

TOWN OF GREENWICH



Financial Trends 2007-2016

September 2017



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 8, 2017
SUBJECT: Financial Trends Analysis: 2007-2016

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.

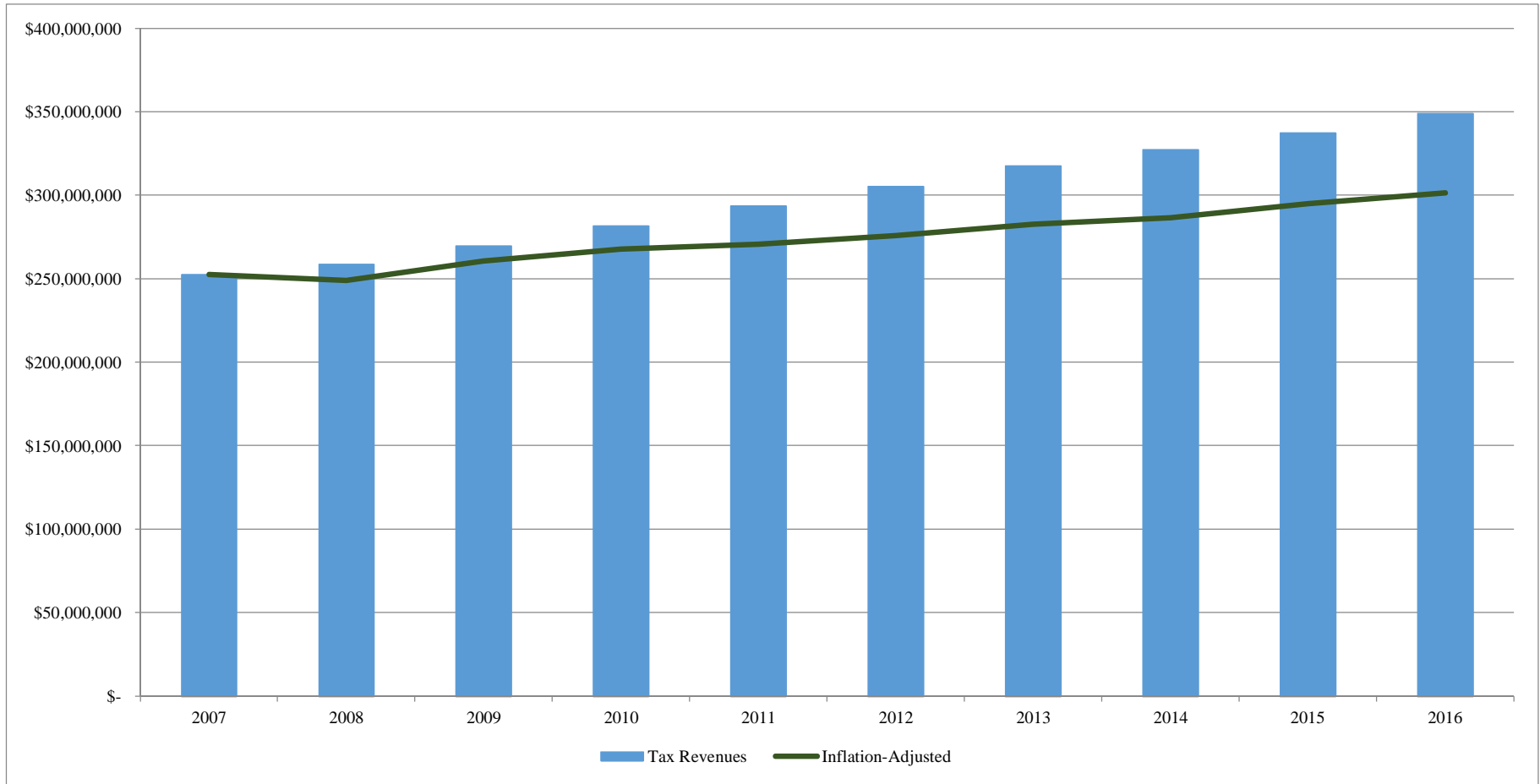
The information included in this document highlights several trends that continue to put increasing pressure on the Town budget. In particular, the costs associated with employee healthcare and pension obligations increasingly represent a larger portion of personnel costs. In addition to rising costs, the Town has experienced a significant reduction in state aid. It is critical to balance these obligations with our operational needs as we seek to continue providing exceptional service to the residents of Greenwich while maintaining a modest and predictable tax rate.

**TOWN OF GREENWICH
FINANCIAL TRENDS: 2007-2016
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I. REVENUES

Tax Revenues



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tax Revenues	\$252,418,529	\$258,631,640	\$269,521,769	\$281,635,664	\$293,708,168	\$305,393,536	\$317,606,627	\$327,149,349	\$337,168,005	\$349,023,115
Inflation-Adjusted	\$252,418,529	\$249,068,529	\$260,482,726	\$267,797,730	\$270,731,349	\$275,795,128	\$282,683,900	\$286,529,300	\$294,953,900	\$301,519,744

Notes

Includes real estate, personal property and motor vehicle

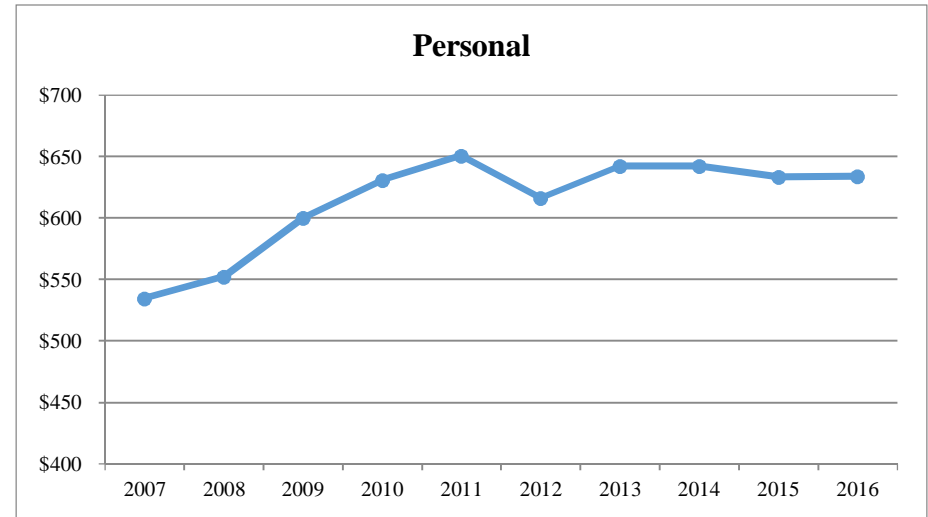
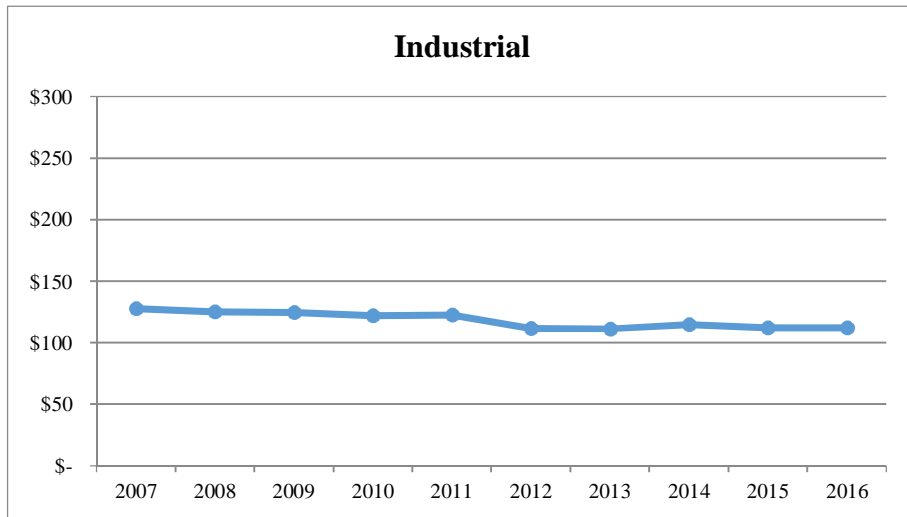
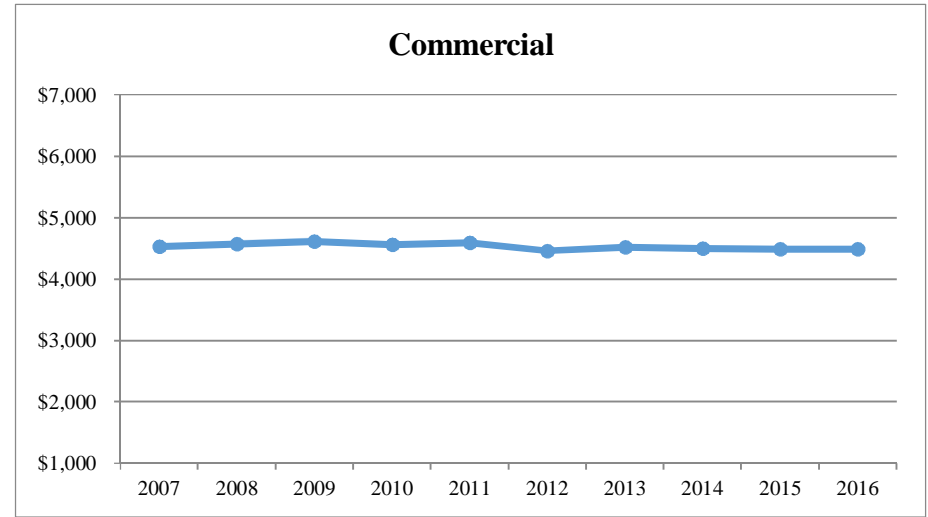
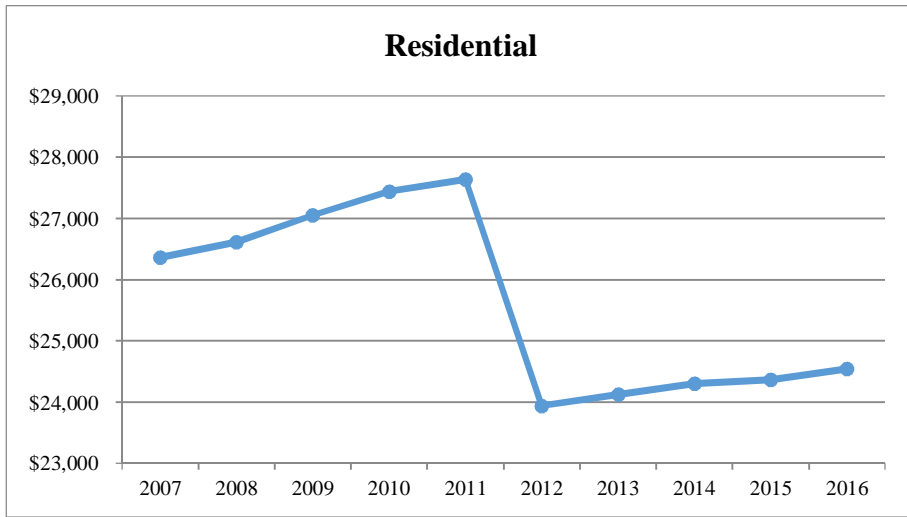
Source: 2016 CAFR, page 120

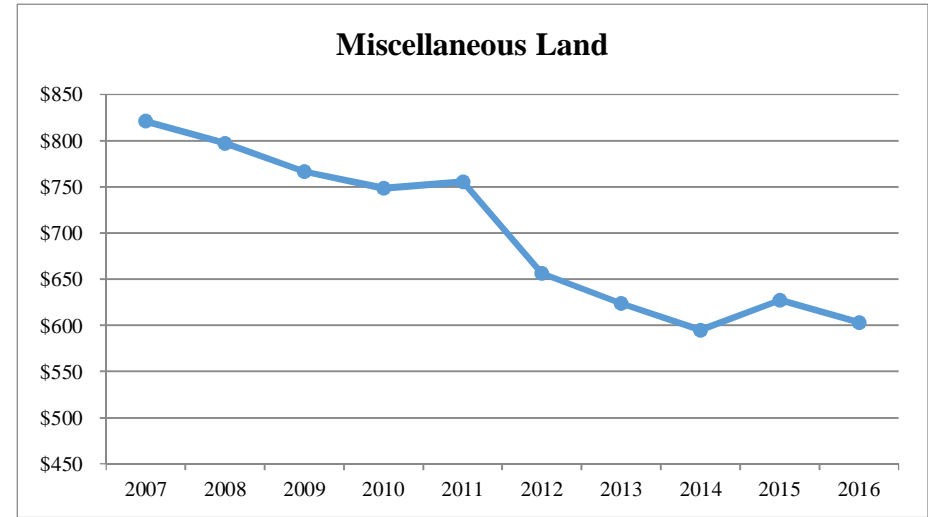
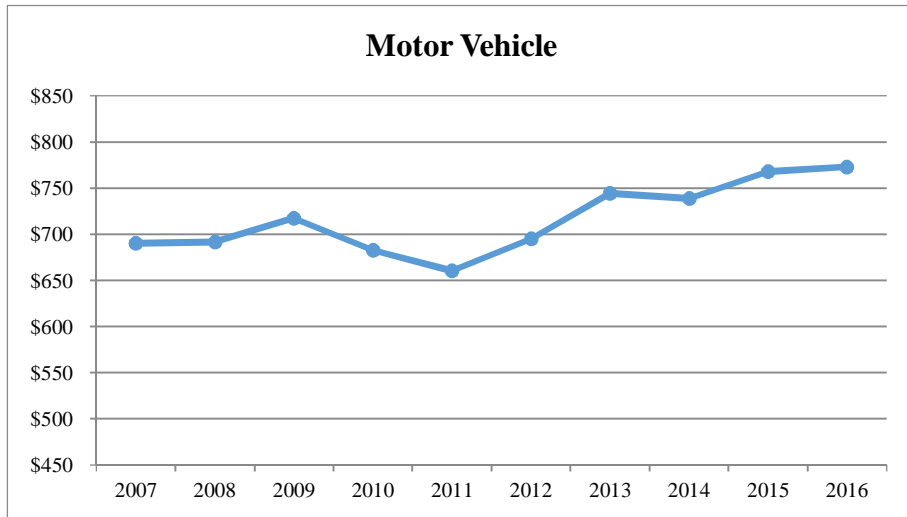
Inflation-adjusted figures are in 2007 dollars; CPI for all urban customers, all items (<http://data.bls.gov/cgi-bin/surveymost?cu>)

Comments

Tax revenues remain relatively consistent with inflation.

Property Values Trends
(in millions)





	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential	\$ 26,366	\$ 26,616	\$ 27,056	\$ 27,436	\$ 27,638	\$ 23,941	\$ 24,121	\$ 24,299	\$ 24,361	\$ 24,540
Commercial	\$ 4,523	\$ 4,567	\$ 4,612	\$ 4,562	\$ 4,591	\$ 4,459	\$ 4,512	\$ 4,498	\$ 4,483	\$ 4,488
Industrial	\$ 127	\$ 125	\$ 125	\$ 122	\$ 122	\$ 112	\$ 111	\$ 115	\$ 112	\$ 112
Personal	\$ 535	\$ 552	\$ 600	\$ 631	\$ 651	\$ 616	\$ 643	\$ 643	\$ 634	\$ 634
Motor Vehicle	\$ 690	\$ 692	\$ 717	\$ 683	\$ 660	\$ 695	\$ 745	\$ 739	\$ 768	\$ 773
Miscellaneous Land	\$ 821	\$ 797	\$ 767	\$ 748	\$ 756	\$ 656	\$ 624	\$ 595	\$ 627	\$ 603

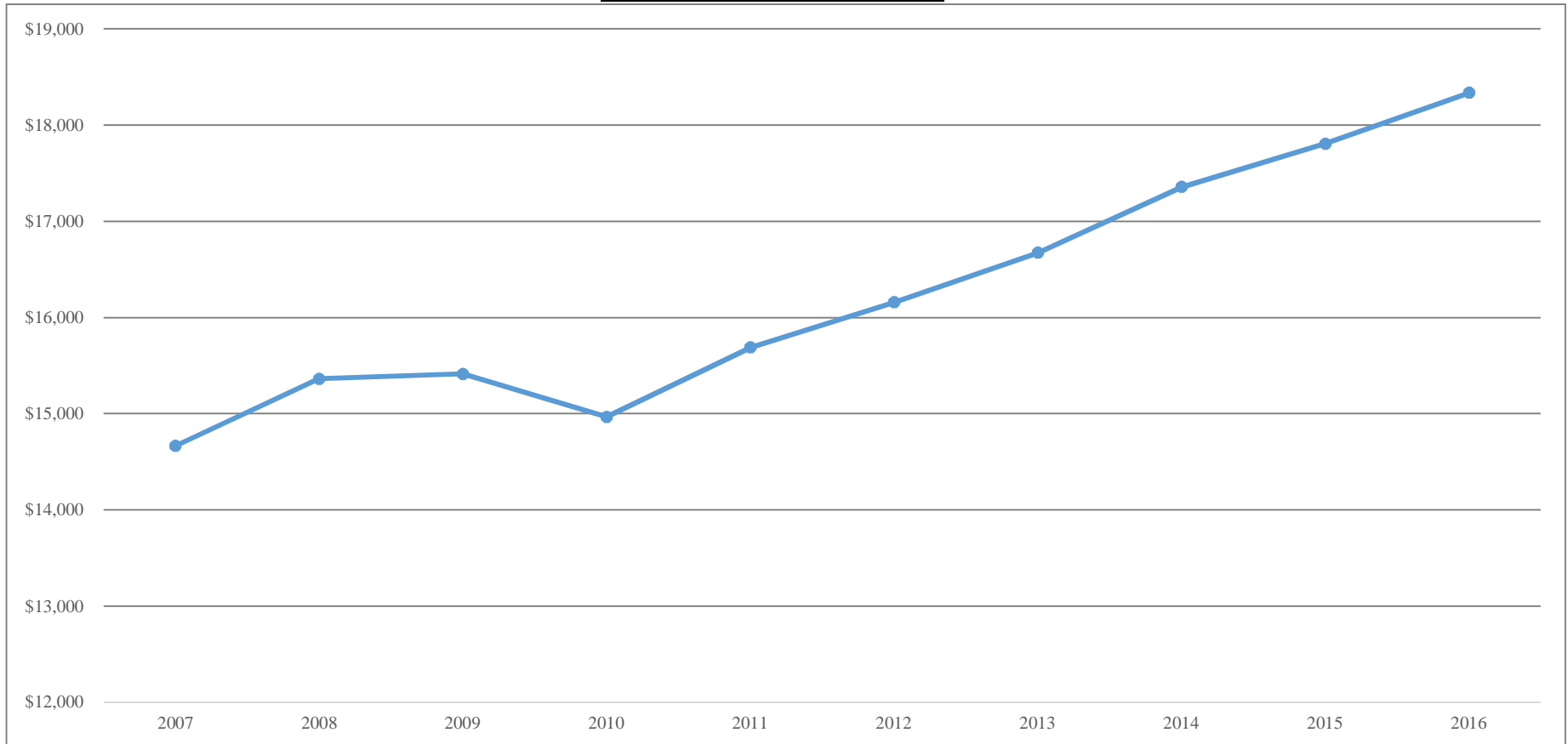
Notes

Source: 2016 CAFR, page 122-123

Comments

2005 and 2010 were revaluation years, which impacted FY07 and FY12 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. 'Miscellaneous Land' continues to decrease as buildable land becomes included in 'Residential' values.

Revenue per Real Estate Unit



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Revenues	\$310,300,780	\$326,056,571	\$327,843,780	\$319,003,347	\$334,461,553	\$344,702,179	\$356,146,597	\$370,669,796	\$380,428,883	\$391,425,167
Real Estate Units	21,160	21,222	21,270	21,313	21,321	21,335	21,361	21,354	21,365	21,349
Revenue per Unit	\$ 14,664	\$ 15,364	\$ 15,413	\$ 14,968	\$ 15,687	\$ 16,157	\$ 16,673	\$ 17,358	\$ 17,806	\$ 18,335

Notes

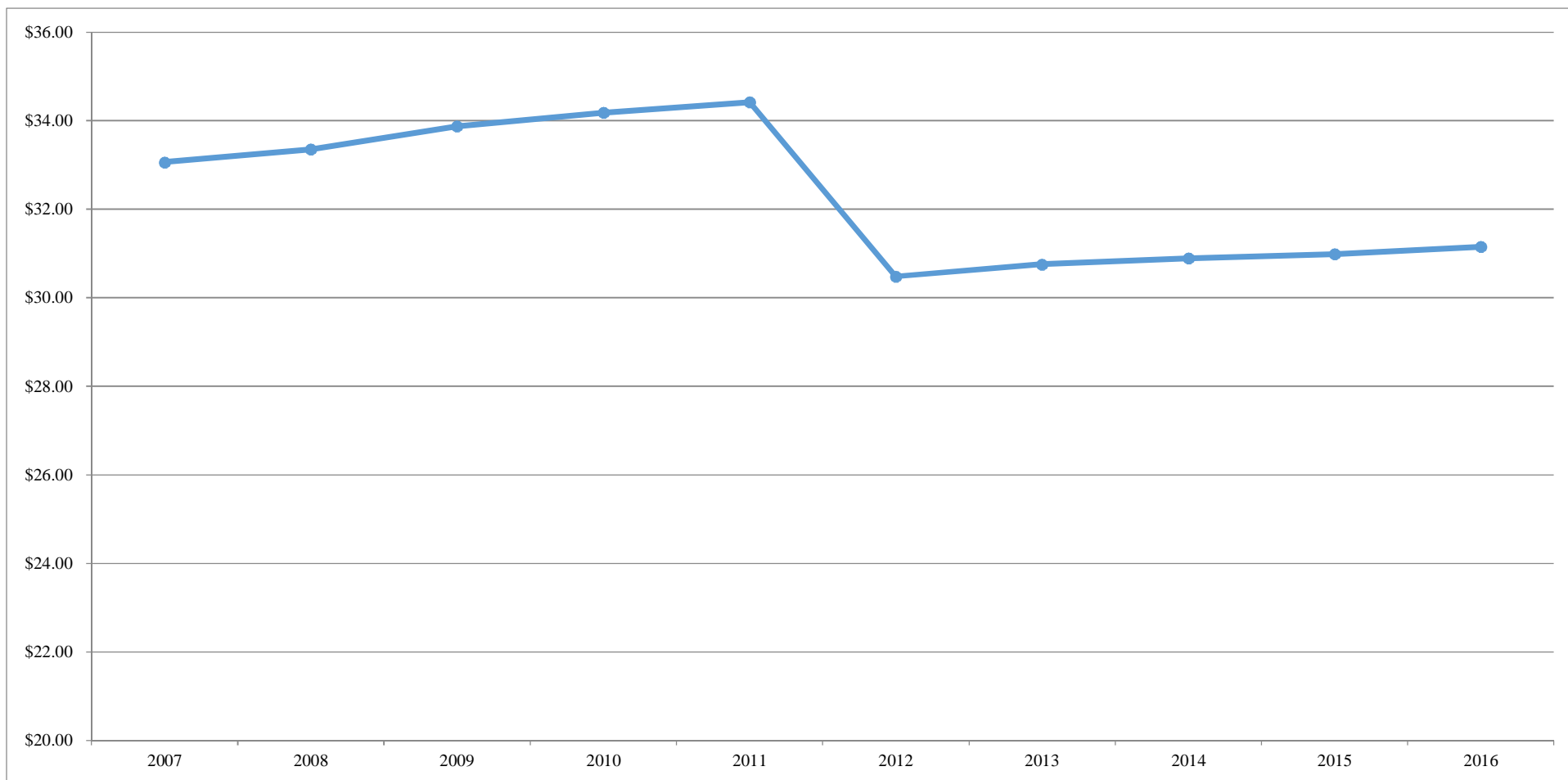
Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 CAFR)

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)



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Grand List	\$ 33.06	\$ 33.35	\$ 33.88	\$ 34.18	\$ 34.42	\$ 30.48	\$ 30.75	\$ 30.89	\$ 30.99	\$ 31.15
Change Over Prior Year		0.87%	1.58%	0.90%	0.69%	-11.44%	0.90%	0.43%	0.32%	0.53%

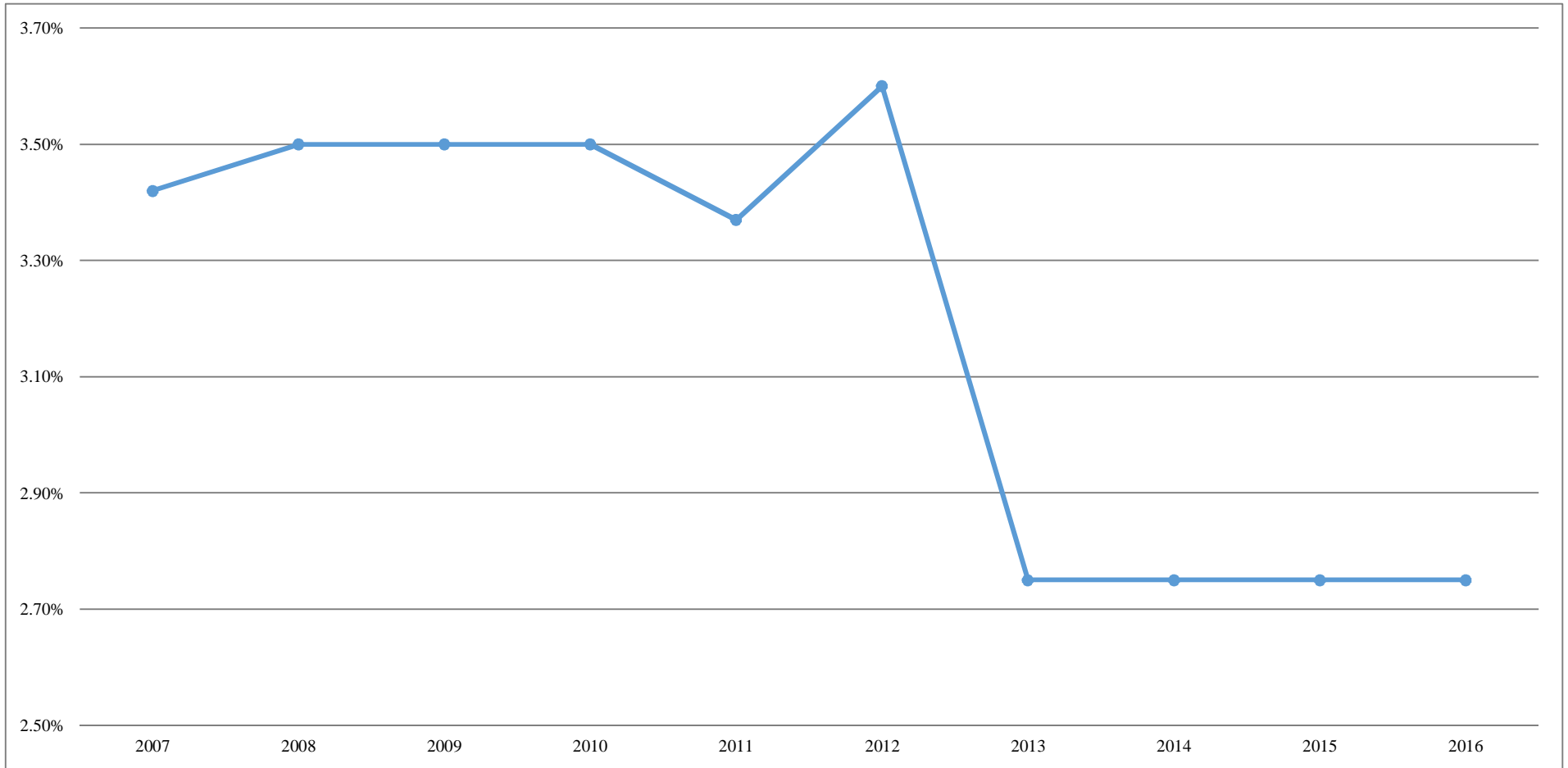
Notes

Source: 2016 CAFR, page 123

Comments

2005 and 2010 were revaluation years, which impacted the FY07 and FY12 grand list, respectively.

Tax Rate % Change



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mill Rate	7.50	7.76	8.04	8.32	8.60	10.11	10.39	10.68	10.97	11.27
% Change	3.42%	3.50%	3.50%	3.50%	3.37%	3.60%	2.75%	2.75%	2.75%	2.75%

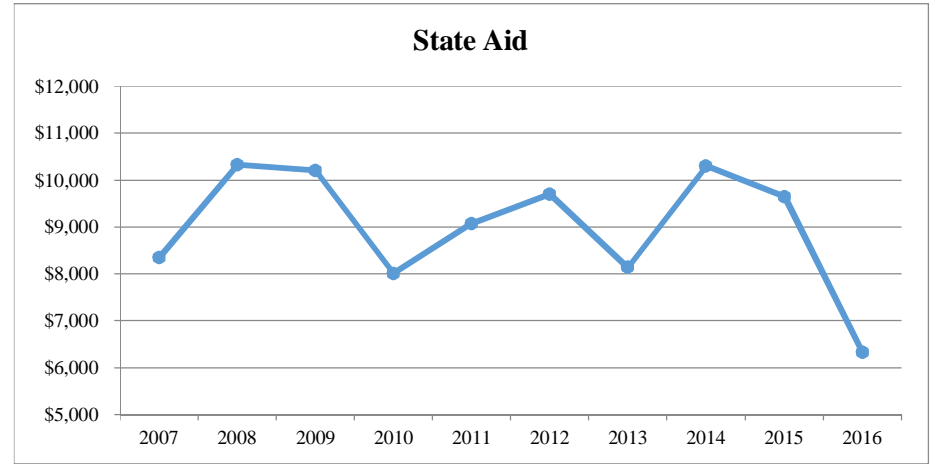
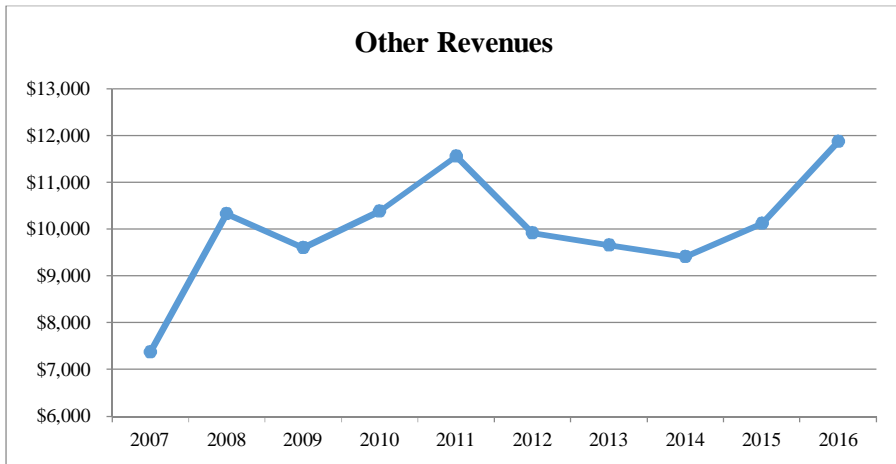
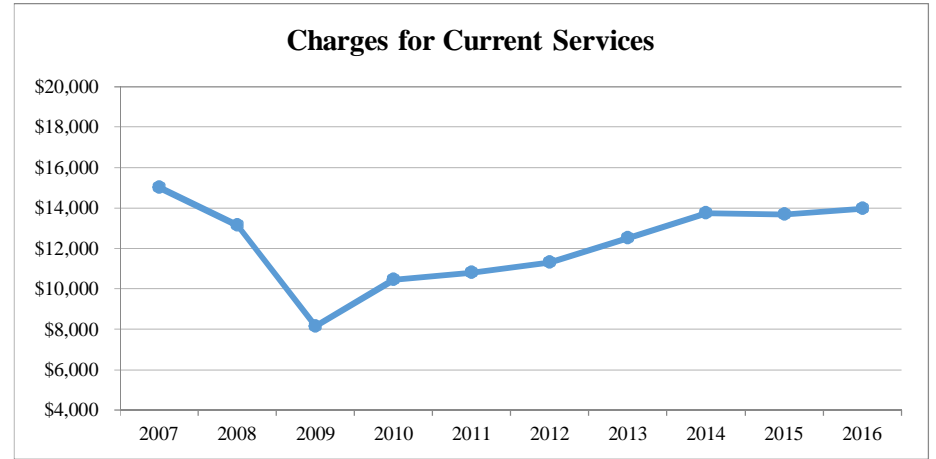
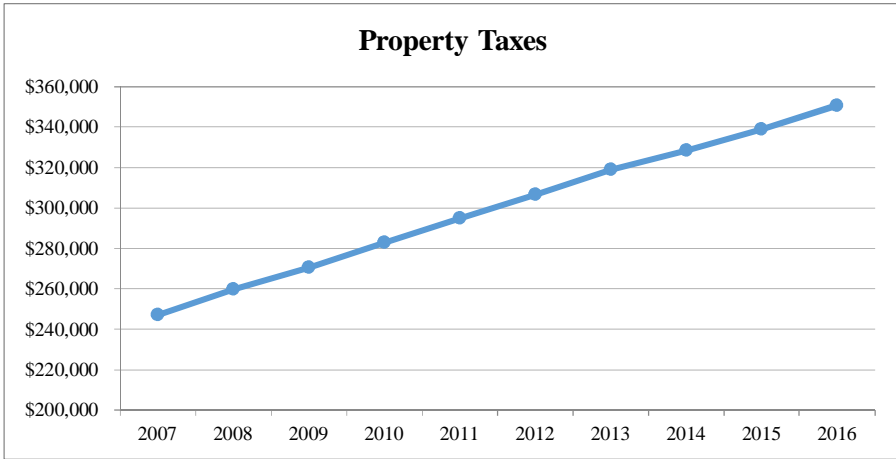
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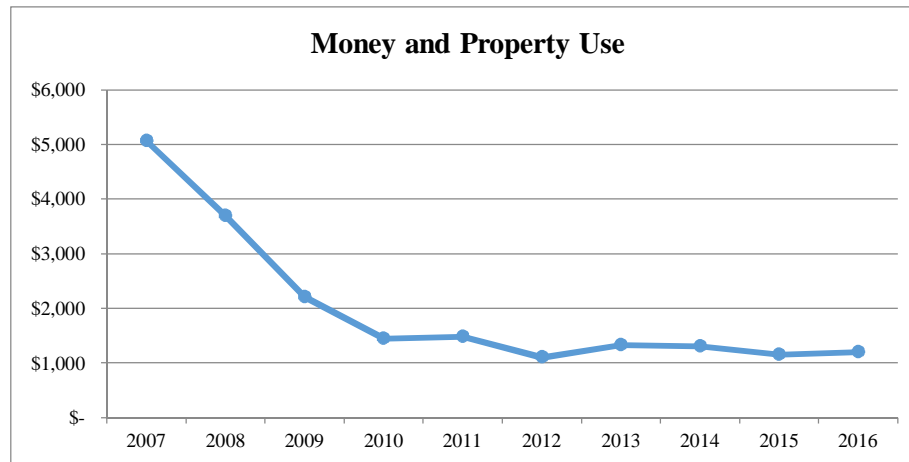
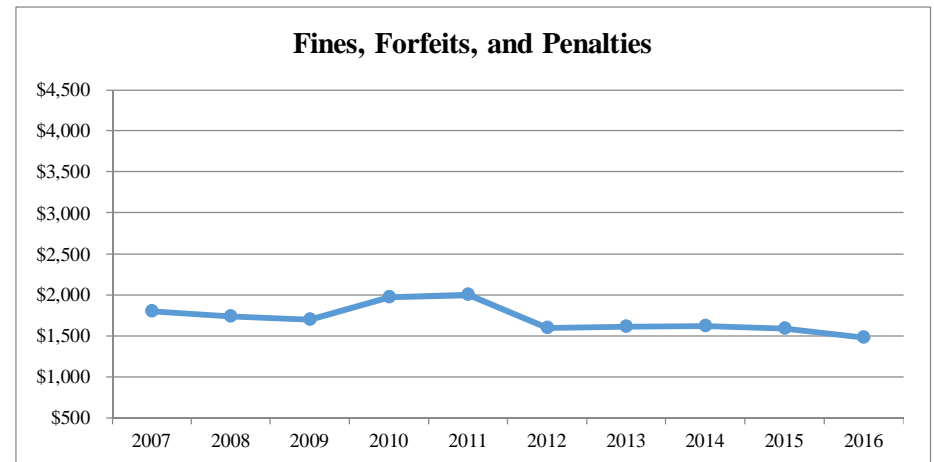
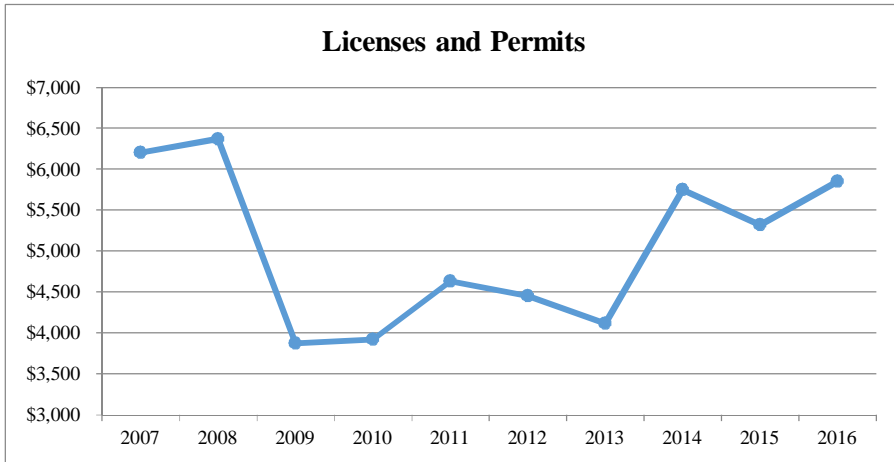
Source: Budget Book – Exhibits, Tax Rates and Tax Levy Comparisons (2016 Budget Schedules; Page 1)

Comments

The FY07 mill rate reduction is due to the 2005 property revaluation resulting in a higher Grand List. In the absence of the revaluation, the estimated rate increase is 3.42%. The FY12 mill rate increase is 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 is 3.60%.

Operating Revenues Trends
(in thousands)





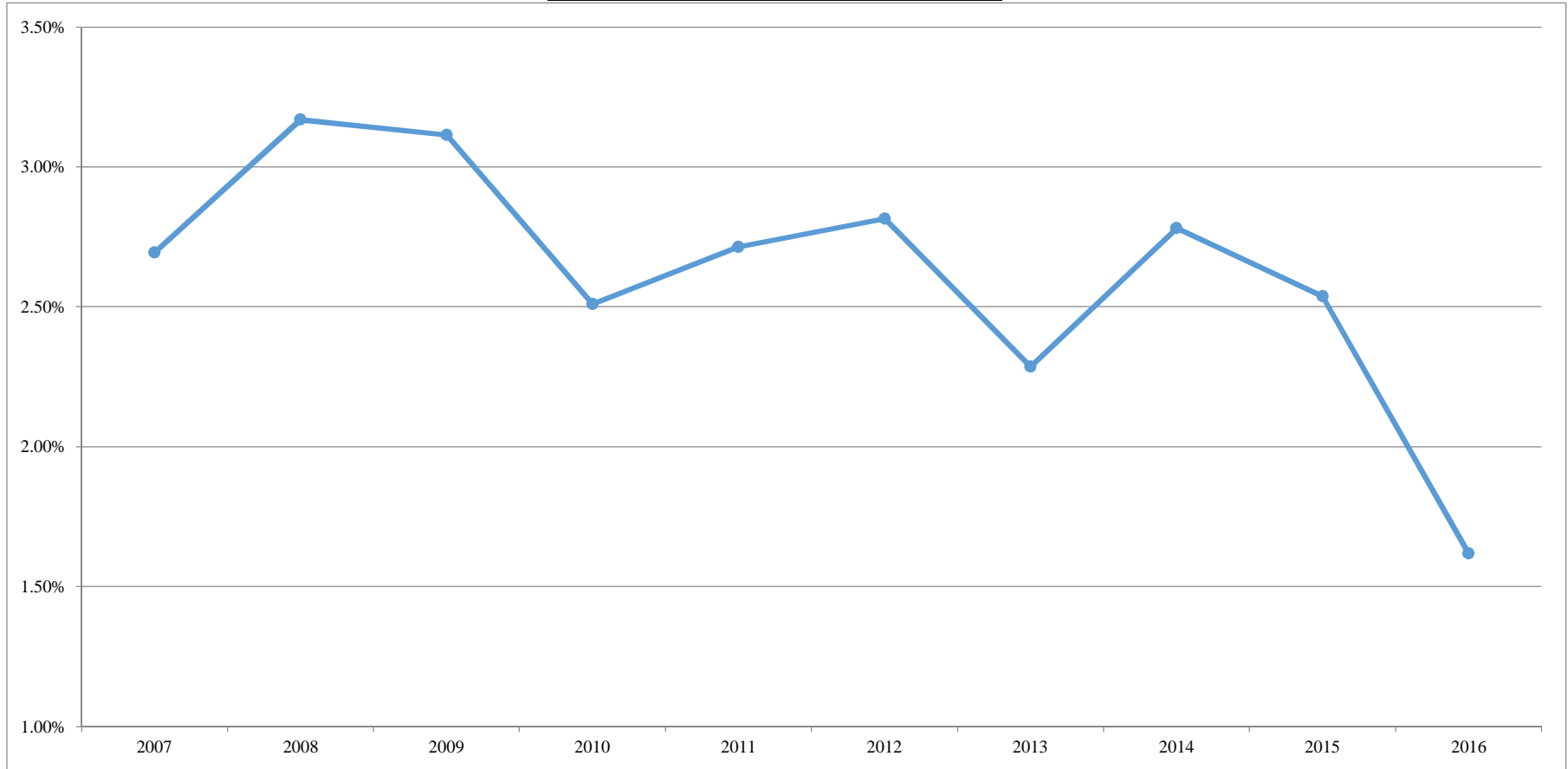
Notes

Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 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.

State Aid as a % of Operating Revenues



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
State Aid	\$ 8,360,074	\$ 10,331,470	\$ 10,211,979	\$ 8,008,920	\$ 9,075,046	\$ 9,705,340	\$ 8,143,729	\$ 10,313,036	\$ 9,653,244	\$ 6,336,055
Total Revenues	\$310,300,780	\$326,056,571	\$327,843,780	\$319,003,347	\$334,461,553	\$344,702,179	\$356,146,597	\$370,669,796	\$380,428,883	\$391,425,167
State Aid as a % of Revenues	2.69%	3.17%	3.11%	2.51%	2.71%	2.82%	2.29%	2.78%	2.54%	1.62%

Notes

Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 CAFR)

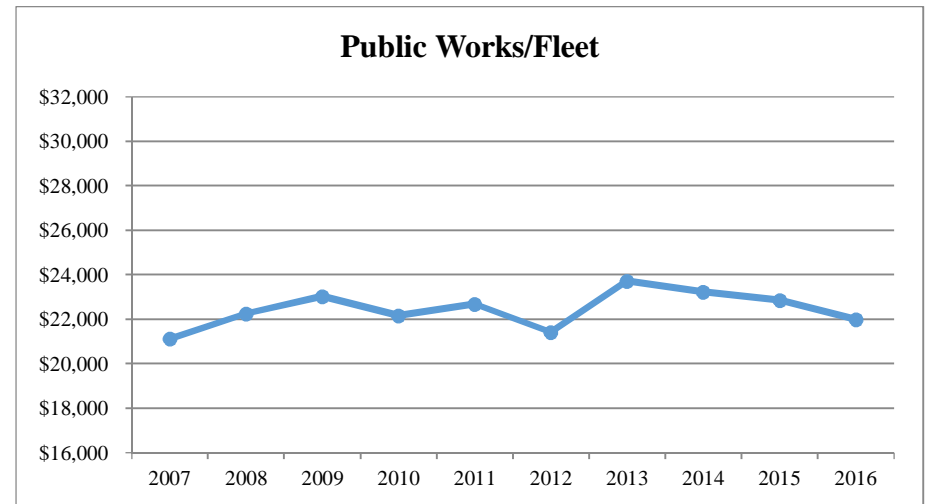
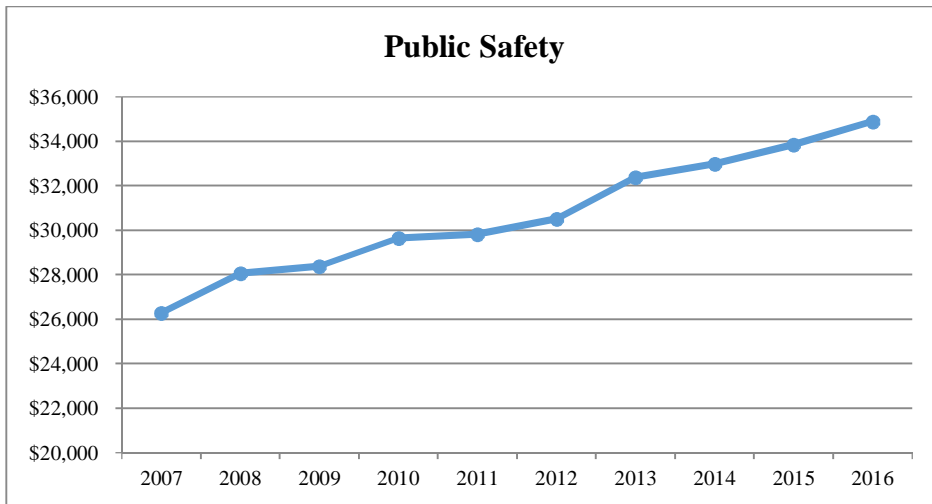
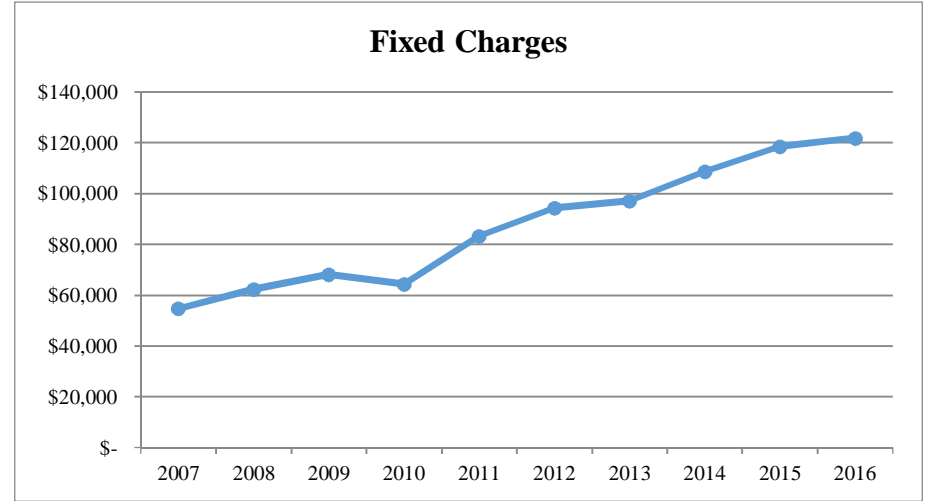
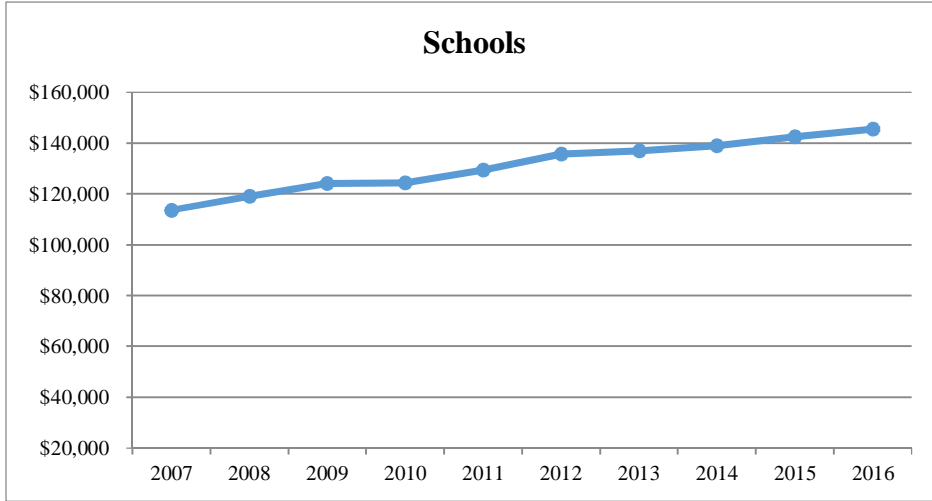
Historical Data: Budget Book (2007-2009)

Comments

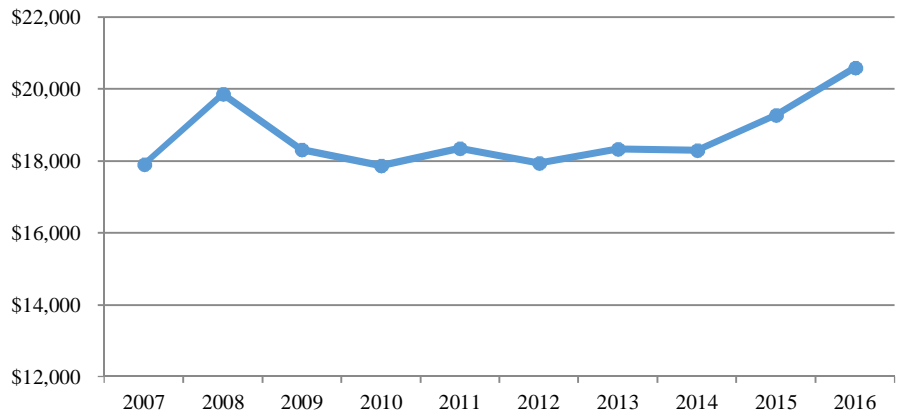
In FY10, Nathaniel Witherell was removed from the General Fund and Medicare/Medicaid reimbursements from the State were accounted for in the revolving fund. State aid has steadily declined since 2014 and the decline is expected to continue.

II. EXPENDITURES

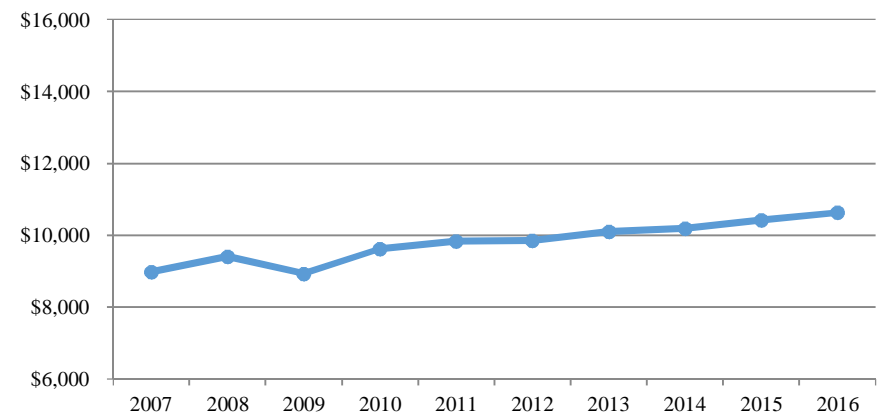
Expenditures Trends
(in thousands)



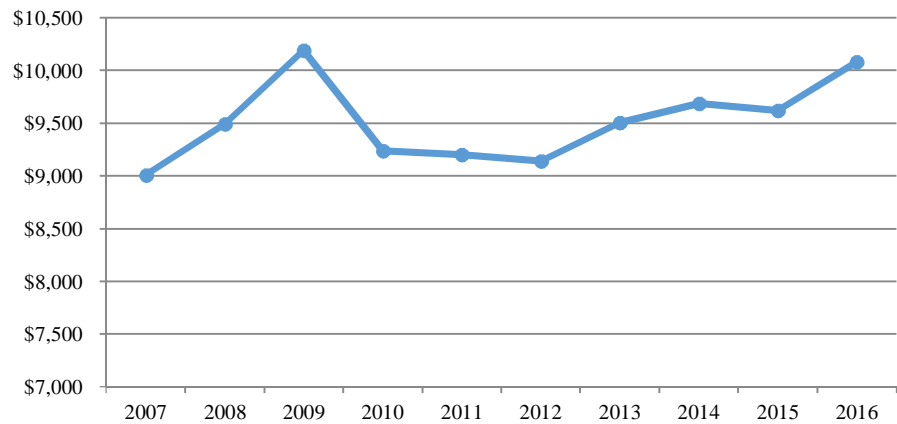
General Government



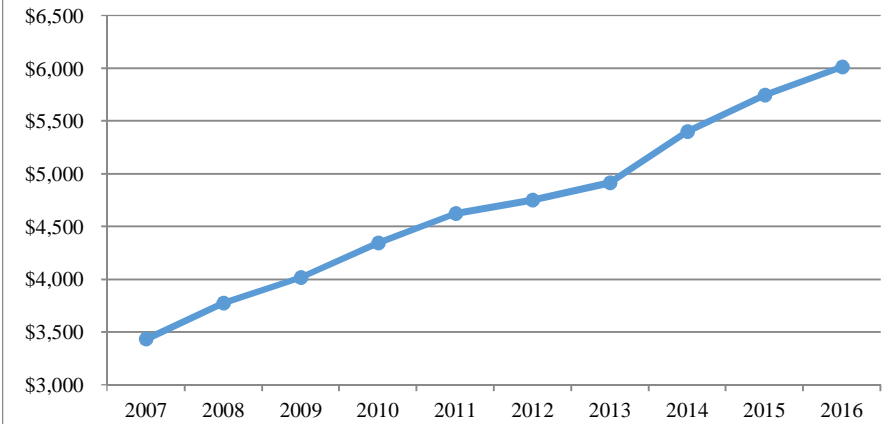
Libraries

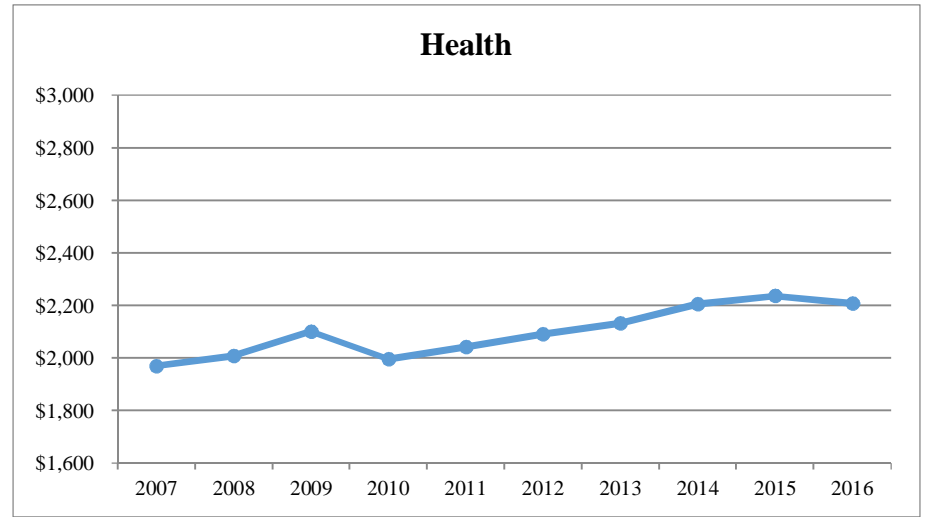
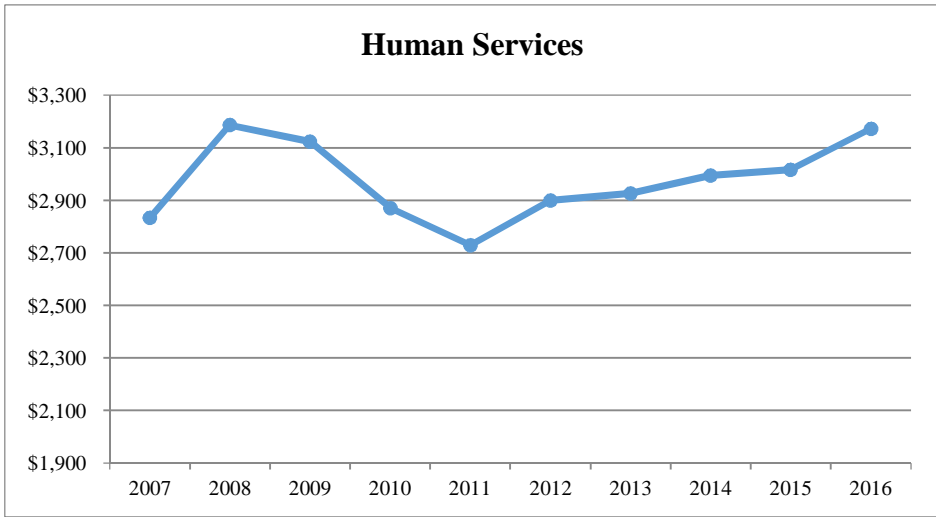


Parks and Recreation



External Operations

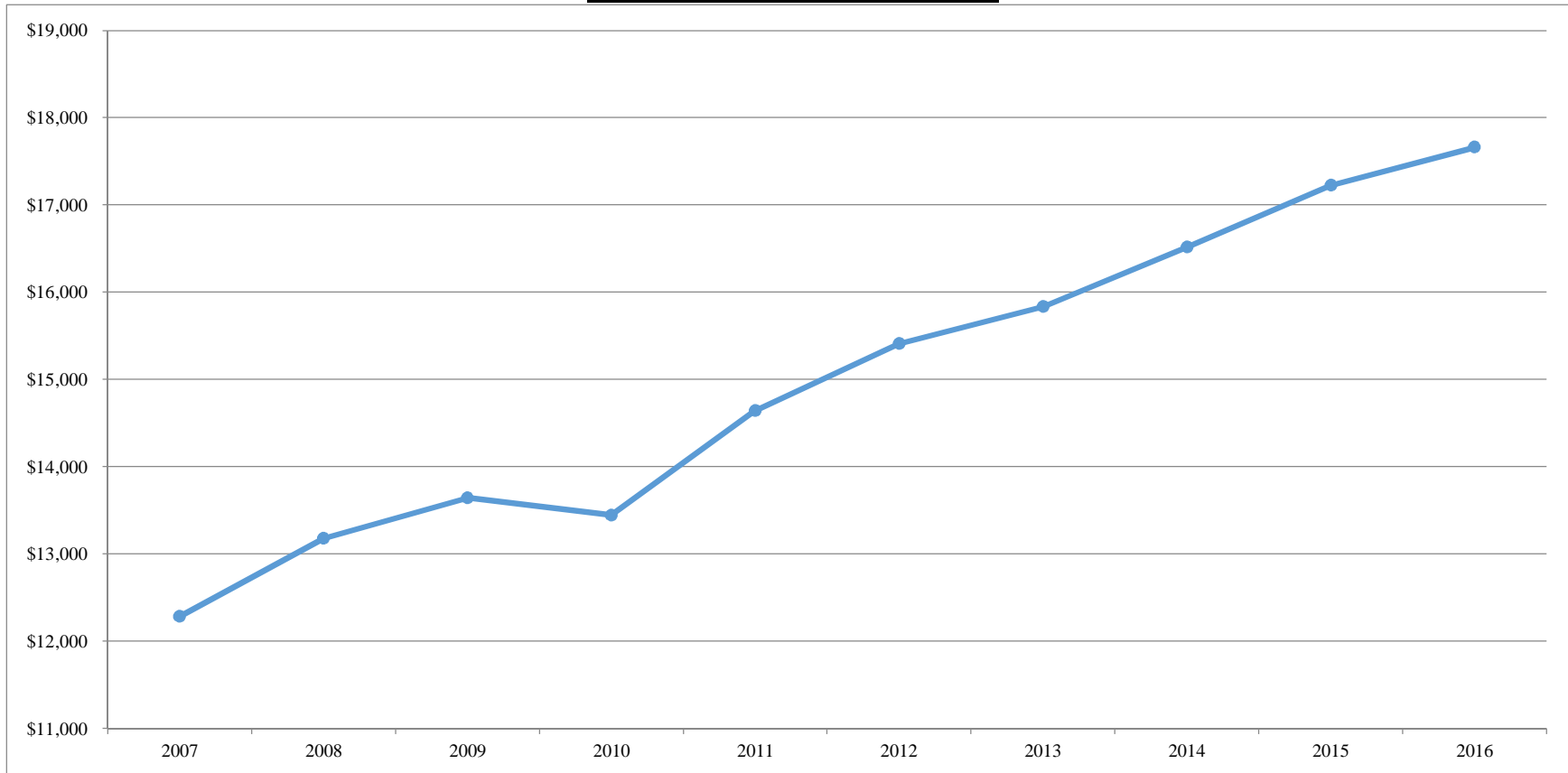




Notes

Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 CAFR)

Expenditures per Real Estate Unit



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Expenditures	\$259,930,355	\$279,668,279	\$290,179,398	\$286,562,739	\$312,193,482	\$328,753,402	\$338,217,392	\$352,752,255	\$368,095,302	\$377,061,374
Real Estate Units	21,160	21,222	21,270	21,313	21,321	21,335	21,361	21,354	21,365	21,349
Expenditures per Unit	\$ 12,284	\$ 13,178	\$ 13,643	\$ 13,445	\$ 14,643	\$ 15,409	\$ 15,833	\$ 16,519	\$ 17,229	\$ 17,662

Notes

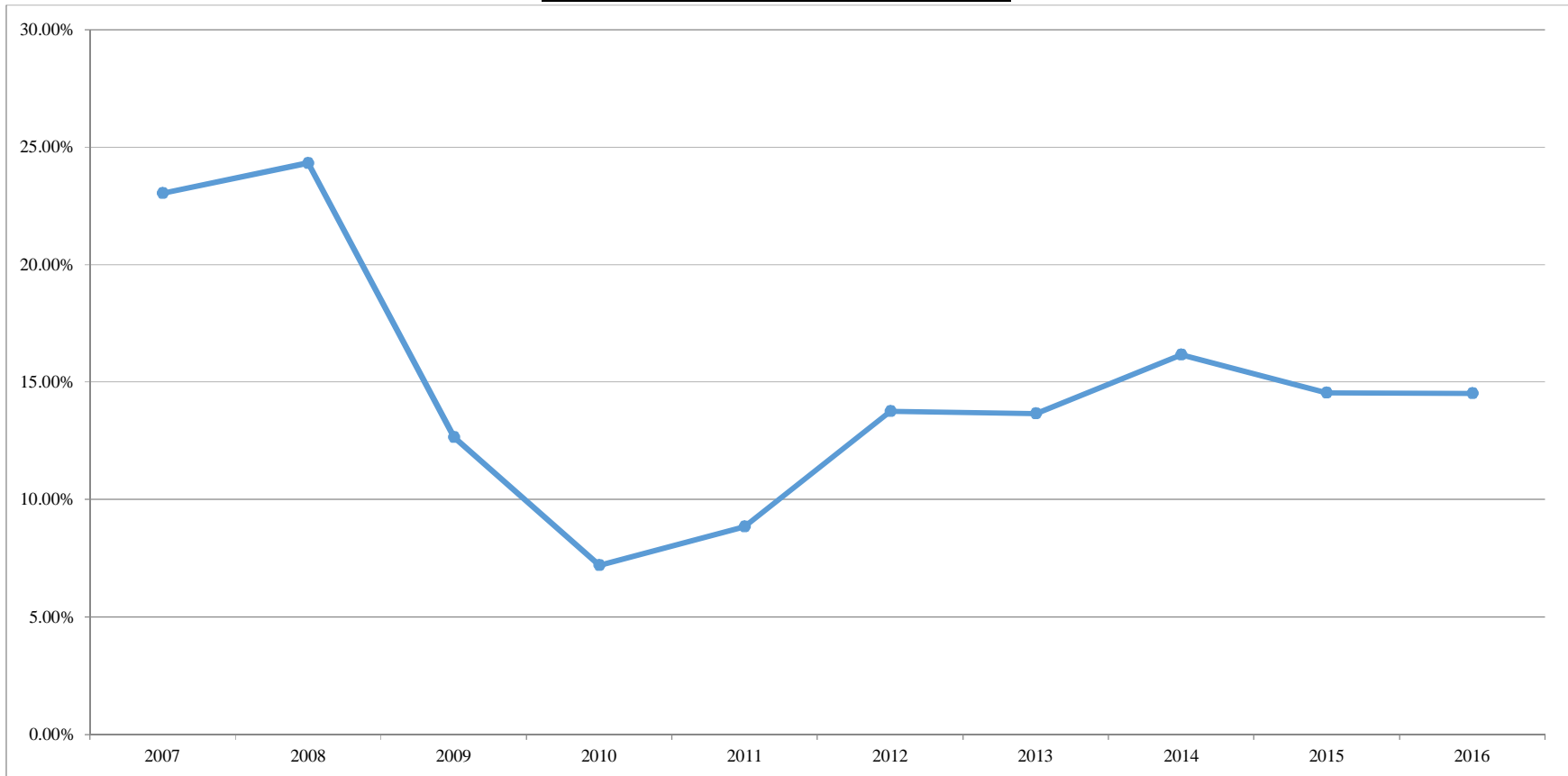
Source: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 CAFR)

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



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital	\$ 63,475,000	\$ 71,839,000	\$ 38,826,000	\$ 20,633,000	\$ 27,651,000	\$ 45,231,000	\$ 46,227,000	\$ 57,045,000	\$ 53,486,000	\$ 54,735,000
Total Expenditures	\$275,724,671	\$295,400,346	\$306,673,720	\$286,562,739	\$312,193,482	\$328,753,402	\$338,217,392	\$352,752,255	\$368,095,302	\$377,061,374
Capital as a % of Expenditures	23.02%	24.32%	12.66%	7.20%	8.86%	13.76%	13.67%	16.17%	14.53%	14.52%

Notes

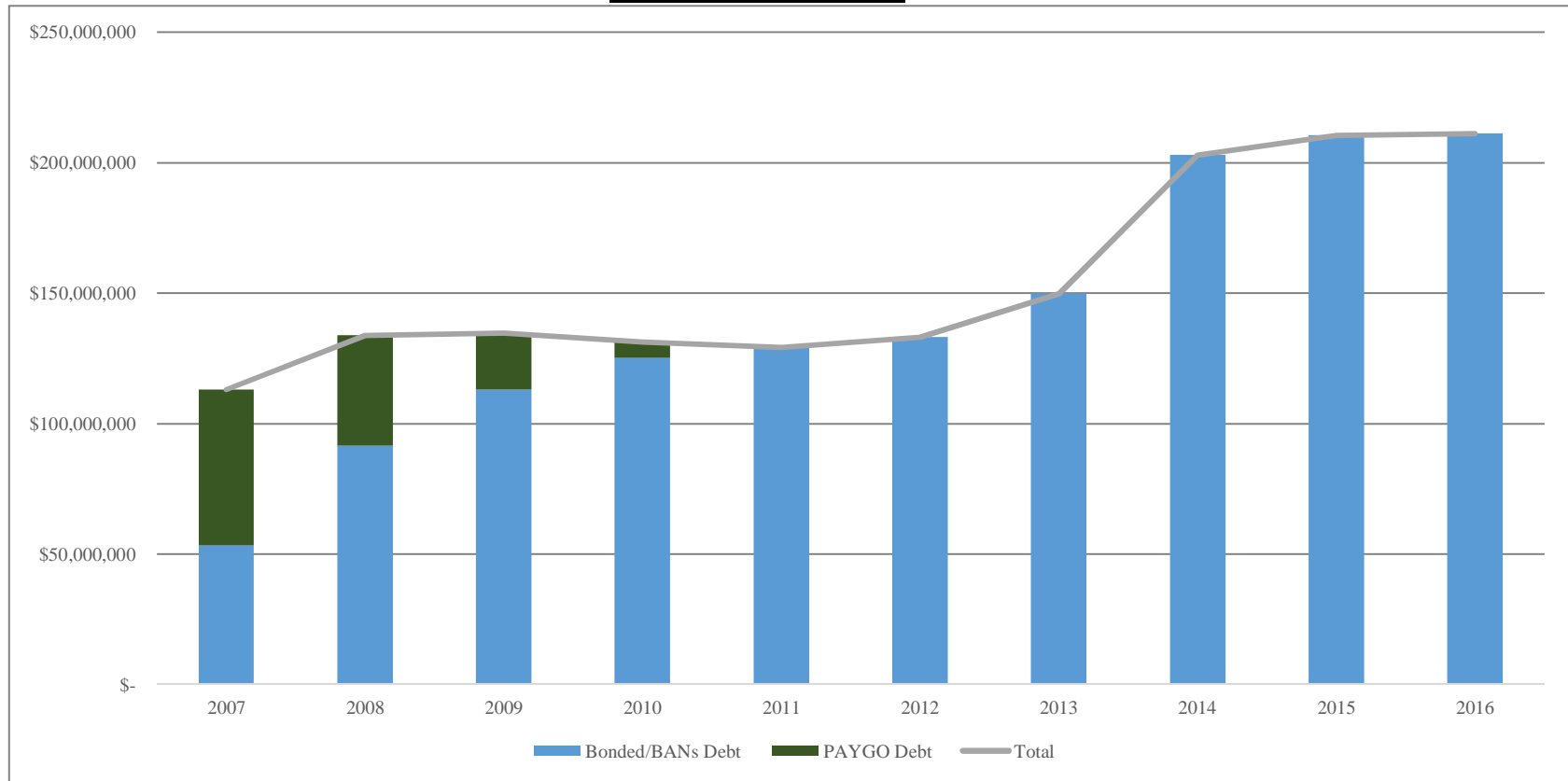
Source: Budget Book – Budget Schedules, Capital Requests

Source for Total Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 CAFR)

Comments

Major projects authorized in each year are as follows: FY07 - Public Safety Complex (\$33M); FY08 - Glenville School (\$23M); 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).

Total Outstanding Debt



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bonded/BANs Debt	\$ 53,292,991	\$ 91,528,983	\$112,863,375	\$125,074,535	\$129,076,720	\$133,158,943	\$149,859,704	\$202,943,220	\$210,420,375	\$211,193,490
PAYGO Debt	\$ 59,675,000	\$ 42,247,000	\$ 21,799,000	\$ 6,197,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$112,967,991	\$133,775,983	\$134,662,375	\$131,271,535	\$129,076,720	\$133,158,943	\$149,859,704	\$202,943,220	\$210,420,375	\$211,193,490
% Change		18%	1%	-3%	-2%	3%	13%	35%	4%	0.4%

Notes

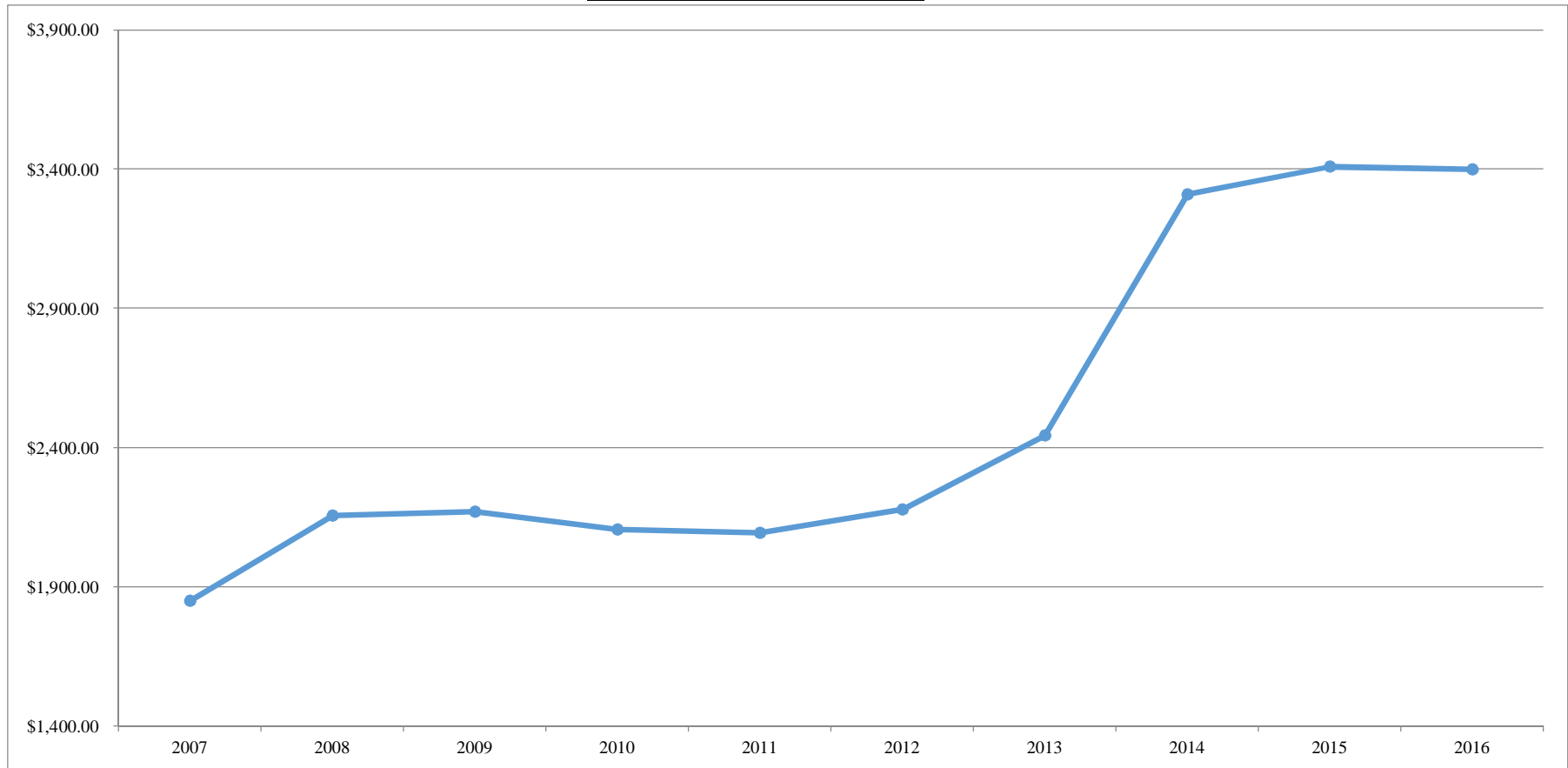
Source for Bonded/BANs Debt: CAFR – Notes to Financial Statements: Short-Term Obligations and Long-Term Obligations (pages 39-40 in 2016 CAFR)

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 \$245 million.

Outstanding Debt per Capita



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bonded/BANs Debt	\$ 53,292,991	\$ 91,528,983	\$112,863,375	\$125,074,535	\$129,076,720	\$133,158,943	\$149,859,704	\$202,943,220	\$210,420,375	\$211,193,490
PAYGO Debt	\$ 59,675,000	\$ 42,247,000	\$ 21,799,000	\$ 6,197,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$112,967,991	\$133,775,983	\$134,662,375	\$131,271,535	\$129,076,720	\$133,158,943	\$149,859,704	\$202,943,220	\$210,420,375	\$211,193,490
Population	61,101	62,077	62,077	62,368	61,672	61,171	61,331	61,331	61,733	62,141
Debt per Capita	\$ 1,848.87	\$ 2,155.00	\$ 2,169.28	\$ 2,104.79	\$ 2,092.95	\$ 2,176.83	\$ 2,443.46	\$ 3,308.98	\$ 3,408.56	\$ 3,398.62

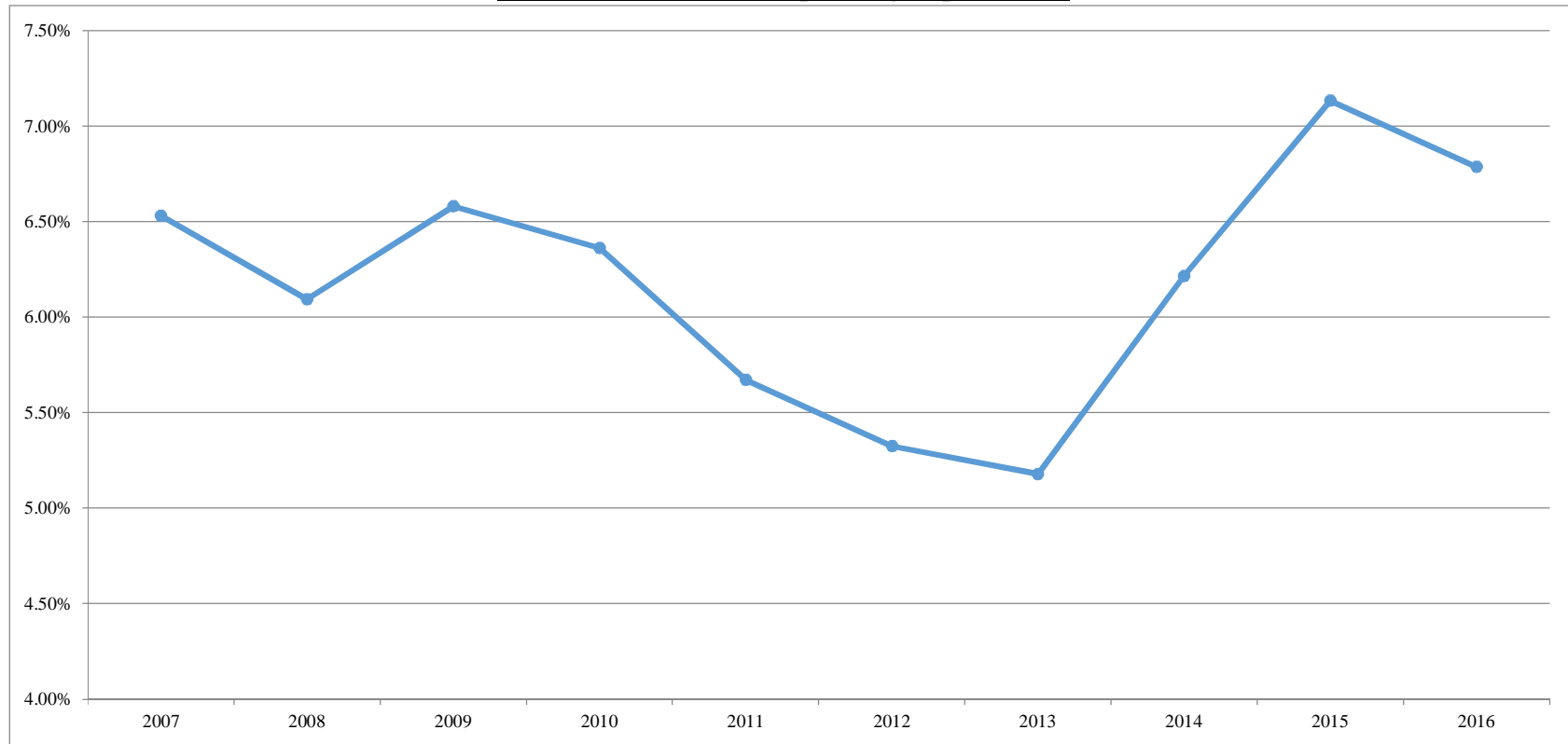
Notes

Source for Bonded/BANs Debt: CAFR – Notes to Financial Statements: Short-Term Obligations and Long-Term Obligations (pages 39-40 in 2016 CAFR)

Source for PAYGO Debt: Budget Book - Budget Schedules

Source for Population: 2016 CAFR, page 133 (based on census data)

Debt Service as a % of Operating Expenditures



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Service	\$ 130,650	\$ 126,506	\$ 2,685,847	\$ 2,632,444	\$ 11,514,988	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451
PAYGO Payments	\$ 17,879,138	\$ 17,878,000	\$ 17,498,000	\$ 15,602,000	\$ 6,197,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 18,009,788	\$ 18,004,506	\$ 20,183,847	\$ 18,234,444	\$ 17,711,988	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451
Total Expenditures	\$275,724,671	\$295,400,346	\$306,673,720	\$286,562,739	\$312,193,482	\$328,753,402	\$338,217,392	\$352,752,255	\$368,095,302	\$377,061,374
Debt Service as a % of Expenditures	6.53%	6.09%	6.58%	6.36%	5.67%	5.33%	5.18%	6.22%	7.13%	6.79%

Notes

Source for Debt Service: CAFR – Basic Financial Statements: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (page 15 in 2016 CAFR); Sum of State loan payment, principal retirements, and interest and other charges - General Fund only

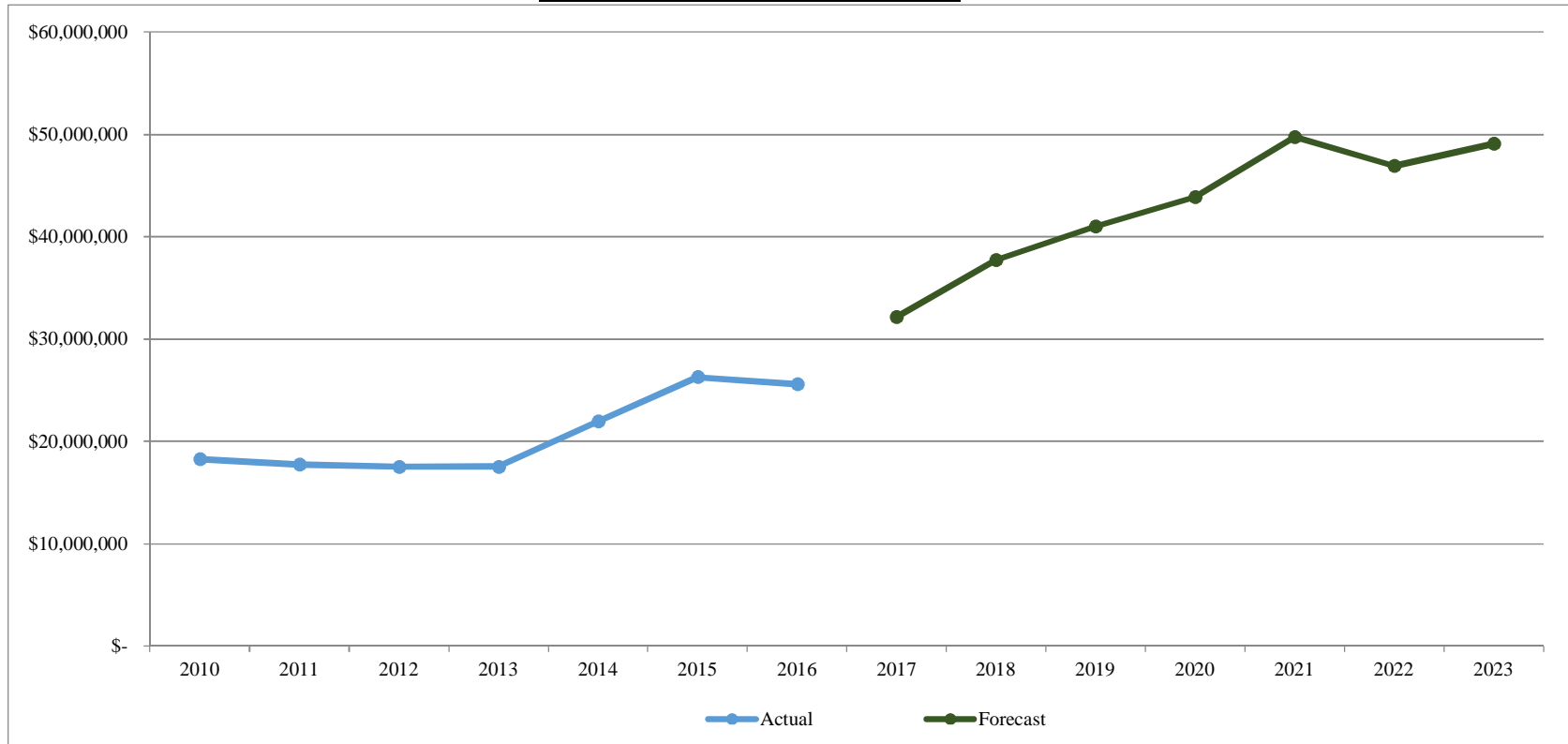
Source for PAYGO Payments: Budget Book - Budget Schedules

Source for Total Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 CAFR)

Comments

The BET's Debt Policy calls for debt service payments to be no more than 7.5% of operating expenditures.

Debt Service Trend and Forecast

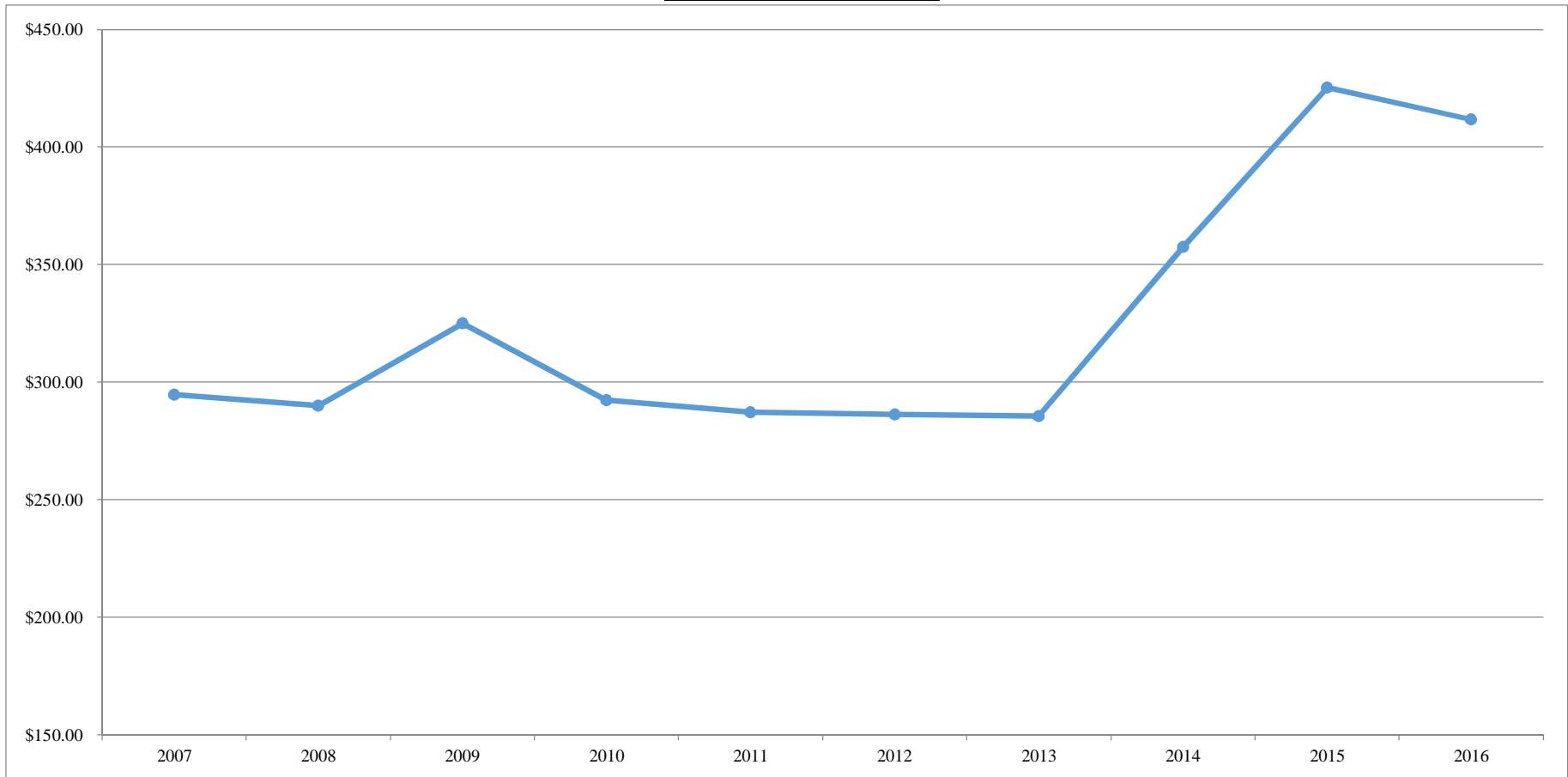


	2010	2011	2012	2013	2014	2015	2016
Debt Service - Actual (including PAYGO)	\$ 18,234,444	\$ 17,711,988	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451
Percent Change		-2.87%	-1.16%	0.06%	25.16%	19.76%	-2.54%

	2017	2018	2019	2020	2021	2022	2023
Debt Service - Forecast	\$ 32,165,000	\$ 37,700,000	\$ 40,977,000	\$ 43,855,000	\$ 49,751,000	\$ 46,902,000	\$ 49,066,000
Percent Change		17.21%	8.69%	7.02%	13.44%	-5.73%	4.61%

Notes
 Source: CAFR – Basic Financial Statements: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (page 15 in 2016 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 projected debt service (2017-2023): Budget Book FY18- Capital Schedules, page 2

Debt Service per Capita



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Service (including PAYGO)	\$ 18,009,788	\$ 18,004,506	\$ 20,183,847	\$ 18,234,444	\$ 17,711,988	\$ 17,507,075	\$ 17,517,531	\$ 21,924,664	\$ 26,257,201	\$ 25,591,451
Population	61,101	62,077	62,077	62,368	61,672	61,171	61,331	61,331	61,733	62,141
Debt Service per Capita	\$ 294.75	\$ 290.04	\$ 325.14	\$ 292.37	\$ 287.20	\$ 286.20	\$ 285.62	\$ 357.48	\$ 425.33	\$ 411.83

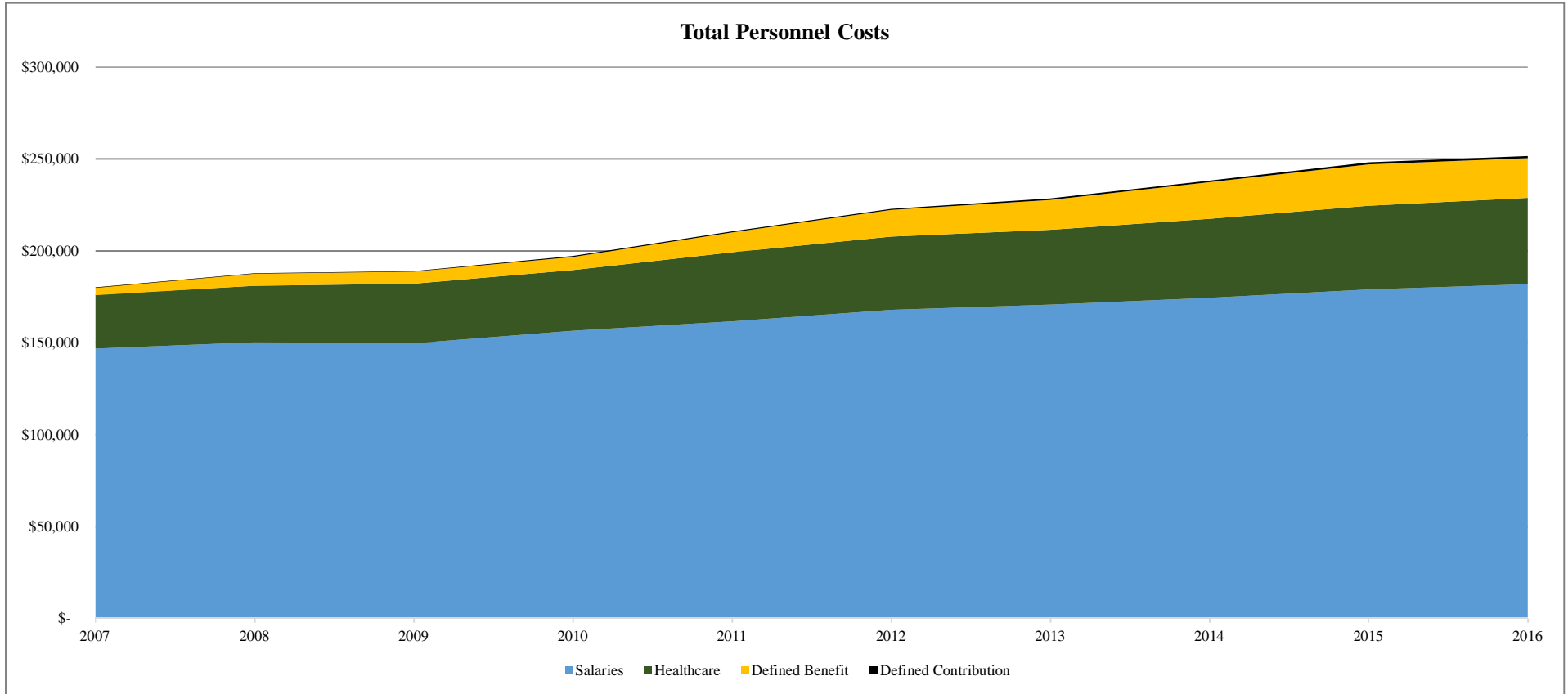
Notes

Source: CAFR – Basic Financial Statements: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (page 15 in 2016 CAFR); Sum of State loan payment, principal retirements, and interest and other charges - General Fund only

Source for PAYGO Payments: Budget Book - Budget Schedules

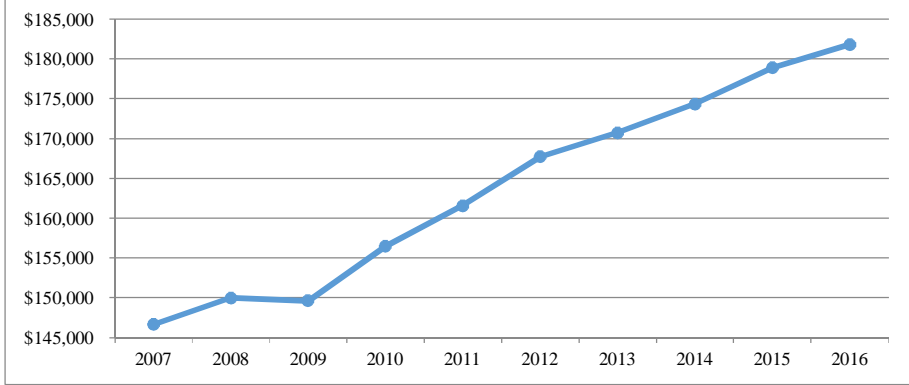
Source for population: 2016 CAFR, page 133 (based on census data)

Personnel Costs Trend
(in thousands)

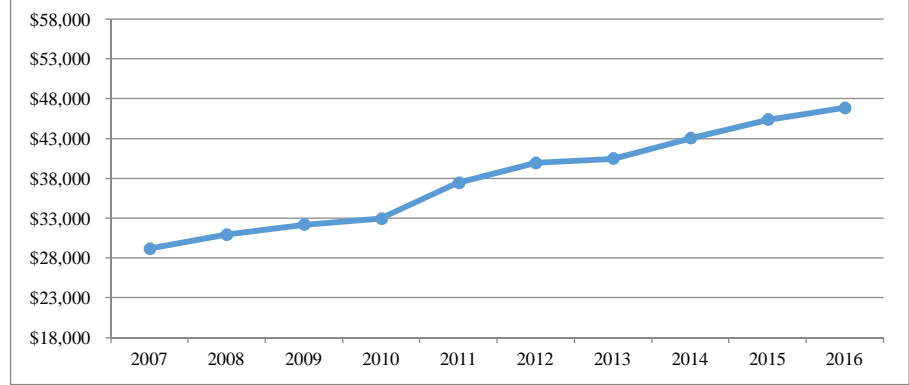


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Salaries	81%	80%	79%	79%	77%	75%	75%	73%	72%	71%
Healthcare	16%	16%	17%	17%	18%	18%	18%	18%	18%	18%
Defined Benefit	2%	3%	4%	4%	5%	7%	7%	8%	9%	8%
Defined Contribution	0.07%	0.11%	0.15%	0.21%	0.25%	0.28%	0.33%	0.37%	0.38%	0.49%

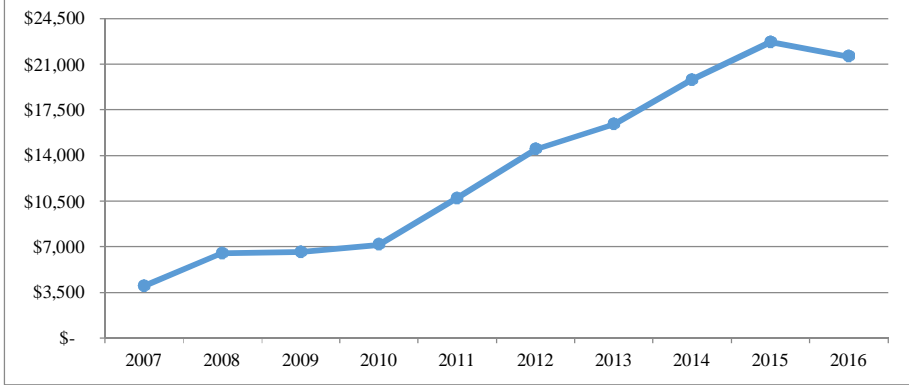
Salaries



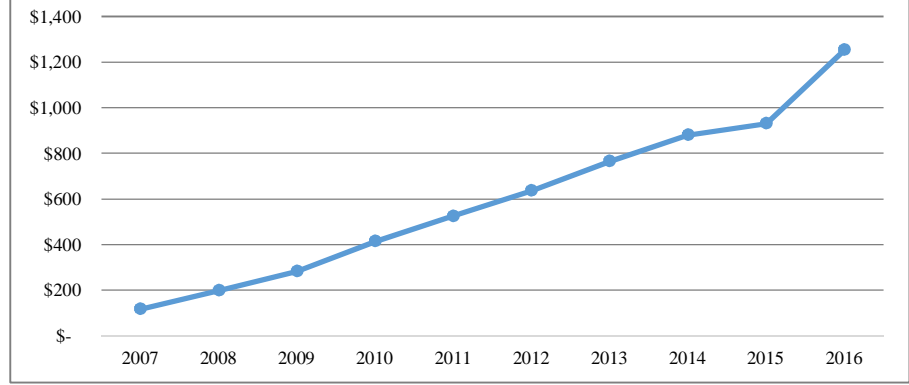
Healthcare



Defined Benefit (DB)



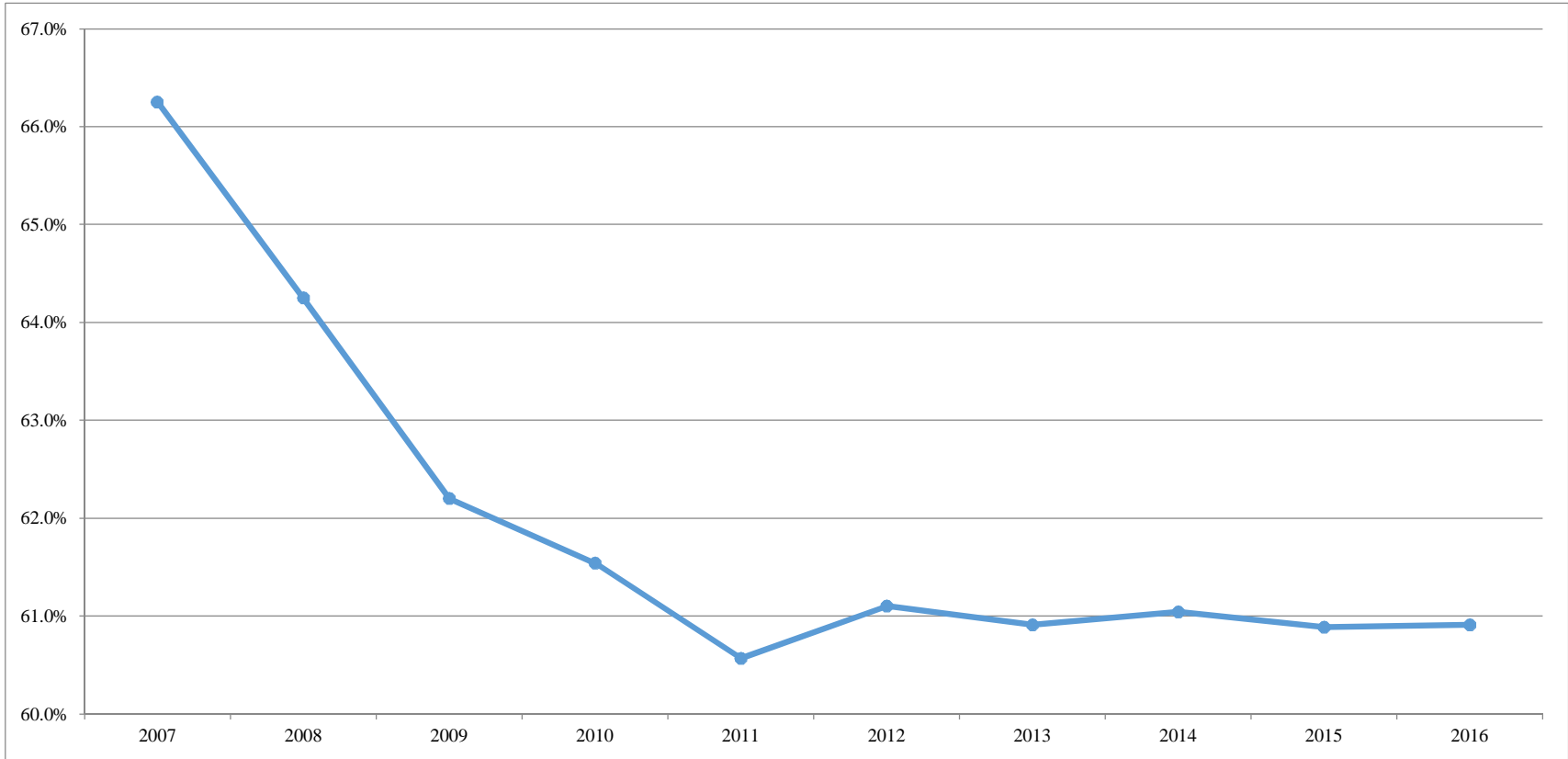
Defined Contribution (DC)



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)

Personnel Costs as a % of Expenditures



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Personnel Costs	\$179,741,482	\$187,317,569	\$188,370,814	\$196,521,355	\$209,640,695	\$222,258,550	\$227,822,756	\$237,596,716	\$247,450,281	\$253,833,509
Expenditures	\$271,293,255	\$291,553,197	\$302,834,016	\$319,332,723	\$346,116,290	\$363,737,597	\$374,034,813	\$389,240,138	\$406,405,700	\$416,740,352
Personnel Costs as a % of Expenditures	66.3%	64.2%	62.2%	61.5%	60.6%	61.1%	60.9%	61.0%	60.9%	60.9%

Notes

Source for Personnel Costs: Budget Book - total Regular Salaries (51010 and 51020; General Fund plus revolving funds) plus Employee Benefits (Department 901, less OPEB)

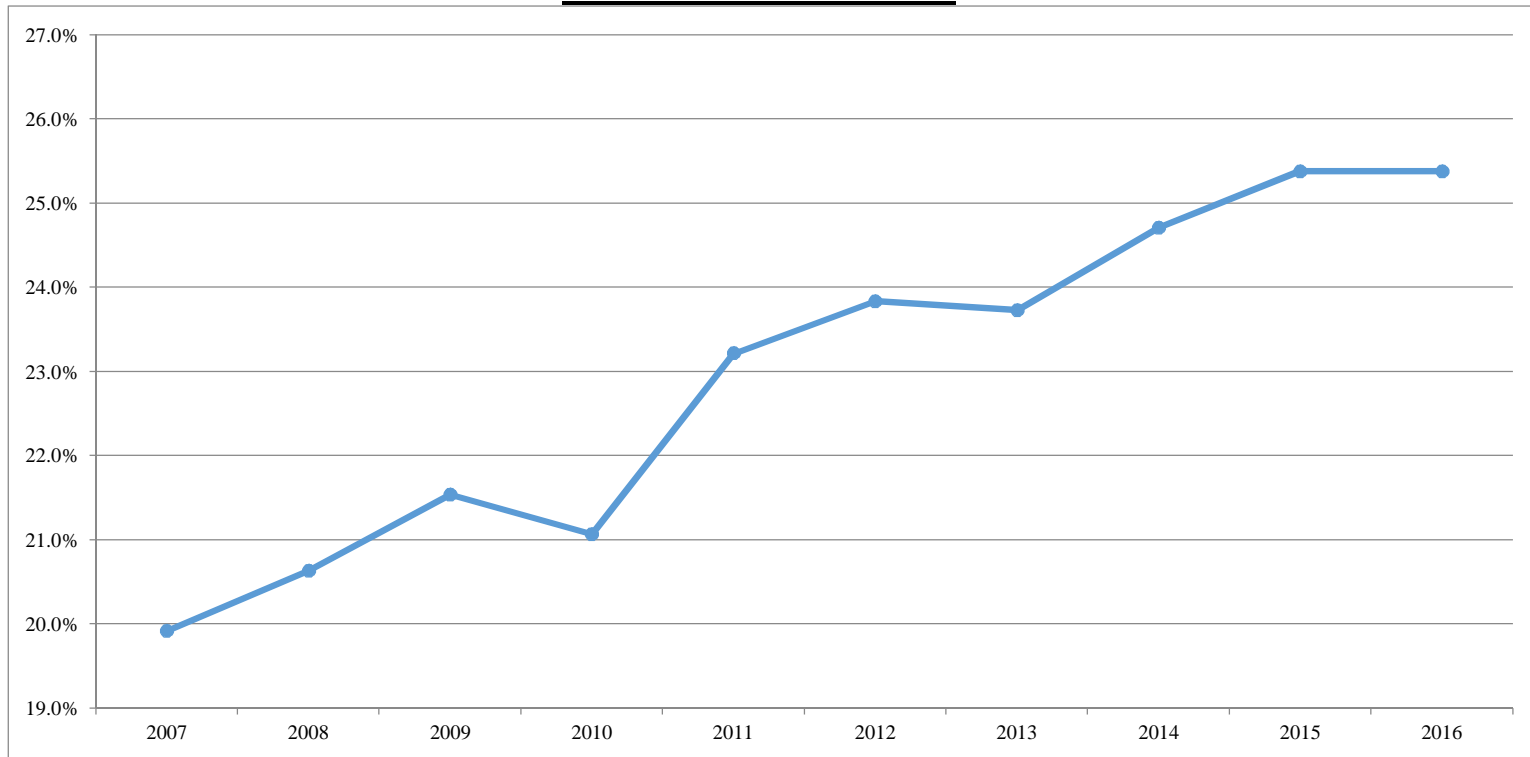
Source for General Fund Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 CAFR)

Source for Revolving Fund Expenditures: CAFR - Schedules of Revenues, Expenditures and Changes in Fund Balance and Changes in Net Position (pages 92-95 and 112-113 in 2016 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.).

Healthcare as a % of Salaries



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Healthcare	\$ 29,215,096	\$ 30,956,417	\$ 32,235,428	\$ 32,964,774	\$ 37,517,921	\$ 39,983,823	\$ 40,515,791	\$ 43,079,450	\$ 45,413,654	\$ 46,887,815
Salaries	\$146,678,697	\$150,034,628	\$149,657,157	\$156,492,541	\$161,621,184	\$167,745,195	\$170,743,846	\$174,359,676	\$178,934,298	\$184,745,201
Healthcare as a % of Salaries	19.9%	20.6%	21.5%	21.1%	23.2%	23.8%	23.7%	24.7%	25.4%	25.4%

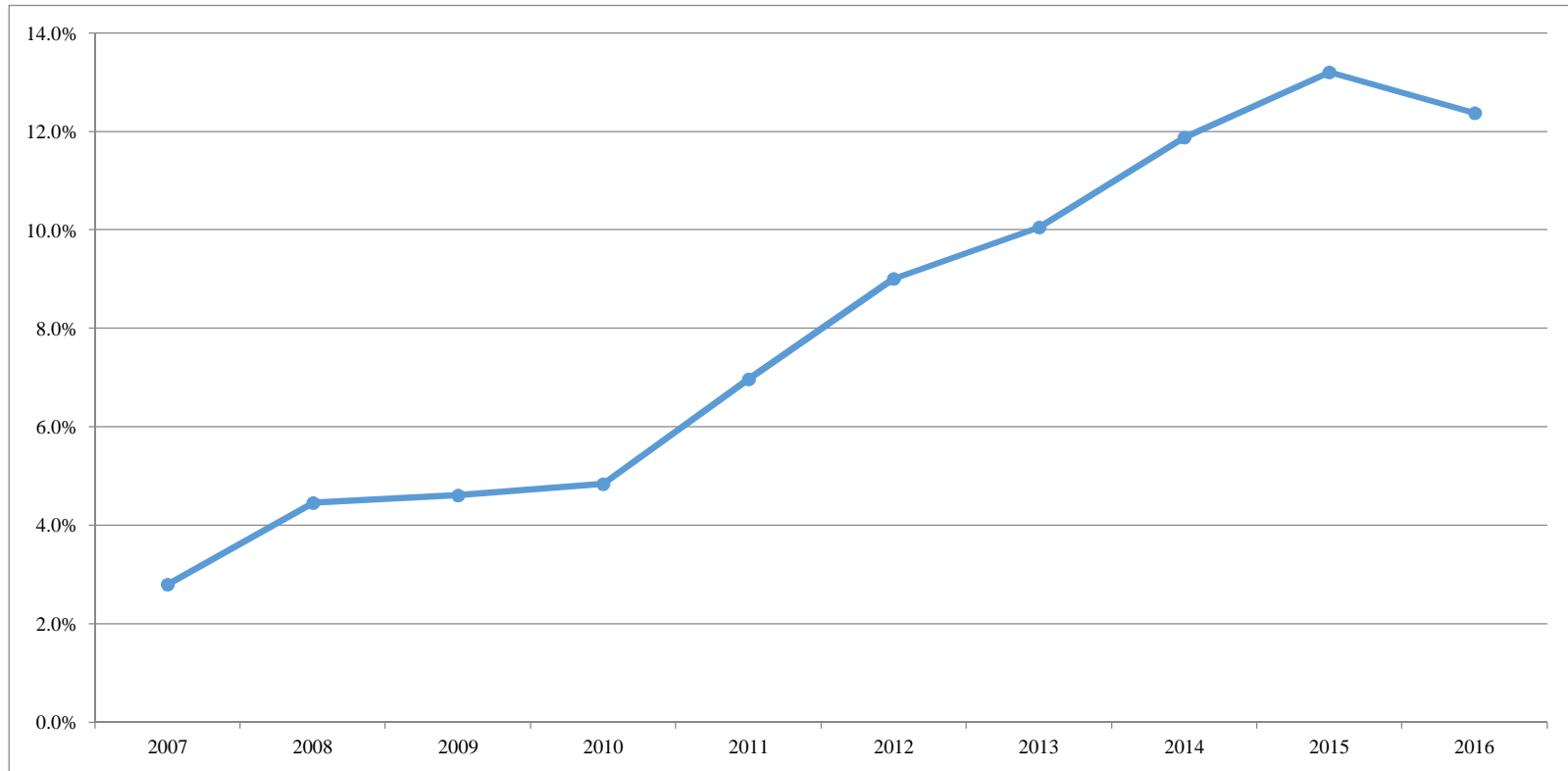
Notes

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

Healthcare costs decreased in FY07 due to changes in plan design. 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.

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

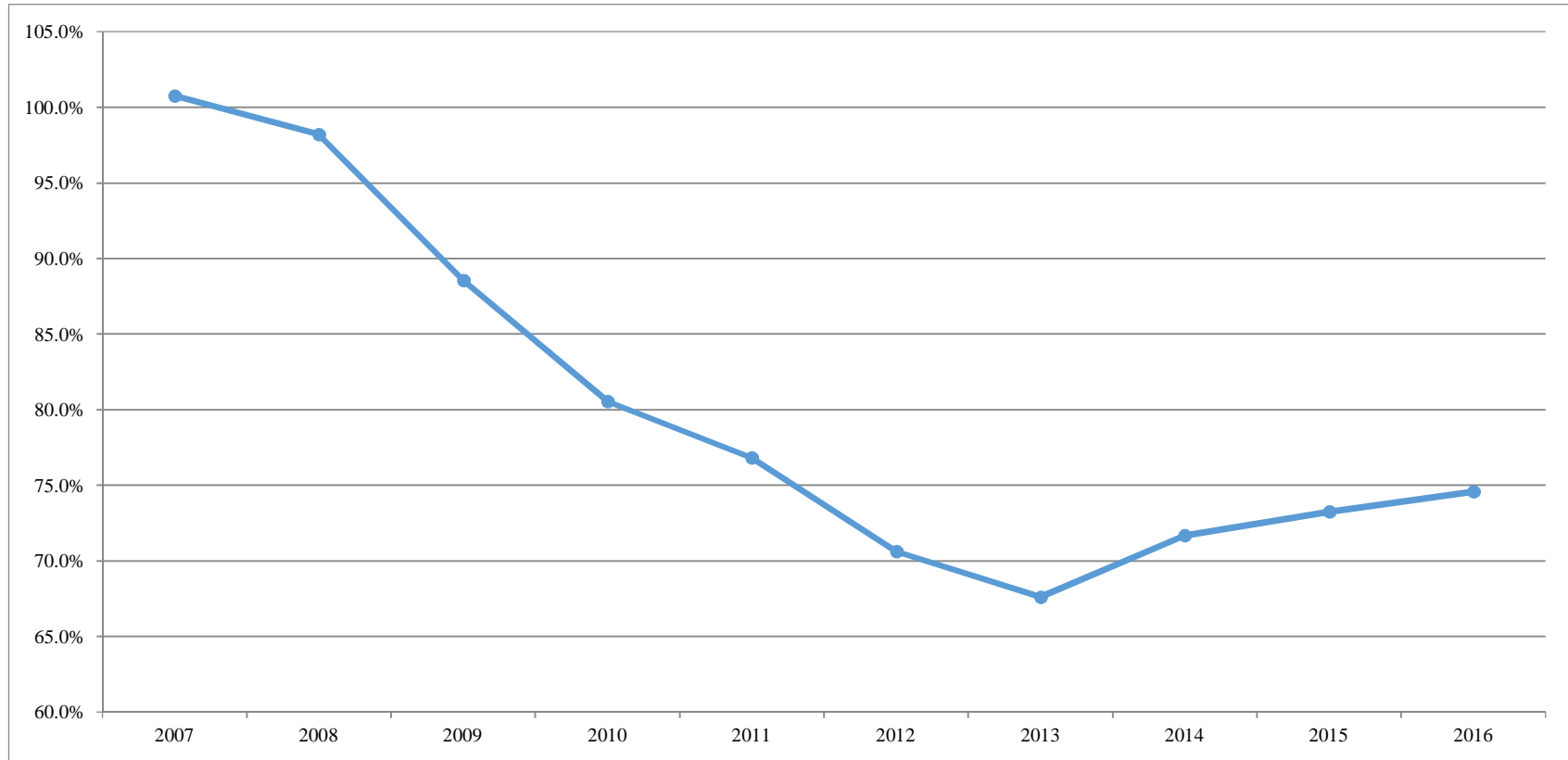


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total DB plus DC	\$ 4,109,230	\$ 6,697,894	\$ 6,902,166	\$ 7,576,804	\$ 11,264,839	\$ 15,122,859	\$ 17,163,914	\$ 20,706,534	\$ 23,630,530	\$ 22,865,050
Salaries	\$146,678,697	\$150,034,628	\$149,657,157	\$156,492,541	\$161,621,184	\$167,745,195	\$170,743,846	\$174,359,676	\$178,934,298	\$184,745,201
Pension as a % of Salaries	2.8%	4.5%	4.6%	4.8%	7.0%	9.0%	10.1%	11.9%	13.2%	12.4%

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



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarial Value of Assets	\$329,840,109	\$343,200,040	\$331,354,183	\$325,566,171	\$323,328,933	\$317,995,005	\$323,503,125	\$356,598,186	\$388,796,214	\$406,766,667
Total Accrued Liability	\$327,379,454	\$349,526,918	\$374,254,658	\$404,142,954	\$420,978,858	\$450,265,346	\$478,509,882	\$497,525,743	\$530,807,999	\$545,322,570
Funded Ratio	100.8%	98.2%	88.5%	80.6%	76.8%	70.6%	67.6%	71.7%	73.2%	74.6%

Notes

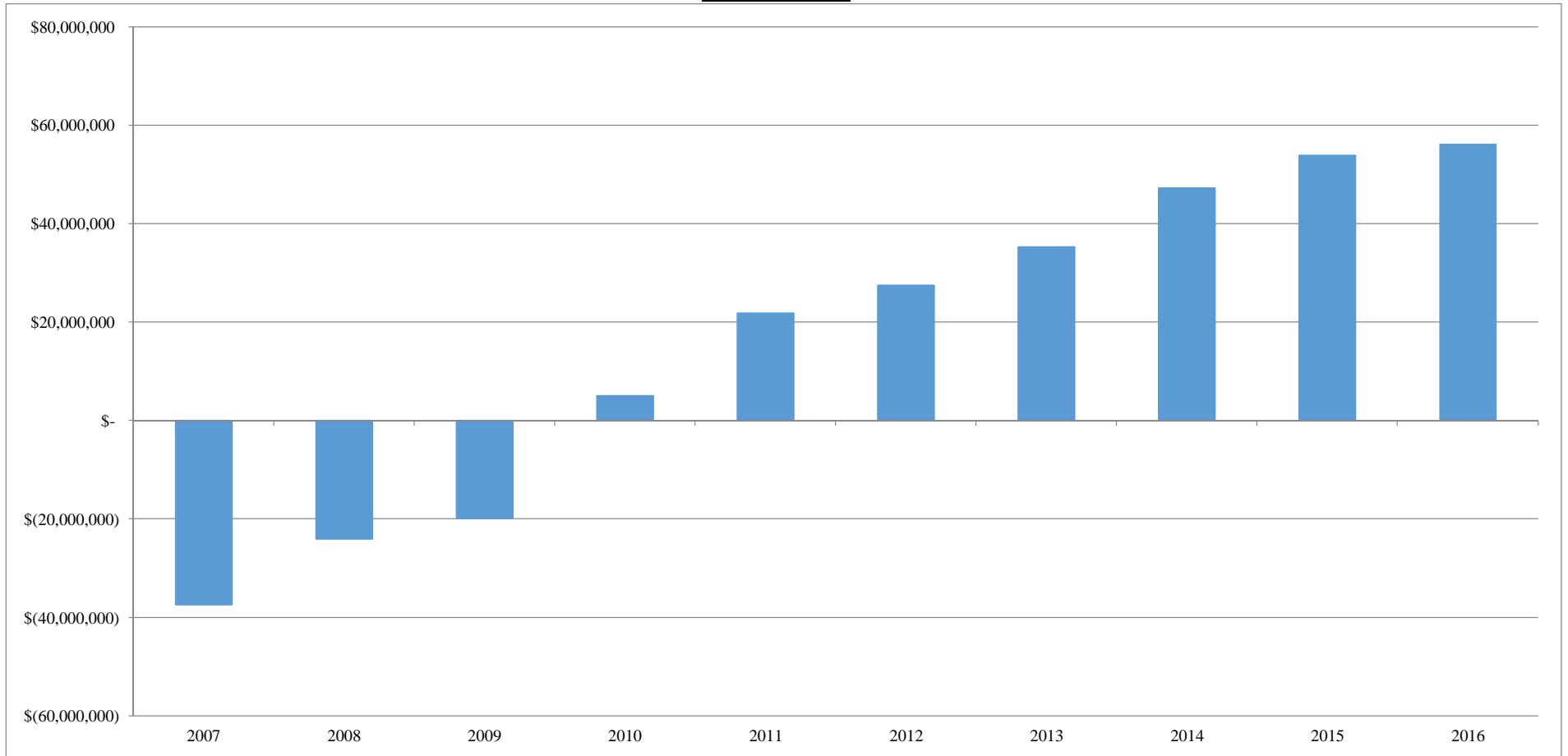
Source: Town Actuarial Reports, 2007-2016

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



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Ending Fund Balances	\$ (37,331,772)	\$ (24,018,580)	\$ (19,873,873)	\$ 5,077,510	\$ 21,802,930	\$ 27,544,087	\$ 35,287,077	\$ 47,300,136	\$ 53,933,421	\$ 56,174,828
Change from Prior Year		\$ 13,313,192	\$ 4,144,707	\$ 24,951,383	\$ 16,725,420	\$ 5,741,157	\$ 7,742,990	\$ 12,013,059	\$ 6,633,285	\$ 2,241,407

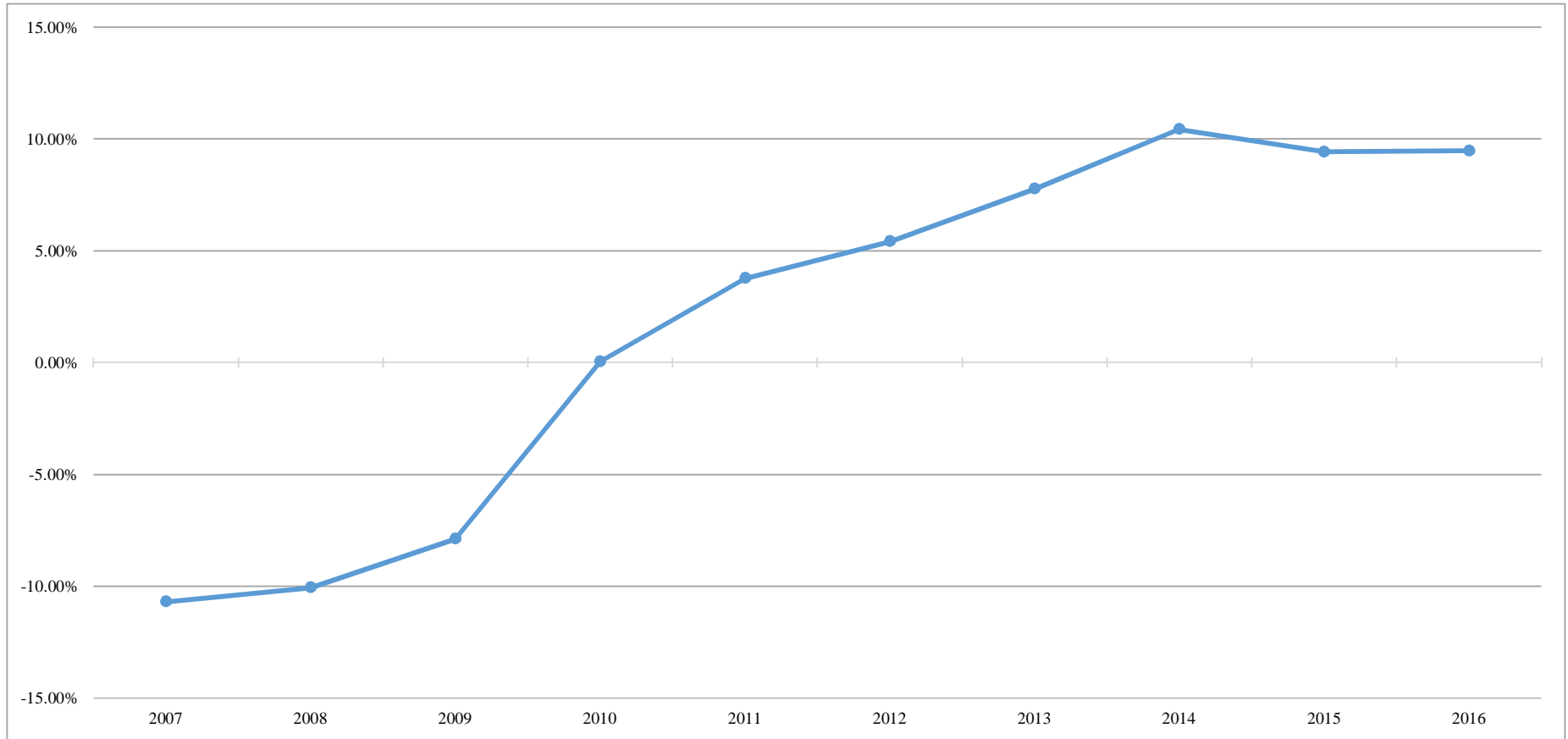
Notes

Source: CAFR – Basic Financial Statements: Balance Sheet - Governmental Funds (page 13 in 2016 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 FY07-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.

Unassigned Fund Balance as a % of Operating Expenditures



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Unassigned Fund Balance	\$ (29,482,994)	\$ (29,733,747)	\$ (24,178,185)	\$ 130,957	\$ 11,743,984	\$ 17,787,998	\$ 26,248,996	\$ 36,768,590	\$ 34,667,717	\$ 35,719,351
Expenditures	\$275,724,671	\$295,400,346	\$306,673,720	\$286,562,739	\$312,193,482	\$328,753,402	\$338,217,392	\$352,752,255	\$368,095,301	\$377,061,374
Unassigned Fund Balance as a % of Expenditures	-10.69%	-10.07%	-7.88%	0.05%	3.76%	5.41%	7.76%	10.42%	9.42%	9.47%

Notes

Source: CAFR – Notes to Financial Statements, Note 11 - Fund Balance (page 44 in 2016 CAFR).

Source for Expenditures: CAFR – Required Supplementary Information: Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance (page 73 in 2016 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.