



FY20 Budget Preview  
Board of Selectmen Meeting  
January 7, 2019

Pam Dukeman  
Finance Director

# FY20 Budget Process Continues

Tax Bill Impact

Operating Budget

Capital Assets

Long Term Liabilities

Reserve Accounts

Service Levels



Balance Many Needs

Town's Finances – Must Address Multiple Areas

# Continued Review of Budget and Financial Material

Selectmen have reviewed financial materials at previous meetings

- FY18 Year in Review
  - Revenue
  - Expenditures
- University Station Tax Revenue
  - Detail of New Tax Revenue
  - Use of New Tax Revenue
- FY20 Initial Projections
  - Revenue
  - Fixed Cost Expenditures
  - Initial Base Budget
- Current Status of Financial Accounts
  - Reserves
  - Free Cash
  - OPEB
  - Meals and Hotels Tax
- Real Estate Taxes
  - FY20 Tax Bill
  - Commercial/Residential Values
- Meetings Continue
  - Long Range Financial Planning
  - Budget Steering Committee
  - Department Heads



# FY20 Overall Projection – Available Revenue

## Revenue

### Increase in Tax Revenue

- Proposition 2 ½ formula \$2.9M
  - Taxes can increase:
    - Increase of 2 ½%
    - Add any new growth
    - Include unused tax levy from prior year available.

## Expenditures

- Fixed cost increases school/municipal employee benefits (\$15.2M total) \$599K
  - Includes Health Insurance and Payroll taxes/Other
  - Increase in OPEB Fund/Other \$55K

**Net Available for Operating Budgets/Other** \$2.2M

<b>Operating Budget Cost – Increase</b>	Each 1%	\$657K
	2.5%	\$1.64M
	3%	\$1.97M

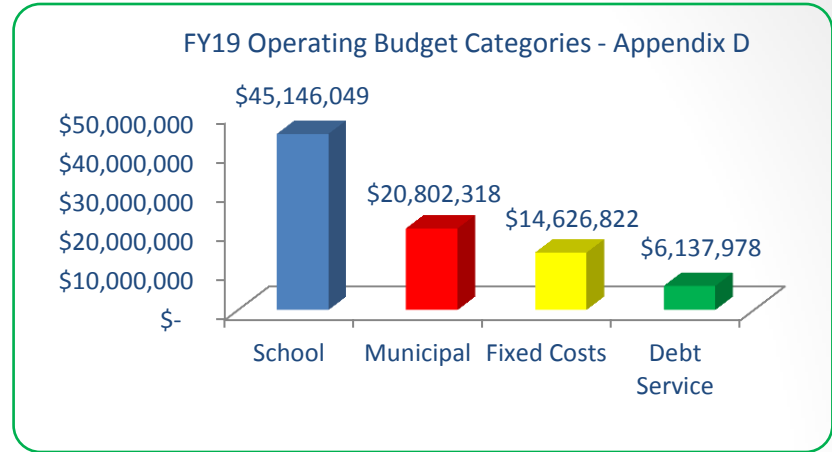
- Can fund approximately 3% increase to school and municipal operating budgets within Proposition 2 ½

# FY20 Preliminary Overall Budget Summary

## Preliminary Base Budget

## Operating Budget

- School and Municipal Budget 3% increase.
  - In line with five year forecast
  - Provides consistency to operating budget
  - Important that operating budgets have moderate growth and are sustainable.



	Budget Increases				Proposed FY20
	FY16	FY17	FY18	FY19	
School	5.3%	4.9%	3.3%	3.4%	3%
Municipal	5.2%	3.7%	3.6%	3.1%	<b>3%</b>

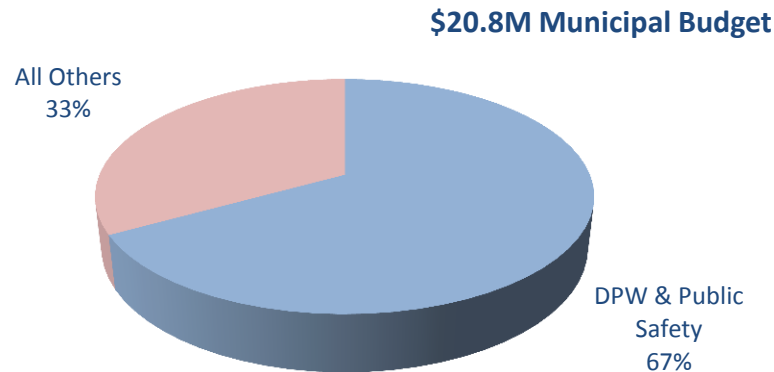
↑ ↑  
Additional University Station Funding

↑  
3.8% with  
Snow & Ice  
Adjustment

# Preliminary FY 20 Municipal Budget Summary

<b>FY19 Budget</b>	<b>Function</b>	<b>% of Total</b>
\$8,676,158	Public Safety	42%
\$5,302,660	Public Works	26%
\$1,141,623	Community & Economic Development	5%
\$2,681,509	General Government	13%
<u>\$3,000,368</u>	<u>Library, Recreation/All Others</u>	<u>14%</u>
<b>\$20,802,318</b>		<b>100%</b>

The Municipal Budget has to accommodate a wide variety of services, offering services to residents of all ages in the community.

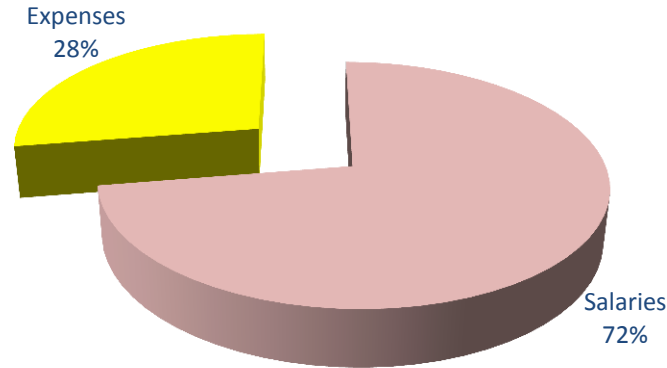


Primary areas of Municipal Budget are Public Safety and Public Works

# FY20 Preliminary Overall Budget Summary

## Budget is salary driven

- Projects and services are delivered by our staff
  - Largest staffing areas: Public Safety, DPW, Library



<b>FY19 Budget</b>	<b>Function</b>	<b>% of Total</b>
\$15,157,685	Salaries	72%
\$5,644,633	Expenses	28%
<b>\$20,802,318</b>	<b>Total</b>	<b>100%</b>

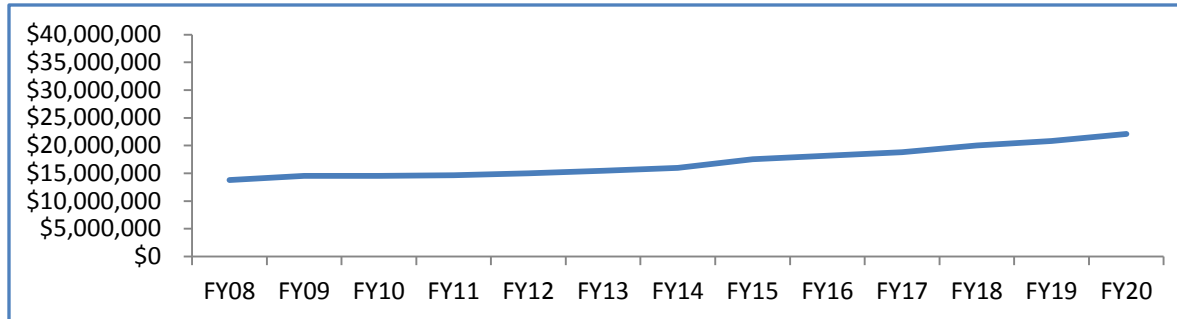
## Recent Improvements to Staffing Levels

Significant work done since FY13 to supplement staffing for improved service levels

- Fire Staffing – 12 new positions (from 30 to 42)
- Police Staffing – 6 new positions (from 35 to 41)
- DPW positions
- Library positions
- Other areas of improvement for staffing include Community & Economic Development, Council on Aging, Administration (new positions and part time to full time)

# Preliminary FY20 Municipal Budget

Municipal Budget has had relatively modest growth over the past several years.



	% Change in Budget											
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 Preliminary Requests
Municipal Budgets	5.4%	0%	.6%	2.3%	3%	3.2%	3.4%	5.2%	3.7%	3.6%	3.1%	3.98%

Currently working on FY20 budget.

- The initial FY20 municipal base budget request
  - Increase of 3.9% over FY19

Category	Current	Proposed	Difference	
	FY19 Budget	FY20 Budget	\$	%
Salaries	\$ 15,157,685	\$ 15,736,762	\$ 579,077	3.8%
Expenses	5,644,633	5,892,818	\$ 248,185	4.4%
<b>Total</b>	<b>\$ 20,802,318</b>	<b>\$ 21,629,580</b>	<b>\$ 827,262</b>	<b>3.98%</b>



# Preliminary FY20 Municipal Budget

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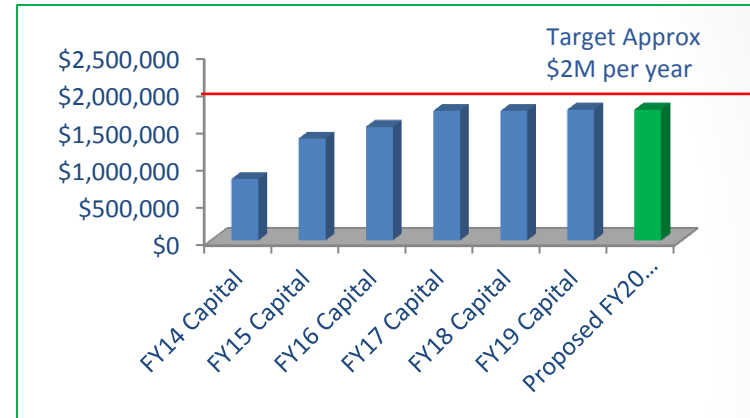
- Items requested in addition to the base budget:
  - Requests for new positions for FY20.
    - Public safety staffing – police and fire – 5 positions
    - COA part time nurse position
    - Sewer Pump Station Operator

# FY20 Preliminary Overall Budget Summary

FY20 Proposed Base Budget provides for:

- ✓ Maintain high quality of services provided by Town and School departments (Approximately 3% operating budget increase)
  - Continued stable and sustainable operating budget growth.

- ✓ Capital Budget
  - Maintain base capital budget at FY19 Level \$1.75M
    - School Capital - \$867K
    - Municipal Capital - \$883K



- ✓ Supplemental Capital Budget
  - Appropriation for additional capital as done in prior year
  - Fund with Free Cash/Meals Tax
- ✓ Liabilities/Reserves
  - \$125K transfer from Free Cash to Stabilization Fund – keeps on target with financial policy
  - \$1.44M contributed to OPEB trust fund – keeps on target with required funding

# Next Steps in Budget Cycle

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- Continue to review municipal budget requests with Board of Selectmen – January 22nd .
- Continue to review capital budget articles for Board Of Selectmen – January 22<sup>nd</sup> .
- State aid preview January 18 at MMA Meeting.
- BOS proposed budget documents published February 1
  - Municipal Budget Document
  - Overall Summary Document
  - Initial Capital Articles.
- Meetings:
  - Continue capital review with Long Range Planning Committee
  - Continue ongoing discussions/review with Budget Steering
  - Present budget to Fincom February 5.

