



Belmont, MA

*Town of Homes*

# FY2024 Revenue Discussion

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Joint Meeting - Select Board and Warrant Committee  
March 20, 2023





# FY2024 Revenue Discussion

## FY2024 Budget Development

Revenue		FY23 Restated Budget	FY2024 Budget 1	% Change from FY23	FY2024 Budget 2	% Change from FY23	FY2024 Budget 3	% Change from FY23
1	Tax Levy (Base + New Growth + 2.5%)	\$ 102,786,493	\$ 106,302,480	3.4%	\$ 106,302,480	3.4%	\$ 106,302,480	3.4%
2	State Aid	\$ 12,852,939	\$ 13,034,970	1.4%	\$ 13,034,970	1.4%	\$ 14,571,551	13.4%
3	Free Cash for Operating Budget	\$ 5,380,478	\$ 6,880,478	27.9%	\$ 10,880,478	102.2%	\$ 10,066,890	87.1%
4	Other Revenue (incl. Free Cash for OPEB)	\$ 7,995,125	\$ 7,496,880	(6.2)%	\$ 7,496,879	(6.2)%	\$ 7,373,887	(7.8)%
Total Available Revenue		\$ 129,015,035	\$ 133,714,808	3.6%	\$ 137,714,807	6.7%	\$ 138,314,807	7.2%
Expenses		FY23 Restated Budget	FY2024 Budget 1	% Change from FY23	FY2024 Budget 2	% Change from FY23	FY2024 Budget 3	% Change from FY23
5	Town	\$ 32,525,029	\$ 33,715,979	3.7%	\$ 33,480,428	2.9%	\$ 33,480,428	2.9%
6	School	\$ 55,895,825	\$ 65,212,472	16.7%	\$ 62,991,297	12.7%	\$ 62,991,297	13.8%
7	SPED Reserve	\$ —					\$ 600,000	
8	Shared Services*	\$ 40,594,182	\$ 41,140,534	1.3%	\$ 41,243,082	1.6%	\$ 41,243,082	1.6%
Total Expenses		\$ 129,015,035	\$ 140,068,985	8.6%	\$ 137,714,807	6.7%	\$ 138,314,807	7.2%
Deficit		\$ —	\$ (6,354,177)		\$ —		\$ —	

\*Shared Services include the Facilities Department, Employee Benefits, Pension, Insurance, Within Levy Debt Service, Capital and other Reserves. The FY2023 budget has been restated to allow for an easier comparison.



## Changes from FY2024 Budget 2 to Budget 3

	Local Aid - Governor's Budget	FY2024 Budget 2	Adjustment	FY2024 Governor's Budget	Notes
1	Chapter 70	\$ 10,288,609	\$ 1,495,926	\$ 11,784,535	Dependent upon House and Senate action
2	Charter Tuition Reimbursement	\$ 25,761	\$ 40,655	\$ 66,416	May fluctuate before final budget
3	Cherry Sheet Assessments	\$ (2,141,764)	\$ (122,993)	\$ (2,264,757)	May fluctuate before final budget
	Net Local Aid	\$ 8,172,606	\$ 1,413,588	\$ 9,586,194	

	Proposed Changes to Budget	FY2024 Budget 2	Adjustment	FY2024 Budget 3	Notes
4	Non-Salary Special Education	\$ 10,788,844	\$ 600,000	\$ 11,388,844	Reflects increased costs in Out-of-District (OOD) tuition identified in FY2023 Q2 report
5	Restore Circuit Breaker Reserve	\$ 1,129,553	\$ (600,000)	\$ 529,553	Transfer to offset increase in OOD tuition
6	Replenish SPED Reserve	\$ —	\$ 600,000	\$ 600,000	Recognition of increased SPED costs, contingent on SC vote to transfer to SPED Reserve, which can be accessed by vote of SC and SB
7	Use of Free Cash - Operating Budget	\$ (10,880,478)	\$ 813,588	\$ (10,066,890)	Remainder of Local Aid increase offsetting use of Free Cash
	Subtotal - Impacted Budget Items	\$ 1,037,919	\$ 1,413,588	\$ 2,451,507	

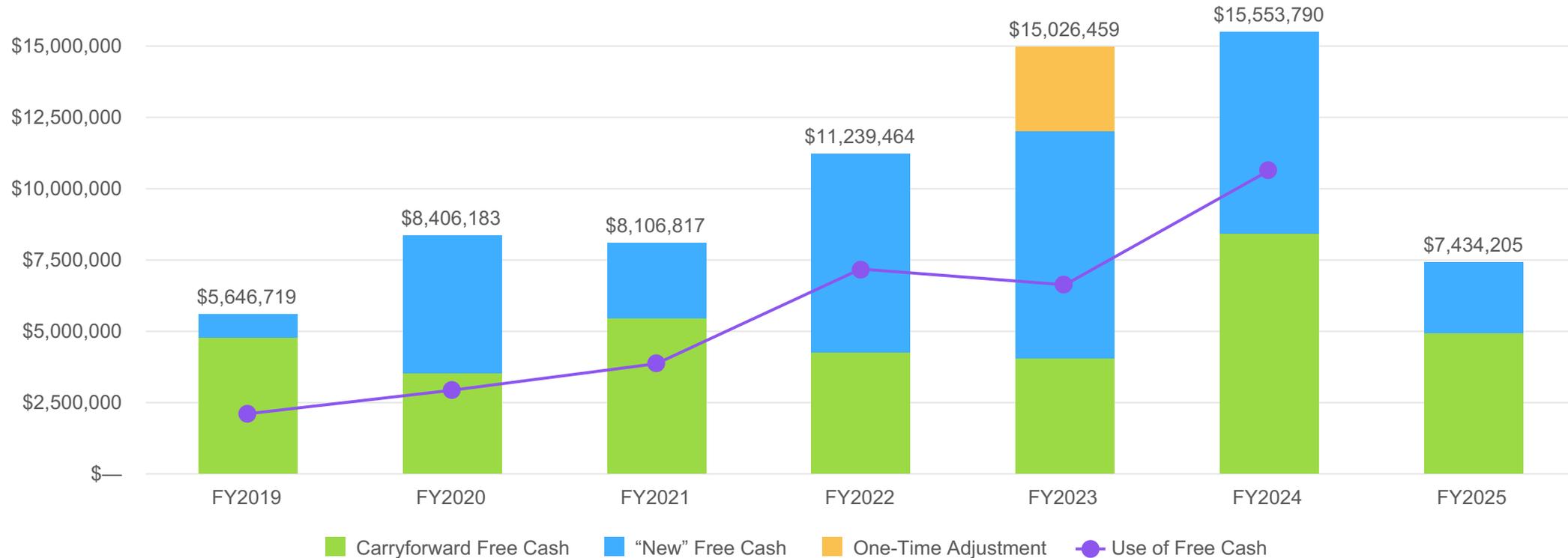


## Available Free Cash - FY2024

Fiscal Year	FY2021	FY2022	FY2023	FY2024 Budget 2	FY2024 Budget 3	
Free Cash Available	\$ 8,106,817	\$11,239,464	\$15,026,459	\$15,553,790	\$15,553,790	Main drivers have been carryforward of Remaining Balances, and staff vacancies
Operating Budget	\$ 3,792,665	\$ 7,113,925	\$ 5,380,478	\$10,880,478	\$10,066,890	Adjusted for Local Aid above \$600K
OPEB	\$ 50,000	\$ 50,000	\$ 579,275	\$ 552,695	\$ 552,695	
Capital Stabilization				\$ —	\$ —	Removed to adhere to fiscal policies
General Stabilization				\$ —	\$ —	Removed to adhere to fiscal policies
Recreation Seed \$				\$ —	\$ —	Removed to adhere to fiscal policies
Fuel Tanks			\$ 649,699			
<b>Total Uses</b>	<b>\$ 3,842,665</b>	<b>\$ 7,163,925</b>	<b>\$ 6,609,452</b>	<b>\$11,433,173</b>	<b>\$10,619,585</b>	
Remaining Balance	\$ 4,264,152	\$ 4,075,539	\$ 8,417,007	\$ 4,120,617	\$ 4,934,205	Policy is for 3-5% of General Revenues to "Carry Forward" in certified Free Cash. 3% of FY2023 General Revenues \$3,937,943.



## Free Cash Experience in Recent Fiscal Years, and Potential for FY2025 (Preliminary)





# Multi-Year Forecast Projected Deficits

## Multi-Year Forecast - Revenue and Expense Summary

	Revenue Budget	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimated	FY2024 Projected	Projected FY2025	Projected FY2026
1	Tax Levy (Base + New Growth + 2.5%)	\$ 92,562,993	\$ 95,854,621	\$ 99,431,844	\$102,786,493	\$106,302,480	\$109,900,713	\$113,588,901
2	State Aid	\$ 11,994,553	\$ 12,253,713	\$ 12,454,009	\$ 12,852,939	\$ 14,571,551	\$ 14,760,058	\$ 14,949,633
3	Other Revenue Sources	\$ 8,682,703	\$ 8,561,557	\$ 8,341,215	\$ 7,415,851	\$ 6,821,191	\$ 7,047,385	\$ 7,080,380
4	Use of Free Cash/Stabilization	\$ 5,315,510	\$ 3,842,665	\$ 7,163,925	\$ 5,959,753	\$ 10,619,585	\$ 552,695	\$ 552,695
	<b>Total Available Revenue</b>	<b>\$118,555,759</b>	<b>\$120,512,556</b>	<b>\$127,390,993</b>	<b>\$129,015,036</b>	<b>\$138,314,807</b>	<b>\$132,260,851</b>	<b>\$136,171,609</b>
	Expense Budgets	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Appropriated	FY2024 Projected	Projected FY2025	Projected FY2026
5	Total School Budget	\$ 49,487,180	\$ 51,589,917	\$ 55,259,786	\$ 55,895,825	\$ 63,591,297	\$ 66,711,653	\$ 69,191,952
6	Total Municipal Budget	\$ 27,756,418	\$ 27,347,809	\$ 29,803,118	\$ 32,525,029	\$ 33,480,428	\$ 34,542,776	\$ 35,406,846
7	Total Facilities Budget	\$ 4,979,336	\$ 5,240,068	\$ 5,739,210	\$ 6,948,107	\$ 7,519,388	\$ 7,477,207	\$ 7,650,215
8	Total Benefits	\$ 22,357,387	\$ 22,457,207	\$ 23,713,401	\$ 26,337,631	\$ 26,556,282	\$ 27,323,143	\$ 28,272,436
9	Total Other Shared Expenses	\$ 1,485,770	\$ 1,902,672	\$ 1,560,307	\$ 2,151,500	\$ 1,919,332	\$ 1,838,775	\$ 1,940,841
10	Total Capital-Related Expenses	\$ 5,202,505	\$ 2,791,035	\$ 5,000,682	\$ 5,156,944	\$ 5,248,080	\$ 5,342,094	\$ 5,444,885
	<b>Total Expenses</b>	<b>\$111,268,596</b>	<b>\$111,328,708</b>	<b>\$121,076,504</b>	<b>\$129,015,035</b>	<b>\$138,314,807</b>	<b>\$143,235,647</b>	<b>\$147,907,174</b>
	<b>Net Budget Surplus/(Deficit)</b>	<b>\$ 7,287,163</b>	<b>\$ 9,183,848</b>	<b>\$ 6,314,489</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (10,974,797)</b>	<b>\$ (11,735,565)</b>



## FY2024 Final Recommendations

- Place \$600,000 of additional State Aid in the Special Education Reserve Fund to offset the increased cost of Out-of-District tuition in FY2024+.
- Use remaining State Aid increase to reduce the amount of Free Cash used for FY2024 budget. This will support a higher Free Cash carry forward and keep Belmont within its Free Cash policy.
- Any additional State Aid received after March 20<sup>th</sup> will further reduce the total use of Free Cash in FY2024.