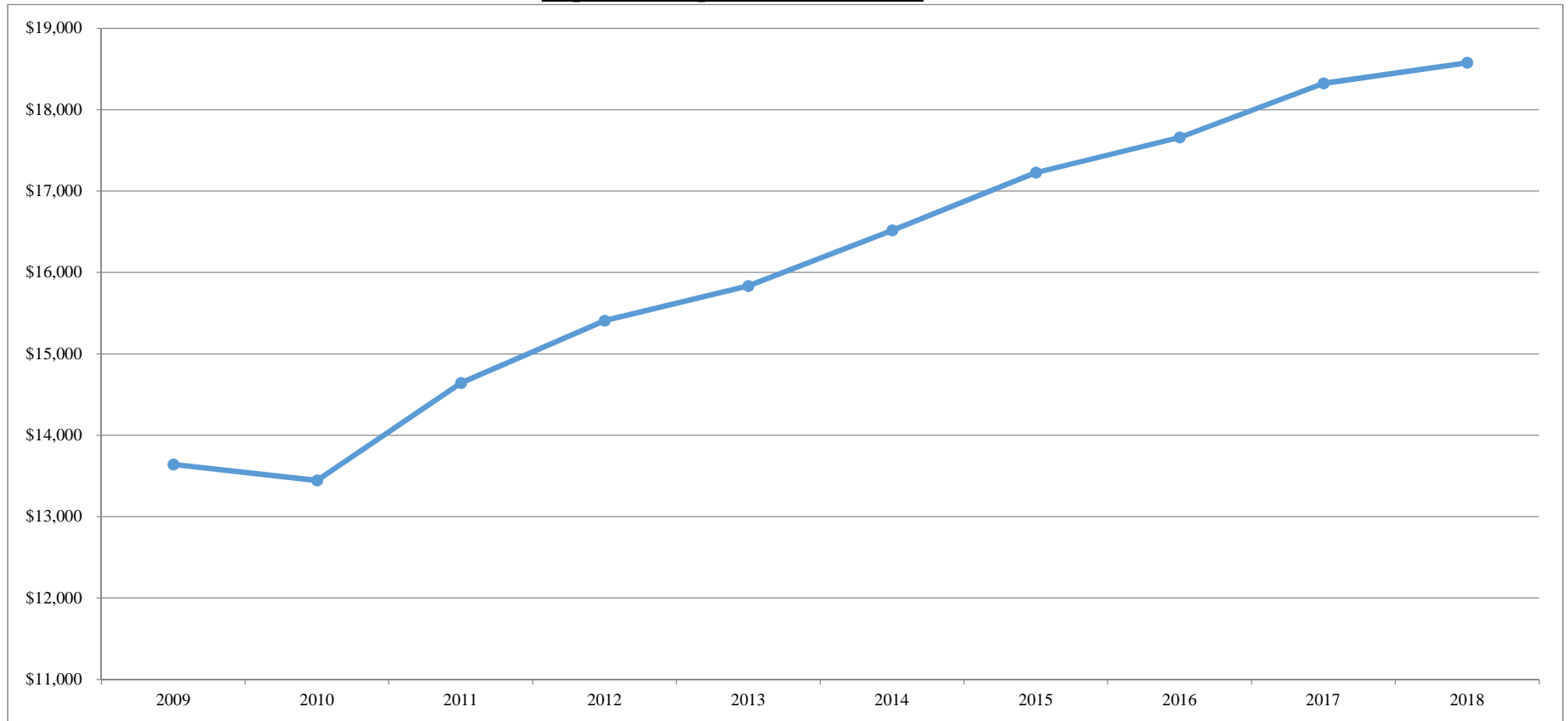
Notes

Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Comments

The increases in External Operations are largely due to an increase in the GEMS contribution resulting from a revenue shortfall (FY14), membership in the Connecticut Conference of Municipalities and the Southwestern Connecticut Regional Communications Center (FY14), funding for Teen Talk (FY15), and additional funding for Teen Talk (FY16). Inflation-adjusted figures are in 2009 dollars; CPI for all urban customers, all items.

Expenditures per Real Estate Unit



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Expenditures	\$ 290,179,398	\$ 286,562,739	\$ 312,193,482	\$ 328,753,402	\$ 338,217,392	\$ 352,752,255	\$ 368,095,302	\$ 377,061,374	\$ 391,445,629	\$ 397,335,228
Real Estate Units	21,270	21,313	21,321	21,335	21,361	21,354	21,365	21,349	21,363	21,389
Expenditures per Unit	\$ 13,643	\$ 13,445	\$ 14,643	\$ 15,409	\$ 15,833	\$ 16,519.26	\$ 17,229	\$ 17,662	\$ 18,324	\$ 18,577

Notes

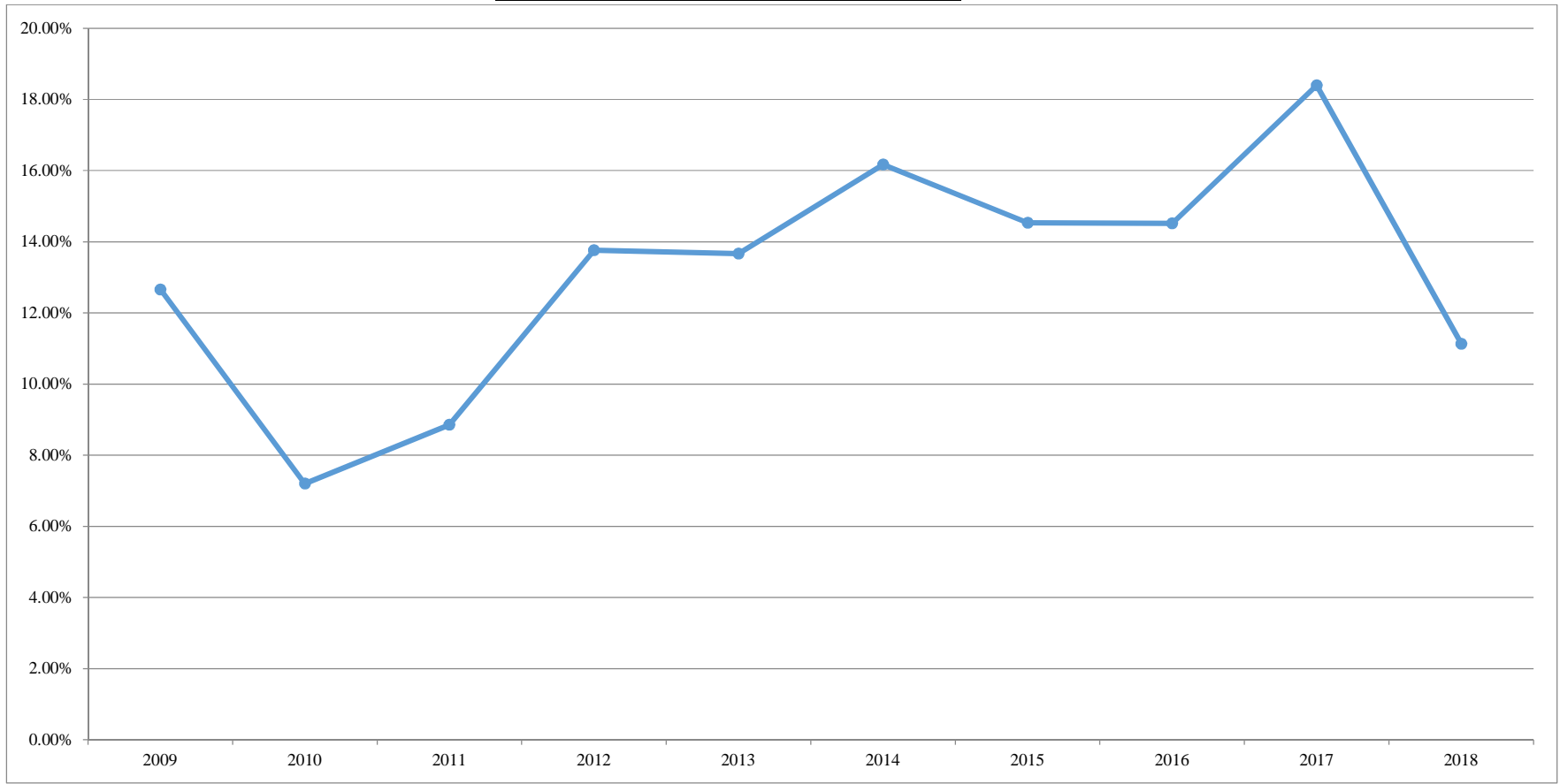
Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Source for Real Estate Units: Budget Book – Budget Schedules, Assessor's Table of Valuations (Residential, Commercial, Industrial, Public Utilities, Vacant Land, Use Land, Apartments)

Comments

Expenditures were normalized (Nathaniel Witherell removed) to account for the removal of the Nathaniel Witherell from the General Fund in FY10.

Capital as a % of Operating Expenditures

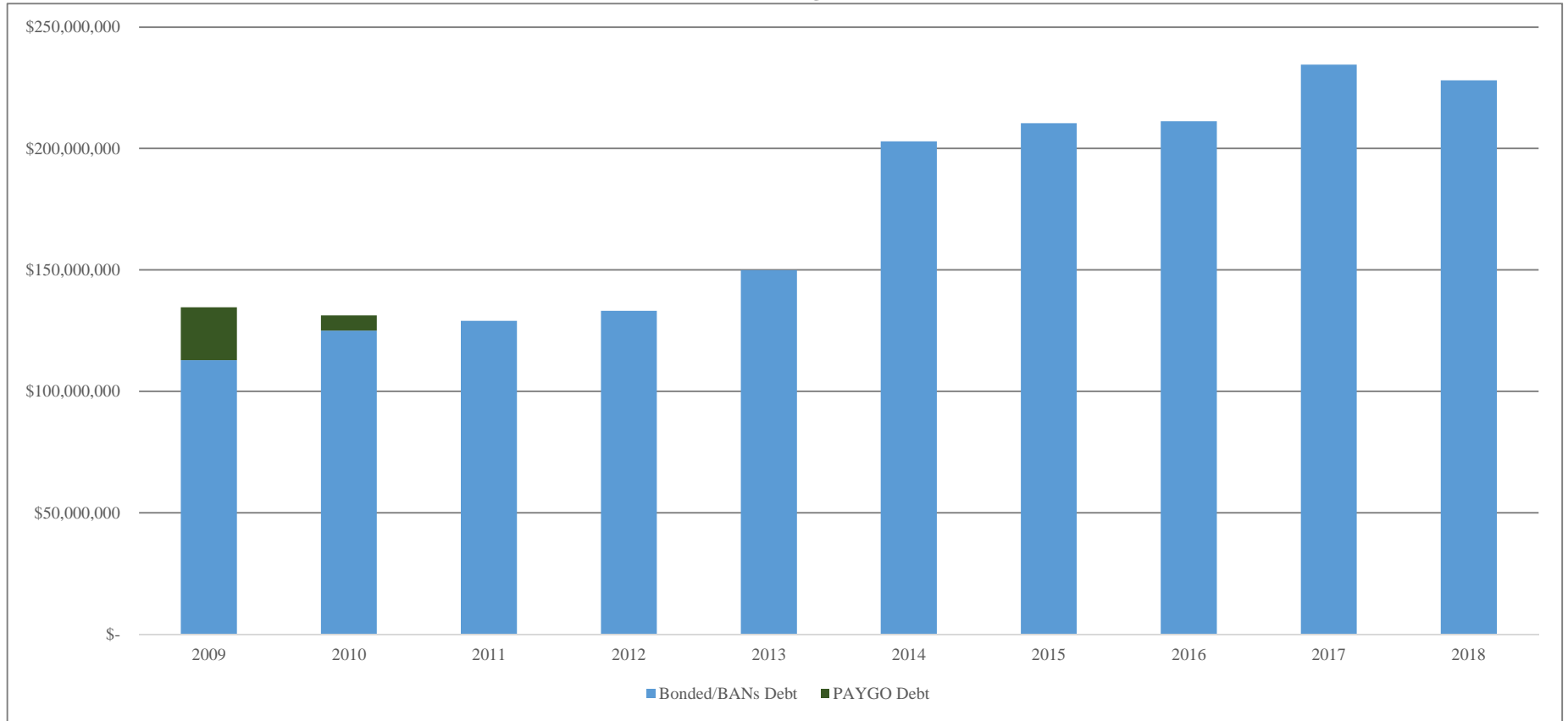


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital	\$ 38,826,000	\$ 20,633,000	\$ 27,651,000	\$ 45,231,000	\$ 46,227,000	\$ 57,045,000	\$ 53,486,000	\$ 54,735,000	\$ 72,011,000	\$ 44,236,000
Total Expenditures	\$306,673,720	\$286,562,739	\$312,193,482	\$328,753,402	\$338,217,392	\$352,752,255	\$368,095,302	\$377,061,374	\$391,445,629	\$397,335,228
Capital as a % of Expenditures	12.66%	7.20%	8.86%	13.76%	13.67%	16.17%	14.53%	14.52%	18.40%	11.13%

Notes
 Source: Budget Book – Budget Schedules, Capital Requests (Budget Schedules page 1)
 Source for Total Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Comments
 Major projects authorized in each year are as follows: FY12 - MISA (\$17M); FY13 - MISA (\$12M); FY14 - Central Fire Station (\$20M); FY15 - Public Safety Radio System Replacement (\$9M); FY16 - Byram Beach Master Plan (\$9.5M); FY17 - New Lebanon School (\$32M).

Total Outstanding Debt



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bonded/BANs Debt	\$112,863,375	\$125,074,535	\$129,076,720	\$133,158,943	\$149,859,704	\$202,943,220	\$210,420,375	\$211,193,490	\$234,532,383	\$228,091,868
PAYGO Debt	\$ 21,799,000	\$ 6,197,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$134,662,375	\$131,271,535	\$129,076,720	\$133,158,943	\$149,859,704	\$202,943,220	\$210,420,375	\$211,193,490	\$234,532,383	\$228,091,868
% Change		-3%	-2%	3%	13%	35%	4%	0.4%	11.1%	-2.7%

Notes

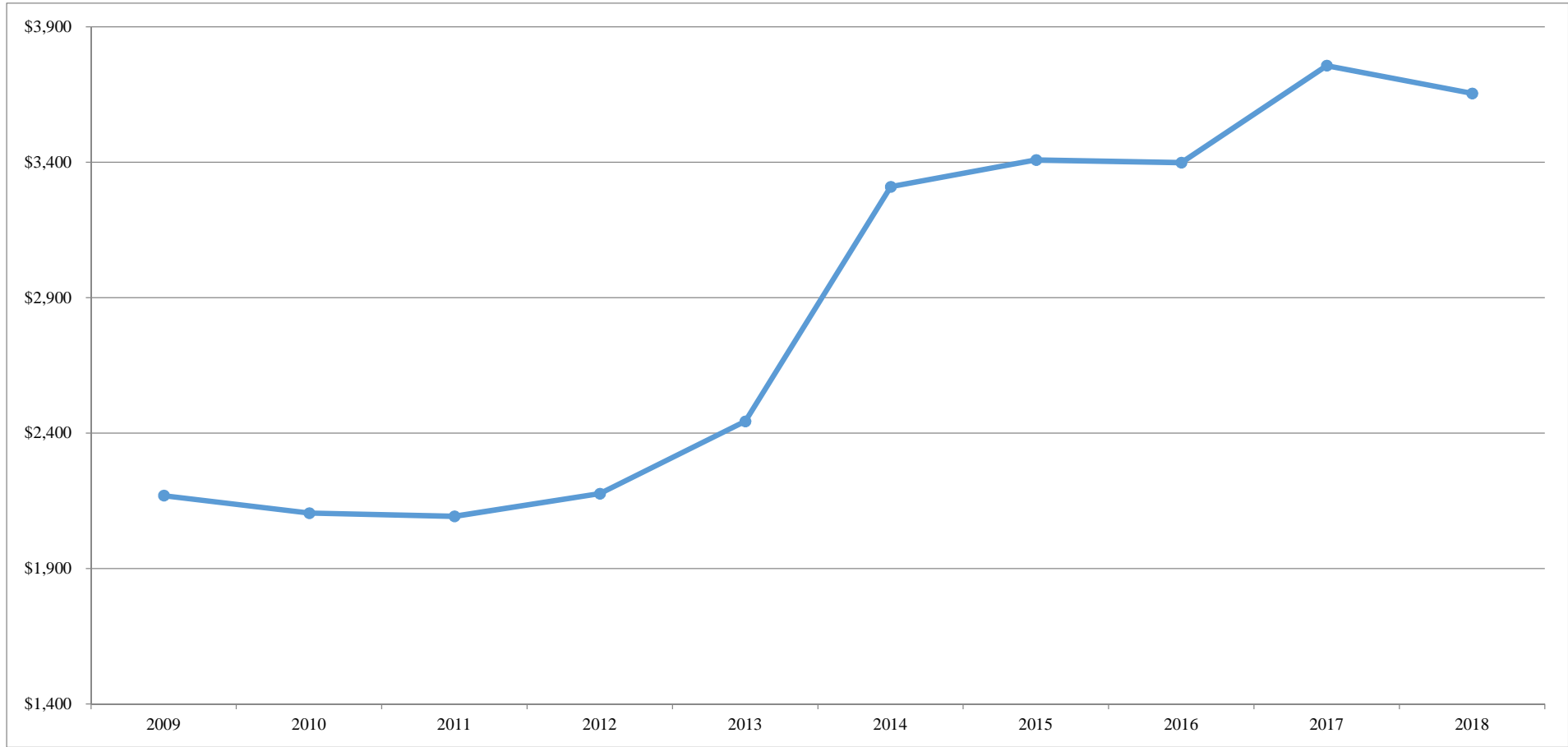
Source for Bonded/BANs Debt: CAFR – Notes to Financial Statements: Short-Term Obligations and Long-Term Obligations (pages 40-41 in 2018 CAFR)

Source for PAYGO Debt: Budget Book - Budget Schedules

Comments

Bonded debt has been both authorized by the Representative Town Meeting and issued. Under the pay-as-you-go funding mechanism, the Town appropriated funds for capital projects and financed them over a five-year period with modest increases in the tax rate; fund balances provided interim financing. The BET’s Debt Policy calls for total debt (as defined in the above chart) to be no more than 0.75% of the full value of the most recent Grand List (approximately \$350 million).

Outstanding Debt per Capita



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bonded/BANs Debt	\$ 112,863,375	\$ 125,074,535	\$ 129,076,720	\$ 133,158,943	\$ 149,859,704	\$ 202,943,220	\$ 210,420,375	\$ 211,193,490	\$ 234,532,383	\$ 228,091,868
PAYGO Debt	\$ 21,799,000	\$ 6,197,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 134,662,375	\$ 131,271,535	\$ 129,076,720	\$ 133,158,943	\$ 149,859,704	\$ 202,943,220	\$ 210,420,375	\$ 211,193,490	\$ 234,532,383	\$ 228,091,868
Population	62,077	62,368	61,672	61,171	61,331	61,331	61,733	62,141	62,434	62,418
Debt per Capita	\$ 2,169	\$ 2,105	\$ 2,093	\$ 2,177	\$ 2,443	\$ 3,309	\$ 3,409	\$ 3,399	\$ 3,756	\$ 3,654

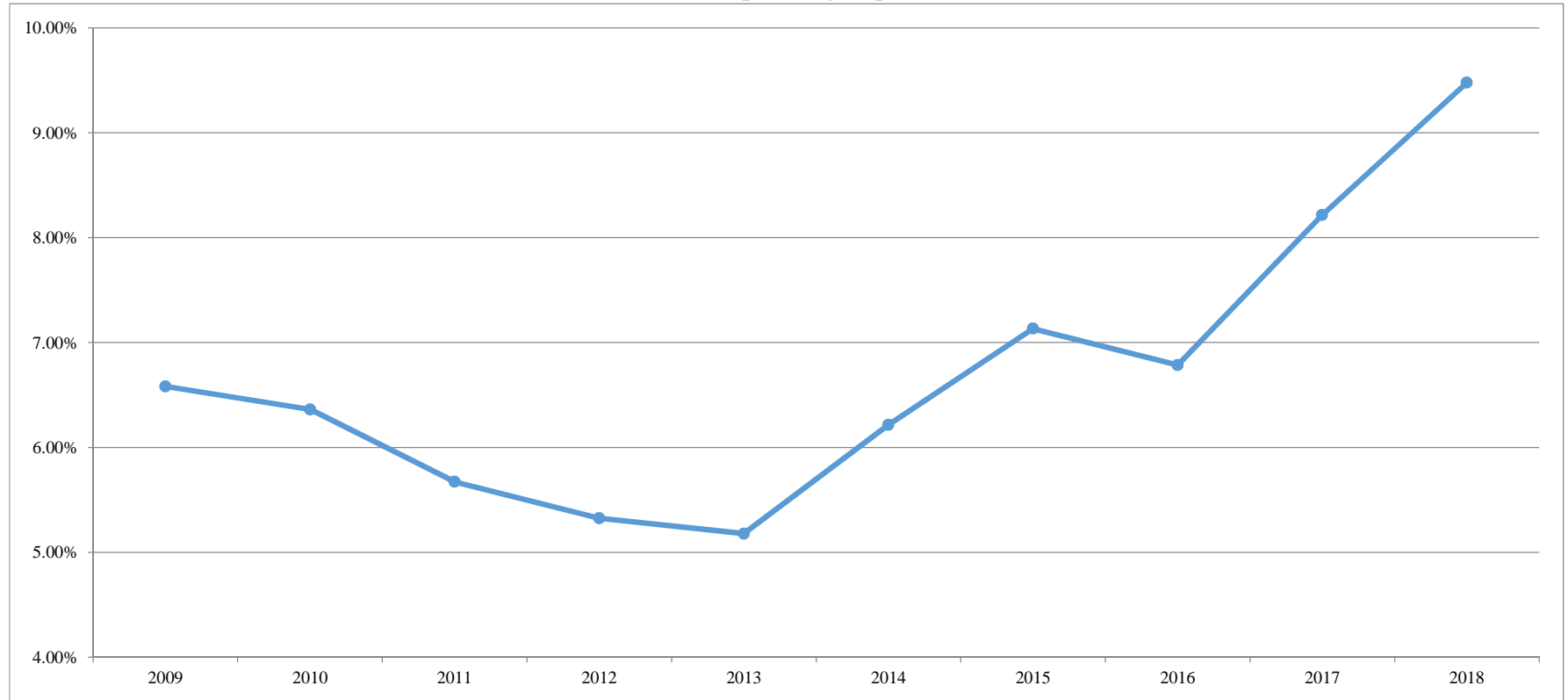
Notes

Source for Bonded/BANs Debt: CAFR – Notes to Financial Statements: Short-Term Obligations and Long-Term Obligations (pages 40-41 in 2018 CAFR)

Source for PAYGO Debt: Budget Book - Budget Schedules

Source for Population: 2018 CAFR, page 135 (based on census data)

Debt Service as a % of Operating Expenditures



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Service	\$ 2,685,847	\$ 2,632,444	\$ 11,514,988	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451	\$ 32,160,663	\$ 37,657,446
PAYGO Payments	\$ 17,498,000	\$ 15,602,000	\$ 6,197,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 20,183,847	\$ 18,234,444	\$ 17,711,988	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451	\$ 32,160,663	\$ 37,657,446
Total Expenditures	\$ 306,673,720	\$ 286,562,739	\$ 312,193,482	\$ 328,753,402	\$ 338,217,392	\$ 352,752,255	\$ 368,095,302	\$ 377,061,374	\$ 391,445,629	\$ 397,335,228
Debt Service as a % of Expenditures	6.58%	6.36%	5.67%	5.33%	5.18%	6.22%	7.13%	6.79%	8.22%	9.48%

Notes

Source for Debt Service: CAFR – Basic Financial Statements: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (page 17 in 2018 CAFR); Sum of State loan payment, principal retirements, and interest and other charges - General Fund only

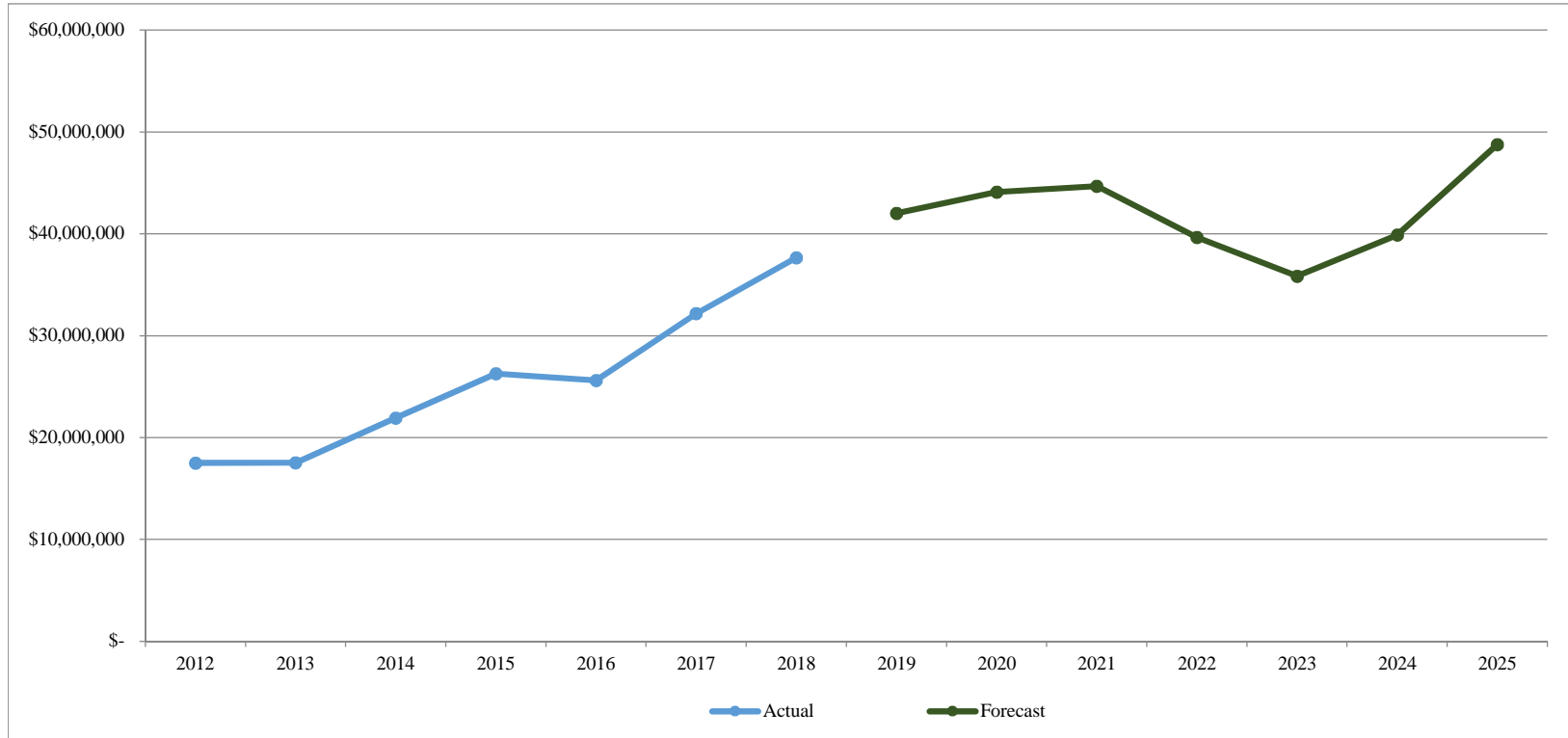
Source for PAYGO Payments: Budget Book - Budget Schedules

Source for Total Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Comments

The BET's Debt Policy calls for debt service payments to be no more than 11% of operating expenditures (Source: BET Reference Book).

Debt Service Trend and Forecast



	2012	2013	2014	2015	2016	2017	2018
Debt Service - Actual	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451	\$ 32,160,663	\$ 37,657,446
Percent Change		0.06%	25.16%	19.76%	-2.54%	25.67%	17.09%

	2019	2020	2021	2022	2023	2024	2025
Debt Service - Forecast	\$ 42,000,000	\$ 44,100,000	\$ 44,673,000	\$ 39,634,000	\$ 35,839,000	\$ 39,895,000	\$ 48,759,000
Percent Change		5.00%	1.30%	-11.28%	-9.58%	11.32%	22.22%

Notes

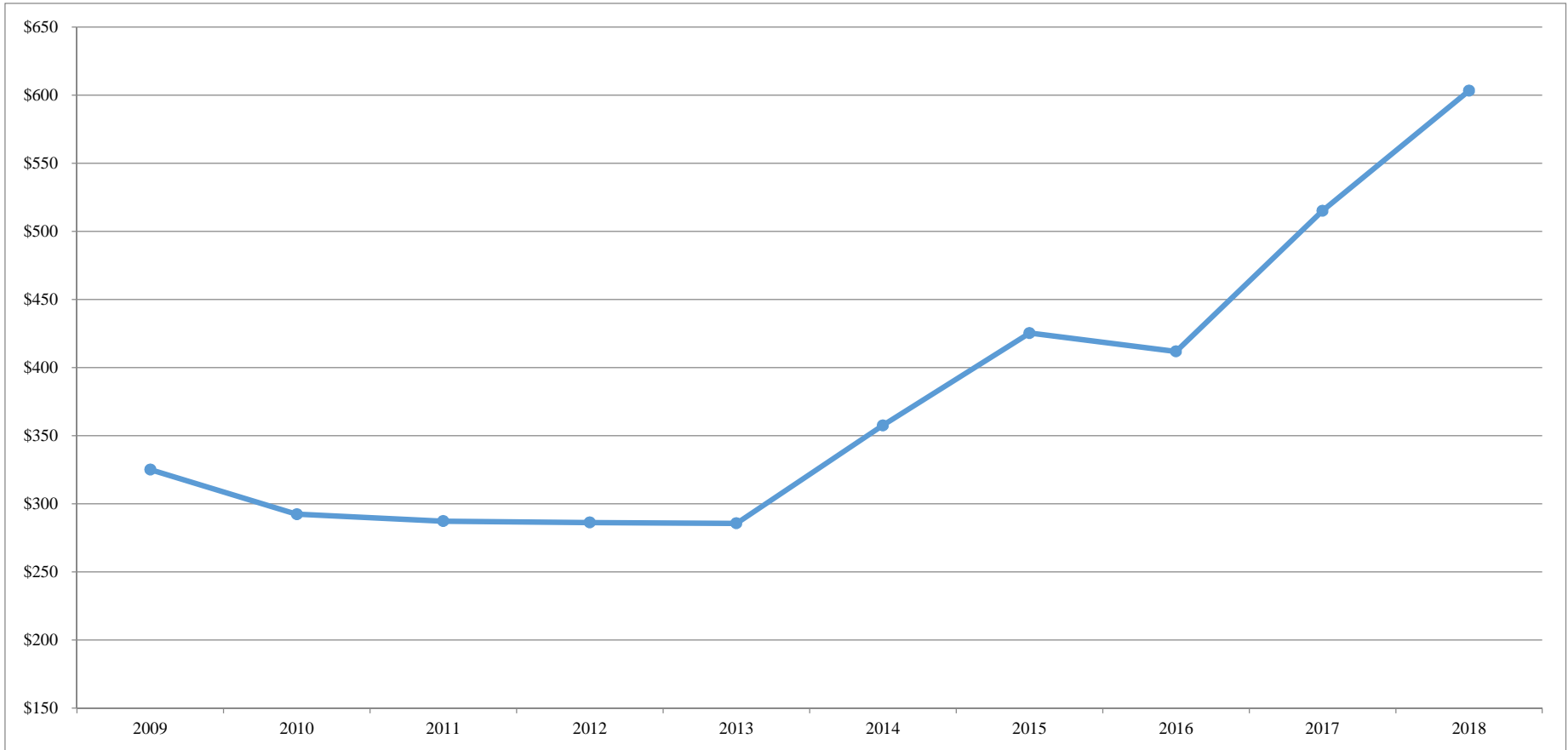
Source: CAFR – Basic Financial Statements: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (page 17 in 2018 CAFR); Sum of State loan payment, principal retirements, and interest and other charges - General Fund only

Source for projected debt service (2019-2025): Budget Book FY20- Capital Schedules- Principal and Interest Repayments, page 2

Comments

Per the BET Debt Policy, the Town targets financing capital projects through the use of BANs in years one and two and long-term debt financing in year three.

Debt Service per Capita



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Service (including PAYGO)	\$ 20,183,847	\$ 18,234,444	\$ 17,711,988	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451	\$ 32,160,663	\$ 37,657,446
Population	62,077	62,368	61,672	61,171	61,331	61,331	61,733	62,141	62,434	62,418
Debt Service per Capita	\$ 325	\$ 292	\$ 287	\$ 286	\$ 286	\$ 357	\$ 425	\$ 412	\$ 515	\$ 603

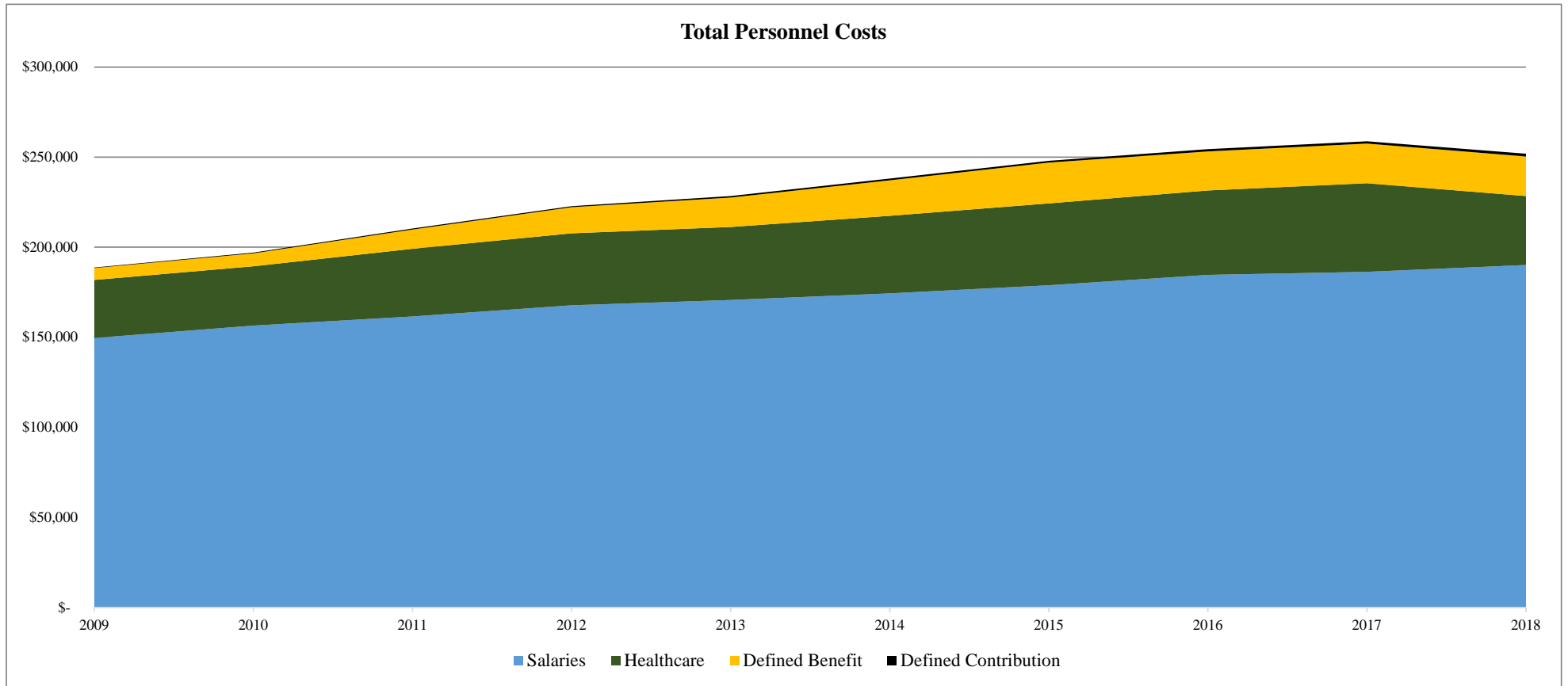
Notes

Source: CAFR – Basic Financial Statements: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (page 17 in 2018 CAFR); Sum of State loan payment, principal retirements, and interest and other charges - General Fund only

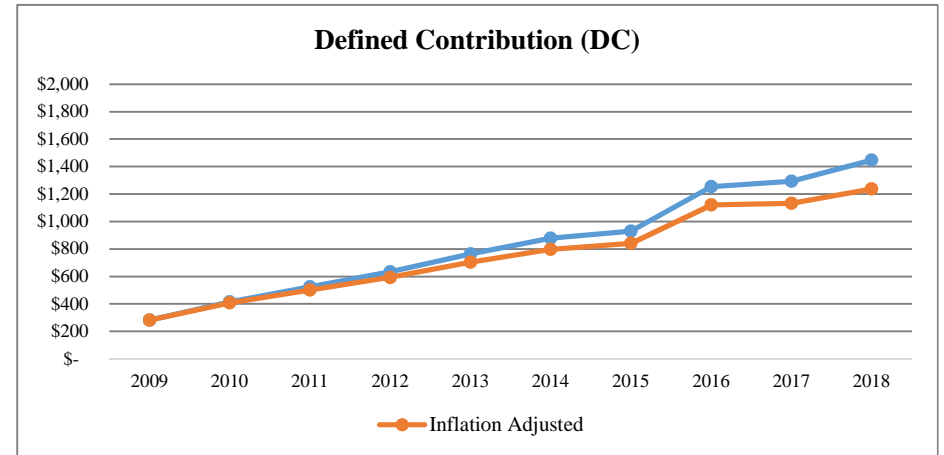
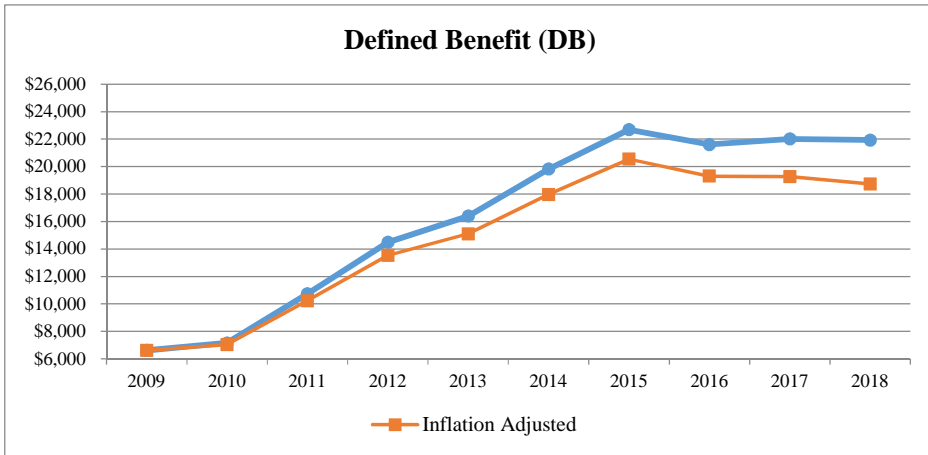
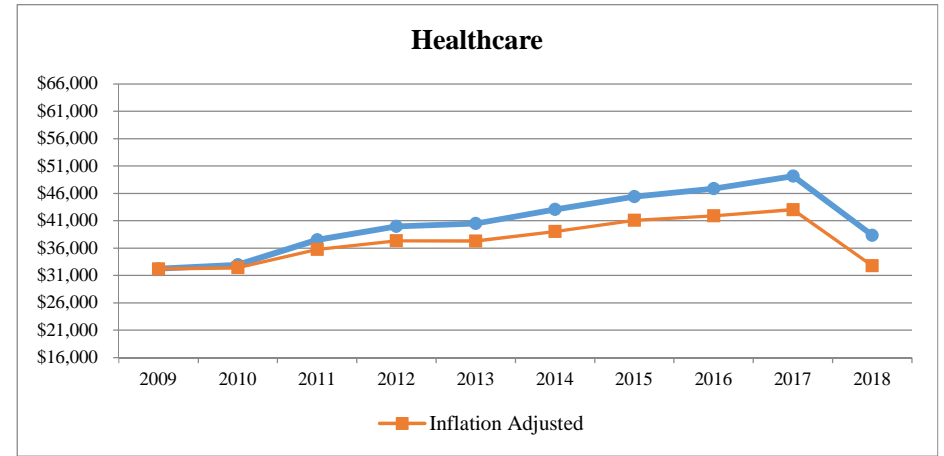
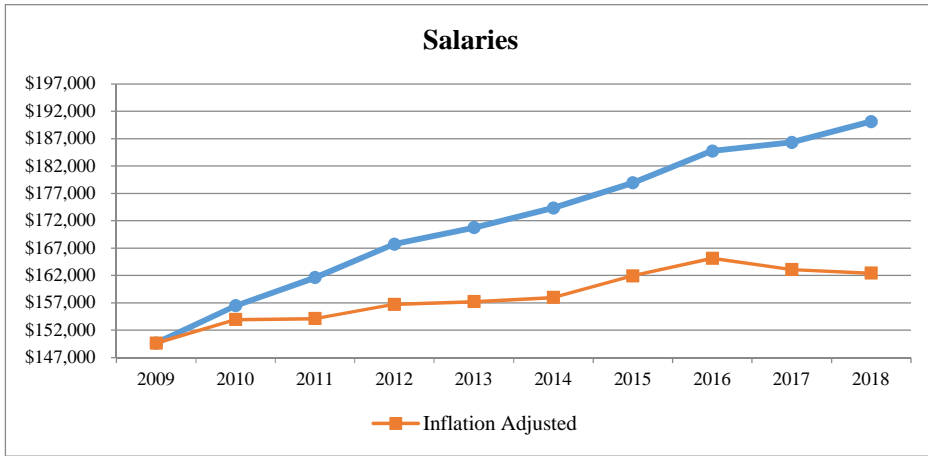
Source for PAYGO Payments: Budget Book - Budget Schedules

Source for population: 2018 CAFR, page 135 (based on census data)

Personnel Costs Trend
(in thousands)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Salaries	\$ 149,657,157	\$ 156,492,541	\$ 161,621,184	\$ 167,745,195	\$ 170,743,846	\$ 174,359,676	\$ 178,934,298	\$ 184,745,201	\$ 186,350,287	\$ 190,141,470
Healthcare	\$ 32,235,428	\$ 32,964,774	\$ 37,517,921	\$ 39,983,823	\$ 40,515,791	\$ 43,079,450	\$ 45,413,654	\$ 46,887,815	\$ 49,177,244	\$ 38,389,955
Defined Benefit	\$ 6,620,000	\$ 7,162,000	\$ 10,740,033	\$ 14,488,000	\$ 16,400,000	\$ 19,827,782	\$ 22,700,000	\$ 21,611,000	\$ 22,021,000	\$ 21,932,000
Defined Contribution	\$ 282,166	\$ 414,804	\$ 524,806	\$ 634,859	\$ 763,914	\$ 878,752	\$ 930,530	\$ 1,254,050	\$ 1,293,547	\$ 1,448,522
Salaries	79%	79%	77%	75%	75%	73%	72%	73%	72%	75%
Healthcare	17%	17%	18%	18%	18%	18%	18%	18%	19%	15%
Defined Benefit	4%	4%	5%	7%	7%	8%	9%	8%	9%	9%
Defined Contribution	0.15%	0.21%	0.25%	0.28%	0.33%	0.37%	0.38%	0.49%	0.50%	0.58%



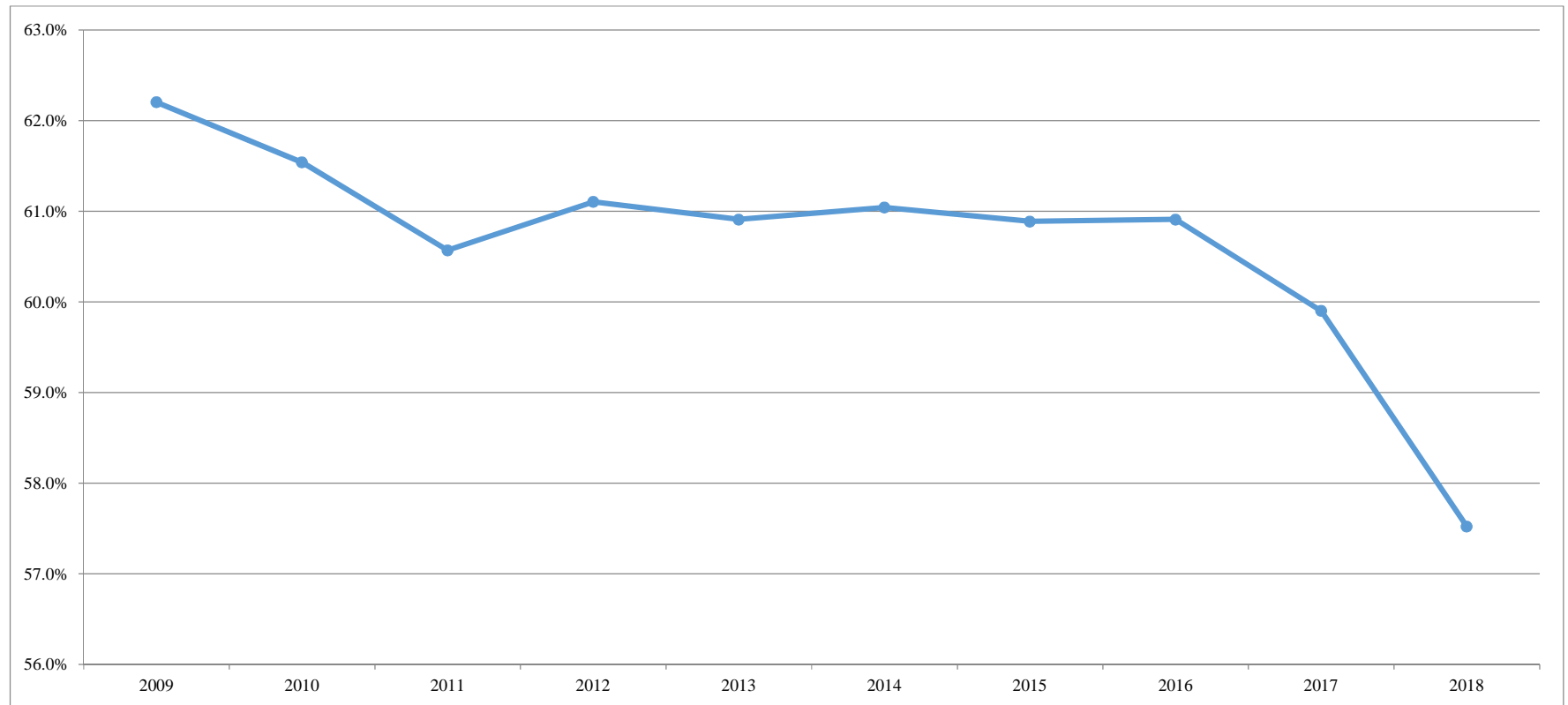
Notes

Source: Budget Book - Regular Salaries (total 51010 and 51020; General Fund plus revolving funds); Healthcare (Department 901 lines 57080, 57090 and 57100 less employee cost share); Defined Benefit (Department 901, line 57010); Defined Contribution (Department 901, line 57020)

Comments

The decrease in healthcare is primarily due to the transition to the State Partnership Plan.

Personnel Costs as a % of Expenditures



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Personnel Costs	\$188,370,814	\$196,521,355	\$209,640,695	\$222,258,550	\$227,822,756	\$237,596,716	\$247,450,281	\$253,833,509	\$258,253,825	\$251,416,812
Expenditures	\$302,834,016	\$319,332,723	\$346,116,290	\$363,737,597	\$374,034,813	\$389,240,138	\$406,405,700	\$416,740,352	\$431,131,407	\$437,070,815
Personnel Costs as a % of Expenditures	62.2%	61.5%	60.6%	61.1%	60.9%	61.0%	60.9%	60.9%	59.9%	57.5%

Notes

Source for Personnel Costs: Budget Book - total Regular Salaries (51010 and 51020; General Fund plus revolving funds) plus Employee Benefits (Healthcare (Department 901 lines 57080, 57090 and 57100 less employee cost share); Defined Benefit (Department 901, line 57010); Defined Contribution (Department 901, line 57020))

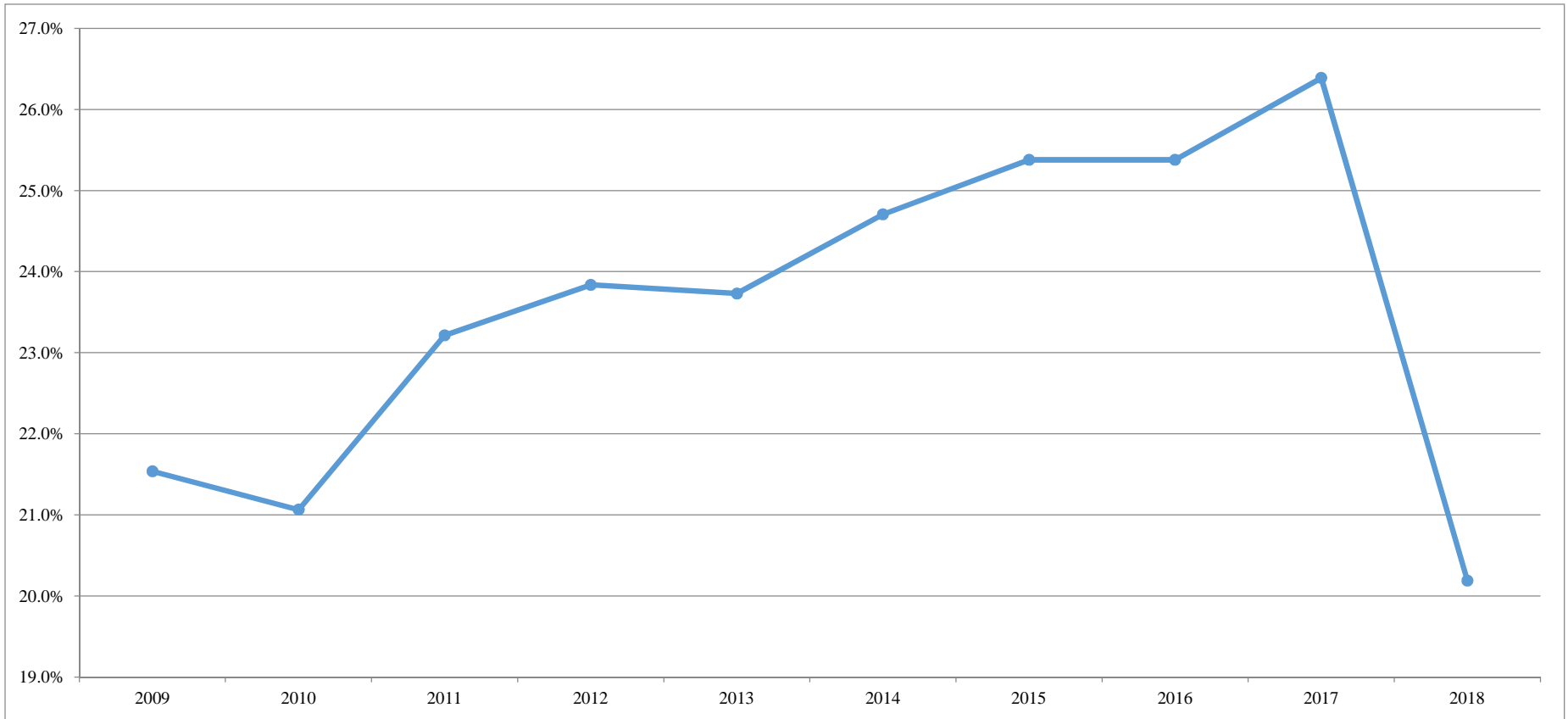
Source for General Fund Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Source for Revolving Fund Expenditures: CAFR - Schedules of Revenues, Expenditures and Changes in Fund Balance and Changes in Net Position (pages 94-97 and 114-115 in 2018 CAFR)

Comments

Expenditures were normalized to include all funds, as Personnel Costs capture all salaries, healthcare, defined benefit and defined contribution costs regardless of fund (e.g. General Fund, Parking, Sewer, etc.). BOE grant fund removed from Personnel Costs for consistency. The drop in FY18 was from the switch to the State Partnership Plan, which occurred for all unions except the International Association of Fire Fighters (IAFF) at the time.

Healthcare as a % of Salaries



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Healthcare	\$ 32,235,428	\$ 32,964,774	\$ 37,517,921	\$ 39,983,823	\$ 40,515,791	\$ 43,079,450	\$ 45,413,654	\$ 46,887,815	\$ 49,177,244	\$ 38,389,955
Salaries	\$149,657,157	\$156,492,541	\$161,621,184	\$167,745,195	\$170,743,846	\$174,359,676	\$178,934,298	\$184,745,201	\$186,350,287	\$190,141,470
Healthcare as a % of Salaries	21.5%	21.1%	23.2%	23.8%	23.7%	24.7%	25.4%	25.4%	26.4%	20.2%

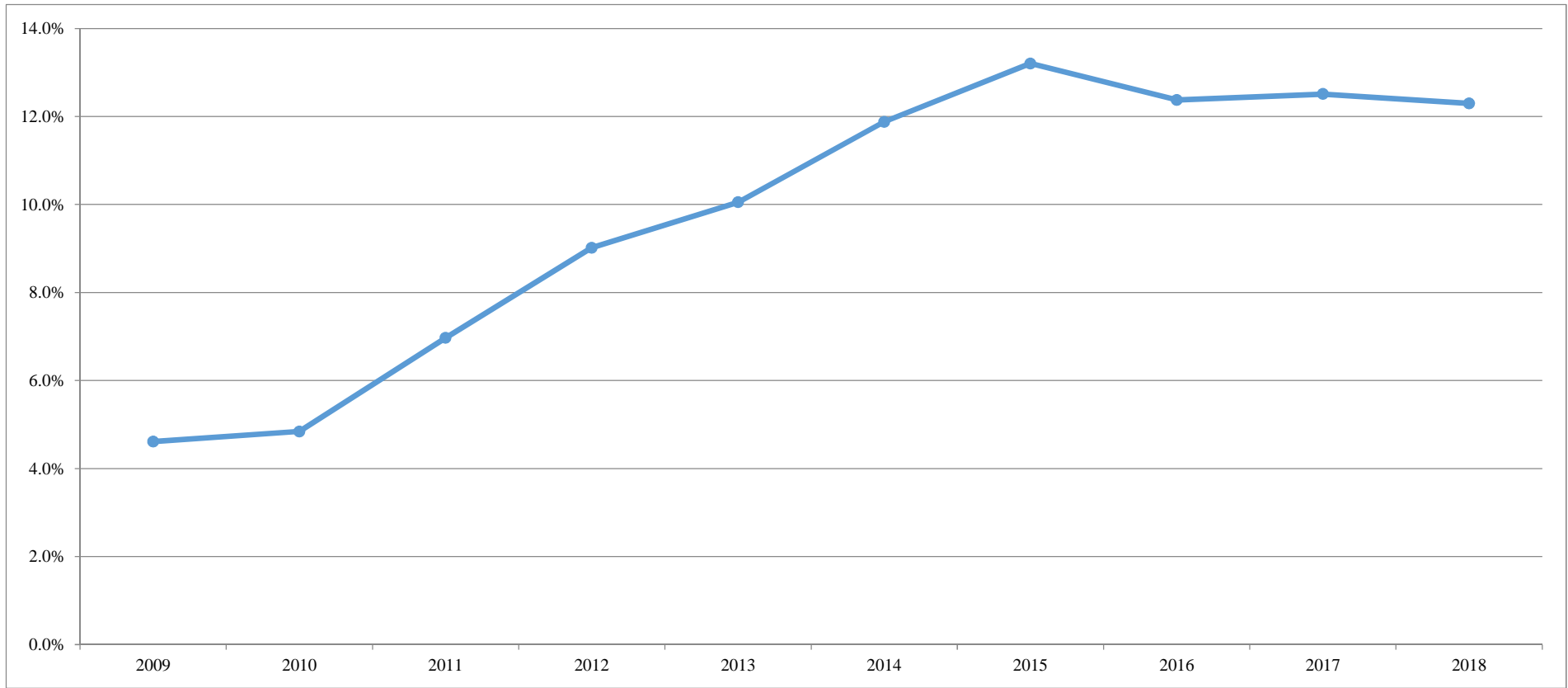
Notes

Source: Budget Book - Regular Salaries -Actuals (total 51010 and 51020; General Fund plus revolving funds); Healthcare (Department 901 lines 57080, 57090 and 57100 less employee cost share)

Comments

In calendar year 2010, the Town started its switch to the high deductible health plan, which was phased in gradually through 2015 as the plan was negotiated into union contracts. Costs were relatively flat between FY11 and FY12 because this time period included an 18-month rate guarantee from Anthem. Similarly, costs were relatively flat between FY12 and FY13 because this time period included a two-year rate guarantee from Cigna. Increases from FY13 to FY15 were driven by increases in cost trends and high claims experience. The decrease in FY18 was from the switch to the State Partnership Plan, which occurred for all unions except the International Association of Fire Fighters (IAFF) at the time.

Defined Benefit (DB) and Defined Contribution (DC) as a % of Salaries

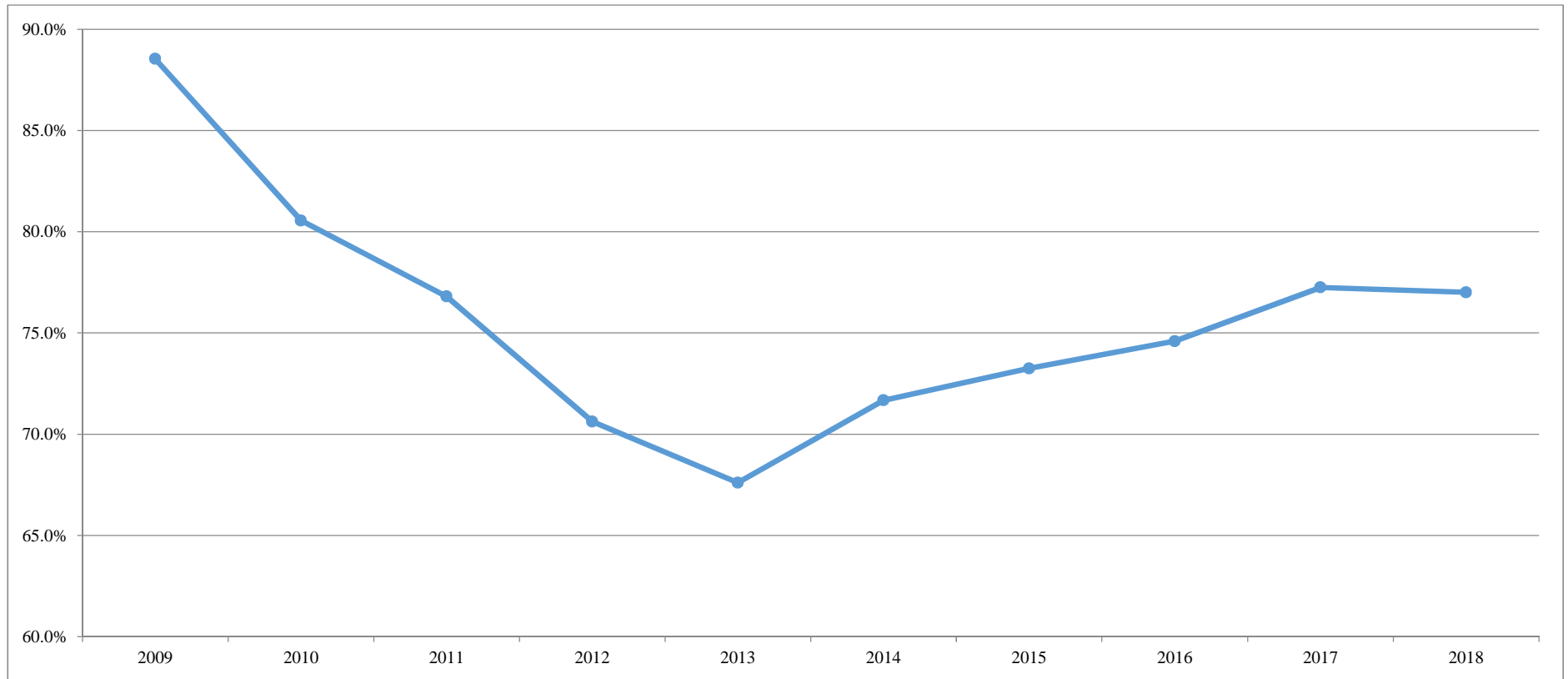


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total DB plus DC	\$ 6,902,166	\$ 7,576,804	\$ 11,264,839	\$ 15,122,859	\$ 17,163,914	\$ 20,706,534	\$ 23,630,530	\$ 22,865,050	\$ 23,314,547	\$ 23,380,522
Salaries	\$149,657,157	\$156,492,541	\$161,621,184	\$167,745,195	\$170,743,846	\$174,359,676	\$178,934,298	\$184,745,201	\$186,350,287	\$190,141,470
Pension as a % of Salaries	4.6%	4.8%	7.0%	9.0%	10.1%	11.9%	13.2%	12.4%	12.5%	12.3%

Notes

Source: Budget Book - Regular Salaries, Actual (total 51010 and 51020; General Fund plus revolving funds); Defined Benefit (Department 901, line 57010); Defined Contribution (Department 901, line 57020)

Defined Benefit (DB) Pension Funded Ratio



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarial Value of Assets	\$331,354,183	\$325,566,171	\$323,328,933	\$317,995,005	\$323,503,125	\$356,598,186	\$388,796,214	\$406,766,667	\$433,564,262	\$461,386,141
Total Accrued Liability	\$374,254,658	\$404,142,954	\$420,978,858	\$450,265,346	\$478,509,882	\$497,525,743	\$530,807,999	\$545,322,570	\$561,236,996	\$599,140,838
Funded Ratio	88.5%	80.6%	76.8%	70.6%	67.6%	71.7%	73.2%	74.6%	77.3%	77.0%

Notes

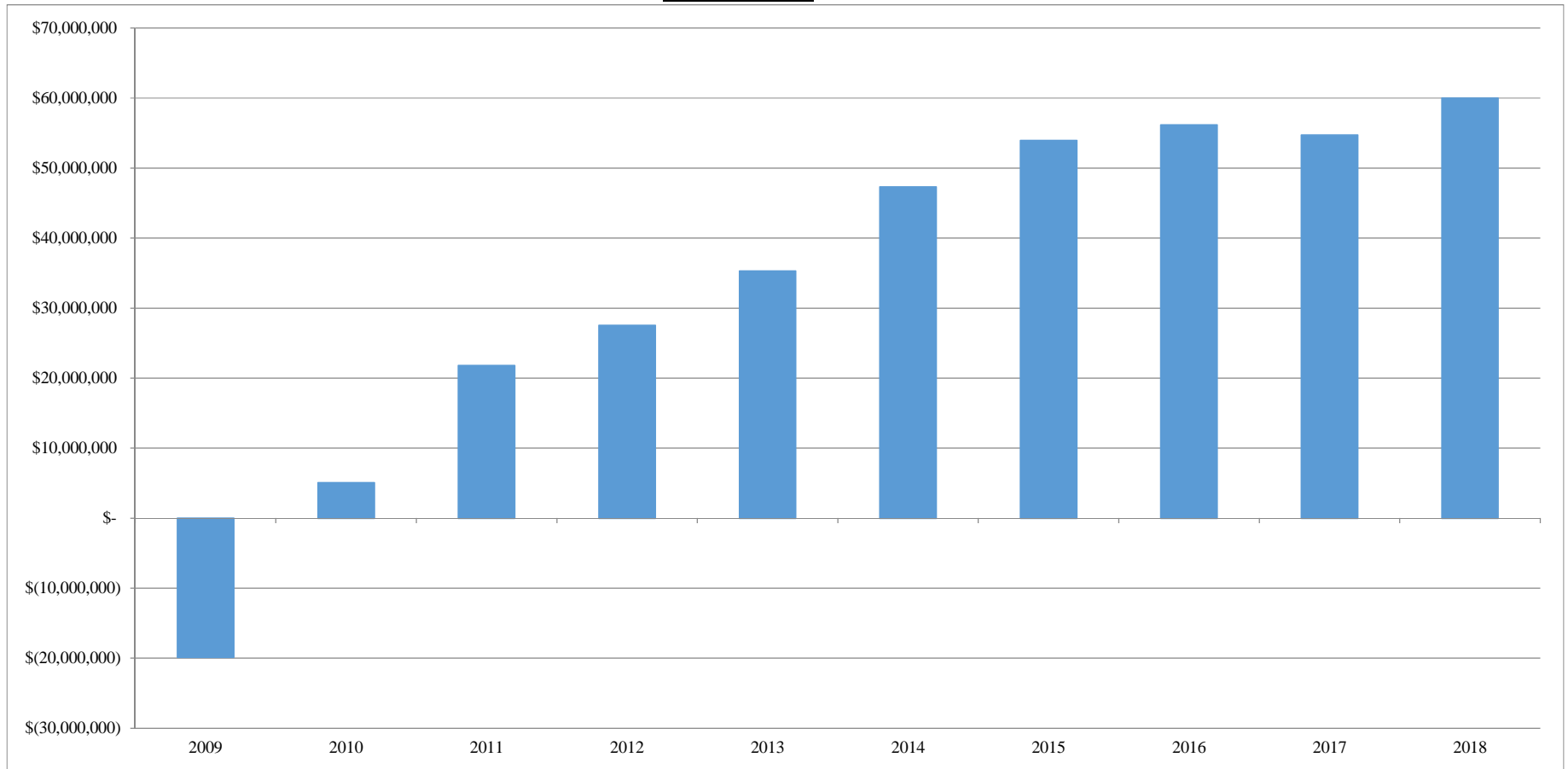
Source: Town Actuarial Reports, 2009-2018 (2018 Report, Page 13)

Comments

Per Section 205e of the Town Charter, the Town's contribution to the Pension Fund shall not be less than the normal contribution rate plus the accrued liability contribution rate. The BET's Pension Funding Policy seeks to improve the Retirement System's funded ratio such that it approaches 100% over a given period of time by contributing to the normal cost and amortizing the unfunded liability.

III. FUND BALANCES

Fund Balance



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ending Fund Balances	\$ (19,873,873)	\$ 5,077,510	\$ 21,802,930	\$ 27,544,087	\$ 35,287,077	\$ 47,300,136	\$ 53,933,421	\$ 56,174,828	\$ 54,717,584	\$ 59,990,568
Change from Prior Year		\$ 24,951,383	\$ 16,725,420	\$ 5,741,157	\$ 7,742,990	\$ 12,013,059	\$ 6,633,285	\$ 2,241,407	\$ (1,457,244)	\$ 5,272,984

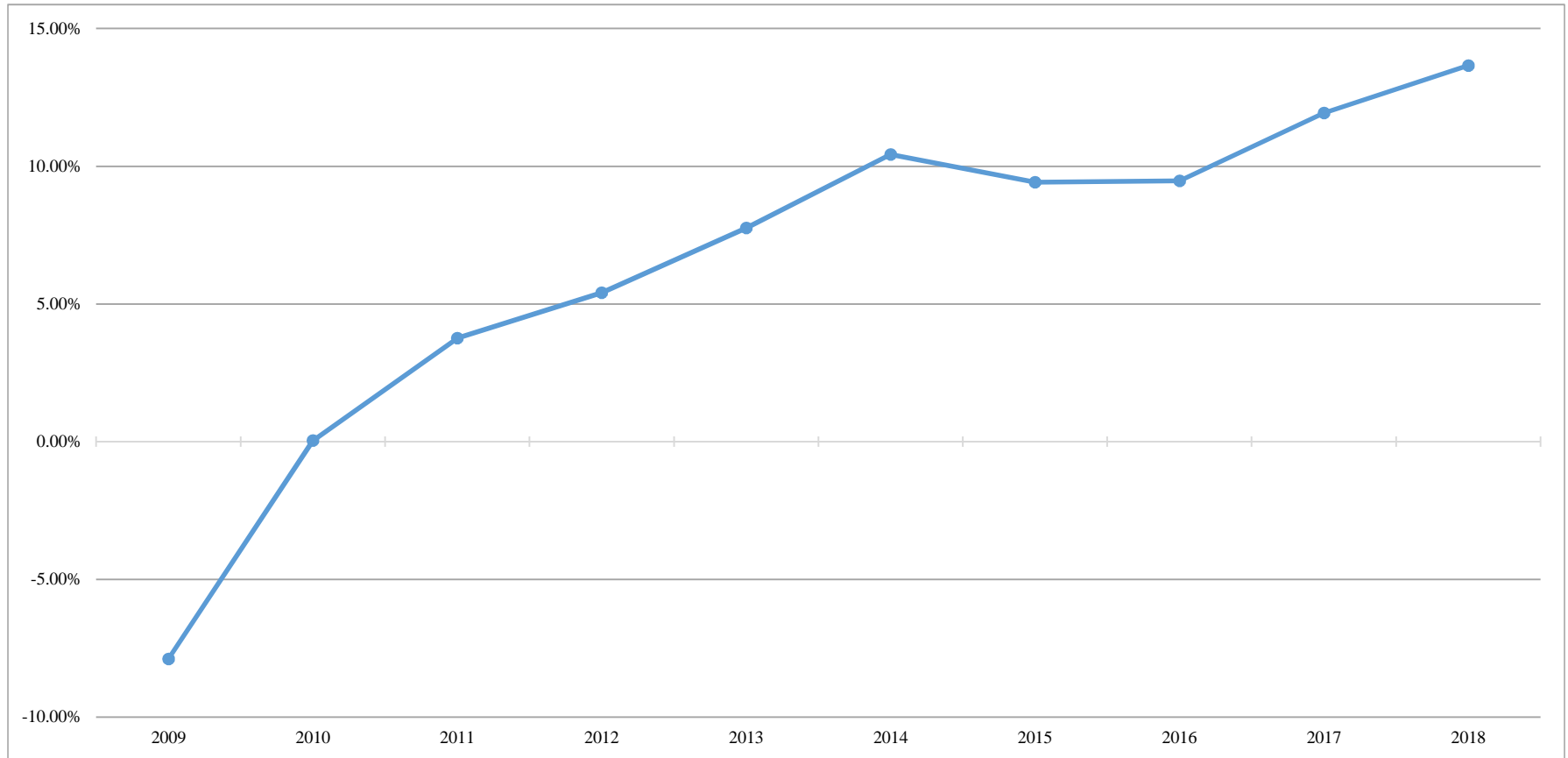
Notes

Source: CAFR – Basic Financial Statements: Balance Sheet - Governmental Funds (page 15 in 2018 CAFR)

Comments

Ending Fund Balance includes all categories of fund balance, including assigned, restricted, committed, nonspendable, and unassigned. Only unassigned fund balance is not restricted for a specific purpose. The negative figures in FY09 are attributable to the PAYGO funding mechanism, as large appropriations were made in those years for capital, but only a portion of those amounts were actually raised in each year. On a budgetary basis, Fund Balance was positive. While total Fund Balance decreased slightly in FY17, unassigned Fund Balance increased by about \$8 million. The primary reason for the decrease was due to the one-time contribution of \$5.3 million to the Nathaniel Witherell from restricted fund balance to address the operating deficit from FY15 and projected deficit in FY16.

Unassigned Fund Balance as a % of Operating Expenditures



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Unassigned Fund Balance	\$ (24,178,185)	\$ 130,957	\$ 11,743,984	\$ 17,787,998	\$ 26,248,996	\$ 36,768,590	\$ 34,667,717	\$ 35,719,351	\$ 46,716,140	\$ 54,271,847
Expenditures	\$306,673,720	\$286,562,739	\$312,193,482	\$328,753,402	\$338,217,392	\$352,752,255	\$368,095,301	\$377,061,374	\$391,445,629	\$397,335,228
Unassigned Fund Balance as a % of Expenditures	-7.88%	0.05%	3.76%	5.41%	7.76%	10.42%	9.42%	9.47%	11.93%	13.66%

Notes

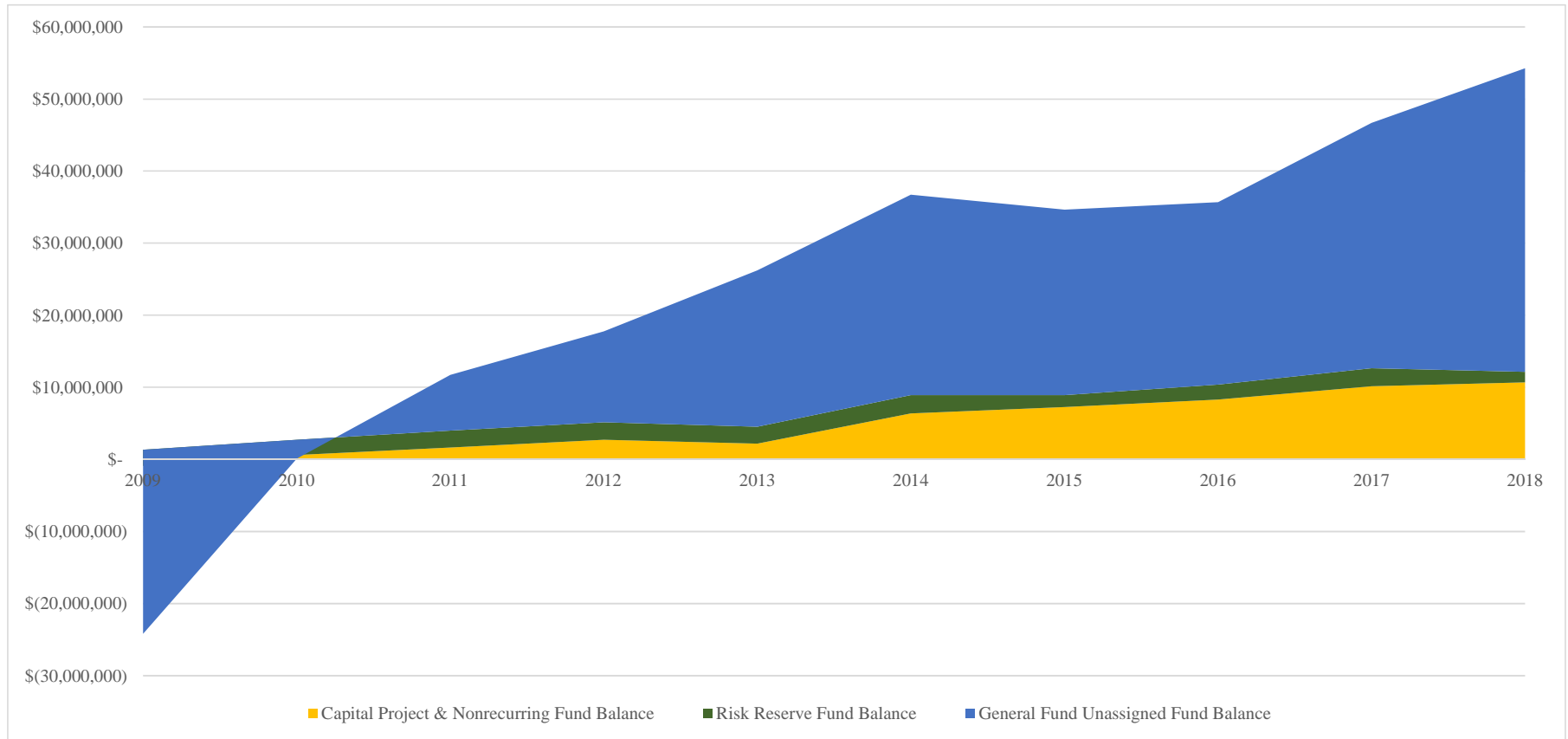
Source: CAFR – Notes to Financial Statements, Note 11 - Fund Balance (page 44 in 2018 CAFR) & Statement of Net Position - Proprietary Funds (page 19 in 2018 CAFR).

Source for Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 75 in 2018 CAFR)

Comments

The BET Fund Balance policy indicates that unassigned fund balance should be between 5-10% of General Fund Expenditures. Per the BET policy, the unassigned fund balance graphed above includes the General Fund unassigned fund balance, Capital Project & Nonrecurring fund balance, and Risk Reserve fund balance.

Unassigned Fund Balance By Type



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund Unassigned Fund Balance	\$ (25,547,192)	\$ (2,633,255)	\$ 7,718,567	\$ 12,631,251	\$ 21,690,344	\$ 27,820,397	\$ 25,726,186	\$ 25,304,460	\$ 34,041,993	\$ 42,086,651
Capital Project & Nonrecurring Fund Balance	\$ (892,793)	\$ 623,249	\$ 1,669,688	\$ 2,729,759	\$ 2,201,096	\$ 6,406,580	\$ 7,289,589	\$ 8,342,533	\$ 10,155,237	\$ 10,707,700
Risk Reserve Fund Balance	\$ 2,261,800	\$ 2,140,963	\$ 2,355,729	\$ 2,426,988	\$ 2,357,556	\$ 2,541,613	\$ 1,651,942	\$ 2,072,358	\$ 2,518,910	\$ 1,477,496
Unassigned Fund Balance Total	\$ (24,178,185)	\$ 130,957	\$ 11,743,984	\$ 17,787,998	\$ 26,248,996	\$ 36,768,590	\$ 34,667,717	\$ 35,719,351	\$ 46,716,140	\$ 54,271,847

Notes
 Source: CAFR – Notes to Financial Statements, Note 11 - Fund Balance (page 44 in 2018 CAFR) & Statement of Net Position - Proprietary Funds (page 19 in 2018 CAFR).

Comments

Per the BET policy, the unassigned fund balance graphed above includes the General Fund unassigned fund balance, Capital Project & Nonrecurring fund balance, and Risk Reserve fund balance.