



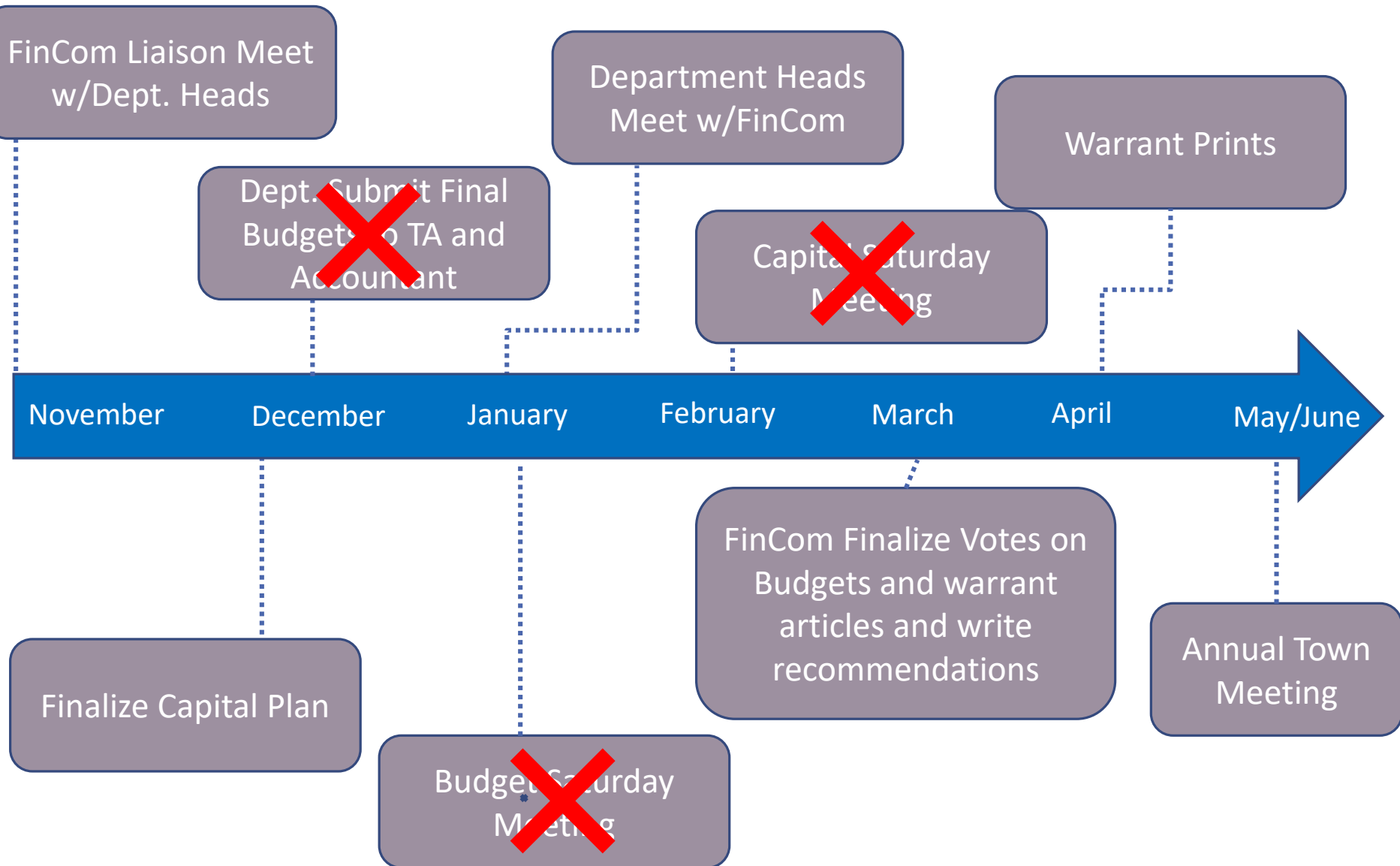
Finance Committee

ANNUAL TOWN MEETING REPORT – MAY 9, 2022

Goals of the Finance Committee

- **Minimize budget increases**
- **Manage the operating budget based on previous approved ATM warrant articles**
- **Proposed increased services through warrant**
- **Plan Capital**
- **Manage long-term debt**
- **Address unfunded retiree benefits (OPEB)**

Typical Finance Committee Process



Factors that impacted the budgeting process

- **Town Accountant with no municipal experience, limited involvement in budgeting process, no support for FinCom**
- **Interim Town Administrator reallocated line items in the Town Hall budgets**
- **Worked directly with Department Heads to create budgets**
- **Department Heads began presenting budgets to FinCom on January 4th.**
- **Last 4 department budgets provided on March 28, just 1 day before our deadline to vote total budget (Article 5)**

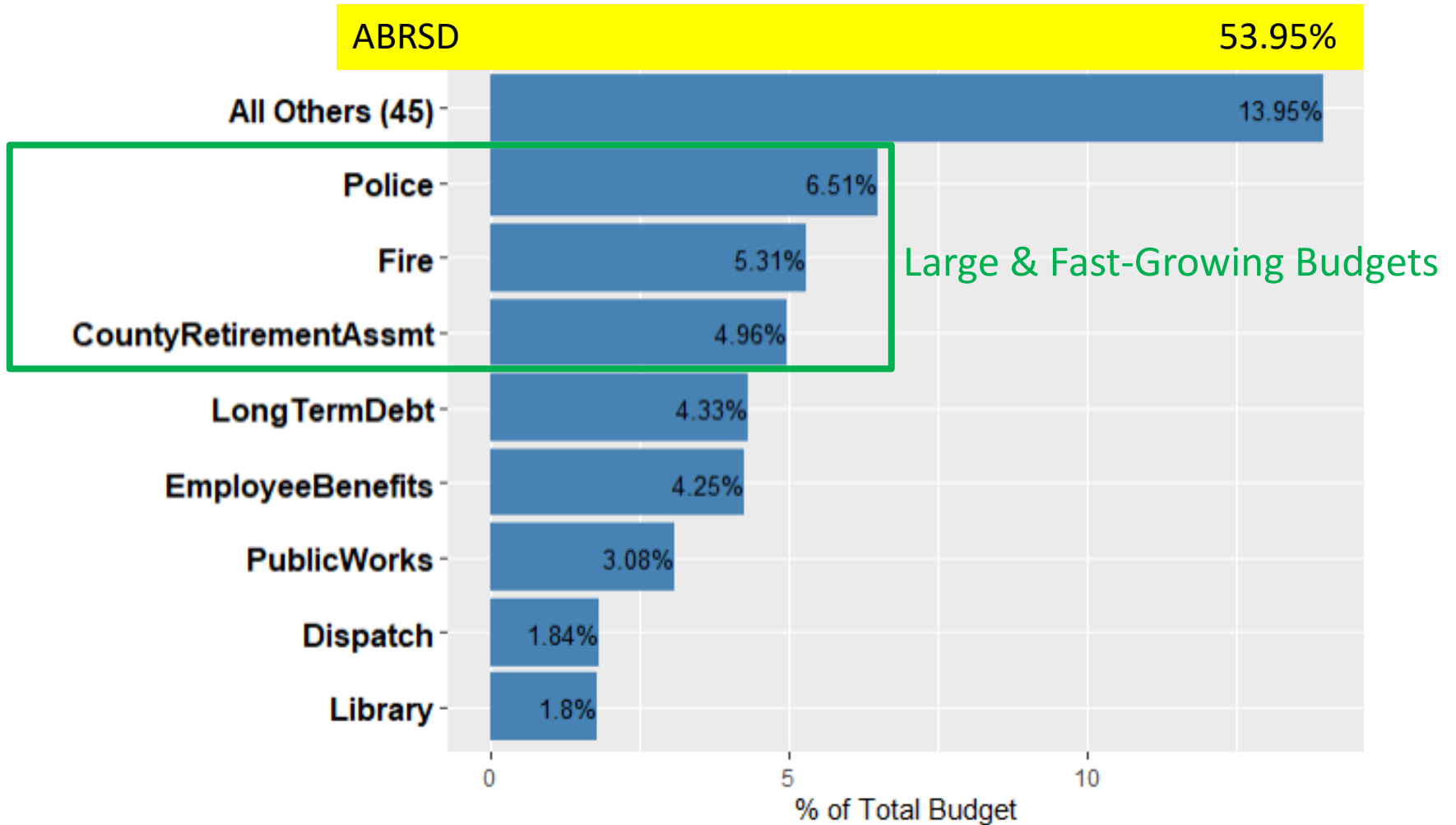
This year's budget process

- **Continued to look for additional savings over the last 6 weeks.**
- **Confidence in FY23 budget, possible inconsistencies in FY22 budget**
- **Recommend using \$600,000 from Free Cash to reduce the tax burden**

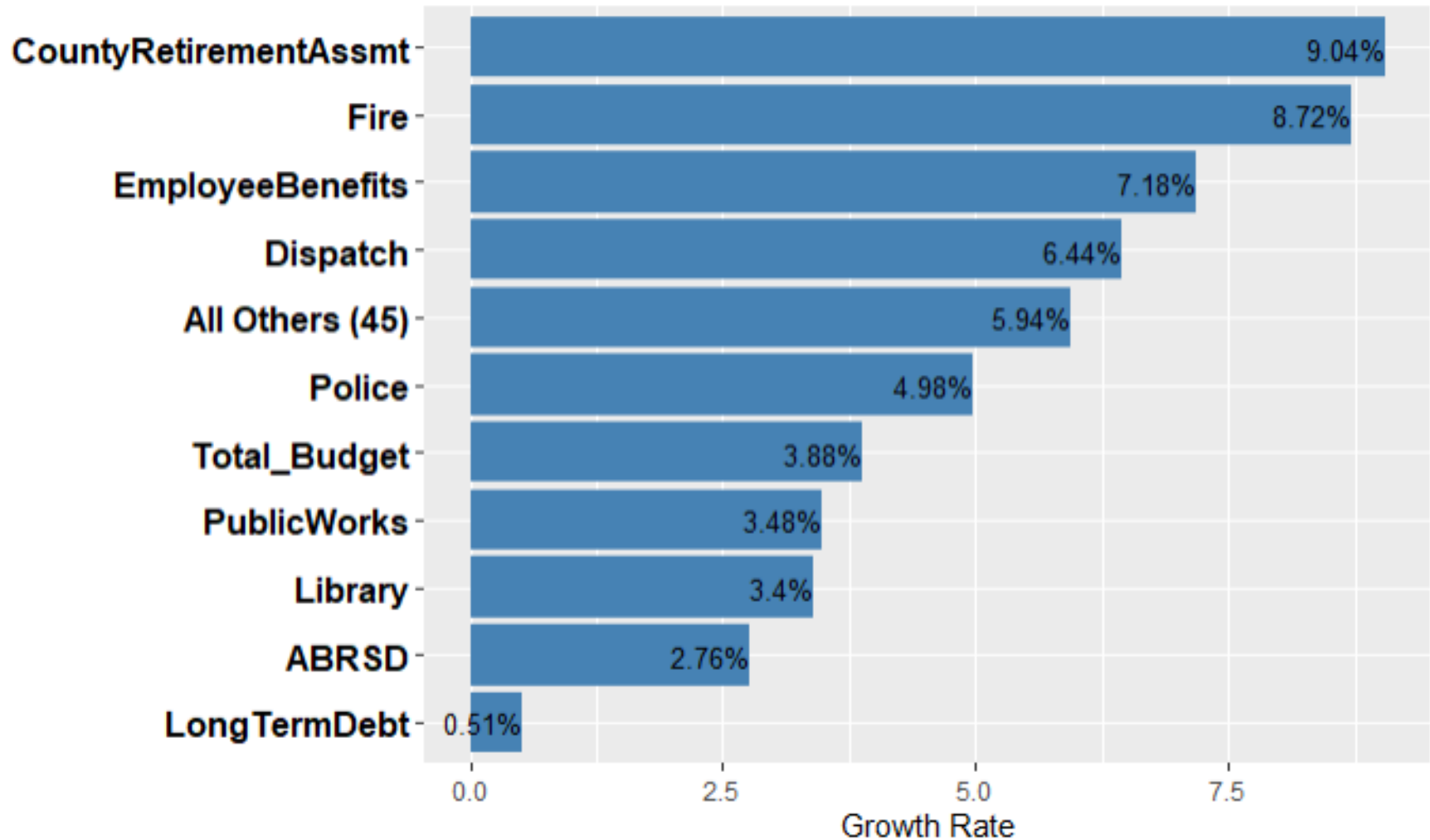
Budget cuts since the warrant was printed

Department	Amount cut	Salaries/Expense s
Town Hall	\$5,000	Expenses
Landscaping	\$10,000	Expenses
Police	\$10,500	Expenses
Fire	\$10,000	Salaries
Vocational Schools	\$39,432	Expenses
DPW	\$10,000	Expenses
Fuel	\$20,000	Expenses
Library	\$5,050	Expenses
Total		\$109,982

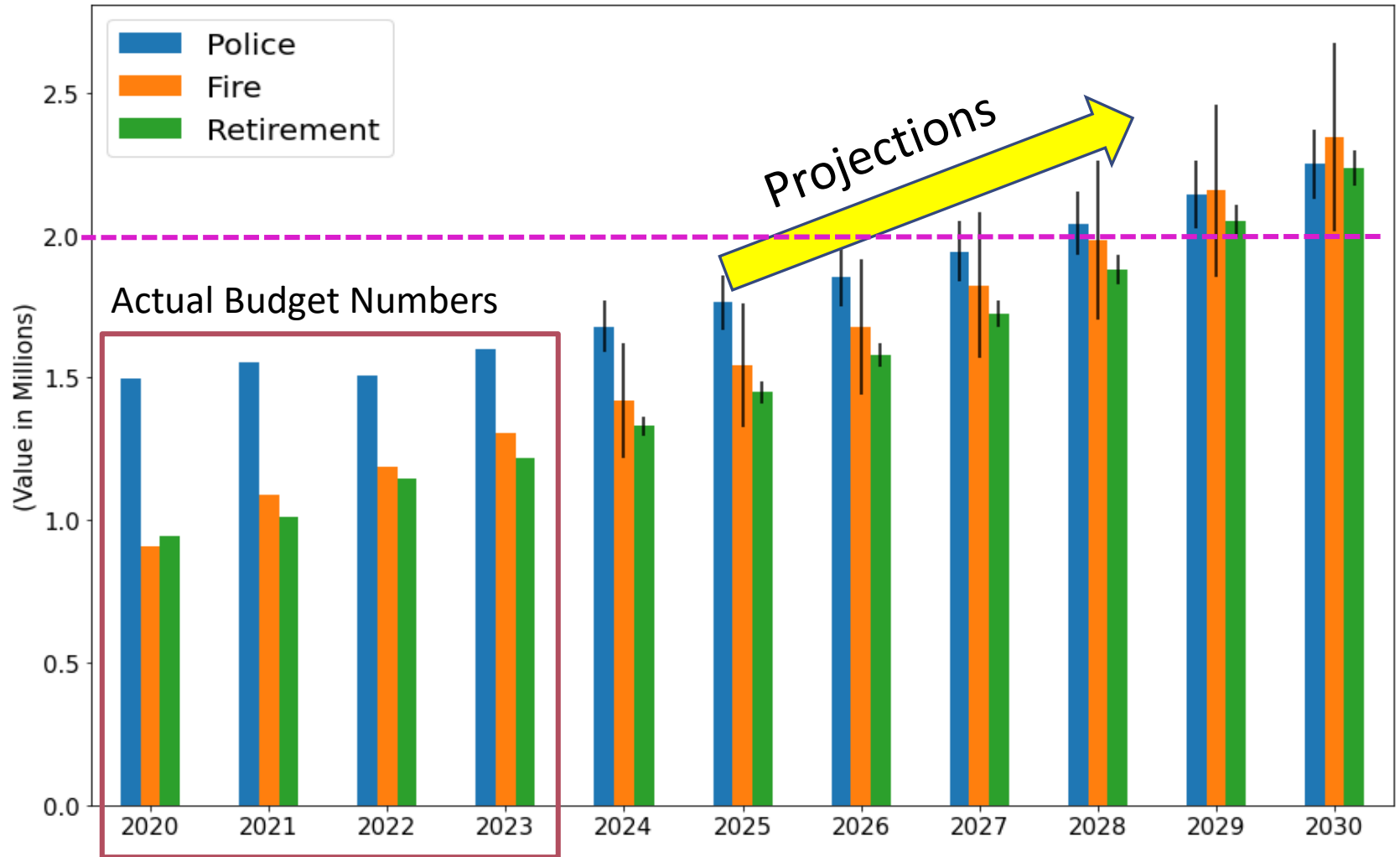
Components of the 2023 Budget



Avg 5-year (FY19-23) Growth of Dept Budgets

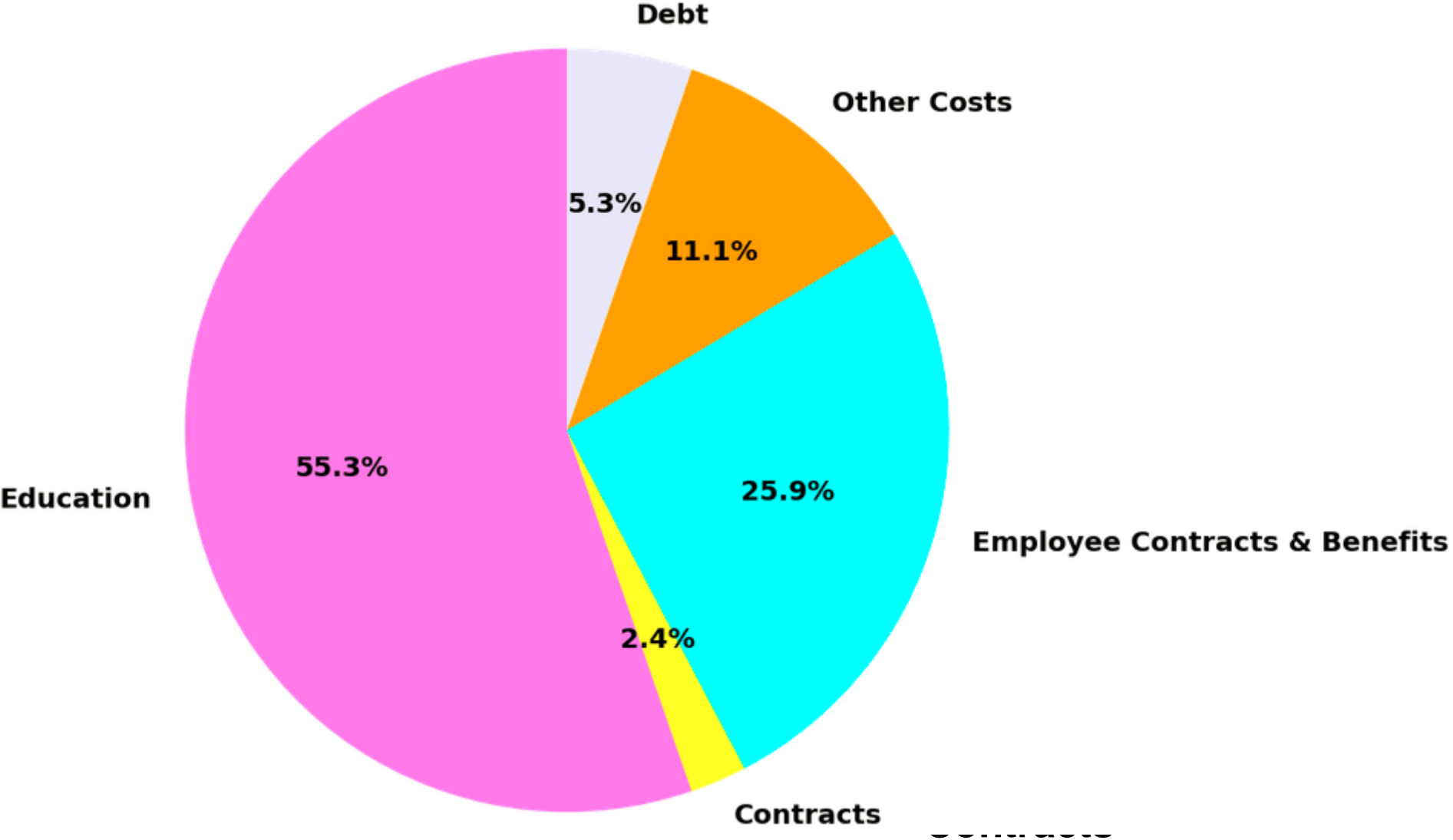


Projected Growth of Fire, Police, Retirement Assmt



These 3 budgets will total ~**6M** in **5 years** from the current ~4M (**50% increase**)

Budget Impacts



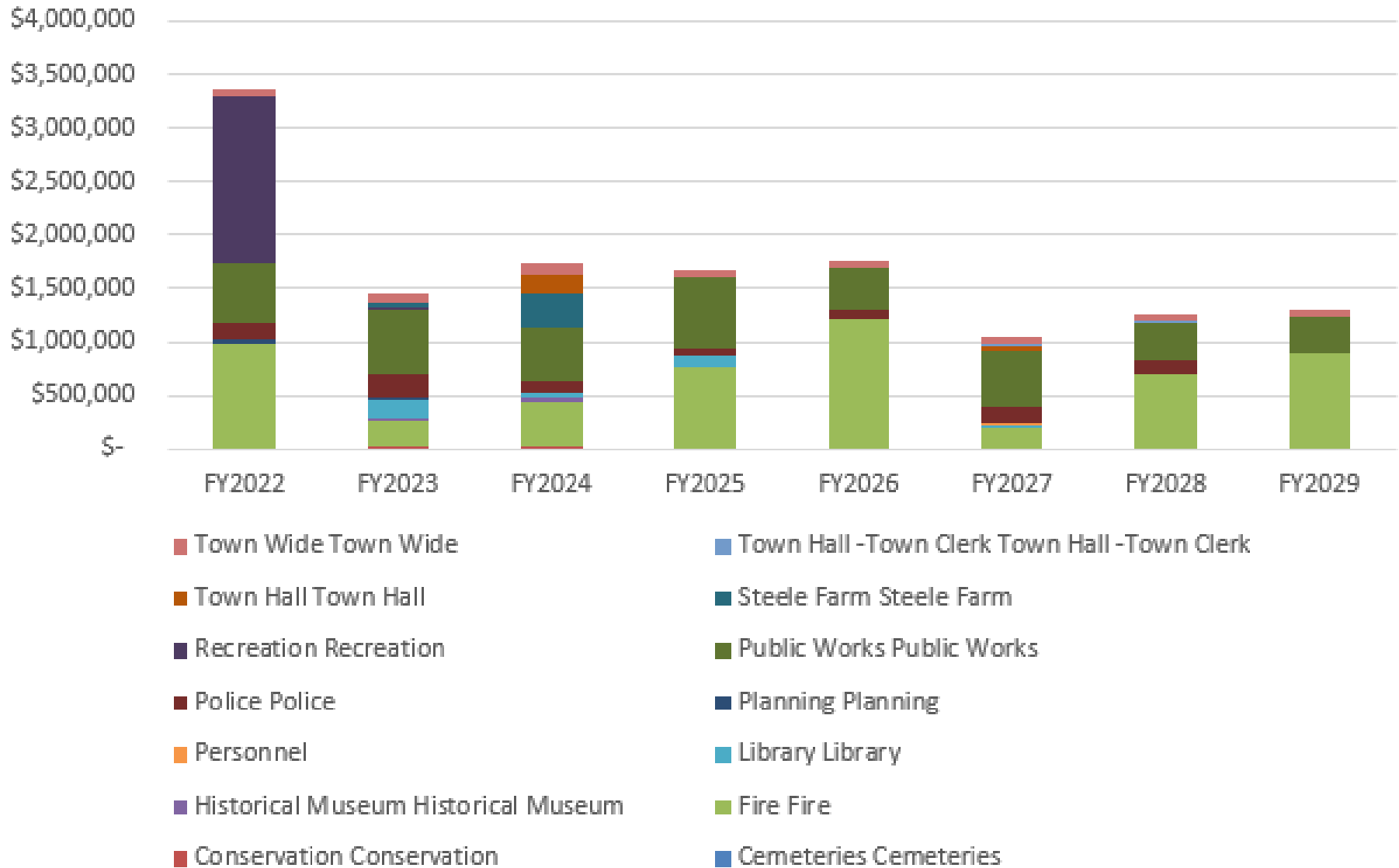
Budget Impacts

Budget item	FY23	FY22	% of budget	\$ difference	% difference
School assessment	\$13.6M	\$13.1M	55.3%	\$534,149	4.1%
Debt service	\$1.29M	\$1.09M	5.3%	\$200,000	16%
Employee Contracts + benefits	\$6.36M	\$5.35M	25.9%	\$1.01M	16%
Other Contracts	\$.59M	\$2.06M	2.4%	-1.47M	-244%
Total budget per warrant	\$24.46M	\$23.16M	100%	\$1.41M	5.1%
Non-assessments	\$2.7M	\$1.58M	11.1%	\$1.12M	41%

Financial Overview - Fiscal Year 2023 Budget Overview

	FY 2023	FY 2022	% Change
Expenditures			
Operating Budget	\$24,461,365	\$23,265,585	5.1%
Warrant Articles (ATM)	\$2,373,431	\$3,918,728	-39.4%
Total Expenditures	\$26,834,796	\$27,184,313	-1.28%
Revenues			
Tax Levy	\$22,118,974	\$21,808,853	1.42%
Local Receipts/State Aid/Other	\$3,740,822	\$2,790,460	34.0%
New Borrowing	\$975,000	\$2,585,000	-62.2%
Total Revenue	\$26,834,796	\$27,184,313	-1.28%

Financial Overview - 7 Year Total Capital Forecast



Revenue

1. Taxes

- Property taxes (residential & commercial)
- Excise taxes
- Personal Property tax

2. State Funding

- Education
- Chapter 90 funding for roads

3. Local Fees

- Meal taxes
- Building inspection fees

Abatements

- MA law allows taxpayers to dispute their tax assessments
- If an abatement is approved, settled or mandated by ATB, the property value is adjusted
- Overlay account in the Town budget covers these abatements, for the first year only

Cost of Abatements

In addition to the Budget the Tax Rate includes money to cover the cost of Abatements

Fiscal Year	2017	2018	2019	2020	2021	2022
Abatements	\$53K	\$228K	\$228K	\$285K	\$292K	\$51K YTD

*The Regency has filed for an abatement, but at the time of submitting the presentation we did not know the amount.

Commercial Revenue Outlook is looking brighter

- Redevelopment of existing Commercial Property
- Sale of 1414 Mass Ave for \$76M, Increased assessment of land value from \$18M to \$36M at 1414 Mass Ave.
- Additional tax revenues as vacant buildings and commercial properties are repurposed

Financial Summary - Continued

FY2022 Average actual Single
Family Home Valuation = \$656,571

FY2023 Average Single
Family Home estimated
Valuation (LY plus 3%) = **\$676,268**

FY2022 Average Actual
Single Family Tax Bill = \$11,437

FY2023 Average Estimated
Single Family Tax Bill = **\$11,558**
Est. tax rate=17.09



Thank You
