

Town of Medfield

FY2024 Budget Outlook



Financial Overview

- Reliance on residential property taxes for revenue
- Limited growth of state aid
- Limited sources of new revenue
- Increasing Fixed Costs:
 - Health Insurance
 - Property and General Liability Insurance
 - Utility Costs
- Strong Free Cash balance
- Federal Stimulus funding (ARPA)



FY24 Revenue Outlook

- Assume 2.5% property tax levy increase, per Prop 2 ½
- Assumes 2.5% increase in state aid
 - ◆ Consensus Revenue Hearing - 1/24
 - ◆ Governor Healey's Budget Proposal - by 3/1
- Local receipts
 - ◆ Increase over FY23 projections
- Estimated available new revenue in FY23: \$1.1 million



Town Revenues Overview

- ➔ **Property tax levy** - amount raised through property taxes
- ➔ **State Aid** - financial distributions from the state, often formula driven and for specific programs (e.g., Chapter 70, UGGA, etc.)
- ➔ **Local Receipts** - Locally generated revenues other than real and personal property taxes (e.g., motor vehicle excise meals tax)
- ➔ **Other Available Funds** - Balances used from various town funds (e.g., Pension Reserve, Capital Stabilization, ALS Revolving Fund, etc.)
- ➔ **Free Cash** - financial reserve certified by the DOR each year typically intended for one-time costs or contributions other reserve accounts

FY24 Projected Revenue Sources

Free Cash to OPEB Trust

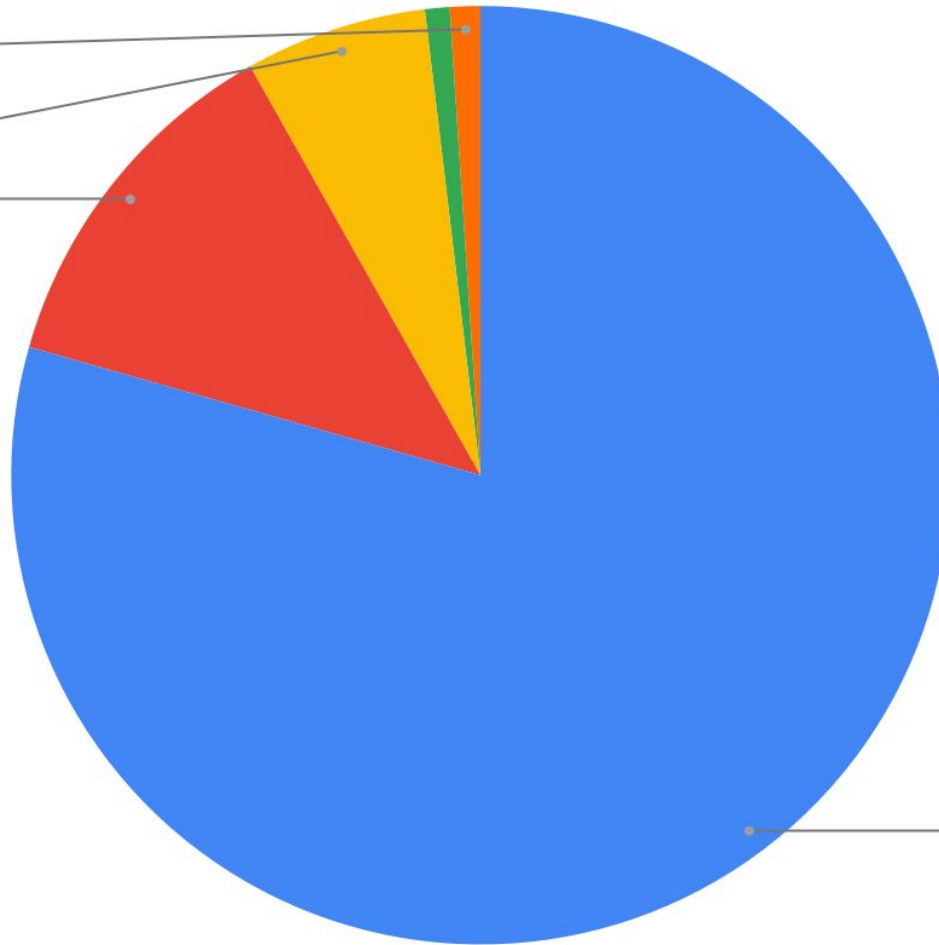
1.0%

Local Receipts

6.3%

State Aid

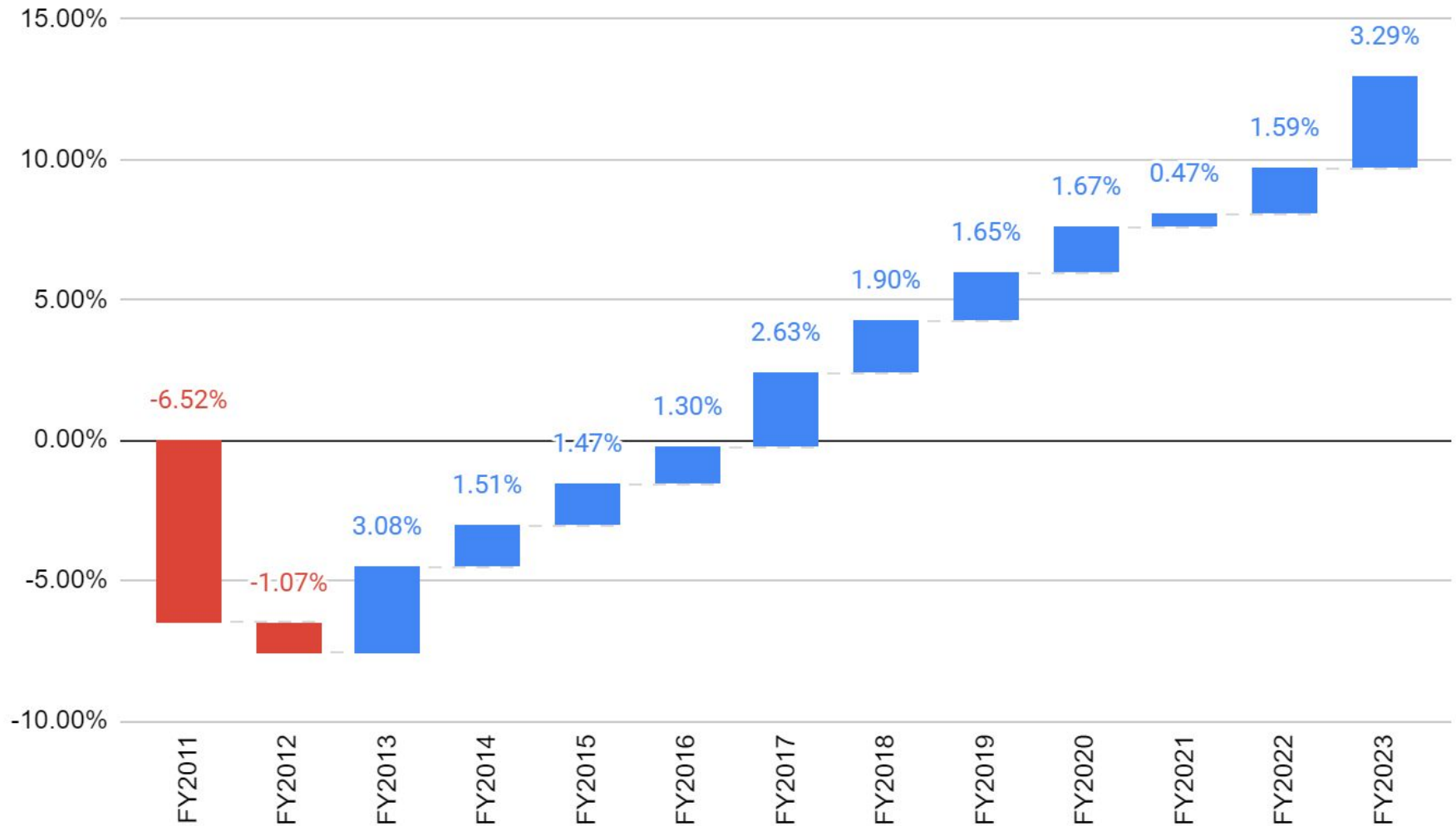
12.4%



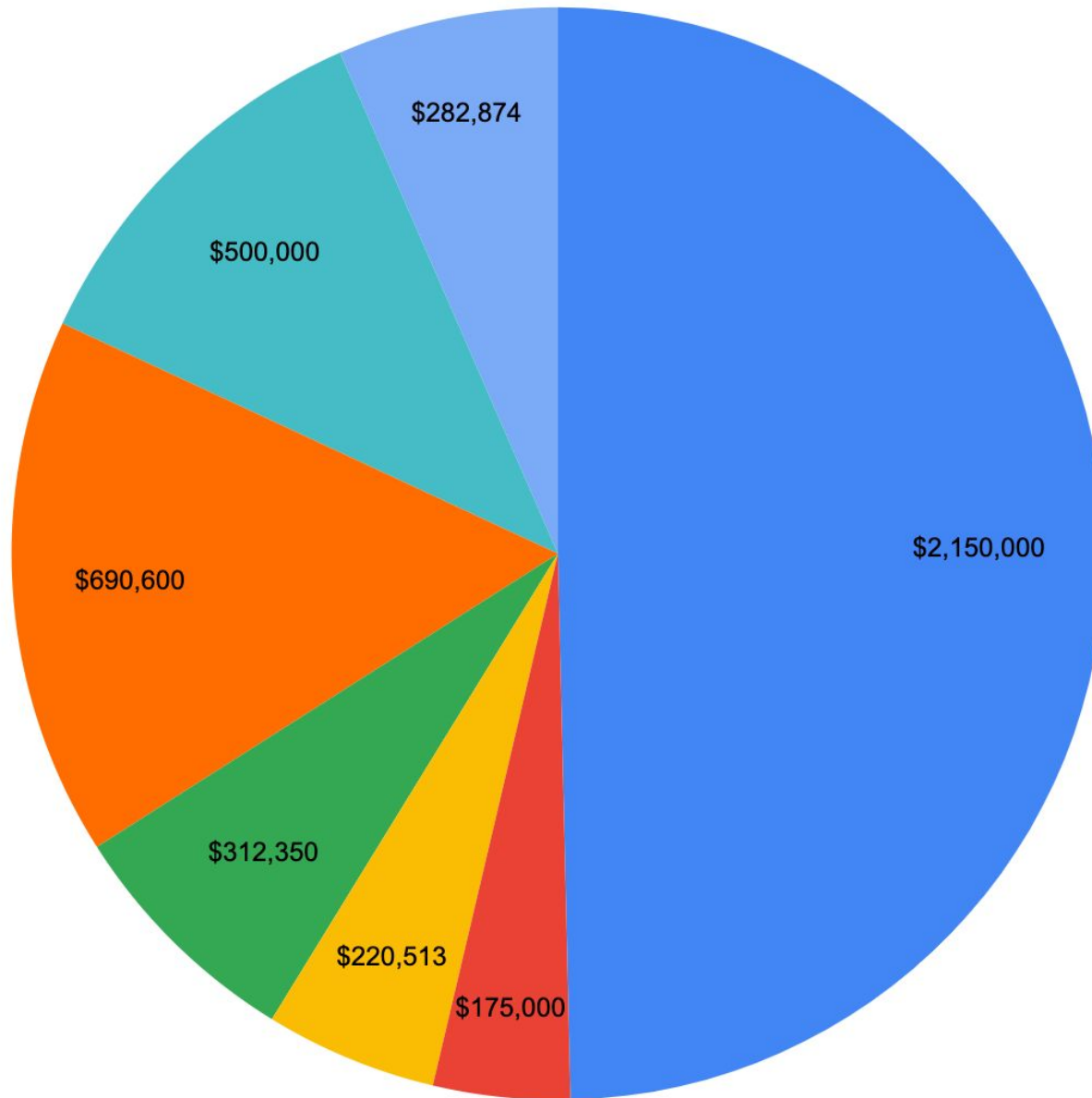
Property Tax Levy

79.4%

Medfield State Aid: Change from Prior Fiscal Year



FY24 Local Receipts Projections



● Motor Vehicle Excise ● Meals ● Rentals ● Other Departmental Revenue ● Licenses and Permits ● Investment Income ● Other Receipts



FY24 Expenditures Outlook

- Fixed costs increasing
 - Health insurance
 - Liability insurance
 - OPEB



FY24 Town Department Outlook

→ **Human Services Division**

- ◆ COA, Outreach, Veterans' Services, Public Health Nurse

→ **Proposed New Positions**

- ◆ Facilities/Energy Project Manager
- ◆ Increase Conservation Agent from PT to FT

→ **Collective Bargaining Agreements**

- ◆ Police negotiations still ongoing



FY24 Capital Budget

- Created Capital Stabilization Fund in FY22
- Anticipate use of Free Cash and Federal stimulus (ARPA) to fully fund FY24 and FY25 Capital Budget
- Continuing to work with the County on ARPA funding



FY24 Budget – Next Steps

- School Committee Budget Hearing - 1/26
- Warrant Committee meetings with Town Departments - late January through early March
- Governor Healey's Budget Proposal - early March
- Town Meeting Warrant Hearing - 3/20