



FY25

Budget Planning

Mary MacKinnon, Finance Director

August 21, 2023



AGENDA

Budgetary objectives

FY24 revenue sources

FY23 revenue results

Guidelines for FY25

Next Steps

BUDGETARY OBJECTIVES



PROTECT CORE SERVICES & VALUES

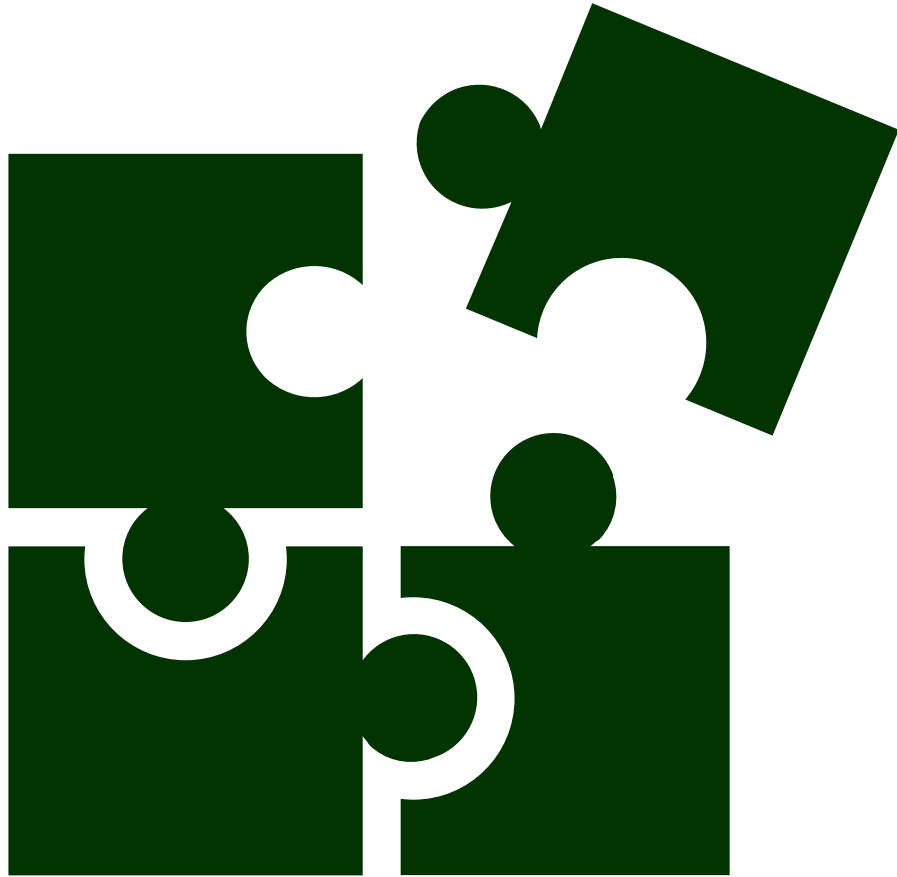
Preserve high-quality services across all functions including police, fire, education, and more.

FISCALLY RESPONSIBLE

Make sound budgetary decisions that embody the Town's existing policies, protect our credit rating, and reflect best practices across the municipal industry.

PRESENT A BALANCED BUDGET

Present a balanced budget matching revenues to expenditures.



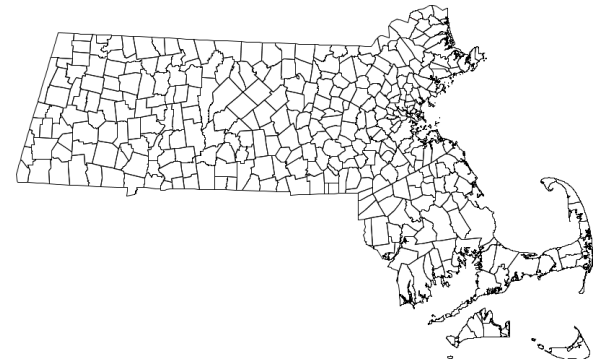
KEY BUDGETARY FACTORS

\$90M BUDGET FY24 GF operating budget

91% REVENUES Derived from Taxation and other local sources

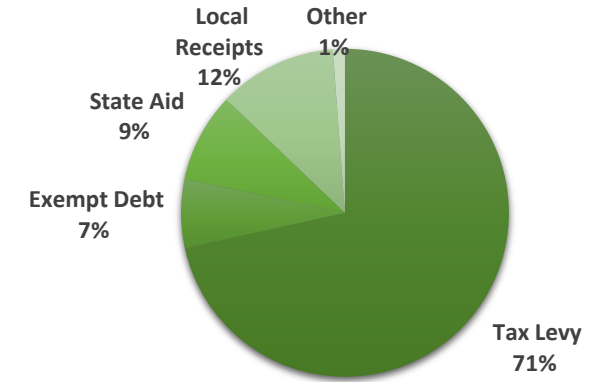
96.5% TAX BASE Residential property owners
[only 11 other towns with a higher R/O % of Levy]

The other 11...



Municipality	Resid % of Levy	Population	EQV Per Capita	Average Single Family Value	Single Family Tax Bill	Single Family Tax Bill as % of Value	DOR Income Per Capita	Average Tax Bill as a % of Income	Rank
Duxbury	96.56	16,116	334,418	1,091,242	11,665	1.07	113,829	10.25	30
Holland	96.59	2,583	159,755	318,142	4,164	1.31	34,469	12.08	300
Mt Washington	96.71	159	619,949	493,722	2,750	0.56	20,131	13.66	346
Eastham	96.87	5,832	616,859	717,214	5,193	0.72	37,872	13.71	227
Dover	97.03	5,892	484,535	1,372,959	16,736	1.22	245,807	6.81	8
Boxford	97.14	8,141	276,246	840,866	11,638	1.38	110,612	10.52	33
West Newbury	97.35	4,544	261,758	815,128	8,991	1.1	78,619	11.44	60
Alford	97.70	484	636,517	845,113	4,226	0.5	33,770	12.51	298
Chilmark	97.89	1,248	3,107,473	2,429,337	6,389	0.26	69,931	9.14	155
Wenham	98.04	4,987	202,645	847,660	14,707	1.74	78,745	18.68	15
Aquinnah	98.13	450	1,912,854	1,787,057	10,901	0.61	29,446	37.02	37
Carlisle	98.18	5,181	355,477	1,125,829	15,930	1.42	132,901	11.99	12
<i>Avg</i>						<i>1.32</i>	<i>48,093</i>	<i>15.25</i>	

REVENUES: AVAILABLE FUNDING SOURCES



TAX LEVY

Real and Personal taxes due to the Town based on value. Increased annually by 2.5%.

STATE AID

Amount received from the State to support education and all other governmental services.

LOCAL RECEIPTS

Amounts derived locally through excise, user charges, fees, fines, and other programs

DEBT EXCLUSIONS

Amounts derived through voter acceptance of debt funded capital projects in excess of the Prop 2 ½ limits. Temporary in nature.

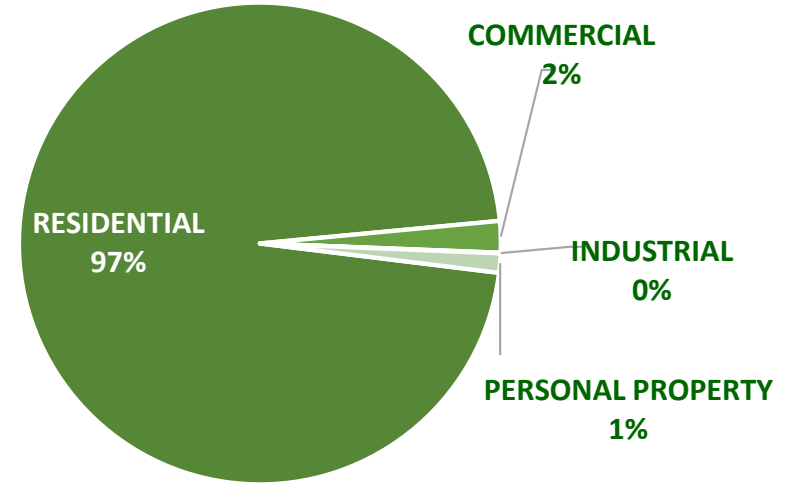
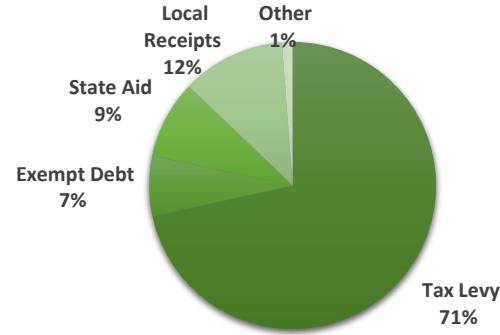
EXCESS LEVY CAPACITY

Amount of tax levy not used to support the operating budget and therefore not taxed. This carries forward for 1 year.

OTHER

Reserves and other funds used to support specific purposes (e.g., betterments, WWIF, ambulance receipts)

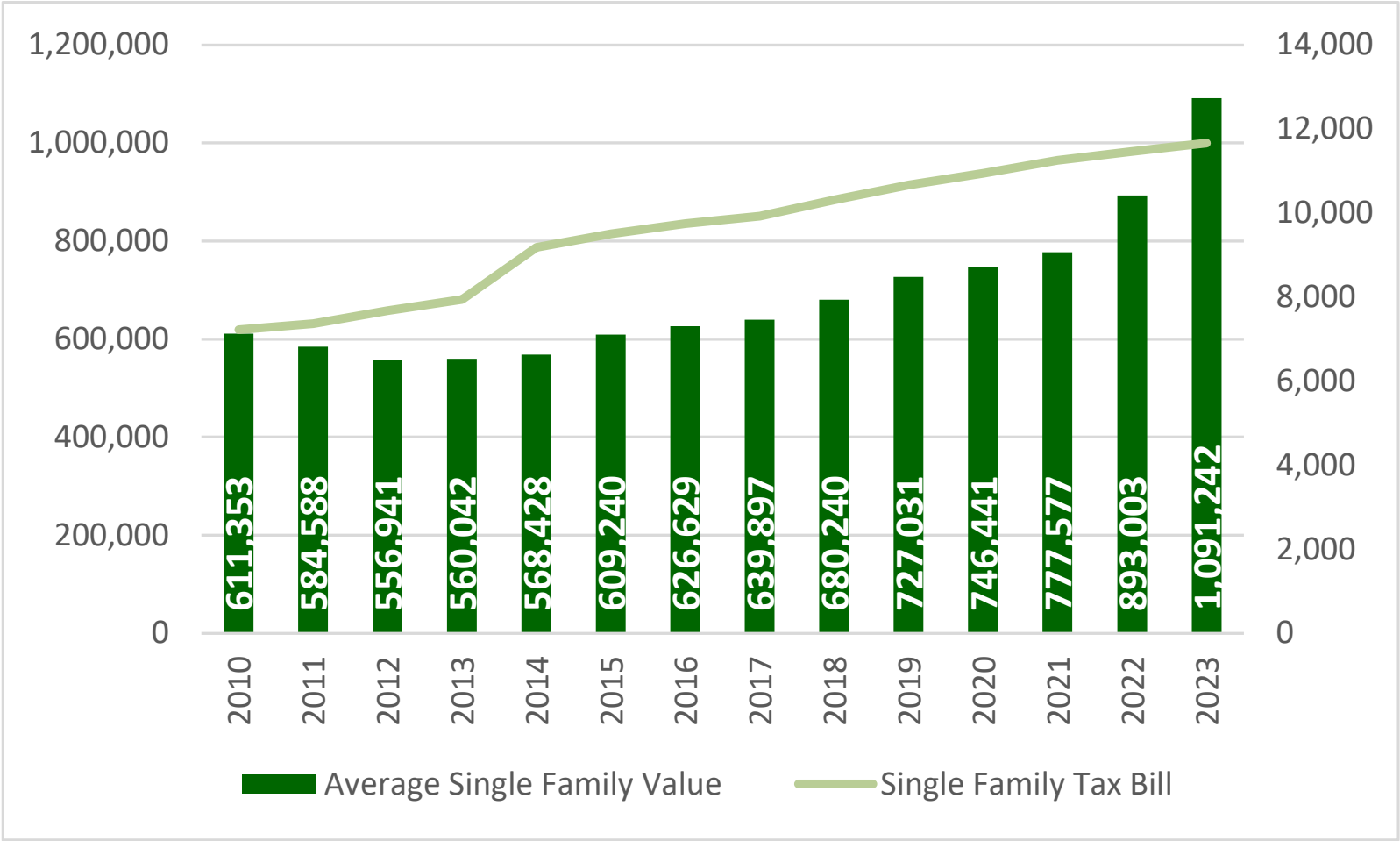
TAX LEVY



	2023	2024	2025	2026	2027	2028	2029
Previous Year Levy Limit	61,275,267	63,414,274	65,549,631	67,688,372	69,830,581	71,976,346	74,175,754
Prop 2.5 Increase	1,531,882	1,585,357	1,638,741	1,692,209	1,745,765	1,799,409	1,854,394
New Growth	607,126	550,000	500,000	450,000	400,000	400,000	400,000
LEVY LIMIT	63,414,274	65,549,631	67,688,372	69,830,581	71,976,346	74,175,754	76,430,148
\$ Change	2,139,008	2,135,357	2,138,741	2,142,209	2,145,765	2,199,409	2,254,394
% Change	3.49%	3.37%	3.26%	3.16%	3.07%	3.06%	3.04%
Capital Exclusion(s)	-	-	-	-	-	-	-
Debt Exclusion(s)	6,015,257	5,986,811	5,748,288	4,978,403	4,879,652	4,451,542	3,922,612
MAXIMUM ALLOWABLE LEVY	69,429,531	71,536,442	73,436,660	74,808,984	76,855,998	78,627,296	80,352,760
Unused Levy Capacity	1,791,564	313,910	0				
TAX LEVY	67,637,967	71,222,532	73,436,660	74,808,984	76,855,998	78,627,296	80,352,760
\$ Change	417,854	3,584,565	2,214,128	1,372,324	2,047,014	1,771,299	1,725,464
% Change	0.62%	5.30%	3.11%	1.87%	2.74%	2.30%	2.19%

AVERAGE SINGLE FAMILY HOME

	ASF-VALUE		ASF-TAXES	
2010	611,353	(6.51)%	7,220	1.2%
2011	584,588	(4.38)%	7,366	2.0%
2012	556,941	(4.73)%	7,680	4.3%
2013	560,042	0.56%	7,947	3.5%
2014	568,428	1.50%	9,180	15.5%
2015	609,240	7.18%	9,504	3.5%
2016	626,629	2.85%	9,744	2.5%
2017	639,897	2.12%	9,925	1.9%
2018	680,240	6.30%	10,312	3.9%
2019	727,031	6.88%	10,673	3.5%
2020	746,441	2.67%	10,943	2.5%
2021	777,577	4.17%	11,259	2.9%
2022	893,003	14.84%	11,466	1.8%
2023	1,091,242	22.20%	11,665	1.7%



STATE AID



CHAPTER 70

FY24 is up 5.07% over FY23. State established a new baseline due to funding of the SOA. The state is supporting this new baseline and is half-way through their 6-year phase in program.



UNRESTRICTED GENERAL GOV'T AID

Typically held to the revenue consensus % (growth in state revenues). But in FY24, this was increased slightly (from 2% to 3.2%) to reflect the strong performance at the state level.



ASSESSMENTS

The charges have been relatively consistent showing only a small uptick in Charter School Tuitions.



STATE AID

5.07%

RECEIPTS

INCREASE over FY23

\$398,597

(5.25)%

CHARGES

REDUCTION over FY23

\$38,422

6.13%

NET

INCREASE over FY23

\$434,600

1.78%

PROJECTION

Using a blended rate of:
2.09% revenue growth
5.46% charge growth

STATE AID

	2022	2023	2024	2025	2026	2027	2028	2029
Chapter 70	5,463,948	6,310,025	6,671,508	6,810,811	6,953,023	7,098,204	7,246,416	7,397,723
Charter School Reimbursement	113,210	170,792	154,095	157,313	160,597	163,951	167,374	170,869
School Lunch	-	-	-	-	-	-	-	-
Unrestricted General Gov't Aid (UGGA)	974,198	1,026,805	1,059,662	1,081,788	1,104,376	1,127,436	1,150,977	1,175,010
Veterans Benefits (ch 115)	54,869	65,079	67,645	69,057	70,499	71,971	73,474	75,008
Exemptions: Vets, Blind & Spouses, Elderly	73,505	96,044	84,329	86,090	87,887	89,723	91,596	93,508
State Owned Land	114,650	147,163	174,607	178,253	181,975	185,774	189,654	193,614
Public Libraries	28,353	35,264	37,923	38,715	39,523	40,348	41,191	42,051
	6,822,733	7,851,172	8,249,769	8,422,026	8,597,881	8,777,407	8,960,681	9,147,783
Less:								
Library Revolving	(28,353)	(35,264)	(37,923)	(38,715)	(39,523)	(40,348)	(41,191)	(42,051)
State Aid Charges	(662,814)	(731,166)	(692,744)	(730,545)	(770,410)	(812,449)	(856,782)	(903,535)
General Fund	6,131,566	7,084,742	7,519,102	7,652,766	7,787,948	7,924,609	8,062,708	8,202,197
	1.65%	15.55%		1.78%	1.77%	1.75%	1.74%	1.73%

Assumptions:

% Chg State Aid Receipts	2.09%	2.09%	2.09%	2.09%	2.09%
% Chg State Aid Charges	5.46%	5.46%	5.46%	5.46%	5.46%
Net Change in State Aid	1.78%	1.77%	1.75%	1.74%	1.73%

Uses a 5-yr avg excluding FY23

LOCAL RECEIPTS

Revenue sources that are derived at the Local” level for programs, services, and amenities. Directly influenced by behavior, economy, and trends.

EXCISE

Motor Vehicle
Boat
Meals

CHARGES FOR SERVICES

Programs offered by the Town for which we charge a rate or fee.

Examples: Transfer Station, Library, Recreation, Beach permits, Rental of property

MISCELLANEOUS

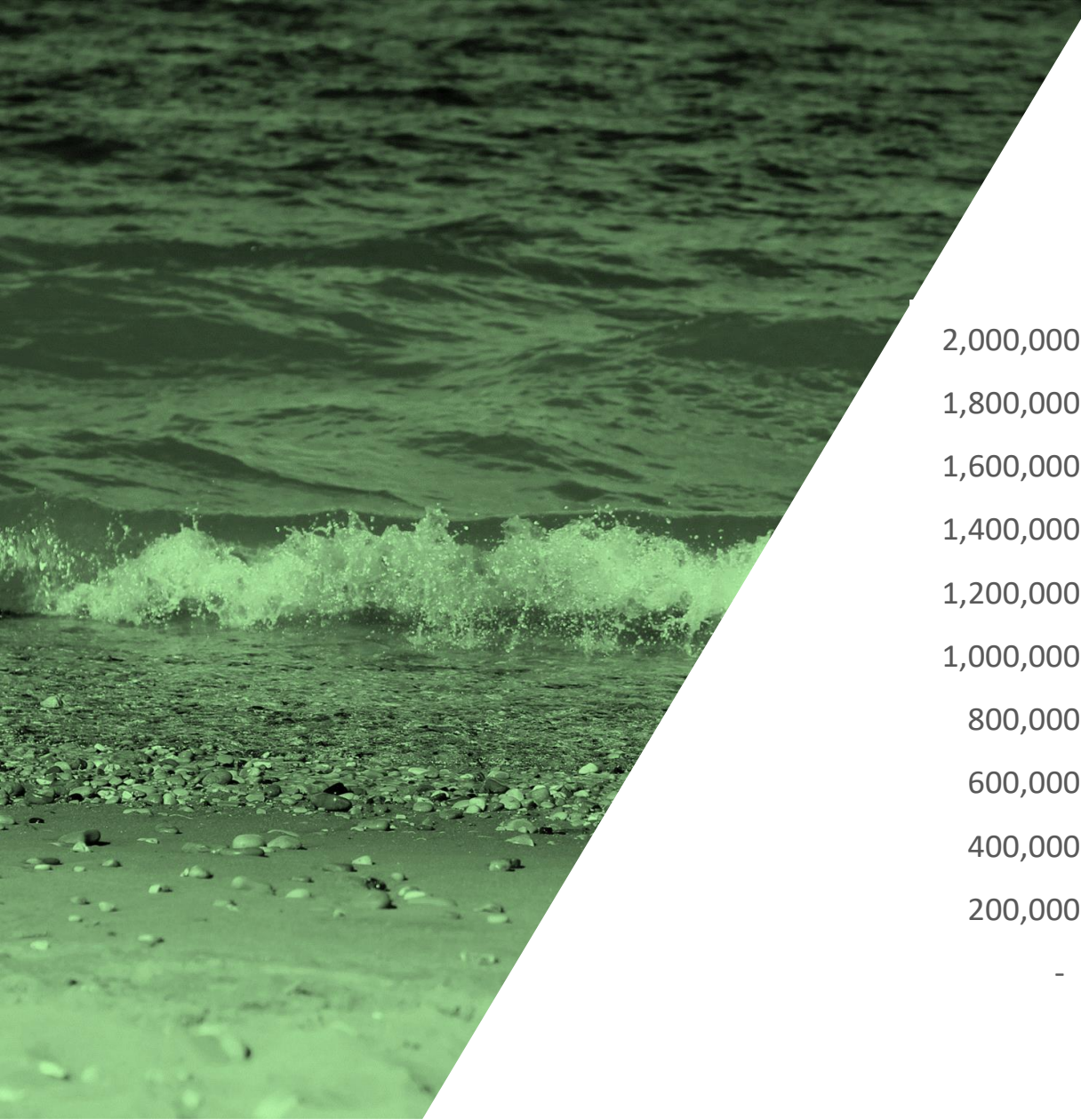
Penalties, Fines, Investment income, sale of surplus assets

LOCAL RECEIPTS

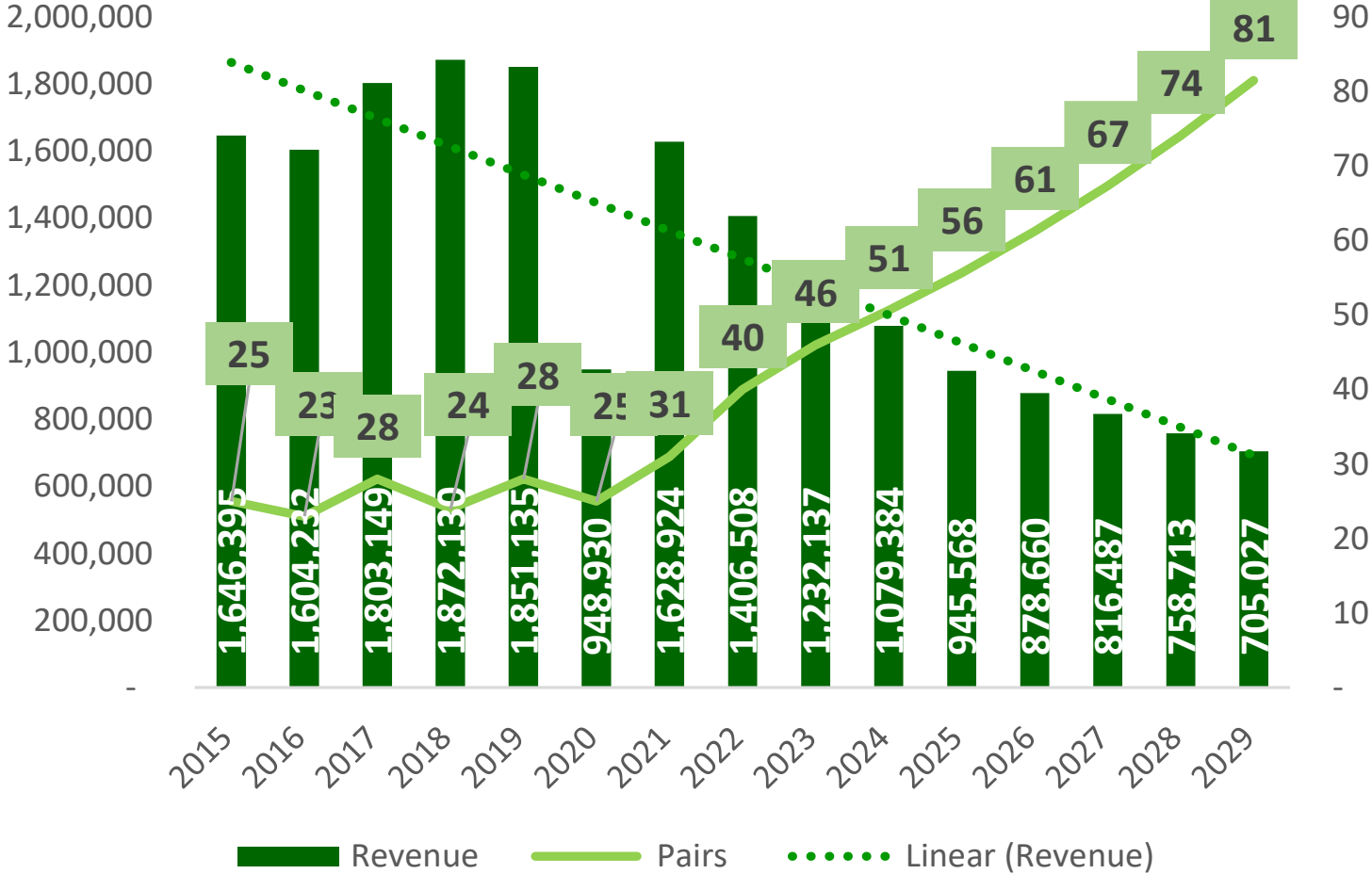
21.28% ↑

Over FY23
Estimates

LOCAL RECEIPTS			ESTIMATE	ACTUAL	Budget vs
	2021	2022	2023	2023	Actual
Motor Vehicle Excise	2,905,384	3,191,483	2,775,145	3,264,449	489,304
Meals Tax	126,602	164,132	74,316	168,991	94,675
Other Excise	16,243	17,181	9,191	16,174	6,983
Penalties & Interest on Taxes	376,021	255,925	160,799	244,644	83,845
Payments in Lieu of Taxes	10,111	14,958	6,567	17,777	11,210
Charges for Services - Sewer	232,989	209,836	95,844	206,734	110,890
Charges for Services - Trash	963,631	1,024,448	969,545	927,494	(42,051)
Fees	150,810	135,996	69,171	118,573	49,402
Rentals	155,470	181,931	65,582	136,927	71,345
Departmental Revenue - Libraries	347	5,360	4,164	2,381	(1,783)
Departmental Revenue - Cemeteries	747,340	795,735	787,261	848,071	60,810
Departmental Revenue - Recreation	114,147	180,570	59,437	210,354	150,917
Other Departmental Revenue	172,852	223,678	100,690	299,117	198,427
Inspectional Services Permits	871,811	870,454	753,872	853,372	99,500
All Other Licenses & Permits	263,382	200,848	212,262	226,480	14,218
Beach Revenues	1,628,924	1,406,508	1,384,567	1,232,137	(152,430)
Fines & Forfeits	39,529	35,366	19,386	4,760	(14,626)
Investment Income	186,260	225,429	218,652	677,078	458,426
Medicaid Reimbursement	43,701	115,387	30,998	50,340	19,342
Misc Recurring - Ambulance/Medicare	759,126	816,307	816,165	940,485	124,320
	10,189,680	10,696,531	8,613,614	10,446,338	1,832,724
\$ Change	1,166,706	506,852		(250,193)	
% Change	12.93%	4.97%		(2.34)%	21.28%



BEACH REVENUES



BEACH REVENUE

	FY23	FY23 vs [X]	% Change
1 yr performance	1,232,137	(174,371)	(12.40)%
2 yr average (FY22-23)	1,319,322	(87,185)	(7.08)%
3 yr average (FY21-23)	1,422,523	(190,386)	(15.45)%
5 yr average (FY19-23)	1,413,527	(181,390)	(14.72)%
5 yr average (FY18-23 exclude FY20)	1,598,167	(366,030)	(29.71)%
FY18 peak	1,872,130	(639,993)	(51.94)%

	Annual Revenue	\$ chg	% chg	Nesting Pairs	\$ chg	% chg	Total GF Revenues*	% of GF Revenues	Beach Lease	Gain (Loss)
2015	1,646,395			25			69,134,856	2.38%	600,000	1,046,395
2016	1,604,232	(42,164)	(2.56)%	23	(2)	(8.00)%	71,656,473	2.24%	600,000	1,004,232
2017	1,803,149	198,917	12.40%	28	5	21.74%	74,270,660	2.43%	650,000	1,153,149
2018	1,872,130	68,982	3.83%	24	(4)	(14.29)%	77,566,209	2.41%	700,000	1,172,130
2019	1,851,135	(20,995)	(1.12)%	28	4	16.67%	81,108,137	2.28%	750,000	1,101,135
2020	948,930	(902,206)	(48.74)%	25	(3)	(10.71)%	81,430,476	1.17%	800,000	148,930
2021	1,628,924	679,994	71.66%	31	6	24.00%	84,589,605	1.93%	850,000	778,924
2022	1,406,508	(222,416)	(13.65)%	40	9	29.03%	85,678,780	1.64%	900,000	506,508
2023	1,232,137	(174,371)	(12.40)%	46	6	15.00%	88,319,725	1.40%	950,000	282,137
2024	1,079,384	(152,753)	(12.40)%	51	5	10.00%			1,000,000	79,384
2025	945,568	(133,816)	(12.40)%	56	5	10.00%			1,050,000	(104,432)
2026	878,660	(66,908)	(7.08)%	61	6	10.00%			1,100,000	(221,340)
2027	816,487	(62,173)	(7.08)%	67	6	10.00%			1,150,000	(333,513)
2028	758,713	(57,774)	(7.08)%	74	7	10.00%			1,200,000	(441,287)
2029	705,027	(53,686)	(7.08)%	81	7	10.00%			1,250,000	(544,973)

* As reported to DOR on Schedule A

What does all of this mean?

- FY25 budget projection assumes 3.29% increase
 - Inflationary pressures from G&S and Wages will make this difficult
- FY25 will yield very little excess levy capacity on a \$90M budget
- Revenue growth is not keeping pace with the cost of doing business
- FY26 and beyond are projected structural deficits

REVENUES & AVAILABLE FUNDS

	2023	2024	2025	2026	2027	2028	2029	ASSUMPTION
TAX LEVY								
PRIOR YEAR LEVY LIMIT	61,275,267	63,414,274	65,549,631	67,688,372	69,830,581	71,976,346	74,175,754	
PROP 2.5%	1,531,882	1,585,357	1,638,741	1,692,209	1,745,765	1,799,409	1,854,394	2.5% incr
NEW GROWTH	607,126	550,000	500,000	450,000	400,000	400,000	400,000	declining/build out
VOTER APPROVED EXCLUSIONS	6,015,257	5,986,811	5,748,288	4,978,403	4,879,652	4,451,542	3,922,612	Amort Schedule
TAX LEVY	69,429,531	71,536,442	73,436,660	74,808,984	76,855,998	78,627,296	80,352,760	
	1,983,024	2,106,911	1,900,218	1,372,324	2,047,014	1,771,299	1,725,464	
	2.94%	3.03%	2.66%	1.87%	2.74%	2.30%	2.19%	
STATE AID (NET OF OFFSETS)	7,815,908	7,979,106	8,383,312	8,558,357	8,737,058	8,919,490	9,105,732	2.09% incr
LOCAL RECEIPTS	10,446,338	8,747,918	8,794,313	8,911,850	9,038,457	9,173,899	9,317,970	88% of Prv Year
MCWT SUBSIDY								
STATE AID & LOCAL RECEIPTS	18,262,246	16,727,024	17,177,624	17,470,208	17,775,515	18,093,390	18,423,702	
	771,335	(1,535,222)	450,600	292,584	305,307	317,874	330,312	
	4.41%	-8.41%	2.69%	1.70%	1.75%	1.79%	1.83%	
OTHER AVAILABLE FUNDS:								
PENSION RESERVE	200,000	200,000	200,000	200,000	200,000	200,000	200,000	Fully funded 2029
SALE OF REAL ESTATE	13,912	13,558	13,205	12,851	12,548	12,194	11,889	
WATERWAYS IMP FUND	76,053	78,256	80,604	83,022	85,512	88,078	90,720	3% incr
PEG ACCESS	303,475	303,475	303,475	303,475	303,475	303,475	303,475	Level Fund
SEAWALL BETTERMENTS	-	15,688	15,450	15,050	14,650	14,350	14,050	Amort Schedule
AMBULANCE RRFA	-	40,072	98,097	100,059	102,060	104,101	106,183	2% incr
INDIRECT COSTS - WATER ENTERPRISE	131,264	135,202	139,258	143,436	147,739	152,171	156,736	3% incr
INDIRECT COSTS - ROCCC			125,000	128,750	132,613	136,591	140,689	3% incr
9/6/2012 Debt Premium	333,105	308,626	284,187	259,747	239,798	214,358	188,069	Amort Schedule
OTHER AVAILABLE FUNDS	1,057,809	1,094,877	1,259,276	1,246,390	1,238,395	1,225,318	1,211,812	
TOTAL REVENUES & OTHER FINANCING SOURCES	88,749,587	89,358,343	91,873,560	93,525,582	95,869,908	97,946,004	99,988,274	
	2,832,340	608,756	2,515,217	1,652,022	2,344,326	2,076,096	2,042,269	
	3.30%	0.69%	2.81%	1.80%	2.51%	2.17%	2.09%	

EXPENDITURES

	2023	2024	2025	2026	2027	2028	2029	ASSUMPTION
100 GENERAL GOVT	3,978,004	4,084,401	4,206,933	4,333,141	4,463,135	4,597,029	4,734,940	3% incr
200 PUBLIC SAFETY	9,811,323	8,781,114	9,344,547	9,624,884	9,913,630	10,211,039	10,517,370	3% incr
300 EDUCATION	40,044,916	41,667,002	43,125,347	44,634,734	46,196,950	47,813,843	49,487,328	3.5% incr
400 PUBLIC WORKS	4,761,003	4,911,953	5,157,551	5,415,428	5,686,200	5,970,510	6,269,035	5% incr
500 HEALTH & HUMAN SERVICES	735,275	811,954	836,313	861,402	887,244	913,861	941,277	3% incr
600 CULTURE & RECREATION	2,231,246	2,448,674	2,522,134	2,597,798	2,675,732	2,756,004	2,838,684	3% incr
700 DEBT	7,169,213	6,973,788	6,379,376	5,574,501	5,444,951	4,982,551	4,520,151	From debt model
800 ROCCC ASSESSMENT	494,891	516,341	539,576	563,857	589,231	615,746	643,455	4.5% incr
900 EMPLOYEE BENEFITS & SHARED COSTS	14,533,013	14,751,311	15,649,985	16,339,874	17,060,176	17,812,230	18,597,437	4.41% incr
999 OTHER SHARED (PROP INS, RESERVE FUND)	835,946	862,605	900,631	940,333	981,785	1,025,064	1,070,252	4.41% incr
TOTAL-DEPARTMENTAL BUDGETS	84,594,830	85,809,143	88,662,393	90,885,953	93,899,034	96,697,879	99,619,930	
	3,562,067	1,214,313	2,853,250	2,223,560	3,013,081	2,798,845	2,922,051	
	4.40%	1.44%	3.33%	2.51%	3.32%	2.98%	3.02%	
OTHER AMOUNTS TO BE RAISED								
CHERRY SHEET CHARGES	731,166	771,064	730,545	770,410	812,449	856,782	903,535	5.46% incr
CHERRY SHEET OFFSETS	35,264	36,000	38,715	39,523	40,348	41,191	42,051	library state aid
OVERLAY (Abatements & Exemptions)	343,666	250,000	250,000	250,000	250,000	250,000	250,000	
SNOW & ICE DEFICIT	60,606	70,000	70,000	70,000	70,000	70,000	70,000	
OTHER DEFICIT(S)	37,477	-	-	-	-	-	-	
RECURRING ARTICLES (IN LEVY)	1,220,444	1,228,194	1,380,000	1,435,000	1,490,250	1,545,658	1,601,227	convert to dept#s
ADDITIONAL ARTICLES (IN LEVY)	-	384,200	-	-	-	-	-	
CAPITAL IN LEVY (PAY AS YOU GO)	132,000	225,000	561,142	566,753	572,421	578,145	583,927	incr for debt rolloff
SUB-TOTAL: OTHER AMTS TO BE RAISED	2,560,623	2,964,458	3,030,402	3,131,686	3,235,468	3,341,776	3,450,740	
	(280,205)	403,835	65,944	101,284	103,782	106,308	108,964	
	-9.86%	15.77%	2.22%	3.34%	3.31%	3.29%	3.26%	
TOTAL EXPENDITURES	87,155,453	88,773,601	91,692,795	94,017,639	97,134,503	100,039,655	103,070,670	
	3,281,862	1,618,148	2,919,194	2,324,844	3,116,864	2,905,152	3,031,015	
	3.91%	1.86%	3.29%	2.54%	3.32%	2.99%	3.03%	
EXCESS LEVY CAPACITY	1,594,134	584,742	180,765	(492,057)	(1,264,595)	(2,093,651)	(3,082,396)	

FY25 GUIDELINES



LEVEL SERVICES

All departments are requested to submit a level services budget.

We are not contemplating any additional staffing at this time.



FEE SCHEDULES

Department heads are asked to review their respective fee schedules. Fees should reflect the cost of providing the related service, should be competitive and reasonable.



CLEARGOV

Budgets will be entered into ClearGov beginning Monday, August 28th. Refresher training sessions will be scheduled in the coming week.

NEXT STEPS: TIMELINE

2023

AUG	SEP	OCT	NOV	DEC
Budget Workshop 8/21 ClearGov entry opens 8/28	ClearGov Entry due 9/25 Town Reports due 9/29	ATM/STM Warrants Open 10/2 Dept Head mtgs w/ TM and Fin Dir	Dept Head mtgs w/ TM and Fin Dir	Submit Articles 12/1 TM presents Budget 12/11

2024

JAN	FEB	MAR
Warrants Close 1/22		ATM / STM 3/9 Election 3/23



QUESTIONS?