



City of Quincy

Fiscal Year 2013 Budget Presentation

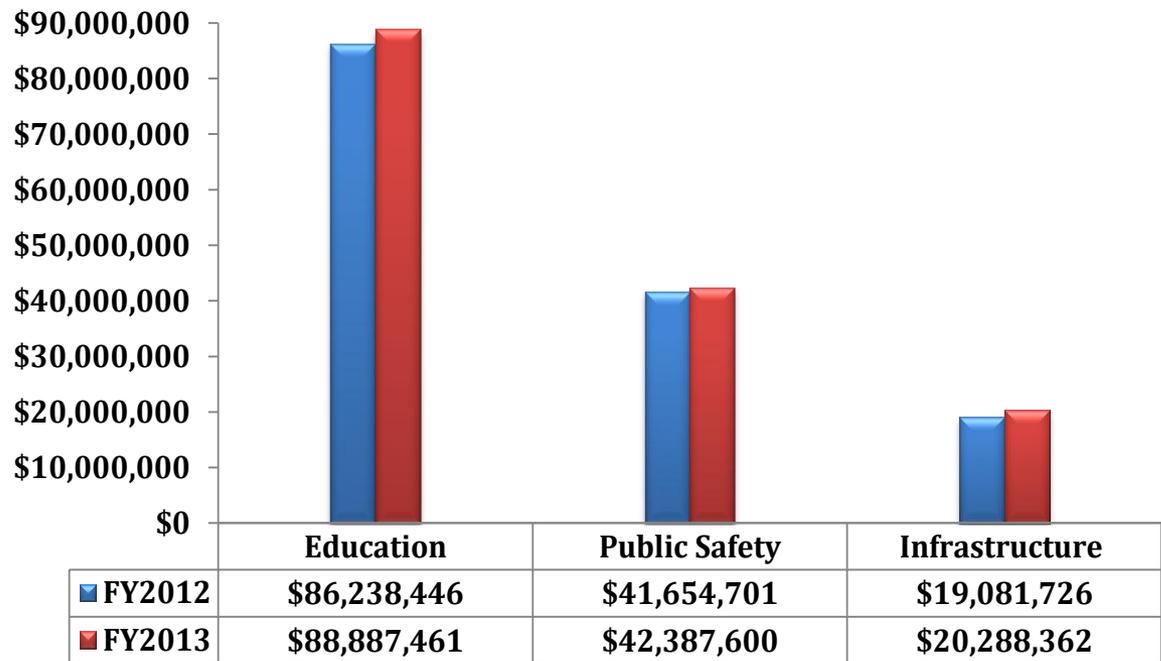
Mayor Thomas P. Koch

May 7, 2012

Stable, Responsible, Cautious

- The Fiscal Year 2013 Budget continues the progression through these historic times.
 - Responsible, limited restoration proposed for FY2013.
- Proposed Appropriation: **\$247,856,282, a 4 percent increase over the Fiscal Year 2012 budget.**

Responsible Growth In Priority Departments



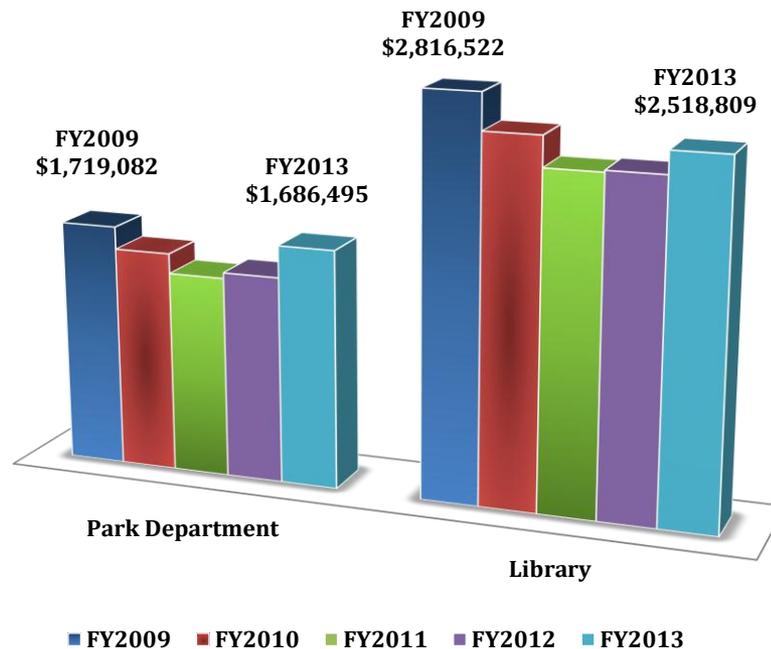
Targeted Growth

- **\$2.6 million** increase for the Quincy Public Schools.
 - **Includes \$500,000 for additional classroom teachers and programming as determined by School Committee.**
- Funding for **2 additional police positions and \$220,000 restoration of Fire Department overtime budget.**
 - Overtime vital to staffing apparatus and stations.
- **\$250,000** restored to DPW budget for citywide sidewalk repair program.

Cautious Restoration

- Sunday hours restored to Thomas Crane Public Crane Public Library.
- Two Park Department laborers, a tree removal/planting program; and the summer jobs program partially restored.
- Despite additions, neither department is back to its pre-Recession budget.
- A “floating” clerk added to City Hall to assist various departments during high-volume periods.

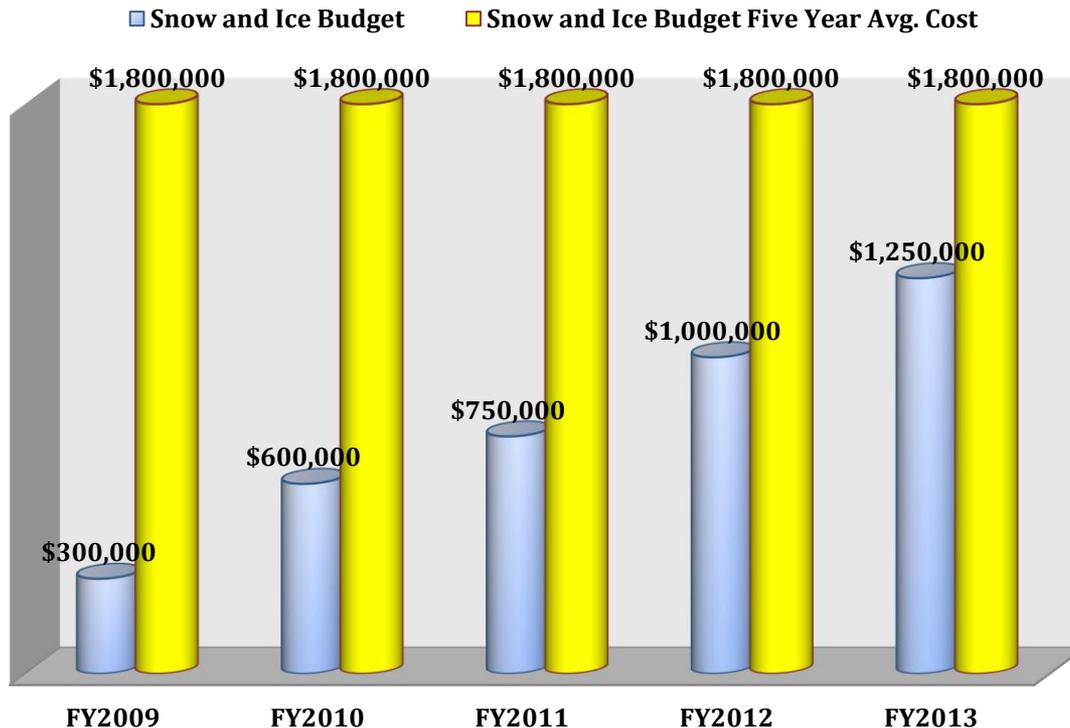
**Park Dept. and Library Budgets
FY2009 to FY2013**



Eliminating Deficits

- Continue to make progress eliminating structural deficits.
 - Critical to long-term financial health of the City.
 - Snow and Ice budget quadrupled over four years.
 - Getting close to average average annual cost of about \$1.8 million

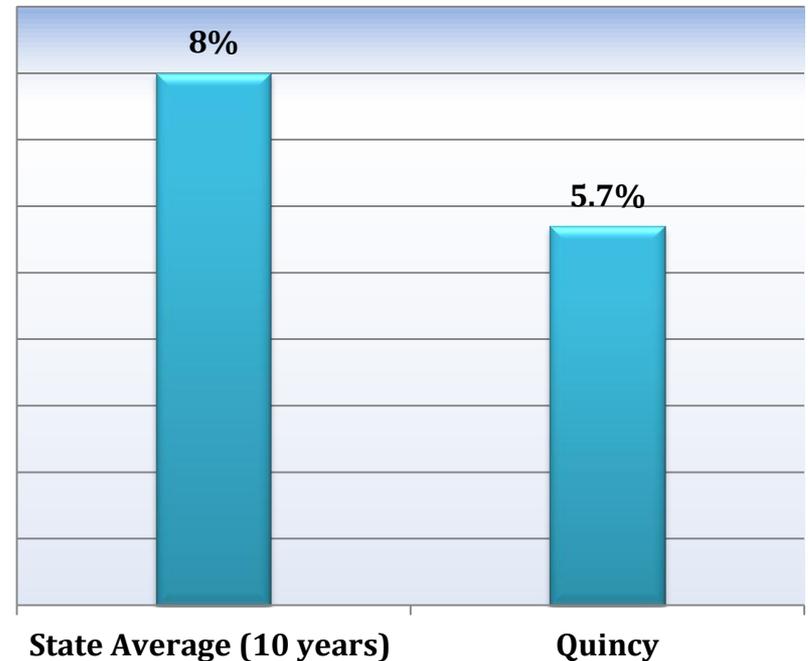
Snow and Ice Budget



Paying For Our Debt

- Appropriation of \$14.2 million in debt service, a \$1.2 million increase.
- Keeps City's total debt service between 5 and 6 percent of spending.
- Closer to 4 to 5 percent when all debt offsets are considered.
- Substantially lower debt factor than most cities and towns.

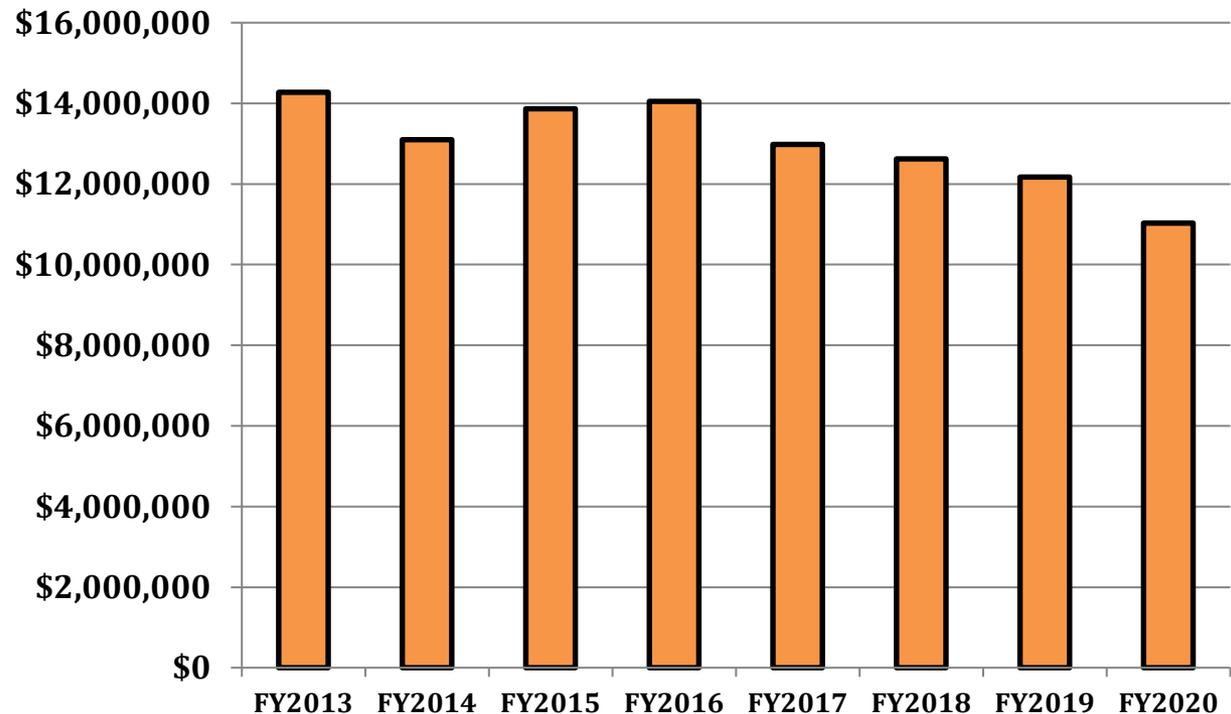
**Debt As A Percentage Of Spending
Statewide Average Vs. Quincy**



Paying For Our Debt

- Debt offsets, such as Hotel/Motel tax and Meals tax reduce burden on property taxes.
- As projects come off debt schedule, flexibility is created.
- Administration policy is to keep debt payments relatively level.
- Projections show substantial flexibility in years to come.

**Estimated Debt Payments
FY2013 to FY2020**



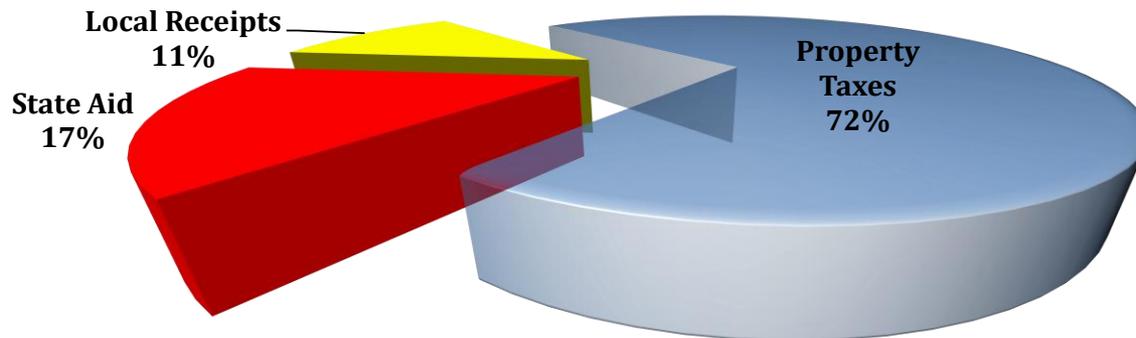
Sustainable Changes

- School/City Maintenance consolidation not included.
 - Council, School Committee vote first, followed by budget change if necessary.
 - No effect on bottom line either way, just operational.
- \$350,000 to create capital outlay account to pay for recurring capital expenses.
 - Police Cruisers, other fleet vehicles, for example.
- \$821,000 to reserve for appropriation for employee contracts when complete.
 - Nothing inferred by number, just a placeholder to prevent strain when contracts settled.
- Traffic and Parking to be consolidated into DPW.

Paying Our Way (Revenue)

- Three sources of revenue
 - Property Tax
 - State Aid
 - Local receipts (Motor Vehicle Excise Tax, etc.)
- Property Tax by far the largest source.
- State Aid is up modestly.
- Local receipts are stable.

FY2013 General Fund Revenue

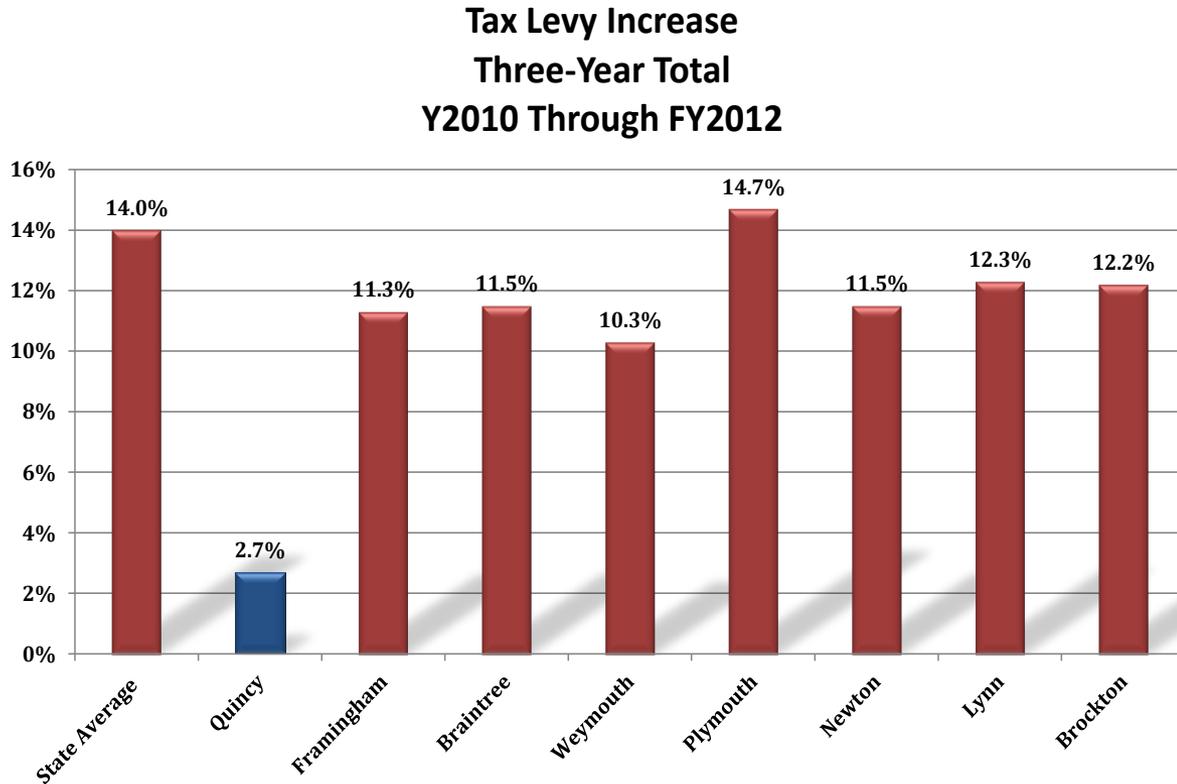


Property Taxes

- Budget proposal based on 2.5 percent increase in total tax levy to \$178 million, plus \$4.5 million estimated new growth.
- \$2 million of New Growth is due to Quincy Medical Center privatization.
- Continuing policy of tax growth substantially **under state averages and limits.**

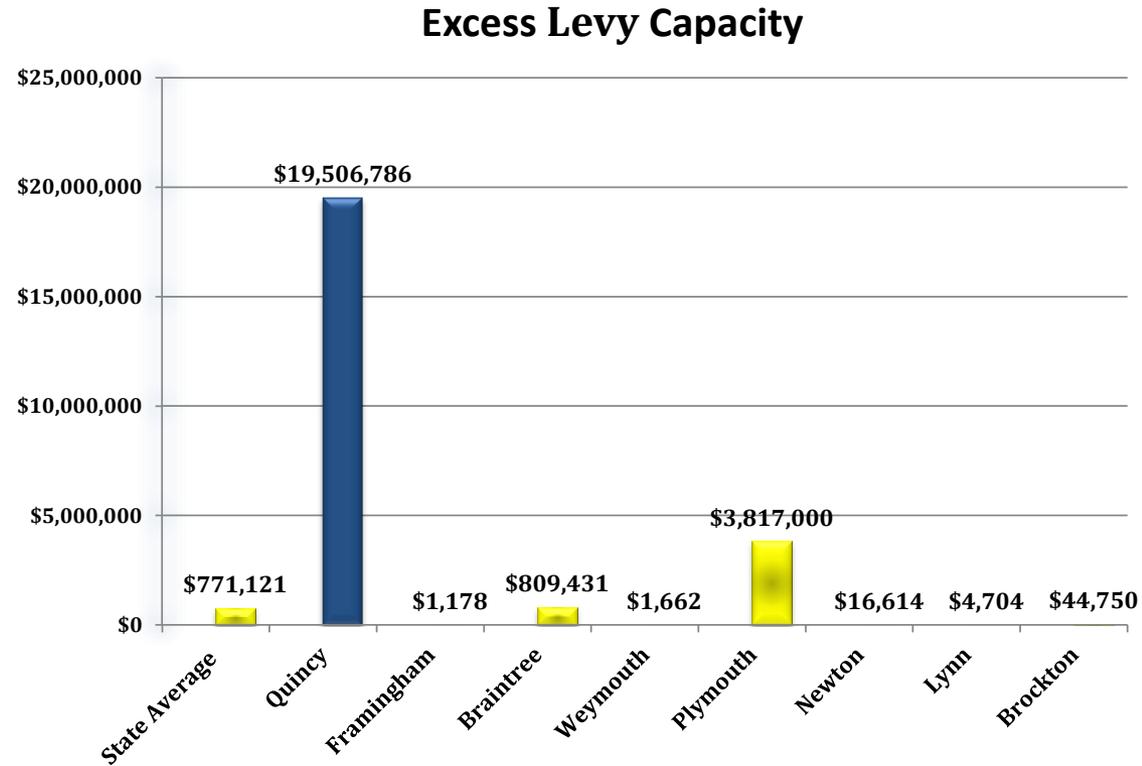
Quincy Vs. The Commonwealth

- Over three years, the statewide average tax levy increased **14 percent**.
- Quincy increased **2.7 percent**.
- Braintree, Weymouth, similar cities all over **10 percent increases**.



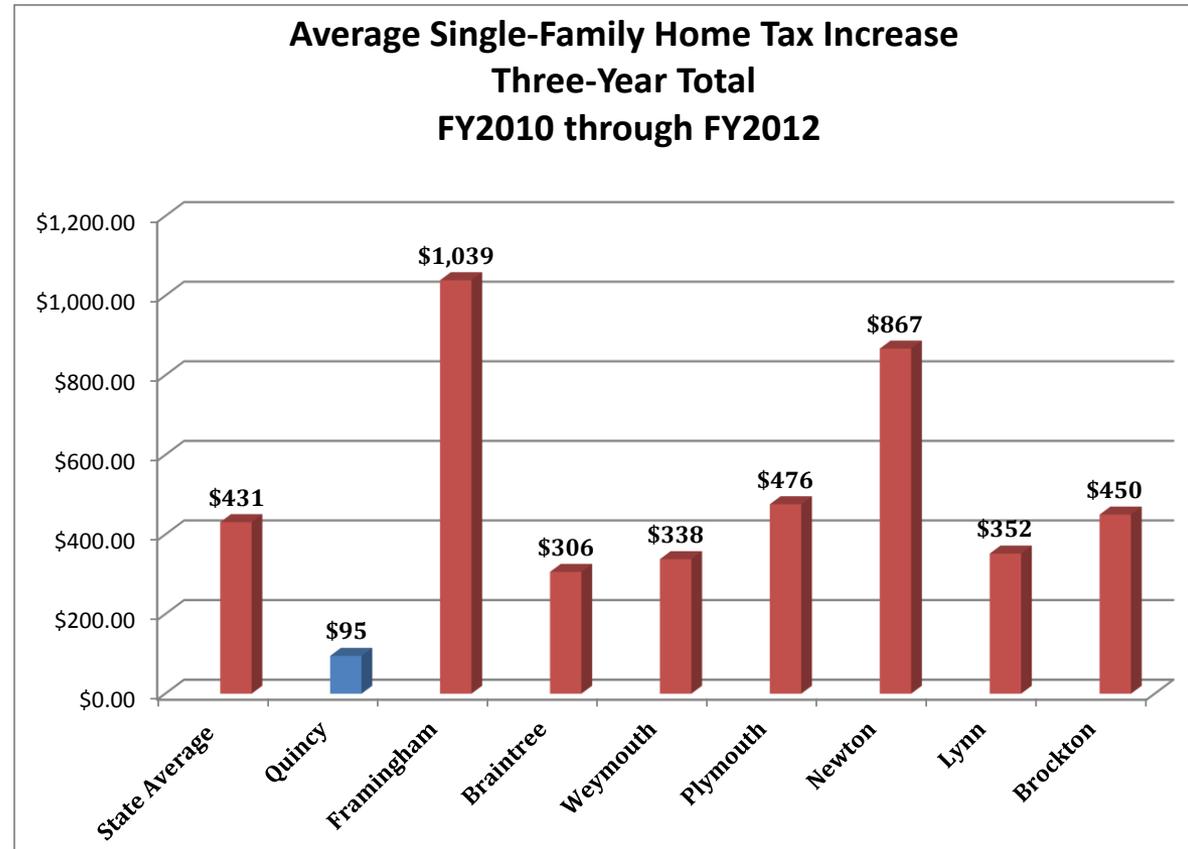
Lower Increases = Record Capacity

- City currently holds \$19.5 million in “excess levy capacity.”
- State average is \$771,000.
- Almost every city and town taxes to the legal limit every year.



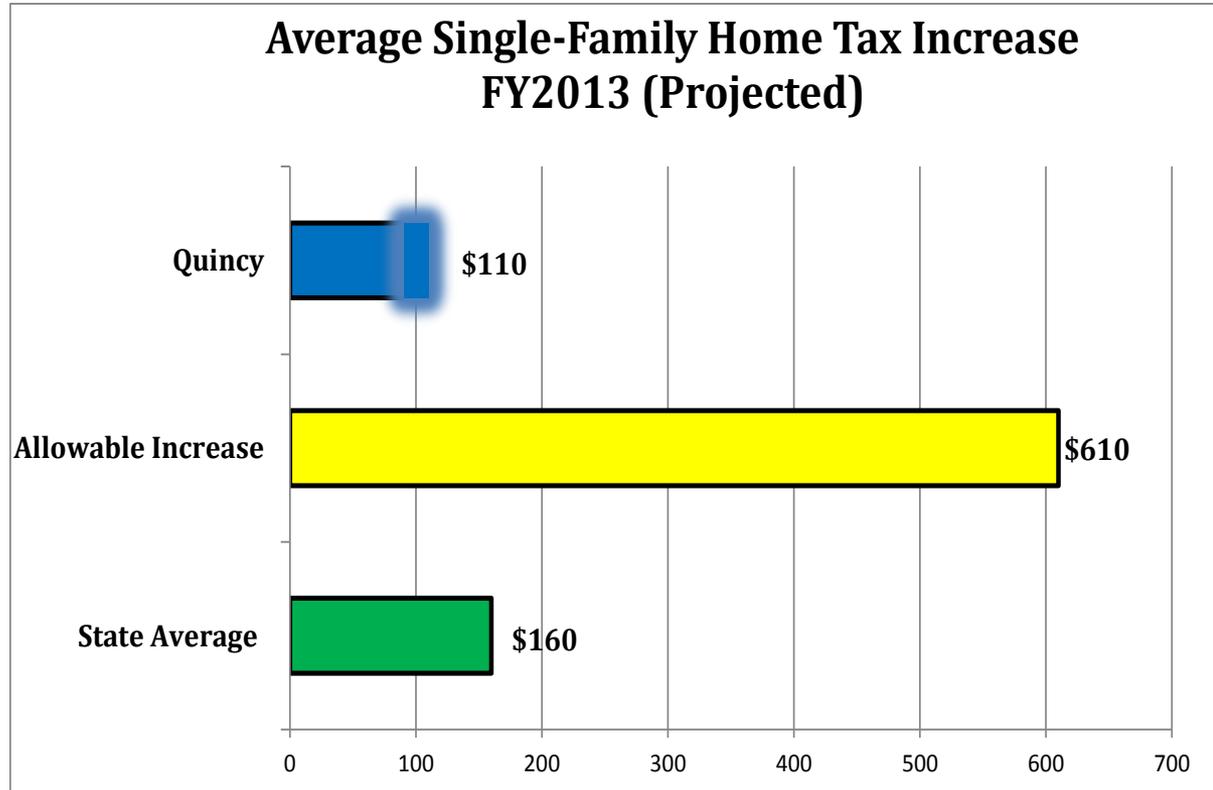
Lower Levy + Higher Capacity = Lower Bills

- Statewide, average single-family home tax bill has increased **\$431** in three years.
- In Quincy, increase was **\$95** over same time period.
- Over **\$600** less than allowed by law over that time period for homeowners.



FY2013 Tax Policy

- FY2013 policy will keep average single-family home tax bill increase to an **estimate of \$110**.
- Well below **state average of \$160**.
- More than **\$500 less** than allowable increase.



New Policies Addressing Long-Term Issues

- OPEB
- Increment Weather Reserve
- Stabilization

Administration “Free Cash” Policy:

- 20 percent to OPEB Reserve
- 10 Percent to Increment Weather Reserve
- 20 percent to Stabilization