

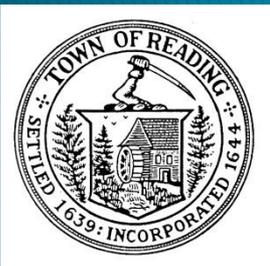
Town of Reading

Community Listening Meetings

Wednesday June 1st 7:00pm Coolidge MS Multipurpose Room

Tuesday June 7th 1:00pm Pleasant Street Center

Thursday June 16th 7:00pm Parker MS Auditorium



Summer 2016 Discussions

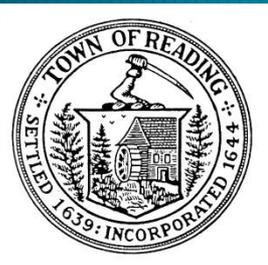
Late June through early August

Board and Committee public meetings to review what was heard at the initial CLMs and draft a response.

Tuesday August 16th

Ultimate responsibility rests exclusively with the Board of Selectmen (BOS) to call for a Special Election for an Override vote or not.

On this date the BOS may call for a Special Town Meeting on September 12th. While Town Meeting has no formal role in the Override process, this BOS prefers to seek their views before calling for a Special Election.



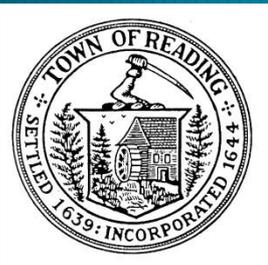
Town of Reading Community Financial Forum

Thursday September 1st 7:00pm RMHS Performing Arts Center

If the Selectmen have called for a Special Town Meeting, then this date will be held as an opportunity for the elected Boards and the Finance Committee to review the actions that will be proposed to the Special Town Meeting and then to the voters. All residents and businesses are invited.

Monday September 12th possible Special Town Meeting

Tuesday October 18th possible Special Election



Financial Overview

Since the last Override 13 years ago, annual budgets have grown at these rates:

+3.2% Schools

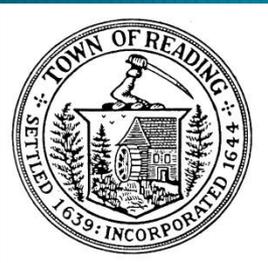
+3.1% Town

-0.9% Capital & Debt

+5.2% Shared Benefits

+3.1% TOTAL

- Debt reduced inside the tax levy (Barrows & Wood End should have been excluded)
- Capital increased, far better planned and helping reduce annual operating costs
- Benefits: Reading has done far better than national averages for Health Insurance
 - Premiums paid +5.5% (+7.7% National trends - PwC Health Research Institute)
 - Employees and Retirees took on more costs in order to preserve jobs for the organization
 - Result comparatively good but +5.2% increases far exceed revenues



Financial Overview

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+3.2% Schools

+3.1% Town

-0.9% Capital & Debt

+5.2% Shared Benefits

+3.1% TOTAL

The forecast for the next three years is:

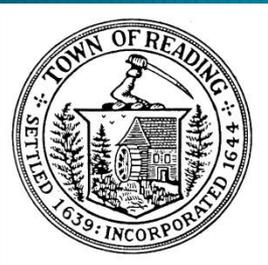
+0.7% Schools

+0.7% Town

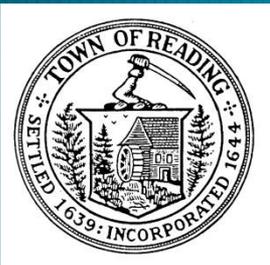
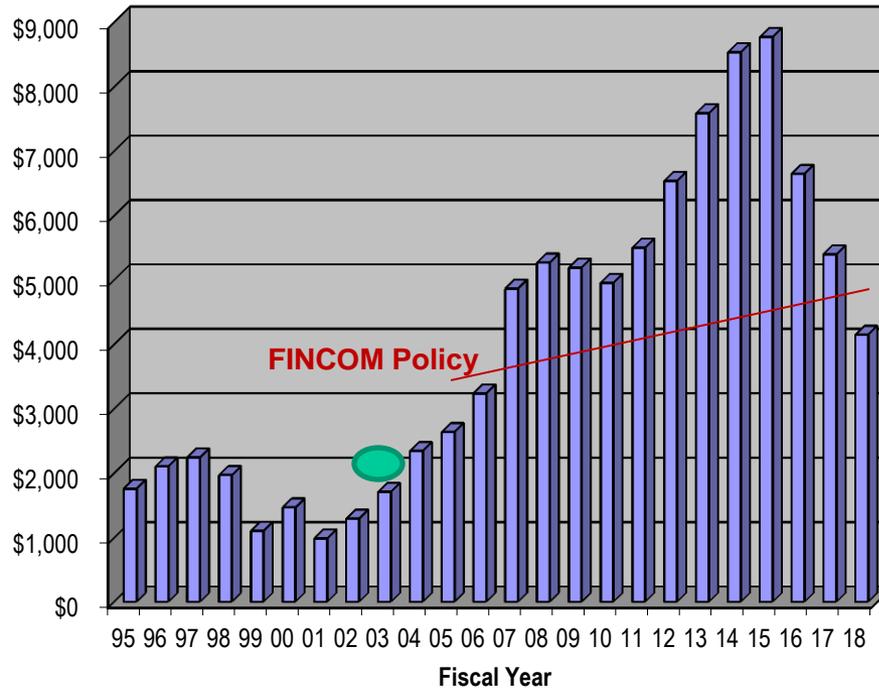
+3.9% Capital & Debt

+7.0% Shared Benefits

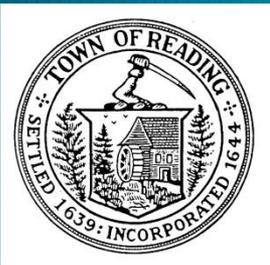
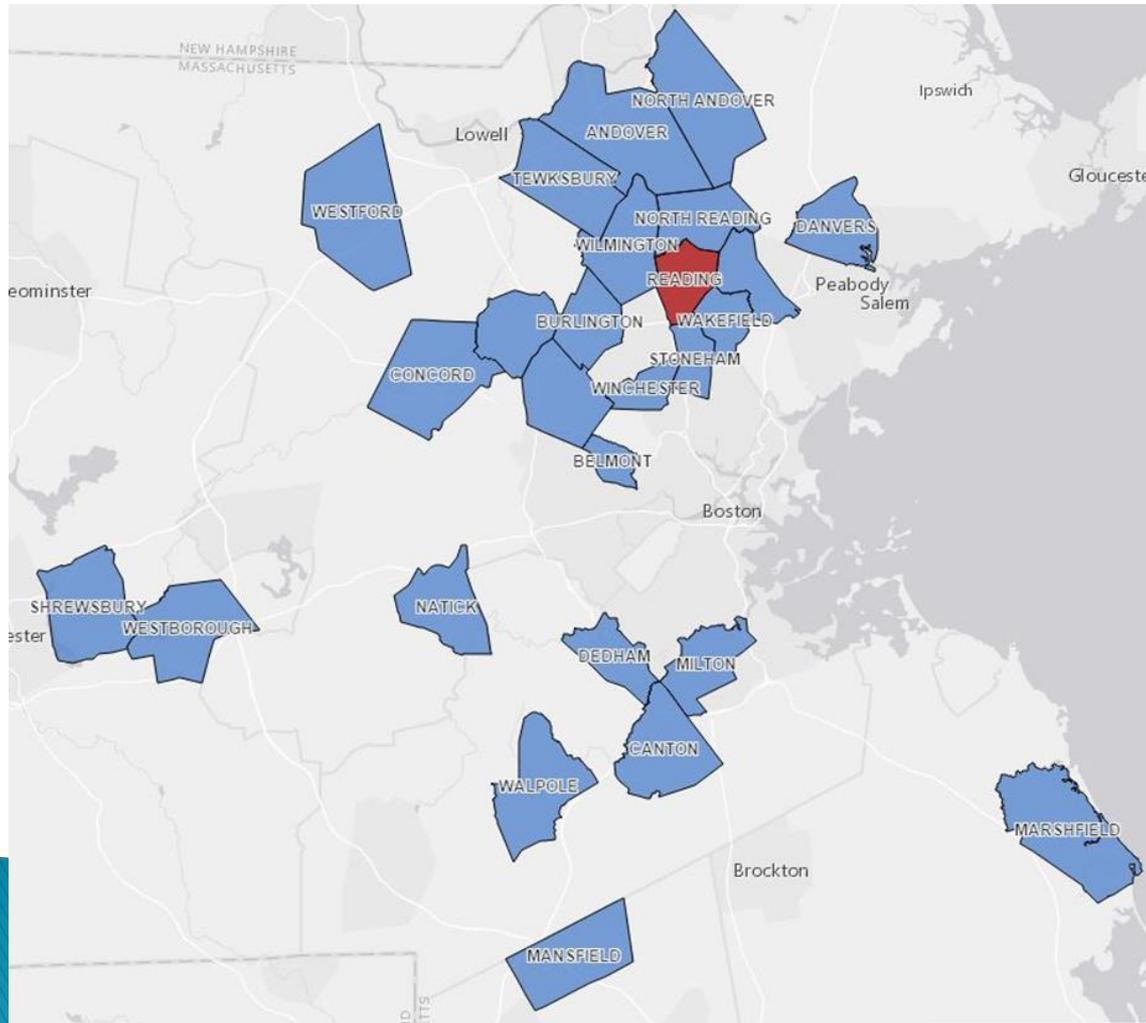
+2.6% TOTAL



Rainy Day Fund – ‘Free Cash’

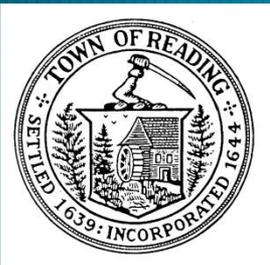


Peer Communities



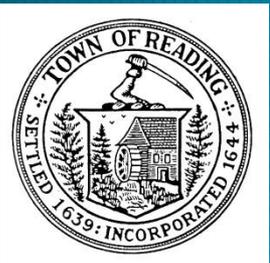
Peer Revenues

	Reading	Peer Communities
Tax Levy	60.5%	66.6%
<i>Residential</i>	91.4%	76.9%
<i>Residential</i>	<i>\$53.8 mil.</i>	<i>\$54.8 mil.</i>
<i>CIP</i>	8.6%	23.1%
<i>CIP</i>	<i>\$5.0 mil.</i>	<i>\$17.3 mil.</i>
State Aid	13.7%	11.0%
Local Receipts	21.6%	17.5%
Other	4.2%	4.9%



Peer Expenses

% of Budget Spending	Reading	Peer Communities	Difference
Public Safety	9.2%	8.7%	+0.5%
Culture & Recreation	2.1%	1.7%	+0.4%
Education	39.3%	39.1%	+0.2%
DPW	5.1%	4.9%	+0.2%
Human Service	0.6%	0.7%	-0.1%
Fixed Costs & Debt	17.7%	17.8%	-0.1%
Other (Ent Funds)	22.4%	22.8%	-0.4%
Gen'l Gov't	3.6%	4.3%	-0.7%

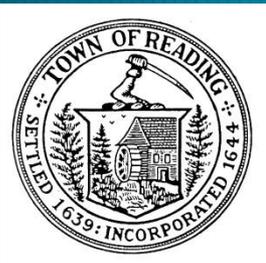


Peer Education Expenses

Peer average is 15.8% enrollments/population; Reading is higher at 17.4%

	Pop.	Enroll	% Enroll	% Budget		Pop.	Enroll	% Enroll	% Budget
Westford	23,265	5,139	22.1%	45.0%	North Andover	29,217	4,795	16.4%	41.0%
Lexington	32,650	6,785	20.8%	36.0%	Walpole	24,818	3,946	15.9%	41.9%
Winchester	22,079	4,505	20.4%	36.8%	Natick	35,214	5,368	15.2%	34.2%
Westborough	18,630	3,624	19.5%	44.4%	Canton	22,221	3,326	15.0%	35.8%
Bedford	13,975	2,522	18.0%	39.7%	Wilmington	23,147	3,448	14.9%	44.0%
Lynnfield	12,395	2,205	17.8%	43.9%	Milton	27,270	4,011	14.7%	38.3%
Andover	34,477	6,076	17.6%	42.3%	Burlington	25,463	3,499	13.7%	39.7%
Mansfield	23,566	4,144	17.6%	44.9%	Wakefield	26,080	3,439	13.2%	31.7%
Reading	25,327	4,407	17.4%	39.3%	Danvers	27,483	3,588	13.1%	31.9%
Belmont	25,332	4,283	16.9%	34.2%	Tewksbury	30,107	3,658	12.1%	36.3%
Marshfield	25,509	4,267	16.7%	44.4%	Dedham	25,299	2,776	11.0%	31.5%
North Reading	15,377	2,556	16.6%	38.8%	Concord	19,285	2,114	11.0%	50.2%
Shrewsbury	36,309	6,016	16.6%	43.4%	Stoneham	21,734	2,317	10.7%	35.2%

Source: MA Department of Education 2014-15



Conclusions

Reading

- is a bedroom community with low commercial tax base
- has a high student population to educate
- provides a high quantity and quality of services

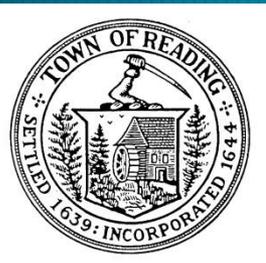
Revenues are constrained below 3% for the foreseeable future

- significant economic development efforts are underway

Reserves are projected to decline

- \$2 million annual support to Town/School budgets to stop

Non-Town/School Expenses are projected to increase by 5% annually



Town and Schools will need to reduce staffing & services

Conclusions

An Operating Override can moderate or eliminate the need for the Town & Schools to curtail staffing & services

Selectmen concerns:

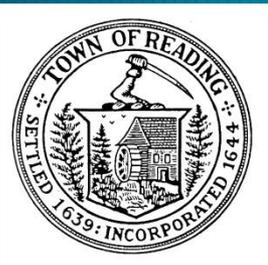
Increasing gap in expectations of the community

Elderly residents ability to pay

Maintaining quality of services – no more creative cost cuts

Maintaining quantity of services – especially for elderly

Any proposed Override should project to last for many years



Listen to the Community

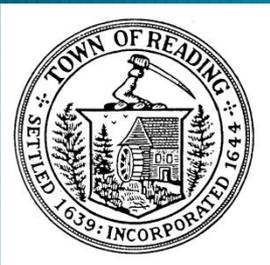
What Services that are provided should be eliminated?

What Services do you use that you would be willing to give up?
(past community forums have had difficulty with this request)

What Services should be added?

Would you prefer to target fees instead of taxes?
(for example, a trash fee)

What are you concerned about as a resident of Reading?



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