



Belmont, MA

Town of Homes

FY2025 Public Forum

Belmont Budget Information
September 28, 2023





Presentation Overview

- Overall Town Budget Overview - Spending and Revenue
- Funding Gap - How Large Is It, And How Did We Get Here?
- Efforts to Decrease Deficit
- Override and Debt Exclusion History
- Timeline for FY2025 Budget Process



Setting the Stage - Budget Context

- 84.5% of revenue from the Town comes from Property Taxes, which can only increase 2.5% per year, per Proposition 2½.
- This year's budget uses over \$9 million in one-time (non-recurring) funds.
- There is a budget GAP forecasted between revenue and expenses next year, continuing a trend which started 7 years ago.
- Funding to build the new Middle/High School, Library and Municipal Skating Rink/Sports Facility is secured.



Municipal and School Operations Overview

Municipal Functions

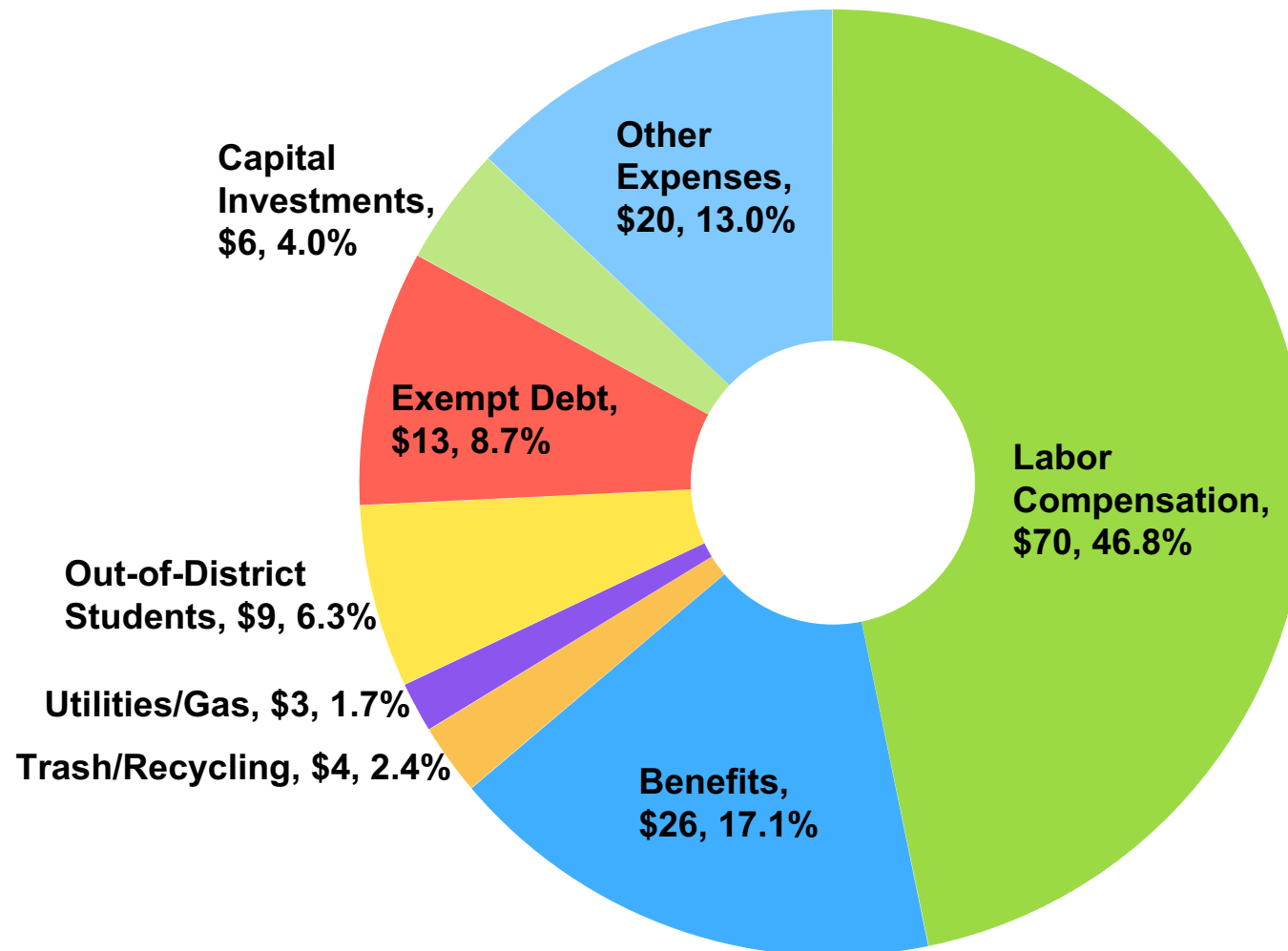
- Fire and Police
- Snow Clearing, Trash Pickup, Field Maintenance
- Library, Senior Center
- Recreation Programs
- Building Operations/Utilities
- Myriad Administrative and Oversight/Permitting Functions

School Functions

- Elementary, Middle & High Schools
- 4,500 students overall
- Special Education Services
- Athletics, Music, Theater
- School Lunch, Buses
- English Language Learners
- METCO Program

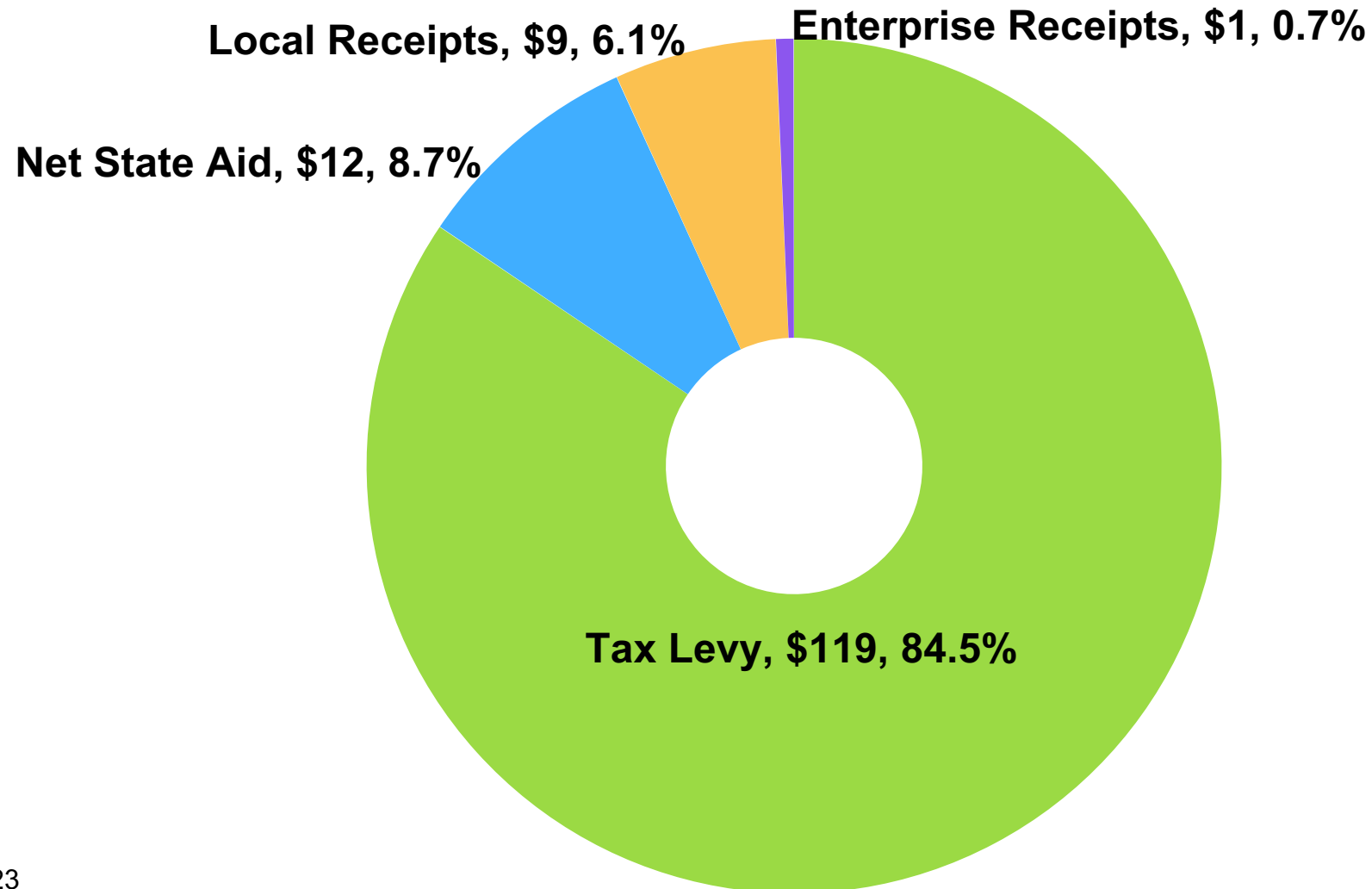


FY2024 Expense Categories (\$ Millions)



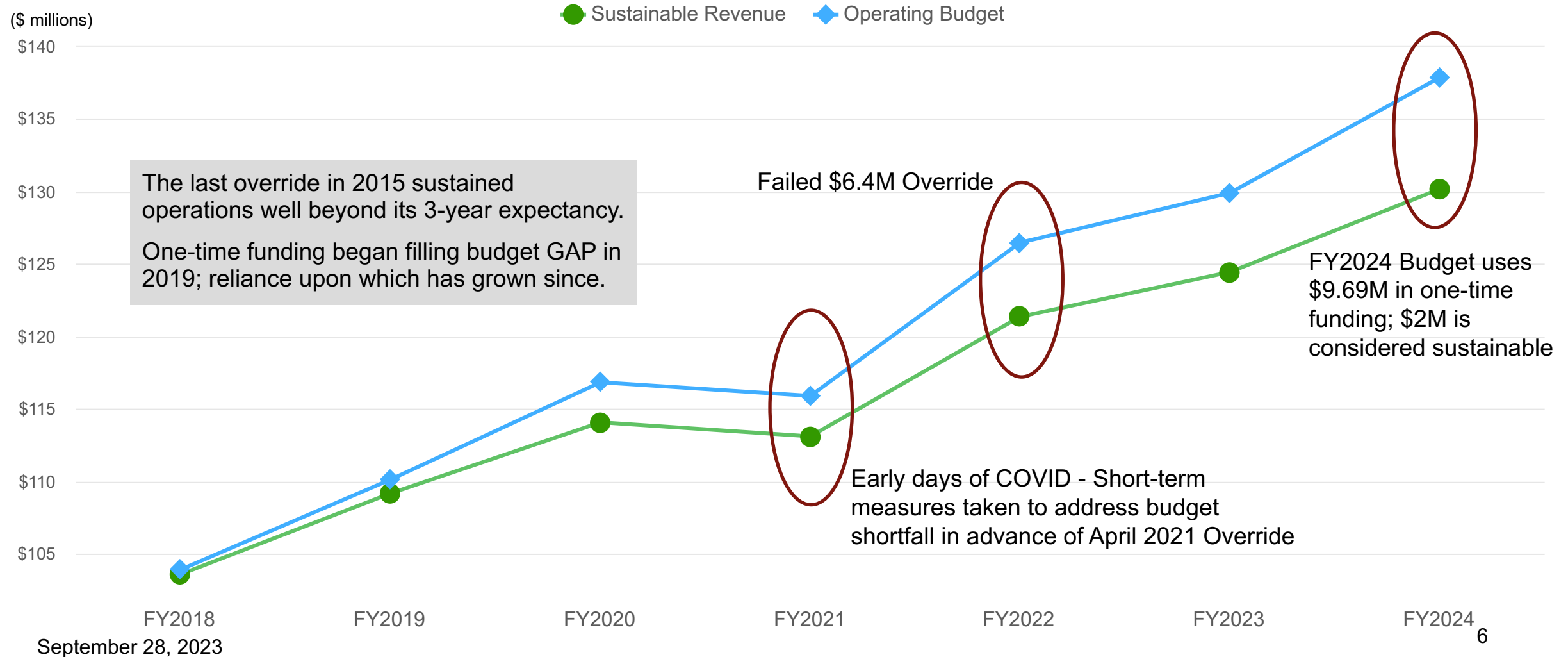


Recurring Budgeted Revenue (\$ Millions)





Growing Gap Between Revenue and Expenses





What is Driving Cost Increases?

1. Inflation - wages, benefits, materials, energy costs
2. Maintenance & Operations of New Buildings - BMHS, Library, Skating Rink
3. School enrollment needs and increased social emotional needs for students to have supports inside/outside the classroom



Efforts to Decrease Future Override Amount

- Financial Task Force II (2020) made 15 recommendations, 12 completed
- Structural Change Impact Group (SCIG, 2022) reviewed 400+ suggestions and highlighted many for follow-up; the Structural Change Implementation Committee (SCIC) is recommending next steps to Select Board.
- Collins Center Report (June 2022) recommended hiring a Finance Director, using new budget process, and transitioning to an appointed Treasurer, all of which have been done. More are planned; take time to implement.
- Fall 2023 Special Town Meeting (November) will review further efficiencies.
- **Despite all efforts, Town leaders have determined an operating override is needed.**



Historical Context for Belmont Tax Increases

- An **operating override** allows Towns to permanently increase the tax base for ongoing costs such as salaries, expenses and benefits.
 - Since 1990, Belmont has passed four operating overrides totaling \$12 million, and rejected five overrides totaling \$15 million.
- A **debt exclusion** allows Town's to temporarily increase taxes to fund new Town infrastructure, usually through debt service payments.
 - Since 1987, Belmont has passed 11 Debt Exclusions and rejected 4.
- Recent debt exclusions:
 - Rink – \$28.7M
 - Library – \$35.5M
 - BMHS – \$293.4M



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%

Since 1990 (33 years), Belmont has passed only four overrides that can be used for the operating budget.



Why Now, Not Later?

Through creative financing, the Town has found ways to fill the budget GAP created by constrained revenue and increasing expenses, but that has often come at the expense of long-term investments. Ideally one-time funds should be used for one-time uses. (e.g., capital)

- American Rescue Plan Act (ARPA) funds to supplement School and Town budgets - most other communities made infrastructure investments.
- Defunding investments in roads and other capital items, and eliminating uniformed staff at Police and Fire.
- Looming need for capital investments in Chenery boiler and roof replacements, capping the Landfill, and other pressing needs.



FY2025 Budget Process and Timeline

2023

September 28

Select Board Forum:

- Overview of Town Budget
- Explanation of Funding Gap

October 12

Budget Summit #1:

- Preliminary Revenue Projections
- Initial Budget Planning Number

November 30

Budget Summit #2:

- "Free Cash" Certified
- Town/School Budgets with Override

December 20

Budget Summit #3:

- Town/School Budgets without Override

2024

January 11

Budget Summit #4:

- Review of Town/School Budget documents with and without Override

February 26

Select Board Deadline:

- Approve final value and structure of Override for election warrant

April 2

Town Election:

- Voters cast ballots on proposed Override

Note: Additional Public Forums may be scheduled in the future as well.



Questions/Comments