



# Finance Committee

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ANNUAL TOWN MEETING REPORT – 2023



## Finance Committee (FinCom)

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- Appointed by Moderator
- Works with Select Board and Town Management
- Management of Town finances
- Development of a balanced annual budget
- Liaison with other committees and schools
- Ensuring funding for service needs for the Town
  - Spending
  - Income (Taxation)
  - Reserves
  - Debts

# Collaborative Budget Process

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1. Establish budget guidelines
2. Budgets developed by Town Administrator, Departments and Commissions / Boards
3. Identification of estimated inflows
4. Review of Operating Budget by FinCom, Select Board
5. Review of Warrant Articles / Capital Items by FinCom, Select Board
6. Ensure compliance with financial policy
7. Final Budgets presented at ATM

# Budget Policy

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## Balanced

### OUTFLOWS

#### Operating Budget

- General Government
- Education
- Debt servicing
- Pension and other benefits
- Risk Management (Insurance)
- Reserve funds

#### Warrant Articles

- Major and non-recurring expenses
- Community Preservation (CPC) Items

### INFLOWS

- Expected Tax receipts
- Expected Local Receipts
- Estimated State Aid
- Transfers from Free Cash and Reserves
- Community Preservation (CPC) Funds

# FY 24 Operating Budget changes

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- Recurring capital items moved from Operating Budget to Warrant
  - Police Cruiser
  - Computer Hardware
  - Fire department PPE
- Utilities and maintenance for all Departments consolidated under Budget 192 -Building and Grounds
- All Vocational School budget lines consolidated in Budget 300
  - Minuteman, Nashoba and Assabet Vocational schools.

# Objectives and Strategy

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1. Use Free Cash within guidelines
2. Reduce long term debt requirement
3. Position for future needs
  1. Water
  2. Education
  3. Employee Benefits
  4. Pensions
  5. OPEB (Other Post-Employment Benefits)

# 2024 Operating Budget Summary

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	FY24 Proposed	FY23 Final (Voted)	Increase %
Operating Budget	\$25,892,289	\$24,468,636	4.9%
Warrant Articles (R&A)	\$288,236	\$205,784	
Total	\$26,180,525	\$24,674,420	6.0%
Town Valuation	\$1,549,347,682 <sup>1</sup>	\$1,475,569,221	
Tax Rate (per thousand)	\$16.06	\$15.52	
	1. Town Valuation estimated (5% increase)		

R&A = Raise and Appropriate (Tax)

# 2024 Total Budget

FY24		Outgoing		Incoming
From Taxes	Operating Budget 2024	\$25,892,289	Taxation (est.)	\$24,884,738
	Warrant Articles (Taxed)	\$288,236	Local Receipts (est.)	\$1,653,500
	Other items / Overlay	\$710,646	State Aid (est.)	\$352,933
		<b>\$26,891,171</b>		<b>\$26,891,171</b>
From Other Sources	Warrant Articles (Free Cash)	\$1,551,526	From Reserves (Free Cash)	\$1,551,526
	Warrant Articles (Debt)	\$860,000	Debt	\$860,000
	Community Preservation Fund	\$379,550	CPA Funds	\$379,550
	Warrant Articles Cable / TNC	\$120,255	Other Funds	\$120,255
		<b>\$2,911,331</b>		<b>\$2,911,331</b>
<b>Total</b>		<b>\$29,802,502</b>		<b>\$29,734,982</b>

TNC (Transportation Network Companies) = Fees on Uber and Lyft



# 2023 vs 2024

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Total Non Education Increase in Operating Budget = \$493,832

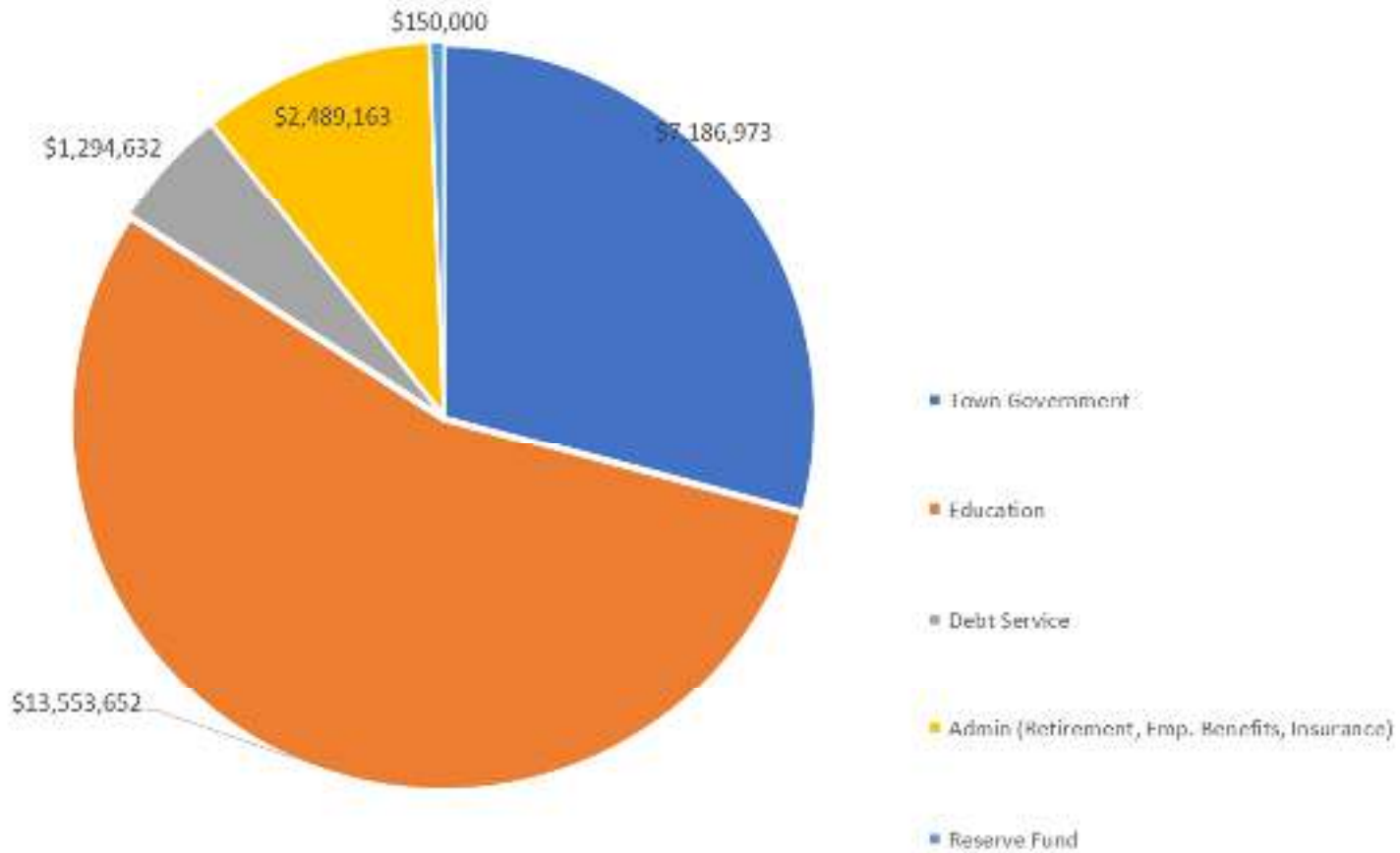
	2024	2023	Change	Change %
Town Government	\$7,466,398	\$7,186,973	\$279,425	3.2%
Education	\$14,277,689	\$13,553,652	\$724,037	5.0%
Debt Service	\$1,334,132	\$1,294,632	\$39,500	3.0%
Retirement	\$1,245,470	\$1,218,757	\$26,713	9.7%
Employee Benefits	\$1,183,600	\$1,047,073	\$136,527	7.7%
Insurance	\$230,000	\$223,333	\$6,667	2.9%
Reserve Fund	\$155,000	\$150,000	\$4,500	2.6%
Total	\$25,892,289	\$24,674,420	\$1,217,369	
Total Non Education	\$11,614,600	\$11,120,768	\$493,332	

# 2024 Operating Budget by Function

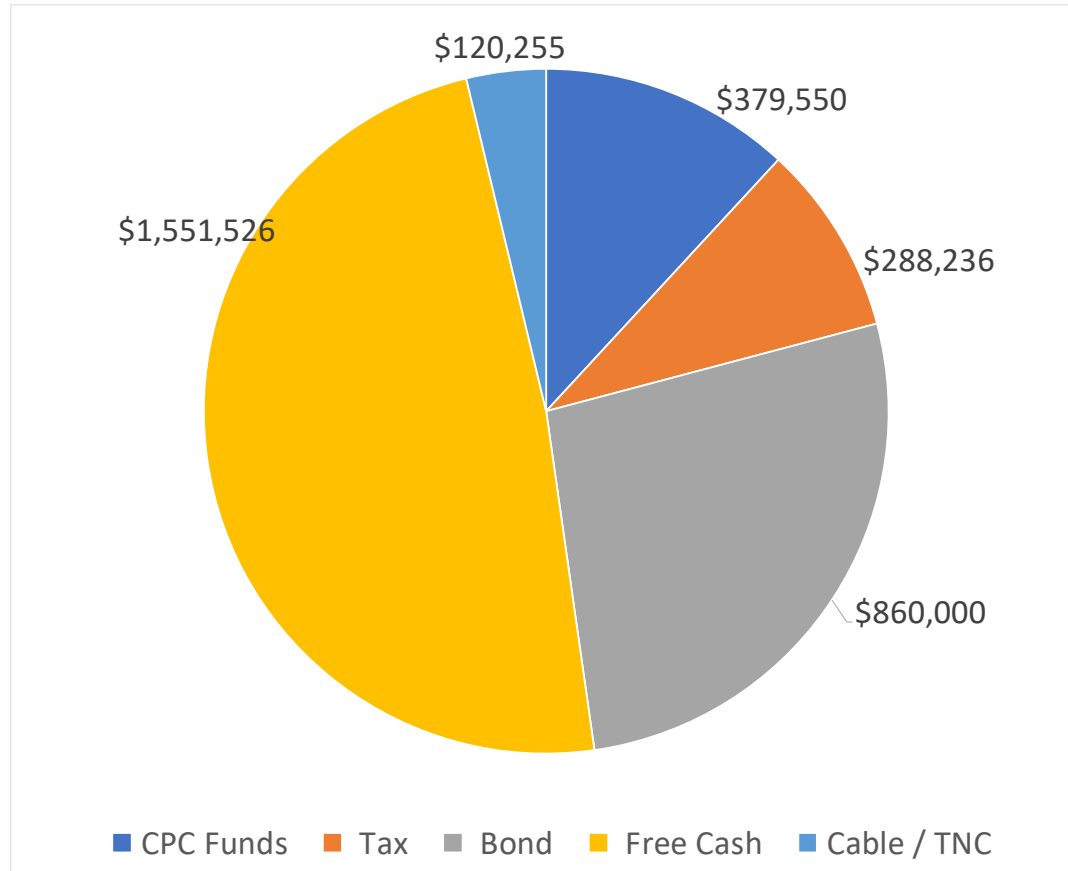
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Education is >50% of Operating Budget

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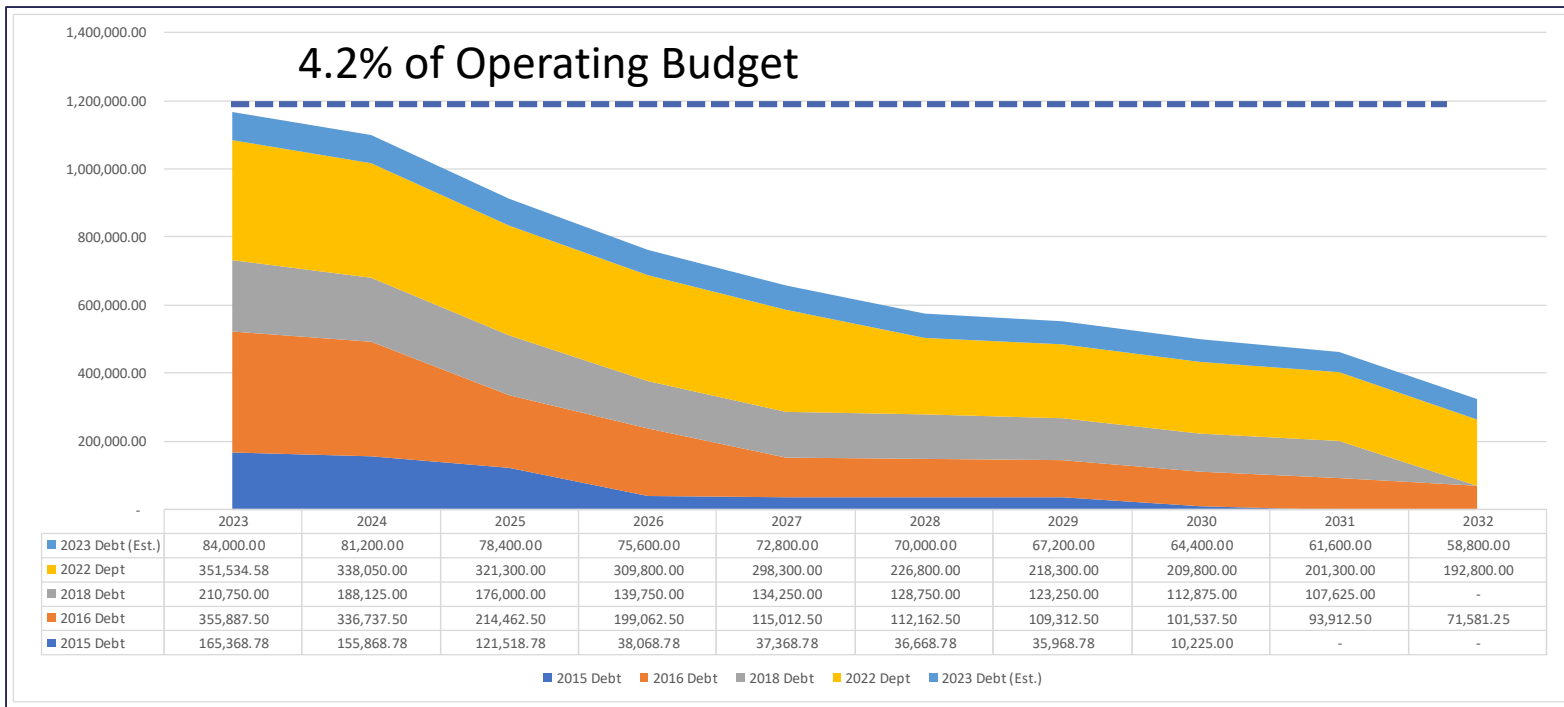
# Warrant Articles 2024 – Funding Source



Cable/ TNC	CPC funds	Tax	Bond	Free Cash
\$120,255	\$379,550	\$288,236	\$860,000	\$1,551,526

# Debt Repayments – 10 years

- Debt is being paid down
- We have adequate headroom to increase debt in future – if necessary
  - Future Public Safety Building
  - Future Water Treatment



# Reserves Policy

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Reserve	Impact on 2024 Budget	Commentary
Free Cash	Used to balance budget	Maintained at >5% of Operating Budget*
Reserve Fund	Fund at 0.6% of Operating Budget*	For emergency needs only*
Stabilization Fund		Maintained at >5% of Operating Budget*
Overlay Reserve Fund		Determined by Assessor under State Guidelines*

\*Determined by Town Finance Policy

# Finance Committee

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- New Members Welcome

Maria Neyland, Chair	Priya Sundaram, Vice Chair
Gary Kushner, Clerk	Keshava Srivastava
Antony Newton	Becky Neville