



# Financial Update Select Board Meeting September 29, 2025

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# Budget Cycle

- There is significant activity on 3 fiscal years at the same time:
- **FY25 – Year End Close Out**
  - Free Cash certification – Completed in the fall with Department of Revenue (DOR)
  - Significant State reporting requirements – October
    - Department of Revenue (DOR) and Department of Education (DOE)
  - FY25 Audit – On Site Audit completed in fall, FY25 Financials (ACFR) by 12/31/2025
    - Audit Committee meets with auditors and finance team
- **FY26 - Completion of Current Year Budget Process**
  - Finalize FY26 Property Values – October/November
  - Finalize and get DOR approval for all FY26 values, including final FY26 new tax growth
  - FY26 Tax Rate - November
    - Select Board hold classification hearing, at the November 17th meeting
      - Set shift factor for residential/commercial split
    - Submit FY26 tax rate for approval by Department of Revenue
    - Actual FY26 tax bills mailed January 1, 2026 with final numbers
- **FY27 – Begin Budget Process**

# Financial Timeline – FY27 Budget Development

## FY27 Budget – Key Dates

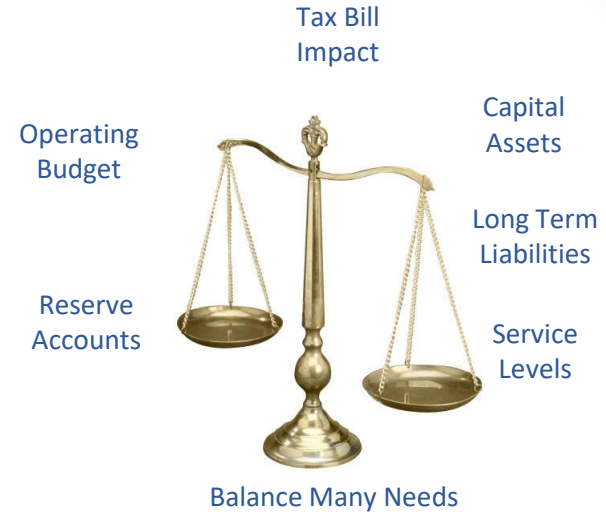
- May 4, 2026 – Annual Town Meeting, FY27 budget is voted
- February 1, 2026 – By Charter, Select Board required to present FY27 budget recommendation three months prior to Annual Town Meeting
- Fincom – From the Charter - “The Finance and Warrant Commission shall conduct 1 or more public meetings on the proposed operating budget at least 14 days prior to its submission at the Annual Town Meeting”
  - Budget presentation scheduled for February 10<sup>th</sup> Meeting
  - Public hearings scheduled for February 24<sup>h</sup> and March 24<sup>th</sup>

## Select Board Budget Development

- Fall through January 2026
  - Review overall and detailed operating and capital budget requests
  - Update on financial projections
  - Review of expenditures and revenue
- February 1 - Issue FY27 budget recommendation
  - Continue review of revenue, expenses and outside assessments (such as Blue Hills)
- May 4, 2026 – Annual Town Meeting – budget presented by Select Board and voted by Town Meeting

# Select Board – Schedule of Financial Review

- Select Board – September 29<sup>th</sup>
  - Review FY25 Year End Close
  - Review of Key Financial Items
    - Free Cash, Current Reserve Balances
    - FY25 State Aid
    - Meals/Hotels Tax Revenue
- Upcoming Select Board Meetings
  - November 17th Meeting
    - Tax Classification Hearing
      - Approve tax shift commercial/residential
      - Review residential bill
  - December Meetings
    - Preview FY27 budget
  - December and January Meetings
    - Continued Overall Budget Updates
    - Continue review of FY27 revenue and expense projections
    - Review of capital budget requests and municipal operating budget
    - Review and preparation of FY27 proposed budget (Feb 1)
  - February and March Meetings
    - Update on budget adjustments due to outside assessments
- Present Budget to Fincom
  - February 10<sup>th</sup> meeting



# FY25 Year End Review

## Overall Summary

- FY25 Year End Review
  - Revenue – FY25 revenue closed out successfully
    - Real estate tax revenue collections were on target and collections remained strong (99% collection rate)
    - Local receipts revenue remained strong – conservative budgeting
  - Expenditures - FY25 expenditures closed out successfully
    - Departments effectively managed budgets
      - Any overages were able to be covered either by Select Board transfers or Town Meeting Articles 1 and 2
  - In summary, FY25 closed out successfully with revenue and expenditure results on track with prior years

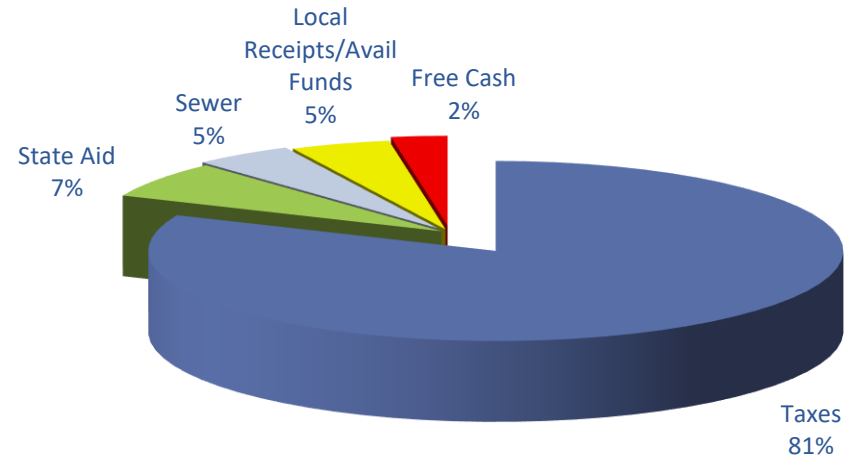
# FY25 Revenue – Consistent Collections

## Final FY25 Budget Revenue - \$123.4M

- As taxes are approximately 80% of revenue, most important component to our financial stability.

FY2025 Projected Budget Revenue

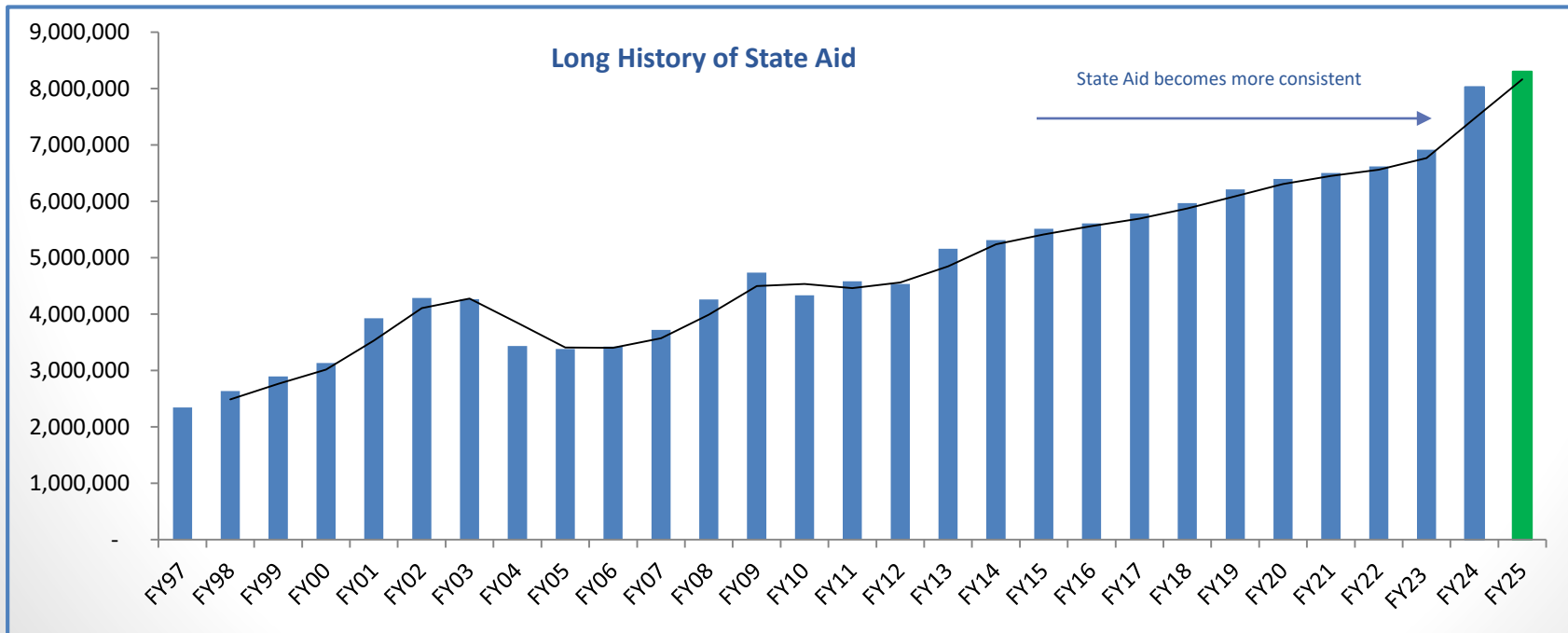
- Taxes - \$95.6M collected on time, 99%
  - Tax collections remain strong, consistent year to year results
  - Reliable source of revenue
  - Standard collection rate for suburban community with owner occupied housing stock



- As of June 30, 2025:
  - Tax title \$298K, cumulative all years
    - Prior years: FY24 \$258K, FY23 \$246K, FY22 \$398K, FY21 \$727K, FY20 \$470K
  - Tax deferral \$594K, cumulative all years
    - Prior years: FY24 \$486K, FY23 \$504K, FY22 \$544K, FY21 \$573K, FY20 \$524K
    - Excellent program for our senior residents to delay tax payments until home is sold

# State Aid Revenue – Consistent Revenue

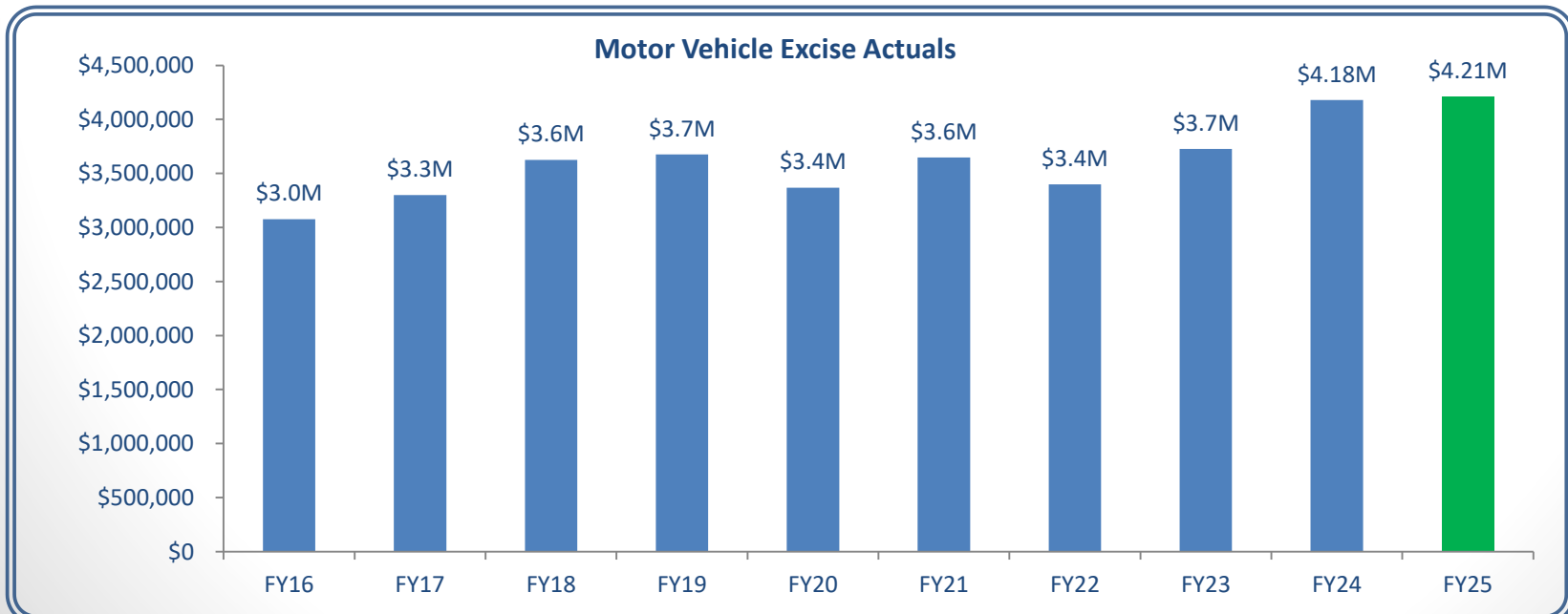
- FY25 State Aid - \$8.3M, majority is Chapter 70 at \$7.3M
- Approximately 7% of total revenue budget
- State aid steady
  - No mid year cuts or disruptions
  - Full payments received - paid monthly



# FY25 Local Receipts Revenue – Consistent Results

## Local Receipts

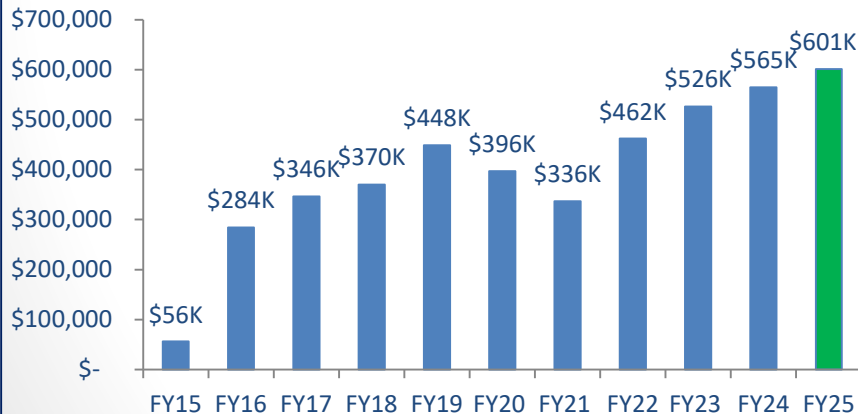
- Total collections of \$8.9M, (prior year \$9.5M)
  - Exceeded budget by \$4.2M, (prior year \$5.3M)
    - Largest drivers were motor vehicle excise, departmental fees/permits and investment income
      - Motor vehicle revenue collections higher than projected
      - Increased permit fee revenue - growth in building permits
      - Investment income – higher than anticipated due to interest rates and higher cash balance
- Motor Vehicle Excise is largest category:
  - Motor vehicle - \$4.2M collections – consistent with the prior year
  - Conservative budgeting provides cushion for fluctuations in motor vehicle sales activity



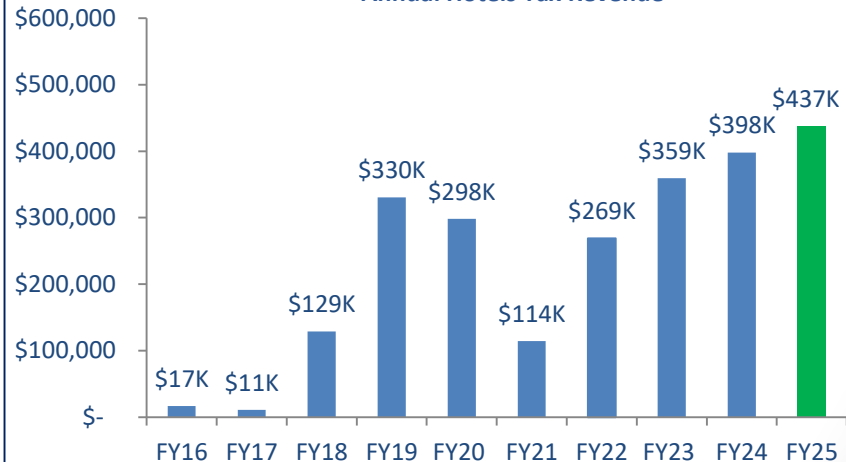
# FY25 Meals and Hotels Tax Revenue – Separate Account

- 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 by Town Meeting for capital projects, not operating budgets
- May 2025 Town Meeting appropriated \$1.2M in funds for Town Wide projects, including:
  - Generator Replacement \$250,000
  - Library Lighting System Replacement \$300,000
  - DPW Garages \$75,000
  - Additional Library Study Room Project \$62,000
  - Meeting Room Technology to Aid Accessibility \$90,000
  - Town/School Financial Enterprise Software \$475,000

Annual Meals Tax Revenue



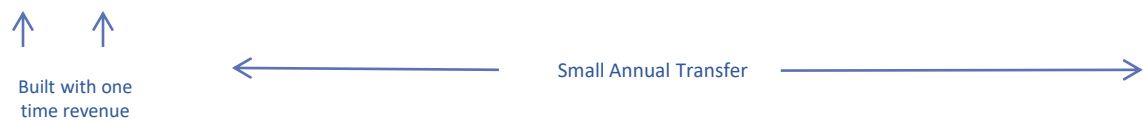
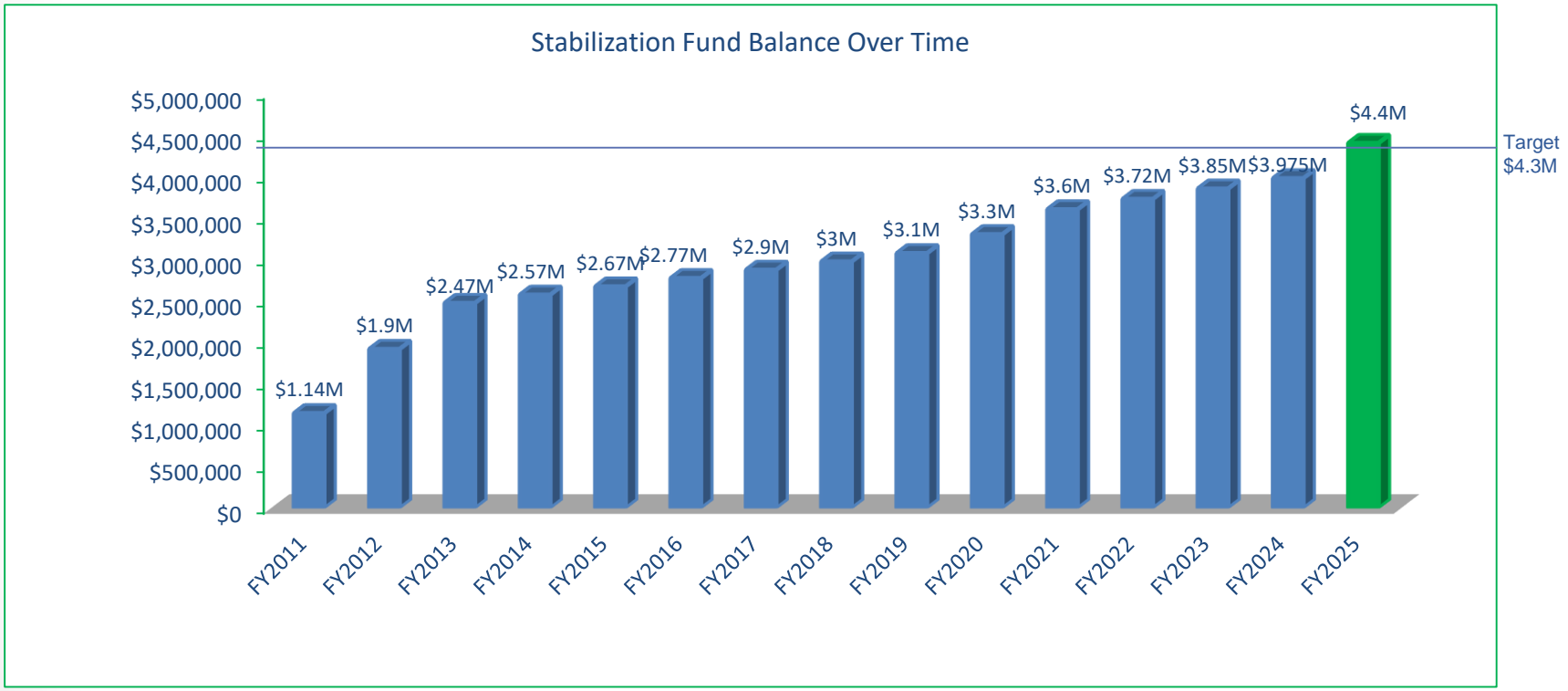
Annual Hotels Tax Revenue



- Potential volatility is exactly why this revenue is not used for operating budgets
- Balance in account at 6/30/25 is \$2.0M

# FY25 Stabilization Fund

- The Stabilization Fund is the Town's main reserve account.
- Protects the Town against emergencies.
- Very important for credit rating (AAA).

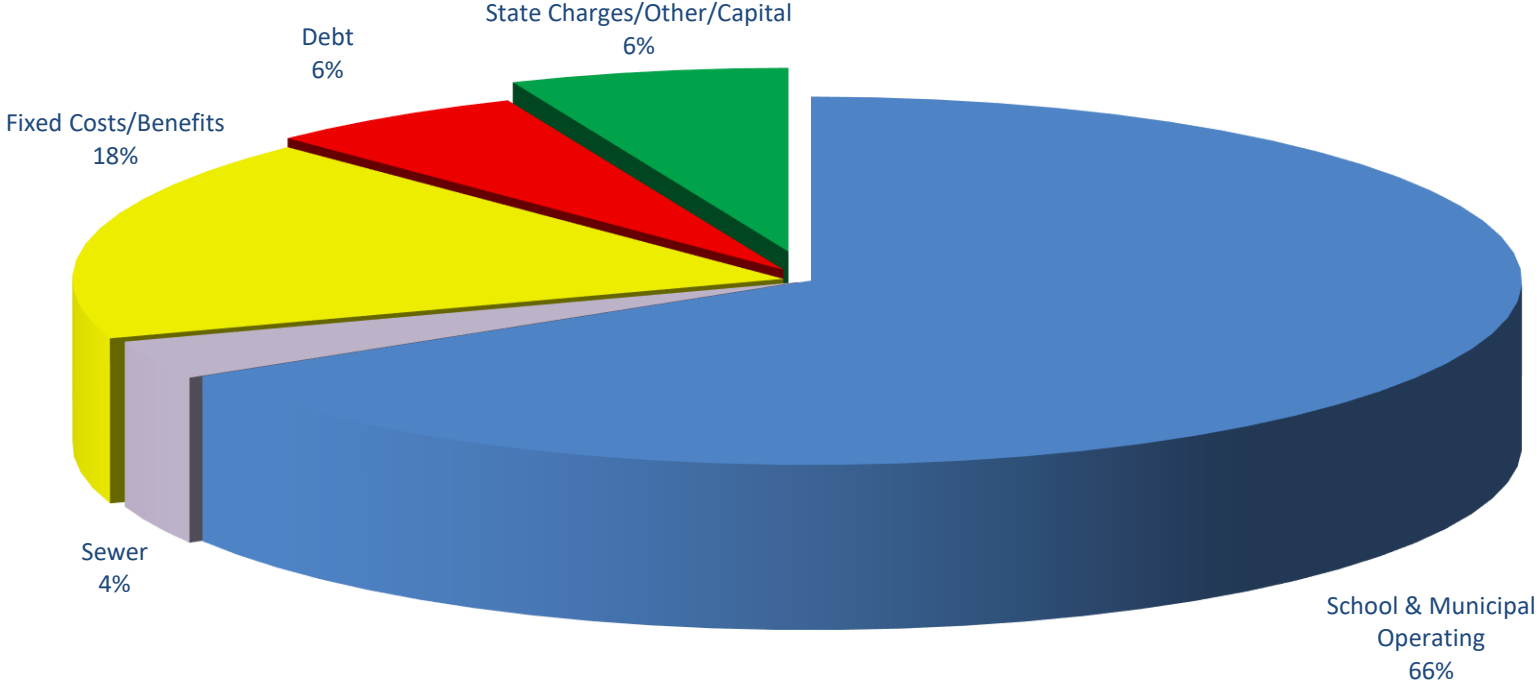


- Town Meeting has transferred \$125K per year from Free Cash

# FY25 Town Meeting Operating Budget - \$115.6M

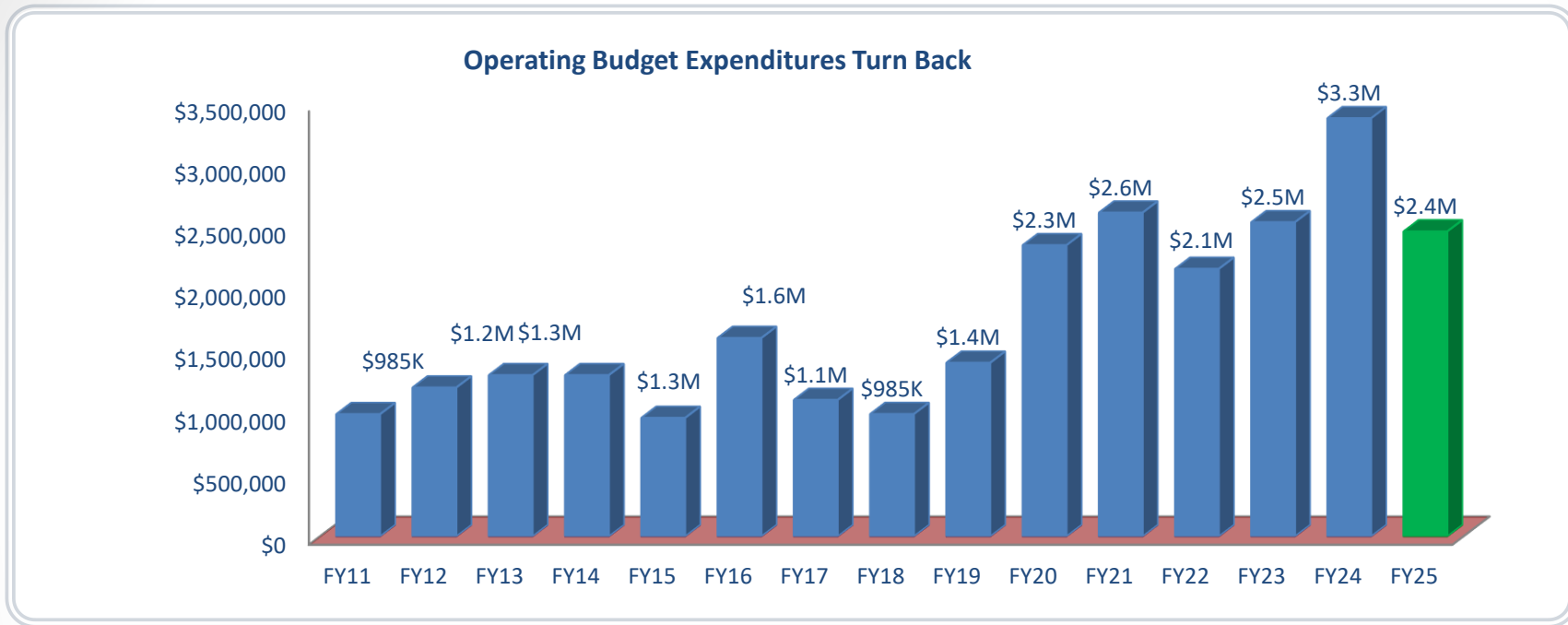
- FY25 closed out on track and financially successful
  - Departments worked hard to remain within budget
  - Transfers/Supplements where needed

**FY2025 Expenditure Summary**



# Final FY25 Expenditures – Positive Results

Turn back results are within the standard range and reflect tight budgets



## FY25 Final General Fund Operating Budget - \$111.7M (without sewer budget)

- Overall expenditures turn back - \$2.4M, approximately 2.2% of budget
  - Comparison turn back
    - FY24 \$3.3M or 3.1%
    - FY23 \$2.5M or 2.5%
    - FY22 \$2.1M or 2.2%
    - FY21 \$2.6M or 2.8%

# Final FY25 Expenditures – Turn Back Details

- Operating Budget Turnback – Approx. \$2.43M or 2.2% of budget
  - Consistent Results
- Turn back detail
  - Benefits/Fixed Costs \$1.3M (7.4%)
    - Comparable to \$1.6M in FY24
    - Appropriate margin for such a large and fluctuating budget
  - Municipal - \$348K, (1.4%)
    - Compared to \$662K in FY24 (2.8%)
  - Schools - \$74K, (0%)
    - Compared to \$32K in FY24
  - Fincom Reserves turned back \$213k (budget \$405k)
  - Select Board Reserve turned back \$217K (budget \$355K)

Turn Back	FY25	FY24
Municipal	\$348,314	\$662,750
School	\$74,778	\$32,105
Debt	\$201,317	\$182,541
Benefits	\$1,328,743	\$1,635,637
Reserves	\$451,001	\$705,645
Shared Costs	\$56,230	\$146,936
Snow & Ice	\$0	\$9,636
<b>Total</b>	<b>\$2,460,383</b>	<b>\$3,375,250</b>

# Next Steps in Budget Cycle

November 17, 2025 – Tax Classification Hearing

- Determine Commercial/Residential Tax shift
- Get tax rate approved by the DOR

November through February Select Board Meetings:

- Continue update and review of FY27 revenue projections
  - Local Revenue Sources
  - FY27 State Budget
  - Tax Levy calculation including FY26 final new growth
- Continue to review capital budget articles with Select Board
  - Ongoing Annual Capital
  - Timing of larger projects being considered
- Review FY27 municipal budget requests
  - Base budget
  - Any Requested new positions/programs
- FY27 State aid
  - Governor’s budget typically at end of January
  - Preview at MMA meeting in January
- Select Board proposed budget document February 1, 2026
  - Municipal Budget Document
  - Overall Budget Summary
  - Capital Budget Articles
- Present proposed FY27 budget to Fincom February 10, 2026



