Town/School Partnership

4/17/20
Today’s Agenda

Update on FY20 activities
- COVID related activity
- Update on State Emergency Legislation
- Town hiring and spending freeze
- Year-end close

FY21
- Update on State Aid including report from consensus revenue hearing from 4/14
- Local Receipts
- Proposed Revenue Increases

Capital projects
- High School
- Driscoll School
- Pierce School
- Newbury land Acquisition

Town Meeting
- Reduced schedule
- Virtual Town Meeting
Update on FY20 activities

- COVID related activity
  - Reserve Fund
  - Tracking of expenditures

- Hiring and spending freeze

- Year-end close
Update on State Legislation

» Chapter 53 of the Acts of 2020
  » Town Meeting
    » a town moderator may, in consultation with public safety or public health officials and the board of selectmen, declare a recess and continuance of the town meeting to another time, date and place certain; however, the continuance is limited to a period of 30 days (Moderator plans on using to delay Town Meeting to 6/23)
  » Plans underway for a Virtual Town Meeting

» Budget
  » If the current COVID-19 related State of Emergency results in deficient spending in Fiscal Year 2020 (including, but not limited to, deficits in an enterprise fund or special revenue account), the Act permits a city, town or district to amortize this deficit over Fiscal Years 2021 to 2023, inclusive, either in equal installments or more rapidly pursuant to a plan adopted prior to the setting of the FY 21 tax rate.
  » If the adoption of an annual budget in a city, town or district is delayed beyond June 30, 2020, the Act permits the Director of Accounts to authorize a city, town or district to use “free cash” certified as of July 1, 2019, as a funding source for the city, town or district’s fiscal year 2021 expenditures, including, but not limited to, funds in an enterprise fund or special revenue account; and revolving funds can be spent at FY 20 levels
Update on State Legislation cont.

- Chapter 53 of the Acts of 2020
  - State and Local taxes
    - The Town is allowing for the deferral of payments on real estate, personal property, motor vehicle excise, water/sewer and refuse bills with due dates on or after March 10, 2020 and made after their respective due dates but before June 30, 2020.

- Post Retirement work hours
Update on FY20 activities

- Local Receipts Activity

<table>
<thead>
<tr>
<th>LOCAL RECEIPT SUMMARY</th>
<th>YTD</th>
<th>FY20 Budget</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td>DEPARTMENTAL &amp; OTHER</td>
<td>5,806,360</td>
<td>7,646,736</td>
<td>1,840,376</td>
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<tr>
<td>GENERAL GOVERNMENT</td>
<td>7,288,394</td>
<td>4,564,268</td>
<td>(2,724,126)</td>
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<td>INTEREST INCOME</td>
<td>1,369,660</td>
<td>971,977</td>
<td>(397,683)</td>
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<td>LICENSES &amp; PERMITS</td>
<td>918,863</td>
<td>1,170,775</td>
<td>251,912</td>
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<td>LOCAL OPTION TAXES</td>
<td>4,683,255</td>
<td>3,460,310</td>
<td>(1,222,945)</td>
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<td>MOTOR VEHICLE EXCISE (MVE)</td>
<td>4,151,619</td>
<td>6,142,644</td>
<td>1,991,025</td>
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<td>PARKING/COURT FINES</td>
<td>2,139,606</td>
<td>3,300,000</td>
<td>1,160,394</td>
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<td>PILOTS</td>
<td>1,087,115</td>
<td>1,010,509</td>
<td>(76,606)</td>
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<td>REFUSE FEE</td>
<td>2,315,161</td>
<td>2,850,000</td>
<td>534,839</td>
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<td>Total</td>
<td>29,760,033</td>
<td>31,117,219</td>
<td>1,357,186</td>
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*reconciled through February (March still in progress)
FY21 Financial Plan

FY21 REVENUES

- Property Tax: 70.1%
- Local Receipts: 10.0%
- State Aid: 6.4%
- Free Cash: 3.3%
- Enterprises (net): 9.0%
- Other Available Funds: 1.2%
- Local Receipts: 10.0%
**Financial Scenario Planning**
Visualizing and Strategizing for Uncertain Times

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**“V” shaped recovery**
- Rebound is swift, but not easy
- Short-term, quick fixes could bridge the gap to recovery

**On-Going Revenues and Expenses**
- Revenue
- Expense

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**Big “V” recovery**
- Downturn is deeper, but bounceback is rapid
- Short-term bridge strategies apply

**On-Going Revenues and Expenses**
- Revenue
- Expense

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**“W” recovery**
- A short-term recovery, but a return of infection in fall
- Longer-term strategies to endure and transform

**On-Going Revenues and Expenses**
- Revenue
- Expense

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**“E” recovery**
- Recovery is stalled by deeper economic woes
- Long-term transformation on strategies needed asap

**On-Going Revenues and Expenses**
- Revenue
- Expense
FY21

Revenue Assumptions

State Aid (??)
- MTF projects a 14% decline in state revenue from January forecast
- April activity needed to make projections (March collections still in line with projections)
- Federal response critical piece to recovery picture

Parking Meter increase ($750K)
Trash Fee increase ($750K)
Parking Fees ($90K)

Other local receipts that are vulnerable economic conditions
- Excise Taxes (Hotel/Motel, Meals, Marijuana) 10-20% decrease
- Motor Vehicle Excise 2-4% decrease
- Building Permits
- Parking Fees/Fines
- Interest Income
FY21 Town Revenue History

New Growth Revenue and YoY % Change FY 2000-2019

Hotel/Motel Tax Revenue and YoY % Change FY 2000-2019
FY21 Town Revenue History

**MVE Revenue and YoY % Change FY 2000-2019**

- DOT COM & 9/11
- SARS
- GREAT RECESSION
- ZIKA VIRUS

**Building Permit Revenue and YoY % Change FY 2000-2019**

- DOT COM & 9/11
- SARS
- GREAT RECESSION
- ZIKA VIRUS
FY21

- Expenditures
  - New initiatives previously proposed under review
  - Vacant positions
  - Re-examination of current services

- Reserves
  - Use of reserves will prolong the recovery period
  - FY21 Free Cash appropriations to be revisited
  - Future Free Cash levels will be diminished
Capital projects

- High School
- Driscoll School
- Pierce School
- Newbury Land Acquisition
Town Meeting

- Delay to June 23
- Target budget votes for the first week in June
  Additional adjustments likely needed before tax rate set in fall
- Reduced Warrant article review