



Belmont, MA

Town of Homes

FY2024 Budget Summit II

October 20, 2022





Presentation Overview

- Goals of FY2024 Budget Process
- Budget Milestones
- Review of Available Funds
- October 2022 Enrollment Data
- FY2024 Budget Approach - School and Municipal
- Anticipated Fall Town Meeting Topics
- Next Meeting – December 14th



Goals of FY2024 Budget Process

- No Operating Override planned for FY2024 - one-time funding available.
- Provide level-service cost projections for both municipal and school services.
- Recognize the use of one-time funds to support the FY2024 budget (structural deficit), and project the impact on FY2025 and FY2026.
- Develop a framework that will be refined and used in FY2025 and beyond to strengthen the budget process and reduce reliance on one-time funds.
- The goal is to develop a framework that will enable a "soft landing" using a mix of one-time funds and operating override. Timing and amounts will be refined in developing budgets for FY2024, FY2025 and FY2026.



Major Budget Milestones

- October 20 - Budget Summit II
- Nov. 29-Dec. 1 - Fall Town Meeting
- December 14 - Updated FY2024 Revenue and Initial Revenue Allocation
- January 12 - High-level School Budget Numbers Discussed;
Refine Revenue Allocation
- February 2 - Preliminary Town Budget/Budget Message Released
- February 9 - Budget Summit to Present Budget
- March 1 - Governor's Budget released (new Governor gets 5 extra weeks)
- March 16 - Further Budget Feedback and Discussions
- Mid-April - Final Budget published and sent to Town Meeting Members
- May 10 - Warrant Committee Report due
- June - Town Meeting adopts budget



Potential Use of Free Cash - FY2024

Fiscal Year	FY2021	FY2022	FY2023	FY2024	
Free Cash Available	\$ 8,106,817	\$ 11,239,464	\$ 15,026,459	\$ 15,553,790	Main drivers have been carryforward of Remaining Balances, and staff vacancies
Operating Budget	\$ 3,792,665	\$ 7,113,925	\$ 5,959,753	\$ 6,000,000	
OPEB	\$ 50,000	\$ 50,000	\$ 579,275	\$ 579,275	Will need to be recalculated for FY2024
Capital Stabilization				\$ 2,000,000	TBD - Initial deposit to develop a capital process funded by one-time funds
General Stabilization				\$ 4,974,515	TBD - Set-aside to provide flexibility for future fiscal years.
Fuel Tanks			\$ 649,699		
Total Uses	\$ 3,842,665	\$ 7,163,925	\$ 7,188,727	\$ 13,553,790	
Remaining Balance	\$ 4,264,152	\$ 4,075,539	\$ 7,837,732	\$ 2,000,000	Return to prior goal of carrying forward \$2M

Note - FY21 and FY22 Remaining Balances are slightly off from Free Cash presentation at Summit I - still working to track it down



ARPA Funding Summary

Fiscal Year	FY2022	FY2023	FY2024	Total
Pandemic-Response	\$ 344,850			\$ 344,850
BMHS Solar Panels	\$ 500,000	\$ 500,000		\$ 1,000,000
Operating Budget		\$ 163,303	\$ 2,000,000	\$ 3,163,303
School Funding		\$ 1,000,000		
Fuel Tanks		\$ 650,000		\$ 650,000
Staff COVID Stipends		\$ 114,000		\$ 114,000
Potential Stipends		\$ 250,000		\$ 250,000
Rink Design Funding		\$ 350,000		\$ 350,000
DPW Salt Shed		\$ 500,000		\$ 500,000
Total Uses	\$ 844,850	\$ 3,527,303	\$ 2,000,000	\$ 6,372,153
Total ARPA Grant Funding				\$ 7,800,000
Remaining Funds Available				\$ 1,427,847



Structural Deficit

The amount by which a government's spending is more than it receives in recurring revenue in a particular period, whether the economy is performing well or not.

	FY2018	FY2019	FY2020	FY2021*	FY2022**	FY2023***	FY2024
Operating Budget	\$107,510,698	\$113,630,869	\$125,589,935	\$129,544,388	\$138,771,849	\$142,419,123	TBD
Exempt Debt Service	\$ 3,582,727	\$ 3,491,539	\$ 8,746,407	\$ 13,638,294	\$ 12,288,095	\$ 14,007,963	
Net Operating Budget	\$103,927,971	\$110,139,330	\$116,843,528	\$115,906,094	\$126,483,754	\$128,411,160	
<i>% Budget Increase</i>	4.8%	6.0%	6.1%	(0.8)%	9.1%	1.5%	
Free Cash	\$ 2,322,850	\$ 1,613,913	\$ 2,359,710	\$ 3,792,665	\$ 7,113,925	\$ 5,959,753	\$ 6,000,000
General Stabilization		\$ 1,340,341	\$ 2,403,105				
Belmont Light PILOT				\$ 1,000,000			
Total One-Time Funds	\$ 2,322,850	\$ 2,954,254	\$ 4,762,815	\$ 4,792,665	\$ 7,113,925	\$ 5,959,753	\$ 6,000,000
<i>One-Time as % of Budget</i>	2.2%	2.7%	4.1%	4.1%	5.6%	4.6%	
COVID Grant Funding				\$ 1,317,437	\$ 1,687,521	\$ 1,205,303	\$ 2,000,000

*FY2021 diverted approximately \$2.6M from capital items, including Streets, for Town/School budget needs.

**April 2021 failed override.

***School Circuit Breaker funding of \$1.5M was used to reduce School operating budget in FY2023.

Goal is to transition one-time funding to use for one-time purposes, like capital. It won't happen overnight; the goal is to develop a framework and strategy to implement over several years.



FY2024 Preliminary Revenue Forecast

General Fund Revenue Summary	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimated	FY2024 Projected	FY2023-24 Change	
Property Tax Levy	\$ 92,562,993	\$ 95,854,621	\$ 99,431,844	\$ 102,790,041	\$ 106,219,792	\$ 3,429,751	3.3%
Tax Levy for Exempt Debt	\$ 8,746,407	\$ 13,638,294	\$ 12,288,095	\$ 14,007,963	\$ 13,467,225	\$ (540,739)	(3.9)%
Combined Property Tax Levy	\$ 101,309,400	\$ 109,492,915	\$ 111,719,939	\$ 116,798,004	\$ 119,687,016	\$ 2,889,012	2.5%
State Aid	\$ 12,031,482	\$ 12,298,451	\$ 12,506,450	\$ 12,910,995	\$ 13,095,306	\$ 184,311	1.4%
Local Receipts	\$ 9,097,606	\$ 8,092,290	\$ 9,567,616	\$ 8,384,462	\$ 8,384,462	\$ —	—%
Available Funds	\$ 5,626,849	\$ 4,292,665	\$ 7,791,118	\$ 8,800,598	\$ 7,019,275	\$ (1,781,323)	(20.2)%
Revenue Offsets	\$ (2,744,129)	\$ (2,883,471)	\$ (2,876,292)	\$ (2,976,830)	\$ (3,049,600)	\$ (72,770)	2.4%
Enterprise Receipts	\$ 1,688,000	\$ 2,833,000	\$ 1,188,000	\$ 1,388,000	\$ 450,000	\$ (938,000)	(67.6)%
Total General Fund Operating Revenues	\$ 127,009,208	\$ 134,125,850	\$ 139,896,831	\$ 145,305,229	\$ 145,586,459	\$ 281,230	0.2%
Less - Revenues Set-Aside for Designated Purposes	\$ 1,945,757	\$ 226,147	\$ 2,044,261	\$ 6,462,272	\$ 4,315,866	\$ (2,146,406)	(33.2)%
Net General Fund Revenues	\$ 125,063,451	\$ 133,899,703	\$ 137,852,570	\$ 138,842,957	\$ 141,270,593	\$ 2,427,636	1.7%

Note - FY2024 Available Funds includes \$6M in Free Cash, with small amounts from other recurring sources. FY2023 included more than \$2.2M in one-time sources that were used for capital.



Belmont Public Schools Enrollment Update



K-12 Enrollment (2018-2022)

	10/2018	10/2019	10/2020	10/2021	10/2022	Change 2018-2022
All Students	4,568	4,633	4,378	4,285	4,324	-244
9-12	1,310	1,318	1,313	1,330	1,368	58
5-8	1,432	1,490	1,413	1,361	1,370	-62
K-4	1,826	1,825	1,652	1,594	1,586	-240



K-12 Enrollment (2020-2022)

	10/2020	10/2021	10/2022	Change 2020-2022
All Students	4,378	4,285	4,324	-54
9-12	1,313	1,330	1,368	55
5-8	1,413	1,361	1,370	-43
K-4	1,652	1,594	1,586	-66



English Learners (EL)

2018-2022

Cohort Number and % of
Total Enrollment

10/2018	10/2019	10/2020	10/2021	10/022
369 (8%)	404 (9%)	342 (8%)	375 (9%)	434 (10%)

Change over 5 years: +65 students

2020-2022

Cohort Number and % of
Total Enrollment

10/2020	10/2021	10/022
342 (8%)	375 (9%)	434 (10%)

Change over 3 yrs: +92 students

*Mandated services



Special Education (in-district)

2018-2022

Cohort Number and % of
Total Enrollment

10/2018	10/2019	10/2020	10/2021	10/022
504 (11%)	526 (11%)	542 (12%)	615 (14%)	660 (15%)

Change over 5 years: +156 students

2020-2022

Cohort Number and % of
Total Enrollment

10/2020	10/2021	10/022
542 (12%)	615 (14%)	660 (15%)

Change over 3 yrs: +118 students

*Mandated services



Special Education (OOD)

2018-2022

Cohort Number and % of
Total Enrollment

10/2018	10/2019	10/2020	10/2021	10/022
94 (2%)	96 (2%)	95 (2%)	102 (2%)	130 (3%)

Change over 5 years: +36 students

2020-2022

Cohort Number and % of
Total Enrollment

10/2020	10/2021	10/022
95 (2%)	102 (2%)	130 (3%)

Change over 3 yrs: +35 students

*Mandated services



Vocational Enrollment FY22, FY23

2021-2022 School Year - FY2022					
School/By Grade	Gr. 9	Gr. 10	Gr. 11	Gr. 12	Total
Medford Vocational Technical High School	1	1			2
Minuteman Regional HS	1	9	13	10	33

2022-2023 School Year - FY2023					
School/By Grade	Gr. 9	Gr. 10	Gr. 11	Gr. 12	Total
Medford Vocational Technical High School	3	1	1		5
Minuteman Regional HS		1	8	12	21



School Budget Process

General Fund Budget

- The district will provide an initial “rollover” of our current GF head count for FY24 that is inclusive of contractual obligations (COLA, Steps and Lanes). This will produce a “gross” dollar amount for FY24 for review.
- The district will review what programs and staffing levels by grade level are needed to provide “level services” to our students that are funded through the general fund and annual grants. This process will produce a “net” dollar amount for FY24 for review.



School Budget Process, cont.

Positions Funded from Federal Funds

- The district will review federally funded positions and programs from FY22 and FY23 and provide an outline for which positions still represent level service for remaining students' needs.
- Upon review the district will produce a “net” number of positions needed and a dollar amount for consideration for FY24



School Budget Process, cont.

New School Opening, Fall 2023

- The district will identify the level service needs that are inherent in opening a new school and scaling up the district to the new configuration of our school system.
- This process will assume that all staff who currently work with 7th and 8th grade students will move to the new building.
- For staff who currently service students in grades 5-8, there will be incremental staffing to ensure that this work occurs in both the BMHS and the Chenery Upper Elementary School daily.
- There will also be organizational staffing needs to operate the building.



School Budget Process, cont.

Special Education Budget Projections

- The district, in partnership with the School Committee, Town Administrator's Office and Warrant Committee will meet to discuss the Special Education Out-of-District (OOD) tuition three-year plan and the impact on the FY24 budget. This will involve a review of federal, state and local funds needed and annually dedicated to these services.
- The goal of these discussions is to identify the General Fund impact and carryover balances the school department projects and plans for in its three-year OOD plan.



Municipal Budget Process

Operating Budget

- The Town is not proposing to restore the 5 positions eliminated in FY2022 after failed override. (Police, Fire, Engineer and 2 DPW staff)
- The Town Administrator's Office is projecting payroll expenses for FY2024 based on current staffing levels and known vacancies. Departments are reviewing the calculations and providing updates as needed.
- Departments are requesting FY2024 expenses based on maintaining level services from FY2023. Also compiling known increases for FY2025 and FY2026 to ensure that our projections are as accurate as possible.
- Internal meetings to review requests are scheduled beginning November 14th.
- Select Board budget hearings will be scheduled the week of December 5th.
- Warrant Committee subcommittees meet with departments in February/March.



Municipal Budget Process, cont.

Capital Budget

- Transition year with newly appointed Comprehensive Capital Budget Committee.
- Departments are completing requests now.
- Goal is to better project out-year projects so they can be incorporated into overall budget projections.
- Long-term goal is to develop a routine mechanism for use of one-time funds for capital projects rather than the operating budget.



Fall Town Meeting Potential Topics

1. Two debt exclusion projects, pending November 8th vote results
2. Establish Capital Stabilization Fund
3. Leaf Blower Bylaw
4. Transition from Elected to Appointed Treasurer/Collector
5. Supplemental Budget for Recreation Department
6. Supplemental Budget for Town Hall Roof (CPC funding)



Next Meeting – December 14th

- Updates on Revenue Projections and Shared Service budgets
- Initial Revenue Allocation for FY2024
- Three-Year Projection – Revenue and Spending (preliminary)

January 12th Meeting

- High-Level School Budget for FY2024
- Refined Revenue Allocation for FY2024