

The background features a dark blue, textured globe centered behind a pair of dark-rimmed glasses. The entire scene is framed by a white, hand-drawn style border.

# TOWN OF ARLINGTON FY24 BUDGET

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Sandy Pooler, Town Manager

Presentation to Select Board 2/6/23

# AGENDA

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- Operating Budget/General Fund
  - Long Range Plan – what we know and what we do not know
  - Major Changes
  - Minor Changes
  - FTEs
- Operating Budget/Enterprise Funds
- Capital
- Ongoing Issues

	FY 2023	FY 2024	Dollar Change	Percent Change	FY 2025	FY 2026	FY 2027	FY 2028
<b>I REVENUE</b>								
A. State Aid	25,221,523	25,961,972	740,449	2.94%	26,216,193	26,472,956	26,732,287	26,994,211
School Construction Aid	5,000,000	5,000,000	0	0.00%	0	0	0	0
B. Local Receipts	9,225,900	9,685,994	460,094	4.99%	9,810,994	9,910,994	10,010,994	10,110,995
C. Free Cash	5,539,215	7,956,044	2,416,829	43.63%	5,107,562	5,107,562	5,107,562	5,107,562
D. Overlay Reserve Surplus	650,000	500,000	(150,000)	-23.08%	400,000	200,000	200,000	200,000
E. Property Tax	149,169,849	153,321,408	4,151,559	2.78%	157,399,009	161,548,994	165,611,321	169,875,113
F. Override Stabilization Fund	2,946,037	3,828,088	882,051	29.94%	12,847,342	0	0	0
<b>TOTAL REVENUES</b>	<b>197,752,524</b>	<b>206,253,506</b>	<b>8,500,982</b>	<b>4.30%</b>	<b>211,781,100</b>	<b>203,240,506</b>	<b>207,662,164</b>	<b>212,287,881</b>
<b>II APPROPRIATIONS</b>								
A. One Time COVID impact	970,000	600,000	(370,000)	-38.14%	300,000			
School Additions	1,030,000	0	(1,030,000)					
General Education Costs	55,724,058	57,312,461	1,588,403	2.85%	60,316,257	62,815,383	64,930,766	67,046,272
Special Education Costs	28,103,511	30,070,757	1,967,246	7.00%	32,175,710	34,428,010	36,837,971	39,416,629
Growth Factor	(1,379,700)	964,116	2,343,816	-	374,934	(80,343)	(151,759)	(401,715)
<b>Net School Budget</b>	<b>84,447,869</b>	<b>88,947,334</b>	<b>4,499,465</b>	<b>5.33%</b>	<b>93,166,901</b>	<b>97,163,050</b>	<b>101,616,978</b>	<b>106,061,186</b>
Minuteman Operating & Capital	6,208,487	7,120,896	912,409	14.70%	7,370,127	7,628,081	7,895,064	8,171,391
Minuteman Exempt Capital	1,739,452	1,820,001	80,549	4.63%	1,820,001	1,820,001	1,820,001	1,820,001
Town Personnel	31,337,702	32,409,770	1,072,068	3.42%	33,463,088	34,550,638	35,673,534	36,832,924
Town Expenses	11,839,451	12,222,158	382,707	3.23%	12,619,378	13,029,508	13,452,967	13,890,188
<b>Less Offsets:</b>	<b>(3,200,418)</b>	<b>(3,257,455)</b>	<b>(57,037)</b>	<b>1.78%</b>	<b>(3,363,322)</b>	<b>(3,472,630)</b>	<b>(3,585,490)</b>	<b>(3,702,018)</b>
<b>Net Town Budget</b>	<b>39,976,735</b>	<b>41,374,473</b>	<b>1,397,738</b>	<b>3.50%</b>	<b>42,719,144</b>	<b>44,107,516</b>	<b>45,541,011</b>	<b>47,021,094</b>
MWRA Debt Shift	0	0	0	0.00%	0	0	0	0
B. Capital budget								
Exempt Debt Service	12,129,702	12,028,956	(100,746)	-0.83%	11,917,651	11,824,004	11,586,563	11,494,904
Non-Exempt Service	7,071,174	7,154,944	83,770	1.18%	6,623,138	6,354,779	5,918,157	5,707,966
Cash	3,426,277	3,933,856	507,579	14.81%	4,264,027	4,032,788	4,197,830	4,319,958
Offets/Capital Carry Forward	(677,260)	(736,989)	(59,729)	8.82%	(238,298)	(214,974)	(193,768)	(192,768)
<b>Total Capital</b>	<b>21,949,893</b>	<b>22,380,767</b>	<b>430,874</b>	<b>1.96%</b>	<b>22,566,518</b>	<b>21,996,597</b>	<b>21,508,782</b>	<b>21,330,060</b>
C. Pensions	13,367,833	14,133,735	765,902	5.73%	14,911,090	15,731,200	16,596,416	17,509,219
D. Insurance	21,772,313	22,633,072	860,759	3.95%	23,902,992	25,139,838	26,424,477	27,715,609
E. State Assessments	3,911,830	4,007,101	95,271	2.44%	4,104,754	4,204,849	4,307,445	4,412,607
G. Overlay Reserve	1,314,746	600,000	(714,746)	-54.36%	600,000	600,000	600,000	600,000
H. Reserve Fund	1,753,178	1,900,782	147,604	8.42%	1,870,161	1,914,165	1,960,756	2,007,930
I. Crt Jdgmnts/Deficit/	0	100,000	100,000	-	100,000	100,000	100,000	100,000
J. Warrant Articles	1,310,188	1,235,345	(74,843)	-5.71%	1,285,345	1,235,345	1,285,345	1,235,345
K. Override Stabilization Fund	0	0	0	-	0	0	0	0
<b>L TOTAL APPROPRIATIONS</b>	<b>197,752,524</b>	<b>206,253,506</b>	<b>8,500,982</b>	<b>4.30%</b>	<b>214,417,033</b>	<b>221,640,642</b>	<b>229,656,275</b>	<b>237,984,442</b>
<b>BALANCE</b>	<b>0</b>	<b>0</b>			<b>(2,635,933)</b>	<b>(18,400,136)</b>	<b>(21,994,111)</b>	<b>(25,696,561)</b>

# LRP KNOWS AND UNKNOWNNS

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- Known

- Town budget - 3.5%
- School budget - 5.3%
- Capital Spending - 5% of total
- Pension Assessment - 5.7%
- ARPA Funds - \$357,092 for positions

- Unknow/Uncertain

- Minuteman - \$992,958 or 12.5%
- Health Insurance – 3.95%
- State Aid – 2.94%
- State Assessments – 2.44%
- Offsets – 1.78%

# ALTERNATIVE SCENARIO - NO OVERRIDE FOR FY25

	FY23	FY24	FY25	FY26	FY27	FY28
Revenue	197,752,524	206,253,646	214,434,944	205,062,366	209,481,995	214,129,948
Expenses	197,752,524	206,253,646	214,434,944	221,658,777	229,674,638	238,003,036
Balance: Surplus or (Deficit)	0	0	0	(16,596,411)	(20,192,643)	(23,873,088)
Stabilization Fund Balance	16,675,430	13,748,830	23,949	0	0	0
Stabilization Fund (Use) or Deposit	(2,946,037)	(2,926,600)	(13,724,881)	0	0	0
Override (Enter an Amount)						
Years before next override						
Avg. Single Family Tax Impact	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
School Additions	\$1,030,000					
Town Additions						
New Growth*	1,000,000					
State Aid		7.1%	5.0%	1.0%	1.0%	1.0%
ARPA	\$5,000,000	\$5,000,000				

# OVERRIDE

Current Scenario	(\$2,636,221)				
<b>June 2023 Override</b>	Next Override				
Amount	Years	Date	Levy %	Tax Δ	
\$1,400,000	2	June-25	1.0%	\$102	
\$6,900,000	3	June-26	4.7%	\$503	
\$10,500,000	4	June-27	7.0%	\$766	
\$13,200,000	5	June-28	8.6%	\$963	
<b>June 2024 Override</b>					
Amount	Years	Date	Levy %	Tax Δ	
\$10,500,000	2	June-27	7.5%	\$766	
\$14,200,000	3	June-28	10.2%	\$1,036	
\$17,000,000	4	June-29	12.0%	\$1,226	
\$19,000,000	5	June-30	13.6%	\$1,387	

Balanced Scenario FY25 Deficit	\$0				
<b>June 2023 Override</b>					
Amount	Years	Date	Levy %	Tax Δ	
\$0	2				
\$5,500,000	3	June-27	3.8%	\$401	
\$9,000,000	4	June-28	6.1%	\$657	
\$11,700,000	5	June-29	7.7%	\$854	
<b>June 2024 Override</b>					
Amount	Years	Date	Levy %	Tax Δ	
\$8,300,000	2	June-26	5.9%	\$606	
\$12,100,000	3	June-27	8.7%	\$883	
\$14,800,000	4	June-28	10.6%	\$1,080	
\$17,100,000	5	June-29	12.2%	\$1,248	

# ENTERPRISE FUNDS

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- Water/Sewer
  - 3.89% increase
  - Use retained earnings to pay DPW building debt
- Recreation
  - 16.89% increase
- Rink
  - 6.77 % increase
- Transportation
  - 34.47% decrease
- AYCC
  - 11.3% increase