



FY21 Budget Update
Select Board Meeting
January 6, 2020

Pam Dukeman
Finance Director

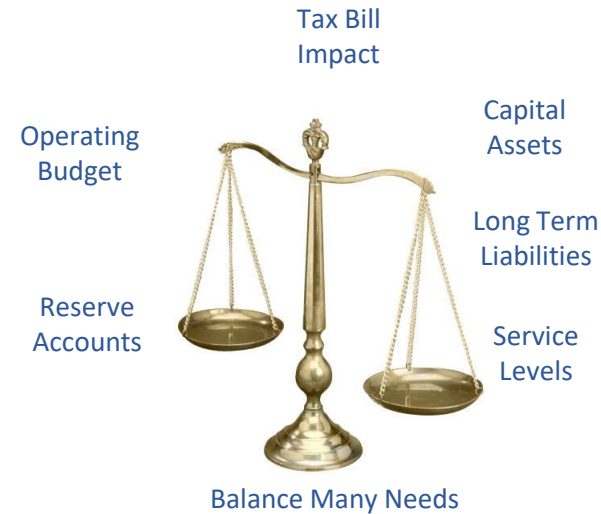
Financial Review And FY21 Budget

- ✓ October 28 Meeting
 - Review FY19 Year End
 - Review of Key Financial Items
 - Preview of FY21 Budget

- ✓ November 18 Meeting
 - Tax Classification Hearing
 - Approve tax shift commercial/residential
 - Review residential bill
 - Capital Budget Review
 - FY21 Capital Overview
 - Departments to present specific capital items

- ✓ December Meetings
 - Continue update to revenue and expense projections
 - Continue review of Capital Budget requests
 - FY21 items
 - Overview of larger future projects
 - Review of municipal operating budget

- January Meetings
 - Continued Overall Budget Updates
 - Operating and Capital Budgets
 - Updates to revenue projections
 - Preparation of FY21 proposed budget (Feb 1)



FY21 Preliminary Overall Budget Summary

Preliminary FY21 Proposed Budget:

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

- ✓ Continue high level of capital investment
 - Maintain base capital budget at FY20 Level \$2.33M
 - School Capital - \$1.017M
 - Municipal Capital - \$1.322M

 - Supplemental Capital Budget
 - Appropriation for additional capital as done in prior year
 - Fund with Free Cash/Meals Tax
 - Amount to be determined

 - Road Improvement Work
 - Implement important road safety and upgrades
 - Fund \$4.65M with long term bond.

- ✓ Continue progress on Liabilities/Reserves
 - \$125K transfer from Free Cash to Stabilization Fund – keeps on target with financial policy
 - \$1.465M appropriation to OPEB trust fund – keeps on target with required funding

FY21 Overall Projection – Available Revenue

Revenue

Increase in Tax Revenue

- Proposition 2 ½ formula \$2.86M
 - 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 (\$15M total budget) \$920K
- Includes Health Insurance and Payroll taxes/Other
 - Increase in OPEB Fund/Other

Net Available for Operating Budgets/Other \$1.94M

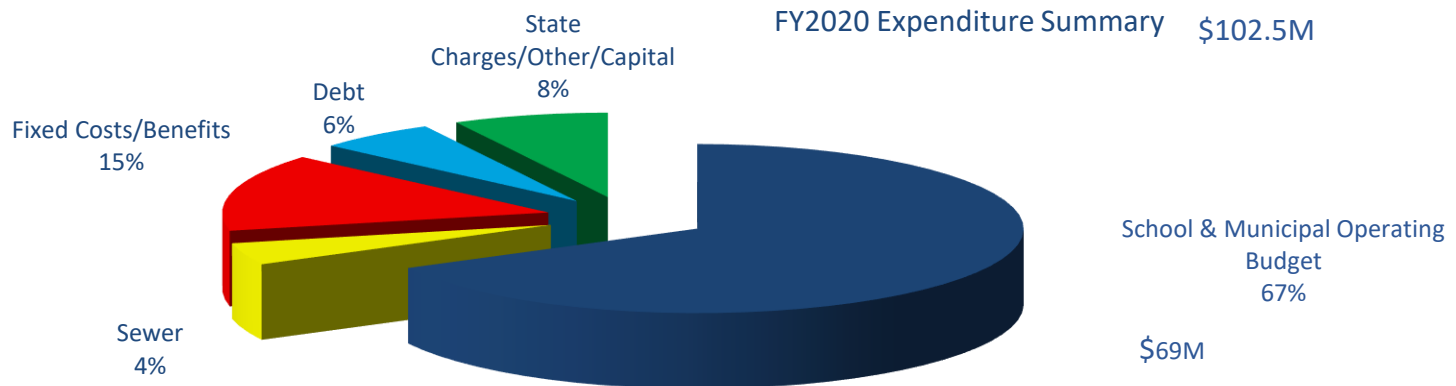
Operating Budget Cost – Increase	Each 1%	\$687K
	2.5%	\$1.72M
	3%	\$2.06M

- Can fund approximately 3% increase to school and municipal operating budgets within Proposition 2 ½
- Consistent with 5 year forecast

Largest Area of Spending is the Operating Budget

Operating Budgets

- Provide for core services to community
- Strive for operating budget stability for school and municipal budgets.
- Strive for sustainable budgets



- Each 1% increase for school and municipal budgets approximately \$687K:

- School (Budget \$46.5M) - \$465K.
- Municipal (Budget \$22.2M) - \$222K.

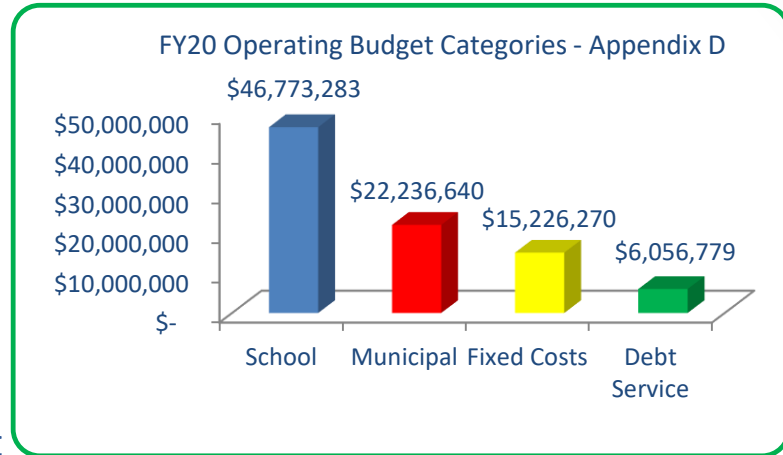
- 2.5% increase costs \$1.72M.
- 3% increase costs \$2.06M
- 3.5% increase costs \$2.4M.

FY21 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.



	FY16	FY17	FY18	FY19	FY20	Proposed FY21
School	5.3%	4.9%	3.4%	3.4%	3.5%	3%
Municipal	5.2%	3.7%	3.6%	3.1% *	3.5%	3%



3.8% with
Snow & Ice
Adjustment

Additional University Station Funding

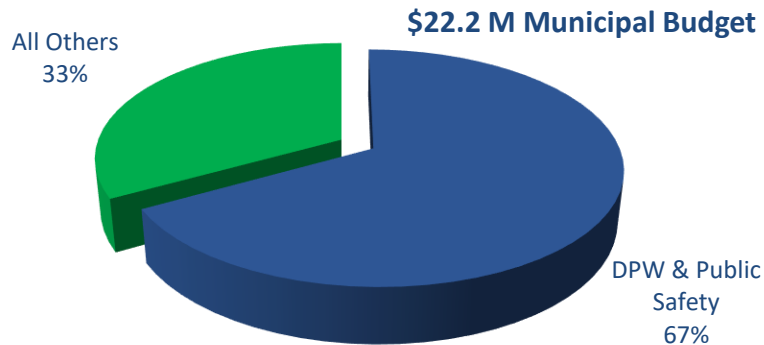


Review of FY21 Preliminary Municipal Operating Budget

Current FY 20 Municipal Budget Summary

FY20 Budget	Function	% of Total
\$ 2,769,734	General Government	12%
\$ 9,478,780	Public Safety	43%
\$ 1,153,935	Community & Eco Dev	5%
\$ 5,511,560	Public Works	25%
\$ 815,346	Human Services	4%
\$ 2,507,285	Library, Recreation, Others	11%
\$ 22,236,640		100%

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

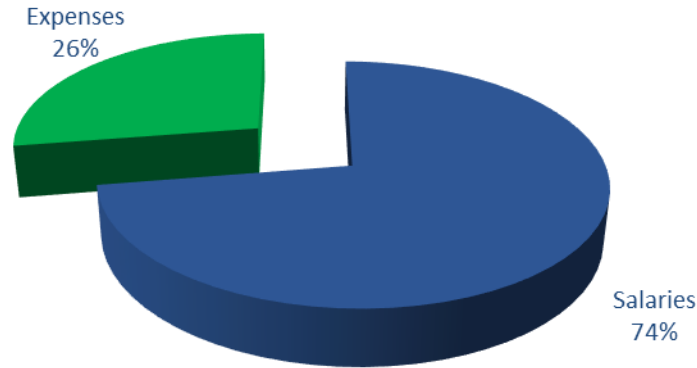


Primary areas of Municipal Budget are Public Safety and Public Works

FY20 Overall Budget Summary

Budget is salary driven

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



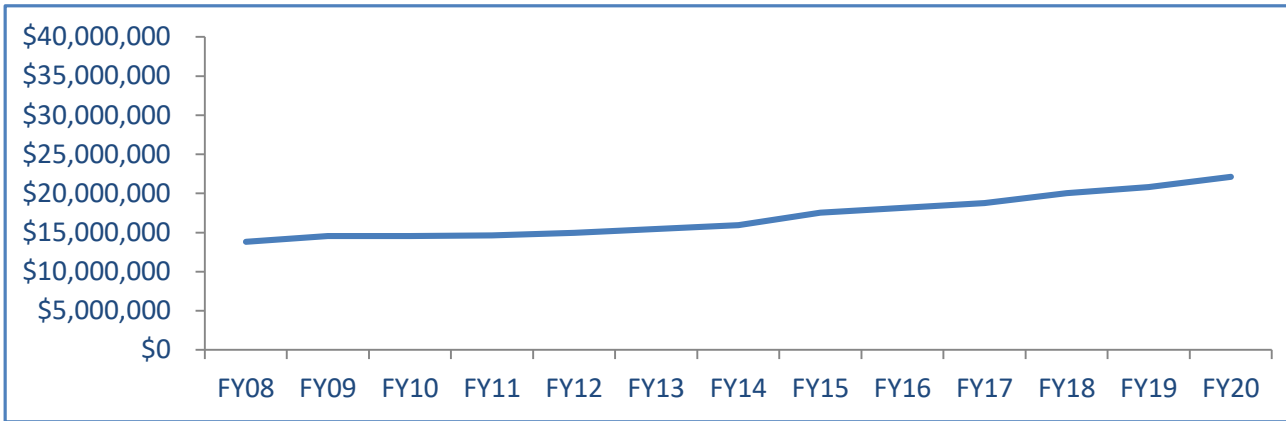
FY20 Budget	Function	% of Total
\$ 16,427,118	Salaries	74%
\$ 5,809,522	Expenses	26%
<u>\$ 22,236,640</u>		<u>100%</u>

Recent Improvements to Staffing Levels

- Significant work done since FY13 to supplement staffing for improved service levels
- Public Safety staffing has significantly improved
 - Fire Staffing – 14 new positions (from 30 to 44)
 - Police Staffing – 9 new positions (from 35 to 44)
- Funded with University Station revenue as per direct impact plan.

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
Municipal Budgets	5.4%	0%	.6%	2.3%	3%	3.2%	3.4%	5.2%	3.7%	3.6%	3.1%	3.5%

- Have also used University Station revenue to supplement Public Safety staffing

Preliminary FY21 Municipal Budget

Category	Current	Proposed	Difference	
	FY20	FY21	\$	%
	Budget	Budget		
Salaries	\$ 16,427,118	\$ 16,950,190	\$ 523,072	3.2%
Expenses	5,809,522	6,230,805	\$ 421,283	7.3%
Total	\$ 22,236,640	\$ 23,180,995	\$ 944,355	4.25%

- Overall Municipal budget increase is approximately 3.2%

	FY20	FY21	\$ Increase	% Increase
General Government	\$2,769,734	\$2,900,209	\$130,475	4.7%
Public Safety	\$9,478,780	\$9,761,695	\$282,915	3.0%
Community & Eco Dev	\$1,153,935	\$1,195,730	\$41,795	3.6%
Public Works	\$5,511,560	\$5,856,880	\$345,320	6.3%
Human Services	\$815,346	\$844,081	\$28,735	3.5%
Culture & Recreation	\$1,951,685	\$1,999,035	\$47,350	2.4%
Other	\$555,600	\$623,365	\$67,765	12.2%
Total	\$22,236,640	\$23,180,995	\$944,355	4.25%

- 2 Items in DPW budget are driving the increase to 4.25%
 - Solid Waste & Recycling
 - Building Maintenance

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- Base Budget salary increase is 3.2%
 - No new positions included
 - The requested FY21 base municipal budget includes contractual salary obligations, as well as continuation of any adjustments made in FY20.
- Expense Increase
 - Main two drivers for the expense increase:
 - Building Maintenance: total increase \$90K
 - Important to increase our commitment to maintaining new Town buildings.
 - Solid Waste and Recycling: total increase \$138K
 - Continued pressure on recycling budget (22% increase)

Next Steps in Budget Cycle

January Time Frame:

- Continue to review capital budget articles with Select Board
- Continue operating budget review – School and Municipal
- Review FY21 Municipal budget requests
 - Base budget
 - Requested new positions/programs.
- Continue update and review of FY21 revenue projections.
- FY21 State aid
 - Governor’s budget at end of January.
 - Preview at MMA meeting January 24th.
- Select Board Proposed FY21 Budget Document produced February 1
 - Municipal Budget Document
 - Overall Budget Summary
 - Capital Budget Articles
- Present proposed FY21 budget to Finance and Warrant Commission February 11.



