

Town/School Partnership

5/29/20

Today's Agenda

1.) Updates

Reports from Select Board, School Committee and Advisory Committee

2.) Review of Town Administrator's FY 2021 Revised Budget Scenarios

Continued discussion of policy issues

3.) FY 21 Town-School Revenue Allocation Formula

4.) Timing and Process

Other Business

Revised Local Receipts

<u>REVENUE SOURCE</u>	Scenario 2 <u>5/22 TSP</u>	Scenario 2 <u>5/28 TSP</u>	<u>VARIANCE</u>	<u>%</u> <u>NOTE</u>
Motor Vehicle Excise	5,952,222	5,952,222	0	0%
Local Option Taxes	2,621,748	2,871,748	250,000	5% Hotel, Meals, Marijuana sales
Licenses and Permits	952,259	952,259	0	0% Alcohol, Common Vic, Fire Prevention
Parking and Court Fines	1,650,000	1,650,000	0	0%
General Government	5,052,033	5,052,033	0	0% Building permits, HCA found here
Interest Income	749,513	749,513	0	0%
In Lieu of Tax Payments	1,377,647	1,377,647	0	0%
Refuse Fees	3,224,327	3,224,327	0	0% Assumes mid-year implementation
Departmental and Other	4,921,860	5,221,860	300,000	4% Parking meters and other fees
Total	26,501,609	27,051,609	550,000	2%

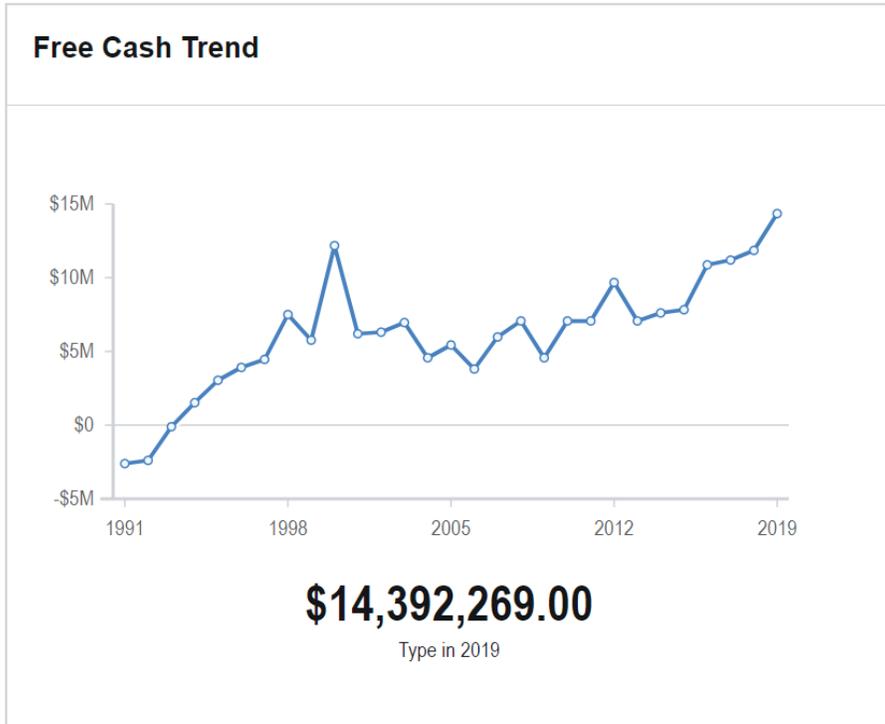
Budget Plan

- This is a first step of a two part plan to adopt the FY 21 Budget. The November Town Meeting will allow for more appropriate consideration of the Budget.
 - More financial information and trends (especially federal funding)
 - More public input and policy consideration
- \$3.750 million improvement over prior allocation of shortfall to the operating budgets
- Modest increase in revenue projection- \$550,000
- Prioritize staffing and direct services over capital spending and savings
 - CIP reduced by \$3.5 million
 - Additional investment to OPEB Trust Fund eliminated- \$250,000
- Not using Free Cash or one-time use of reserves to cover operating expenses at this time. This is a multi-year issue. We need to prepare inevitable reduction in fund balance.
- Budget policy changes

Town-School Revenue Allocation Formula

	FY2020	FY2021	FY2021	FY21 Feb vs	
<u>REVENUE SOURCE</u>	<u>BUDGET</u>	<u>FEBRUARY</u>	<u>REVISED</u>	<u>FY21 Feb vs</u>	
		<u>BUDGET</u>	<u>BUDGET</u>	<u>FY21 Revised</u>	
Property Taxes	238,487,745	254,898,615	254,898,615	0	0.0%
Local Receipts	31,120,219	35,874,799	27,051,609	(8,823,190)	-24.6%
State Aid	22,386,947	22,792,220	19,455,995	(3,336,225)	-14.6%
Free Cash	9,081,257	11,791,952	11,791,952	0	0.0%
Other Available Funds	3,349,771	4,471,538	4,471,538	0	0.0%
General Fund Revenues	304,425,937	329,829,123	317,669,708	(12,159,415)	-3.7%
<u>EXPENDITURE CATEGORY</u>			<u>Recommended</u>	<u>Reduction</u>	
Town Departments	78,990,815	81,681,032	78,338,691	(3,342,341)	-4.1%
Schools	117,385,105	123,361,137	118,998,990	(4,362,148)	-3.5%
Benefits	66,438,626	68,898,264	68,648,264	(250,000)	-0.4%
Non-Departmental	4,108,594	7,430,475	7,283,960	(146,515)	-2.0%
Debt Service	18,828,262	25,763,034	25,204,624	(558,410)	-2.2%
Special Appropriations (CIP)	9,949,094	13,958,250	10,458,250	(3,500,000)	-25.1%
Non-Appropriated	8,725,441	8,736,930	8,736,930	0	0.0%
Total expenditures	304,425,937	329,829,123	317,669,708	(12,159,415)	-3.7%
REVENUE NOTES:			EXPENDITURE NOTES:		
1. No CAREs Act/Covid-related funding			1. Non-appropriated reduction redirected and split 50/50 Town and School		
2. Assumes mid-year parking meter increase			2. Assumes cuts possible in CIP		
3. Assumes mid-year trash fee increase			3. \$558,410 represents surplus from March borrowing (2 projects used BANs, lower rates)		
			4. Difference between debt service target and \$558K redirected and split 50/50 T/S		
			5. Assume can't be reduced premium split changed - target redirected and split 57/43 T/S (current benefit distribution)		

Free Cash



Free Cash Certification		\$14,392,269
1. Operating Budget Reserve (25% of Operating Budget Reserve)		\$699,726
2. Fund Balance		\$4,600,000
a. Unreserved Fund Balance (left unappropriated)		\$2,600,000
b. Stabilization Fund (appropriated)		\$2,000,000
3. Liability Reserve (to get fund to 1% of Prior Yr Net Revenue)		\$50,529
4. Capital Improvements (to get to 7.5% of Prior Yr Net Revenue)		\$4,198,356
5. Affordable Housing Trust Fund (if Fund Balance below \$5M)		\$726,549
Sub-Total		\$10,275,160
Amount available for Special Use (#6)		\$4,117,109
6. Special Use:		
Additional CIP		\$4,117,110

Timing and Process

- Annual Town Meeting and November Special Town Meeting
- Other Business