



Belmont, MA

Town of Homes

FY2025 Budget Summit II

November 30, 2023





Presentation Overview

- FY2025 Revenue Updates
- FY2025 Rollover, Level-Service and Override Budgets - Shared Services, Schools, and Municipal
- Updated FY2025 Gap Calculation and Multi-Year Forecast
- Next Steps



Changes to FY2025 Revenue Forecast

Revenue Category	Summit I	Summit II	Change	Comment
Free Cash Use	\$ 2,552,695	\$ 3,000,000	\$ 447,305	Reflects typical replenishment, used for both operating budget and OPEB
FY2024 New Growth	\$ 860,000	\$ 876,069	\$ 16,069	Updated values from Board of Assessors in preparation for setting FY24 tax rate
Cannabis Excise Taxes	\$ —	\$ 20,000	\$ 20,000	First quarter of revenues received
Enterprise Receipts	\$ 1,154,799	\$ 1,170,225	\$ 15,426	Revised Water/Sewer Indirect calculation
Local Receipts	\$ 8,093,549	\$ 8,215,549	\$ 122,000	Various updated assumptions
Total Change			\$ 620,800	



FY2025 Updated Revenue Forecast

General Fund Revenue Summary	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Estimated	FY2025 Projected	FY2024-25 Change	
Property Tax Levy	\$ 95,854,621	\$ 99,431,844	\$ 102,786,493	\$ 106,318,549	\$ 109,836,512	\$ 3,517,964	3.3%
Tax Levy for Exempt Debt	\$ 13,638,294	\$ 12,288,095	\$ 13,719,329	\$ 13,154,514	\$ 14,281,505	\$ 1,126,991	8.6%
Combined Property Tax Levy	\$ 109,492,915	\$ 111,719,939	\$ 116,505,822	\$ 119,473,063	\$ 124,118,018	\$ 4,644,955	3.9%
State Aid	\$ 12,253,713	\$ 12,454,009	\$ 12,857,194	\$ 14,608,481	\$ 14,772,370	\$ 163,889	1.1%
Local Receipts	\$ 8,092,290	\$ 9,567,943	\$ 10,800,033	\$ 10,058,462	\$ 8,215,549	\$ (1,842,913)	(18.3)%
Available Funds	\$ 4,342,665	\$ 7,841,118	\$ 8,565,598	\$ 11,537,499	\$ 3,162,761	\$ (8,374,738)	(72.6)%
Revenue Offsets	\$ (2,838,733)	\$ (2,831,921)	\$ (2,919,157)	\$ (3,124,535)	\$ (3,181,648)	\$ (57,113)	1.8%
Enterprise Receipts	\$ 2,833,000	\$ 1,188,000	\$ 1,388,000	\$ 942,487	\$ 1,170,225	\$ 227,738	24.2%
Total General Fund Operating Revenues	\$ 134,175,850	\$ 139,939,088	\$ 147,197,490	\$ 153,495,457	\$ 148,257,274	\$ (5,238,183)	(3.4)%
Less - Revenues Set-Aside for Designated Purposes	\$ 1,226,415	\$ 3,851,943	\$ 6,462,272	\$ 6,694,286	\$ 5,164,350	\$ (1,529,936)	(22.9)%
Net General Fund Revenues	\$ 132,949,435	\$ 136,087,145	\$ 140,735,218	\$ 146,801,171	\$ 143,092,925	\$ (3,708,246)	(2.5)%



Balance of Available One-Time Funding Sources

Fund Name	FY2019	FY2020	FY2021	FY2022	FY2023
General Stabilization Fund*	\$2,729,866	\$1,889,779	\$1,884,860	\$1,839,401	\$3,593,737
Capital Stabilization Fund*	\$—	\$—	\$—	\$—	\$762,500
Free Cash	\$8,106,817	\$11,239,464	\$15,026,459	\$15,553,790	\$11,874,537
Total Available Funds	\$10,836,683	\$13,129,243	\$16,911,319	\$17,393,191	\$16,230,774

*The FY2023 values for the General and Capital Stabilization Funds reflect the \$727,500 that was transferred at the Fall Special Town Meeting into each fund.



Potential Use of Free Cash - FY2025

Fiscal Year	FY2022	FY2023	FY2024	FY2025	
Free Cash Available	\$ 11,239,464	\$ 15,026,459	\$ 15,553,790	\$ 11,874,537	Main drivers have been carryforward of Remaining Balances, and staff vacancies
Operating Budget	\$ 7,113,925	\$ 5,380,478	\$ 9,693,014	\$ 2,447,305	Reflects dedicating \$3M in total Free Cash to offset Operating Budget and OPEB
OPEB	\$ 50,000	\$ 579,275	\$ 552,695	\$ 552,695	Will recalculate for FY2025
General Stabilization			\$ 950,000		Transferred excess Free Cash to bring carryforward down to 3% of revenues
Opioid Settlement \$				\$ 107,020	FY2023 Opioid Settlement embedded in Free Cash - need to transfer to Opioid Stabilization fund
Capital Stabilization				\$ 1,500,000	Placeholder - large projects at Chenery and elsewhere on the horizon
Override Offset				\$ 2,662,517	Proposal to set-aside portion of current Free Cash to offset requested Override, for FY2025 and out-years (FY2026-27)
Fuel Tanks		\$ 649,699			
Total Uses	\$ 7,163,925	\$ 6,609,452	\$ 11,195,709	\$ 7,269,537	
Remaining Balance	\$ 4,075,539	\$ 8,417,007	\$ 4,358,081	\$ 4,605,000	Town fiscal policy to carryforward 3-5%



Shared Services Spending Summary

Expense Budgets	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Appropriated	FY2025 Projected	FY2024-25 Change	
Facilities	\$ 5,240,068	\$ 5,739,210	\$ 6,320,991	\$ 7,519,388	\$ 7,575,101	\$ 55,713	0.7%
Benefits	\$22,457,207	\$23,713,401	\$25,476,592	\$ 26,214,186	\$26,401,794	\$ 187,608	0.7%
Other Shared Expenses	\$ 1,902,672	\$ 1,560,307	\$ 1,248,579	\$ 3,374,332	\$ 1,561,305	\$(1,813,027)	(53.7)%
Capital-Related Expenses	\$ 2,791,035	\$ 5,000,682	\$ 5,084,444	\$ 5,248,080	\$ 5,842,093	\$ 594,014	11.3%
Total Shared Services	\$32,390,982	\$36,013,600	\$38,130,606	\$ 42,355,986	\$41,380,293	\$ (975,692)	(2.3)%
Revised FY2024 - Removed Stabilization Transfers				\$ 40,900,986	\$41,380,293	\$ 479,307	1.2%



Shared Services Considerations

- Health Insurance Utilization Post-Pandemic
 - Trust fund balances grew during pandemic; may have to dip into them for FY2025. Staff will monitor and report back in Spring.
- Support for the Facilities Department to Maintain our Buildings
 - Project manager to oversee capital projects and energy efficiency initiatives
- Capital - Sidewalks and Discretionary Capital



School Budget Presentation



Municipal Spending Summary

Expense Budgets	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Appropriated	FY2025 Projected	FY2024-25 Change	
General Government	\$ 3,830,936	\$ 4,510,315	\$ 5,309,726	\$ 5,219,752	\$ 5,673,180	\$ 453,428	8.7%
Public Safety	\$12,228,092	\$12,921,617	\$14,219,725	\$ 14,160,201	\$14,533,776	\$ 373,575	2.6%
Public Services	\$ 8,407,046	\$ 9,317,830	\$ 9,711,335	\$ 10,574,116	\$ 9,750,975	\$ (823,140)	(7.8)%
Human Services	\$ 2,881,736	\$ 3,053,356	\$ 3,233,233	\$ 3,351,359	\$ 3,416,607	\$ 65,248	1.9%
Municipal Operations	\$27,347,810	\$29,803,118	\$32,474,019	\$ 33,305,428	\$33,374,538	\$ 69,111	0.2%

Revised FY2024 - Removed Recreation Programming \$ 32,126,728 \$33,374,538 \$1,247,810 3.9%



Municipal Budget Focus

Key retirements and anticipated retirements have led to some significant restructuring within and between departments. This has created opportunities to streamline operations and create efficiencies.

- Recreation - transitioning to Revolving Fund
- Community Development transitioned to Planning and Building and DPW Engineering
- Rink Manager - new rink opening in early 2025
- Library - new building opening in Fall 2025
- Treasurer - realigning staff functions and reducing excess



Municipal FTE Changes

	FY24 FTEs	FY25 FTEs	Change
Recreation - move Seasonal and Part-Time Staff to Revolving Fund	10.8	—	(10.8)
Planning and Building	9.3	7.4	(1.9)
DPW Engineering Division	1.0	3.4	2.4
Facilities Project Manager	—	1.0	1.0
Rink Manager	—	1.0	1.0
Library Assistant Director and Technical Librarian	0.5	1.5	1.0
Treasurer Staff	6.5	5.0	(1.5)
			2.0



Multi-Year Forecast - Revenue and Expense Summary

	Revenue Budget	FY2024 Estimated	FY2025 Projected	Variance	%	Projected FY2026	Variance	%	Projected FY2027	Variance	%
1	Tax Levy (Base + New Growth + 2.5%)	\$ 106,318,549	\$ 109,836,512	\$ 3,517,964	3.3%	\$ 113,442,425	\$ 3,605,913	3.3%	\$ 117,138,486	\$ 3,696,061	3.3%
2	State Aid	\$ 14,608,481	\$ 14,772,370	\$ 163,889	1.1%	\$ 14,962,585	\$ 190,215	1.3%	\$ 15,153,901	\$ 191,316	1.3%
3	Other Revenue Sources	\$ 7,975,657	\$ 6,366,887	\$ (1,608,770)	(20.2)%	\$ 6,395,351	\$ 28,464	0.4%	\$ 6,430,637	\$ 35,286	0.6%
4	Use of Free Cash/Stabilization	\$ 10,245,709	\$ 3,000,000	\$ (7,245,709)	(70.7)%	\$ 3,000,000	\$ —	—%	\$ 3,000,000	\$ —	—%
	Total Available Revenue	\$ 139,148,396	\$ 133,975,769	\$ (5,172,627)	(3.7)%	\$ 137,800,361	\$ 3,824,592	2.9%	\$ 141,723,023	\$ 3,922,662	2.8%

	Expense Budgets	FY2024 Appropriated	FY2025 Projected	Variance	%	Projected FY2026	Variance	%	Projected FY2027	Variance	%
5	Total School Budget	\$ 63,486,981	\$ 67,823,383	\$ 4,336,402	6.8%	\$ 73,264,605	\$ 5,441,222	8.0%	\$ 77,765,262	\$ 4,500,657	6.1%
6	Total Municipal Budget	\$ 33,305,428	\$ 33,374,538	\$ 69,110	0.2%	\$ 34,211,042	\$ 836,504	2.5%	\$ 35,068,924	\$ 857,882	2.5%
7	Total Facilities Budget	\$ 7,519,388	\$ 7,575,101	\$ 55,713	0.7%	\$ 7,744,623	\$ 169,521	2.2%	\$ 7,918,030	\$ 173,407	2.2%
8	Total Benefits	\$ 26,214,186	\$ 26,401,794	\$ 187,608	0.7%	\$ 27,438,499	\$ 1,036,705	3.9%	\$ 28,488,895	\$ 1,050,396	3.8%
9	Total Other Shared Expenses	\$ 3,374,332	\$ 1,561,305	\$ (1,813,027)	(53.7)%	\$ 1,601,846	\$ 40,541	2.6%	\$ 1,644,394	\$ 42,549	2.7%
10	Total Capital-Related Expenses	\$ 5,248,080	\$ 5,842,093	\$ 594,014	11.3%	\$ 5,957,385	\$ 115,291	2.0%	\$ 6,080,350	\$ 122,965	2.1%
	Total Expenses	\$ 139,148,395	\$ 142,578,215	\$ 3,429,820	2.5%	\$ 150,217,999	\$ 7,639,784	5.4%	\$ 156,965,855	\$ 6,747,856	4.5%

	Net Budget Surplus/(Deficit)	\$ —	\$ (8,602,446)	\$ (8,602,446)		\$ (12,417,638)	\$ (3,815,192)		\$ (15,242,833)	\$ (2,825,194)	
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Belmont Override History

Date	Override Purpose	Pass	Fail	Voters	% Yes
April 2021	Education, Town, Capital		\$ 6,400,000	8,089	43.8%
April 2015	Education, Roads, Capital	\$ 4,500,000		8,570	55.2%
June 2010	Education, Town, Capital		\$ 2,000,000	6,475	47.0%
June 2008	Roads, Streets and Sidewalks		\$ 2,500,000	4,871	46.6%
April 2006	Roads, Streets and Sidewalks		\$ 3,000,000	5,242	30.2%
June 2002	Education, Town Operations	\$ 2,400,000		5,666	51.9%
May 2001	Education, Town, Roads	\$ 3,000,000		5,049	61.1%
December 1993	Education, Town Operations		\$ 1,116,111	5,676	31.0%
April 1990	Solid Waste Collection & Disposal	\$ 2,094,946		5,585	54.2%



Next Steps - Override and No Override Discussions

1. December 4 – Select Board Meeting
 - Set FY2024 Tax Rate
 - Discuss Override Model being developed and discussed at Warrant Committee
 - Initial Discussion of value of Override and Use of Free Cash / Reserves if No Override
2. December 6 – Warrant Committee Meeting
 - Further discussion of override model based on Select Board feedback
3. December 11 – Select Board meeting
 - Subsequent discussion of Override Level and Plan B if No Override
 - Direction to Town Administrator and Superintendent for developing No Override budgets for Summit III
4. December 13 – Warrant Committee meeting
5. December 18 – Select Board meeting (morning meeting - annual licensing)
6. December 20 – Summit III – Presentation of No Override Budgets based on 12/13 Select Board guidance



Next Steps - Present Override and No Override Budgets

7. January 5, 2024 – Preliminary budgets recommended by Town Administrator and Superintendent for both Override and No Override in traditional budget detail
8. January 11 – Summit IV - presentation of budgets by Town Administrator and Superintendent
9. January 18 – Public Forum on transitioning Assessors from elected to appointed
10. January 22 – Special Town Meeting (remote) - transition of Assessors at Annual Election
11. January 24 – Governor's budget released
12. January 29 – Select Board meeting; final determination of override values for April 2, 2024