



Financial Update/FY23 Budget Select Board Meeting December 20, 2021

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Assistant Town Administrator/Finance Director

Financial Review And FY23 Budget

- ✓ Previous Board Meetings This Fall
 - Review FY21 Year End Close
 - Review of Key Financial Items
 - COVID Financial Impact
 - FY22 State Aid
 - Review Meals/Hotels Tax Revenue

- ✓ December 6 Meeting
 - Tax Classification Hearing
 - Approve tax shift commercial/residential
 - Review residential bill

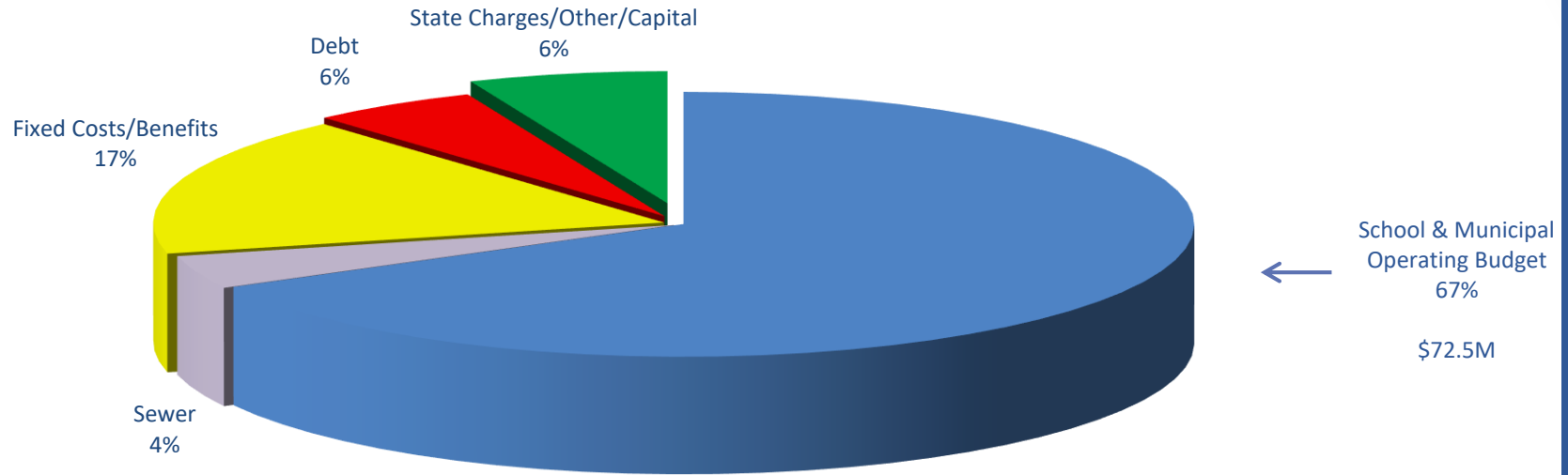
- ✓ Finance Director reviewed overall financial material with Fincom at their meeting December 1, 2021.

- December and January Meetings
 - Continued Overall Budget Updates
 - Continue review of FY23 revenue and expense projections
 - Review of Capital Budget requests
 - Review of municipal operating budget
 - Review and preparation of FY23 proposed budget (Feb 1)



FY22 Total Expenditures

FY2022 Expenditure Summary - \$108.3M, 2.5% increase



Largest area of expenditure is the operating budgets

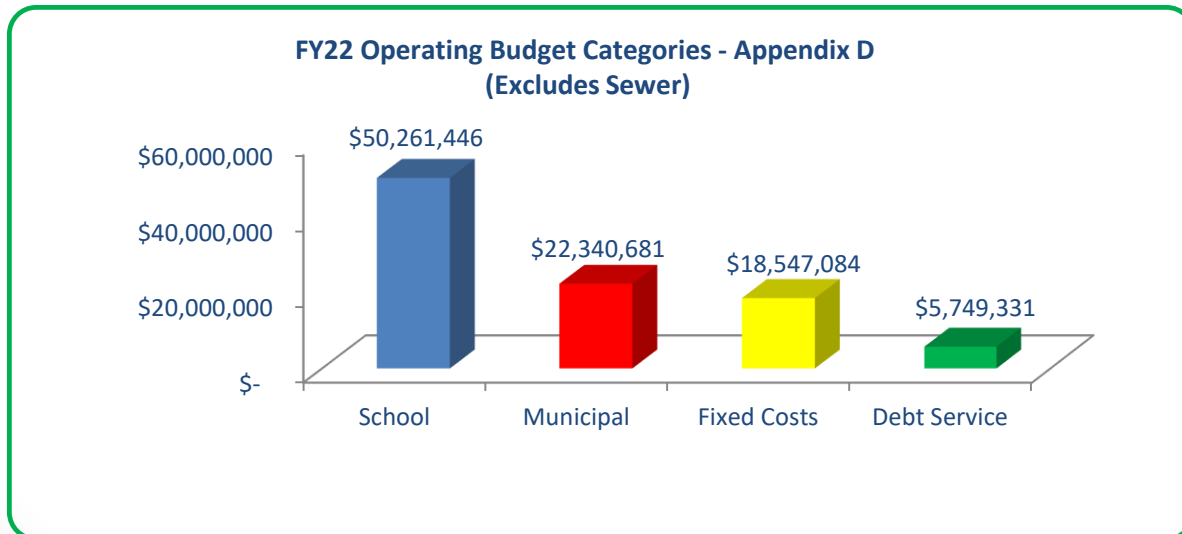
Operating Budgets

- Provide for core services to community
- Strive for operating budget stability for school and municipal budgets.
- Strive for sustainable budgets

FY22 Operating Budget \$101.3M, 3.1% increase

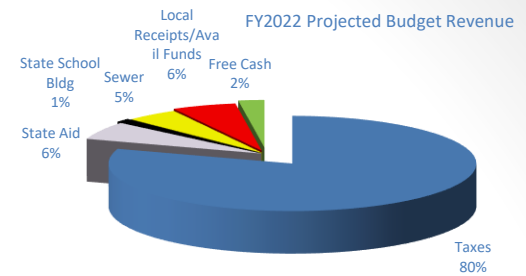
Maintain high quality of services provided by Town and School departments

FY21 Budget	Category	FY22 Select Board Proposed	\$ Change FY22 v FY21	% Change FY22 v FY21
\$48,347,500	School Operating	\$ 50,012,588	\$ 1,665,088	3.44%
\$21,653,795	Municipal Operating	\$ 22,340,681	\$ 686,886	3.17%
\$ 132,293	Blue Hills Regional School	\$ 129,617	\$ (2,676)	-2.02%
\$ 116,077	Traffic Supervisors	\$ 119,241	\$ 3,164	2.73%
\$17,613,181	Fixed Costs	\$ 18,547,084	\$ 933,903	5.30%
\$ 5,949,779	Debt Service	\$ 5,749,331	\$ (200,448)	-3.37%
\$ 4,435,242	Sewer	\$ 4,421,757	\$ (13,485)	-0.30%
\$98,247,867	Total	\$ 101,320,299	\$ 3,072,432	3.1%



Continued stable and sustainable operating budget growth.

Financial Impact of COVID



- Town and School have adapted to continue services for residents

- Significant changes to Town and School Services
 - Some additional costs incurred by School and Municipal Departments

- FY21 and FY22 budgets have weathered COVID financial impact:

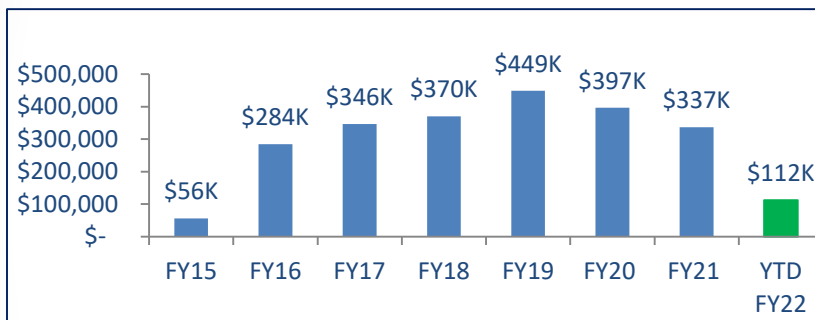
- No cuts to State Aid
- Have not had to use reserve accounts
- Outside funding for specific COVID costs
 - State CARES Act/FEMA
 - School specific state funds

- FY23 may see continuing costs
 - Outside Funding
 - One time funding
 - Some additional costs in operating budgets

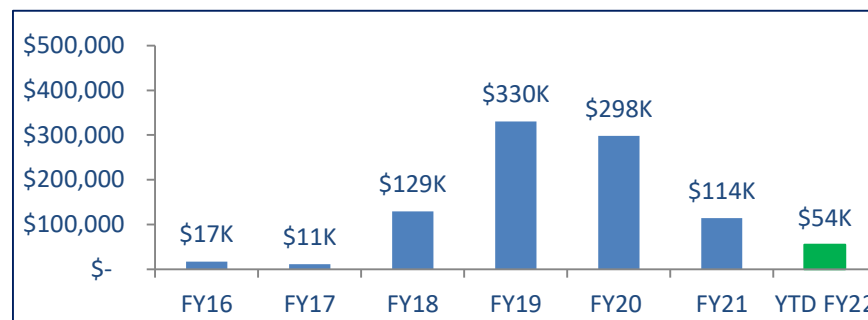
Meals and Hotels Tax Revenue – Fluctuations Due to COVID Impact

- At the November 2017 Town Meeting, the residents approved establishing a special purpose fund to hold all Hotel and Meals Tax revenue until appropriated by future Town Meetings.
- Not General Fund revenue
- Funds have been used for capital projects, not operating budgets.
- May 2021 Town Meeting appropriated \$1,060,000 in funds for Town Wide pool and field projects

Annual Meals Tax Revenue

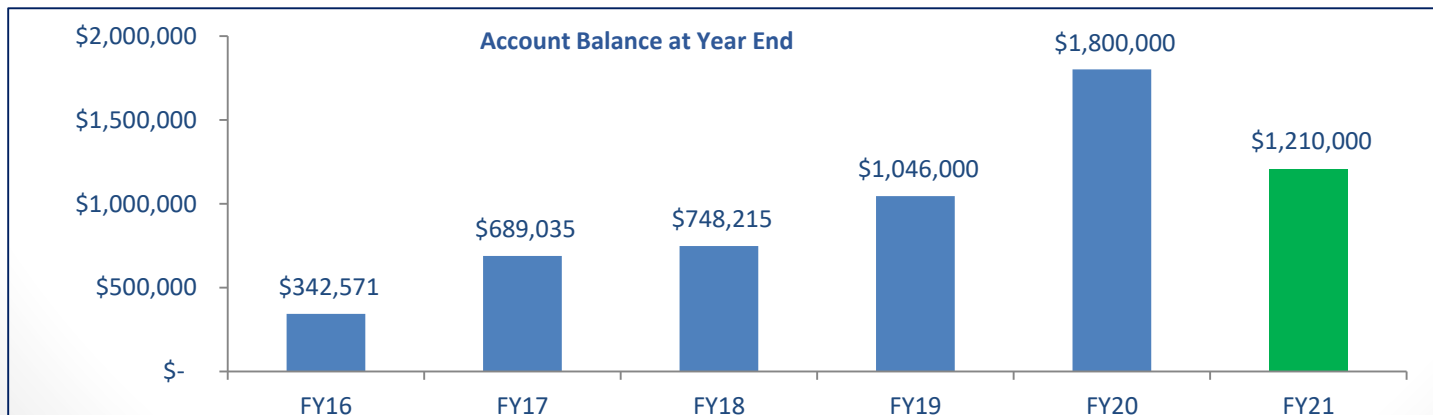


Annual Hotels Tax Revenue



- State changed timing for businesses in FY21, so many not be final comparisons.
- Potential volatility is exactly why this revenue is not used for operating budgets.

Account Balance at Year End



FY23 Overall Budget Goals

FY23 Overall Budget Seeks to Provide:

- Maintain high quality of Town and School services
 - Maintain moderate growth and sustainable operating budgets.
- Continue high level of Capital Investment
 - Important to maintain infrastructure and capital equipment
 - Base Capital \$2.3M
 - Continue efforts for additional funding beyond base for important projects
- Continue compliance with reserve and long term liabilities
 - Continue progress on OPEB liability
 - Continue small transfer to Stabilization (\$125K) to remain on track with policies
- Continue discussion to incorporate future large capital items
 - School building project
 - Other large capital funding
- Balance Tax Bill Impact
 - Capital within Proposition 2 ½
 - Use of Tax Levy
 - Timing of Debt Exemptions
- Develop an overall comprehensive budget plan.



Next Steps in Budget Cycle

January and February Meetings:

- Continue update and review of FY23 revenue projections.
 - Local Revenue Sources
 - Future COVID Funding
 - FY23 State Budget
- Continue to review capital budget articles with Select Board
 - Ongoing Capital
 - Timing of larger projects being considered
- Review FY23 municipal budget requests
 - Base budget
 - Any Requested new positions/programs.
- FY23 State aid
 - Governor's budget at end of January.
 - Preview at MMA meeting January 21st.
- BOS proposed budget document February 1, 2022
 - Municipal Budget Document
 - Overall Budget Summary
 - Initial Capital Articles
- Present proposed FY23 budget to Fincom February 8, 2022.



