

FINANCIAL NEWSLETTER

Town of Dedham, Massachusetts

OCTOBER 2017



How Dedham Utilizes Your Tax Dollars

We are committed to keeping you informed about Town services and finances. This newsletter provides an overview of the fiscal health of our community, based on the Finance & Warrant Committee's budget recommendations as approved at Town Meeting in May 2017, and the most current reports available from the state's Division of Local Services, www.mass.gov/dor/local-officials/.

To review detailed, audited financial statements, see the Comprehensive Annual Financial Report, which will be published in December 2017. View reports for past fiscal years at www.dedham-ma.gov/financials.

Each year the Board of Selectmen and Town Manager carefully consider how to best balance the need for continuing investments in education, public safety, infrastructure, and other services with the ability of property owners to pay taxes. We hope you find this newsletter useful, and we welcome your suggestions and questions about how Dedham utilizes your tax dollars.

Board of Selectmen:

Dennis Teehan Jr., M.D., Chairman; James MacDonald, Vice Chairman;
Michael Butler; Dennis Guilfoyle; Brendan Keogh

Town Manager: James A. Kern

In This Report

This newsletter provides a snapshot of the Town's basic financial information.

Page 2: Dedham's revenues and expenditures for Fiscal Years 2017 and 2018.

Page 3: Dedham's average single-family tax bill and tax rate compared with similar-sized communities.

Page 4: Updates on roads, sidewalks, sewers, and building projects.

About the Town of Dedham

Incorporated in 1636, Dedham serves as the seat of Norfolk County. The town covers 10.6 square miles and is home to 25,000 residents and 900 businesses, which employ some 15,000 workers. The Town is governed by the Town Charter. A popularly elected 5-member Board of Selectmen establishes policy and appoints and evaluates a Town Manager to oversee daily operations. Dedham's legislative body is a representative Town Meeting of 273 residents—39 residents elected from each of seven voting districts. Town elections are held in April. Town Meeting convenes in May and November. Town Meeting votes the annual budget.

The Town takes a conservative approach to budgeting. In 2013, Dedham first earned the highest credit rating available (AAA) and has affirmed that rating each year since. The Town has funded its employee pension plan at more than 90%, one of the strongest financial positions in the state.

Dedham Senior Center members on a recent outing



Activities at the Dolan Recreation Center



To receive timely Town information by email, sign up at www.dedham-ma.gov/subscribe.

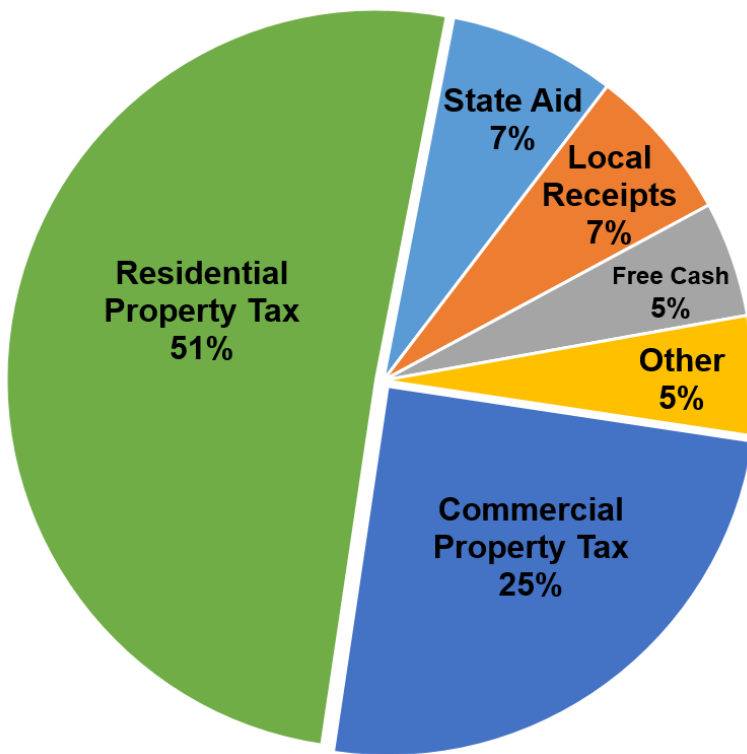
How Funds Are Raised, and How They Are Spent

FY2017 & FY2018 Budget

The summary provided below demonstrates the year-to-year changes between the FY2017 and FY2018 budgets.

| | FY2017 Budget | FY2018 Budget | FY2018- FY2017 | % Chg |
|-------------------------------|--------------------------|--------------------------|---------------------------|------------------|
| Sources | | | | |
| State Aid | 7,988,566 | 8,154,617 | 166,051 | 2% |
| Local Receipts for Operations | 7,675,559 | 7,568,000 | (107,559) | -1% |
| Free Cash (for All Uses) | 16,444,205 | 11,440,340 | (5,003,865) | -30% |
| Residential Tax Levy | 54,766,789 | 56,625,774 | 1,858,985 | 3% |
| Commercial Tax Levy | 27,343,595 | 27,890,307 | 546,712 | 2% |
| Total Sources | 114,218,714 | 111,679,038 | (2,539,676) | -2% |
| Uses | | | | |
| Education | 41,264,901 | 42,789,326 | 1,524,425 | 4% |
| Town Government | 16,776,270 | 17,649,954 | 873,684 | 5% |
| Public Safety | 12,830,117 | 12,987,507 | 157,390 | 1% |
| Employee Benefits | 24,957,374 | 21,274,470 | (3,682,904) | -15% |
| Debt Service | 9,423,555 | 10,234,981 | 811,426 | 9% |
| Capital & Other | 8,966,497 | 6,742,800 | (2,223,697) | -25% |
| Total Uses | 114,218,714 | 111,679,038 | (2,539,676) | -2% |

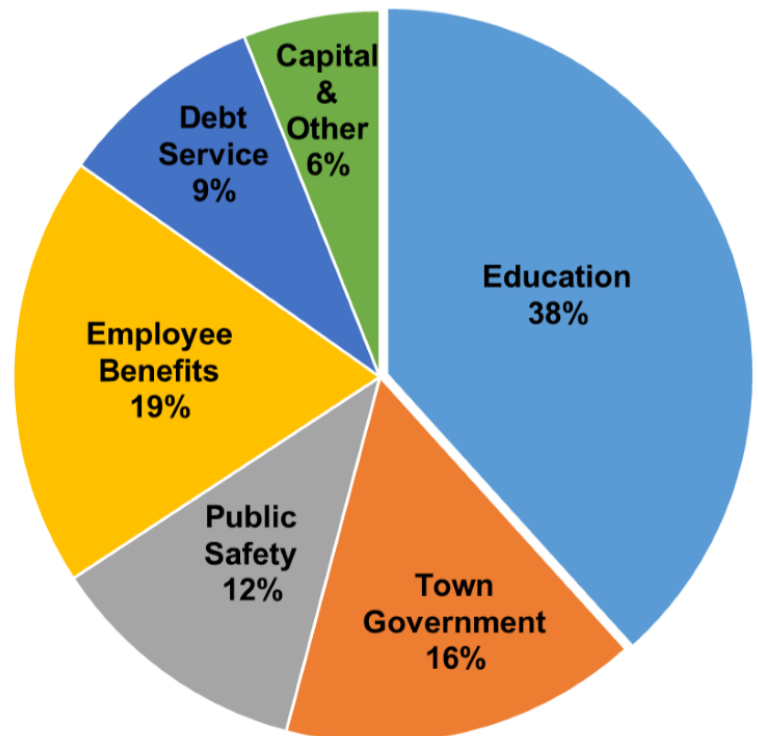
FY2018 Projected Revenues



Property tax is the primary source of revenue for Massachusetts cities and towns, and accounts for 76% of the revenue Dedham uses to pay for the high level of services it provides. The local receipts category includes revenues from motor vehicle excise, local permits, and license fees.

FY2018 Projected Expenses

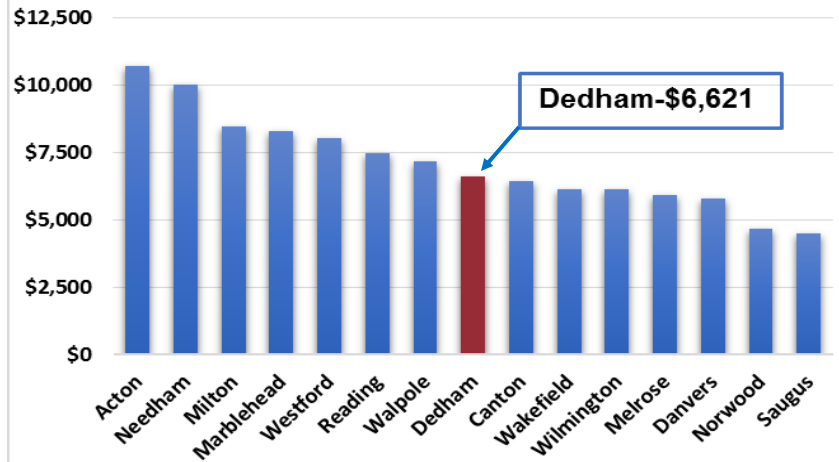
For a detailed breakdown of Town expenditures, please see the Comprehensive Annual Financial Report (CAFR), www.dedham-ma.gov/financials.



How Dedham Compares to Other Communities

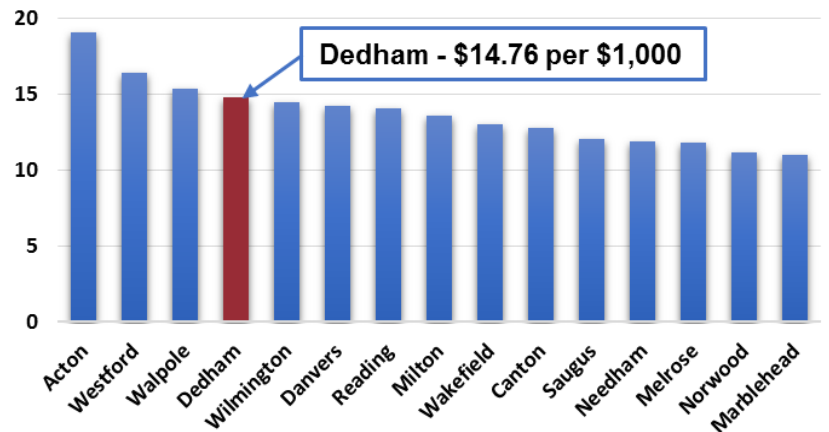
The average property tax bill provides a good comparison of the tax burden on homeowners in different communities. To create this graph, we multiplied the average home value in each community by that community's residential property tax rate. The average property tax bill for Dedham homeowners was the 73rd highest in the state in FY2016, down from 64th highest in 2014, reflecting the Town's efforts to mitigate property tax increases.

Average Residential Tax Bill FY2017
Towns With Population 20,000 to 30,000



Of the 351 municipalities in the state, Dedham's FY2017 residential tax rate of \$14.76 per \$1,000 is 202nd highest. Dedham's FY2017 commercial, industrial, and personal property tax rate of \$31.36 (not graphed) is 24th highest in Massachusetts.

Residential Tax Rate FY2017
Towns With Population 20,000 to 30,000



Top 10 Dedham Taxpayers (FY2017)

| | |
|--|-------------|
| Legacy Place (retail center) | \$3,178,088 |
| Dedham Mall (retail center) | \$1,936,003 |
| Hebrew Senior Life | \$1,254,600 |
| Dedham Plaza (retail center) | \$1,079,138 |
| 180 Rustcraft Road (office) | \$1,023,951 |
| National Amusements (cinema) | \$875,603 |
| Pearl Realty Trust (Best Buy, BJs) | \$751,906 |
| Jefferson at Dedham Station (apartments) | \$727,889 |
| Avalon Station (apartments) | \$719,569 |
| Eversource (utility equipment) | \$686,239 |

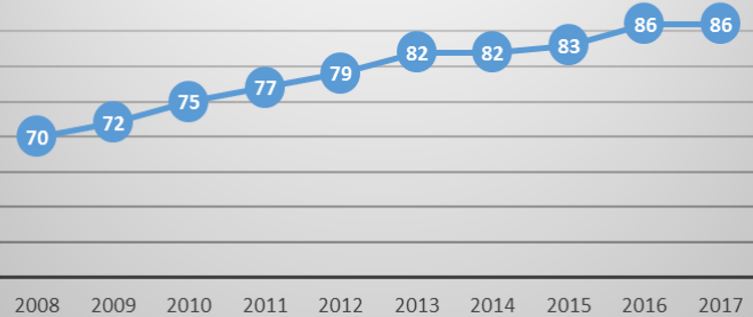


Investing in Infrastructure

Roads

Dedham has made significant investments in roads since adopting a Pavement Management Program in 2007. The Town has invested \$12.7 million in addition to \$6.9 million from the state—a total of \$19.6 million—in improvements in that time. The condition of the 80 miles of public roads is measured by a Pavement Condition Index (PCI) (graph at right). Dedham committed to reversing years of underinvestment with a goal of maintaining the PCI in the low 80s. Over 30 miles have been rehabilitated through reclamation, 11 miles milled and overlaid or overlaid, and 52 miles received preventive or routine maintenance. Having reached the goal, we can reduce our annual expenditures and still maintain the PCI at an acceptable level.

Pavement Condition Index (PCI) by Fiscal Year

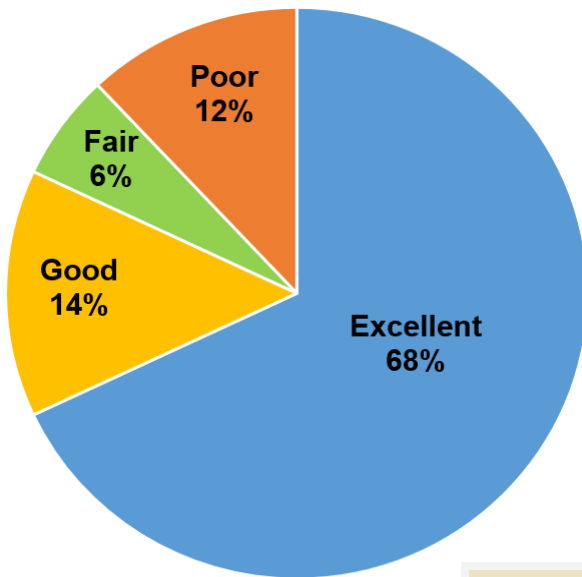


Sidewalks

Dedham maintains 87 miles of sidewalks. Since 2007, the Town has invested \$4 million to rebuild 29 miles of sidewalk. Currently, 82% of sidewalks are in Excellent or Good condition as shown below. As roads are repaved, the town rebuilds sidewalks where appropriate.

Sidewalk Condition Index (SCI)

Percentage based on total miles of Public Way Sidewalks



Sewers

Dedham has about 95 miles of sewer mains. Since 2008, \$14.6 million of town and state funds have been invested in refurbishing sewers, which has dramatically reduced costly storm water inflow and infiltration. This reduction is the main reason sewer rates have not increased since 2007.

Buildings

The new Early Childhood Education Center under construction at 1100 High Street will be complete in early 2019. The Massachusetts School Building Authority is paying \$10.8 million of the budgeted \$29.8 million cost. The Town pays \$19 million.

The former Ames Schoolhouse Office Building in Dedham Square was purchased by the Town in 2015 for \$5.85 million. It is being renovated and will become the new home of the Town Hall and Senior Center in late 2017. Renovations cost \$17.7 million.

In the Spotlight



College Bound Students volunteer at local farm

2017 marks the 6th year of the College Bound Program which enrolled 26 students through the Dedham Youth Commission. The goal of Dedham's 3-week summer College Bound Program is to excite students about college, expose them to various careers, encourage them to lead healthy lives and become leaders in their communities.