



# **STM-Finance Committee Presentation**

## **Article 1**



# FY23 Status / FY24 Preview

- FY23 Projection
  - Strong operating reserves of \$21M or 15%
  
- FY24 Budget
  - \$149M total budget
  - No Free Cash needed



# Revenue Summary

- Finance Committee proposes FY24 revenue of \$149,894,244
  - Increase of 1.4% vs FY23 budget
  - Increase of 6.1% over FY22 Actual
- New Growth Revenue
  - estimated at \$1M (23% lower than FY23 estimate )
- State Aid at \$12.2M (2.2% above FY23)
- Local Receipts at \$10.4M (13.5% growth from FY23)
  - based on higher Transfer Station Fees



# FY24 Budget Summary

## **EXPENSE:**

Category	FY24 Budget	\$ Var to FY23	% Var to FY23
Education	\$63,582K	\$2,270K	3.7%
Municipal	\$32,315K	\$1,421K	4.6%
Undistributed	\$24,931K	\$448K	1.8%
Non-Appropriated	\$1,215K	\$50K	4.3%
<b>TOTAL*</b>	<b>\$121,943K</b>	<b>\$4,089K</b>	<b>3.5%</b>

*\*Excludes Capital / Enterprise Fund / Revolving Fund Expenditures.*

## **TAX REVENUE:**

Total Tax Revenue	\$121,362K	\$6,099K	5.3%
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# Changes to Town Manager's FY23 Budget



Description	FY24 Variance	Comment
Finance Committee	(\$1,000)	Much appreciation to the TM's staff for printing the budget book
Collector/Treasurer	(\$22,000)	Financial Analyst position recommended as a temp until an IT study is completed
Planning Board	(\$52,500)	\$17.5K due to an error in the original budget, \$35k general professional services request deferred while new Town Planner comes on board and assesses specific needs
Information Technology	\$5,105	Updated license and maintenance contract costs
Police Department	(\$134,426)	Correction of two senior Lieutenant specialist positions
Snow and Ice	\$100,000	Updated expenses based on historical trend
Schools	(\$251,606)	Based on updated school information, includes retirements
Vocational School	(\$42,030)	Updated Northeast Metro Debt Service
Energy	(\$27,440)	Lower negotiated rates
Funded Debt	(\$84,750)	Lower than expected interest and AHT is funding \$64K
Interest on Funded Debt	(\$55,169)	Lower than expected interest
State Assessments	(\$73,762)	Updated state data 4/17/23
Cherry Sheet Offsets (non General Fund State Aid)	\$407	Updated state data 4/17/23
Water & Sewer	\$14,365	Update MWRA Deb Service
<b>TOTAL</b>	<b>(\$624,806)</b>	

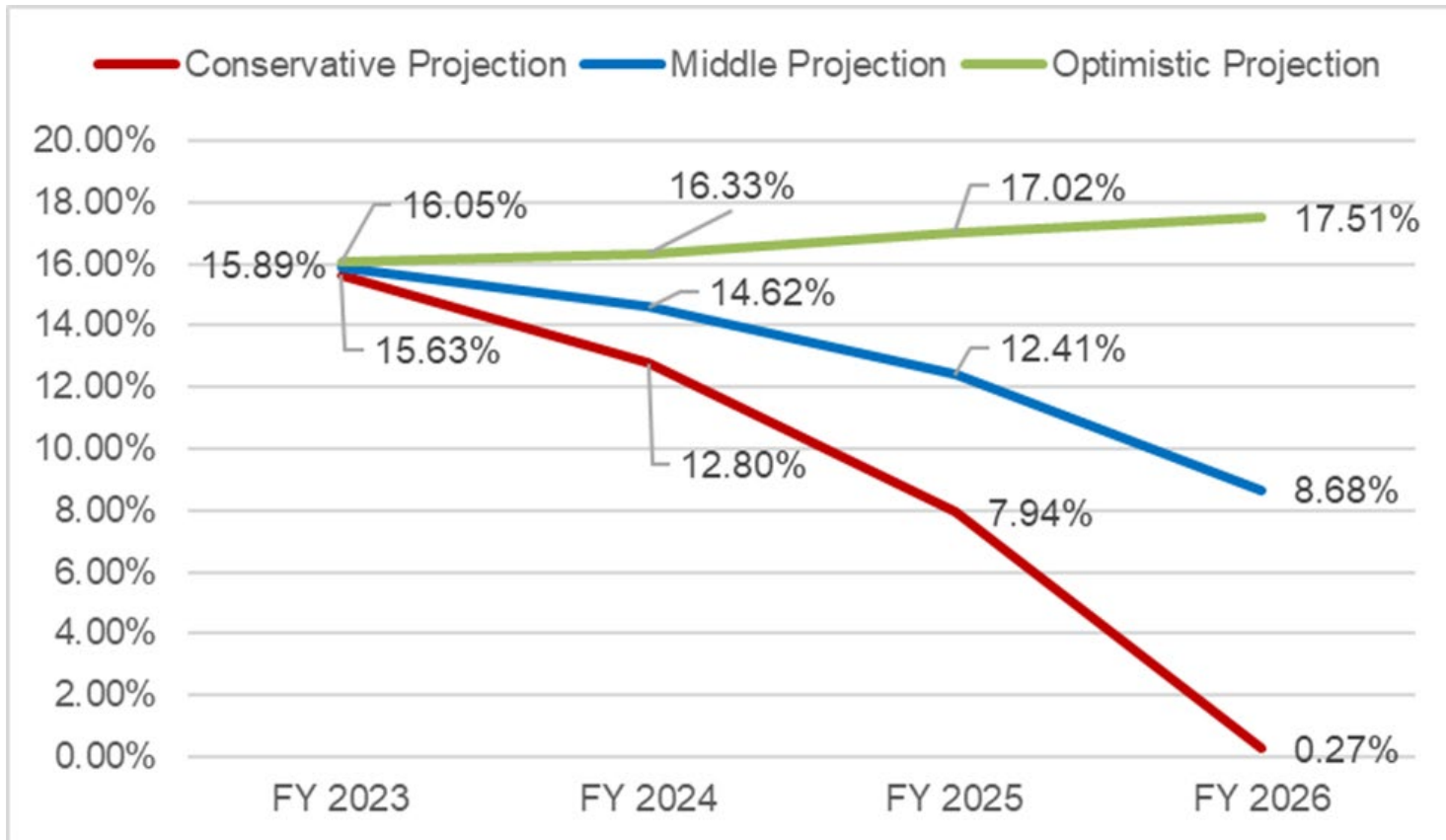


# Three-Year Plan Assumptions

- Revenue/Capital, Education, Health Insurance and General Government/municipal department spending grows in line with historical trends (generally the average of the previous 9 years of actual spending variations from yoy). Where not set otherwise due to legal requirements/previously established policy, the optimistic and conservative scenarios were guided by the highest and lowest values of a 3 year moving average of year to year changes.
- Steps, columns and unallocated wage reserves are funded
- Contributory Retirement funding is based on the most recent actuarial funding schedule
- All motions relying on free cash pass at the 2023 Spring Town Meeting. Future free cash spending at Fall and Spring Town meetings is either
  - flat at the FY14-FY23 historical average of 1.7 million;
  - represents approximately 1.2% of the total revenue as averaged as a fraction over the same period;
  - increases by 200,000 per year from 1.7 million in FY24 as derived from a trendline over the same period for the a) optimistic; b) middle; c) pessimistic scenarios, respectively.
- Turnbacks occur at 1.2%, 1.4% and 1.6% of total revenue, guided by the 25th, 50th and 75th percentile of actual turnbacks in FY14-FY22. The anticipated \$900k turnback from the Health Insurance Savings is not included in these projections as the Town Manager's recommendation is transfer this amount to the Health Insurance Stabilization Fund at FTM 2023.
- One-time additional permitting income from the large Waterfield and Washington/Swanton projects is assumed to come in the FY24-FY26 time period.

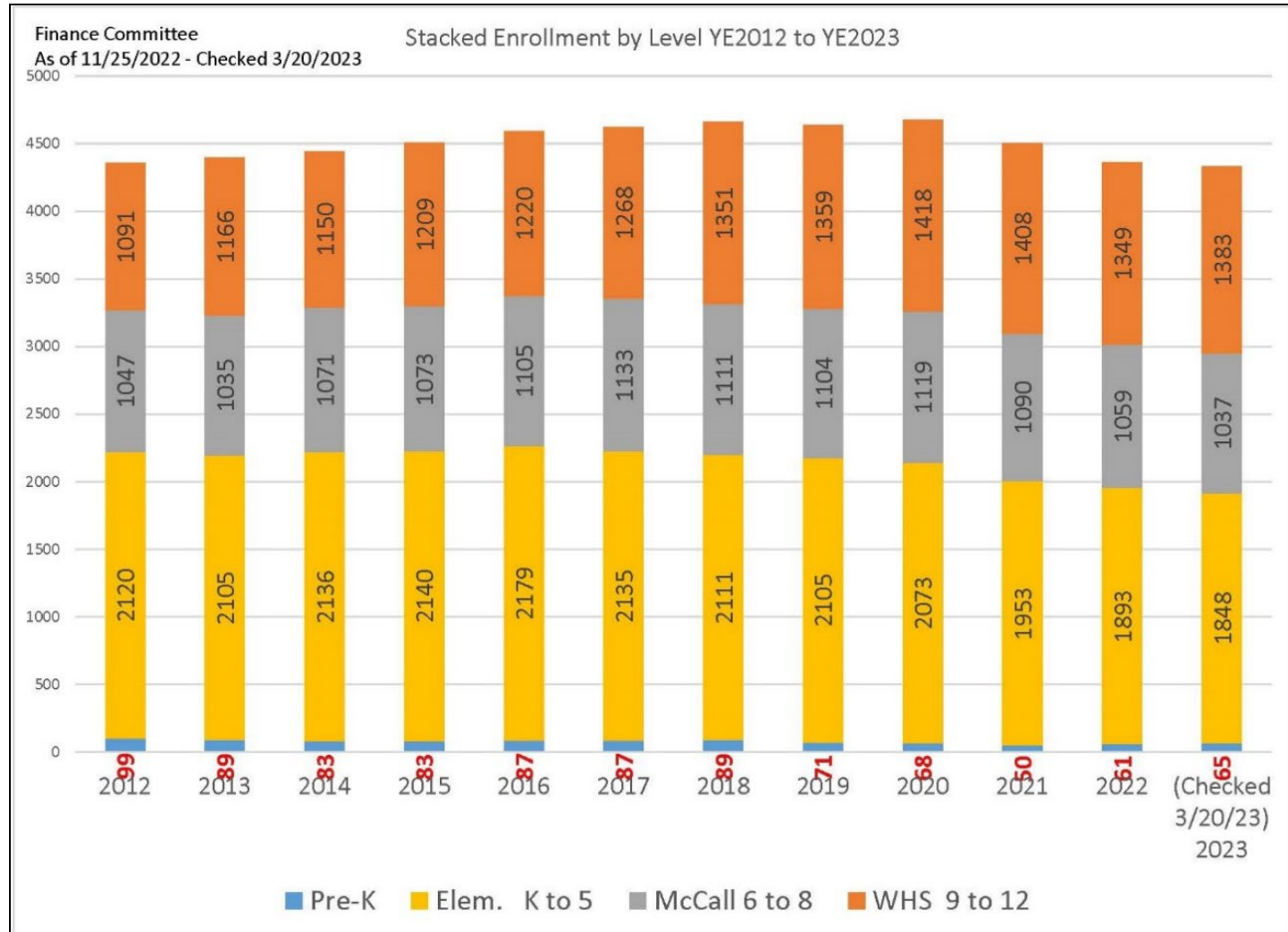


# Operating Reserves Projection





# School Enrollment







# Finance Committee Members

My Linh Truong, Chair  
Hafiz Adamjee  
Megan Blackwell  
Jeffrey Calabrese  
Stefan Carp  
Ioannis Evrigenis  
Lauren Herrmann

John Miller, Vice Chair  
Kathryn Hughes  
Patrick Matteson  
Enzo Rascionato  
Derek Ross  
Nicole Soto  
Brian Vernaglia