

FORECAST UPDATE

March 10 , 2021

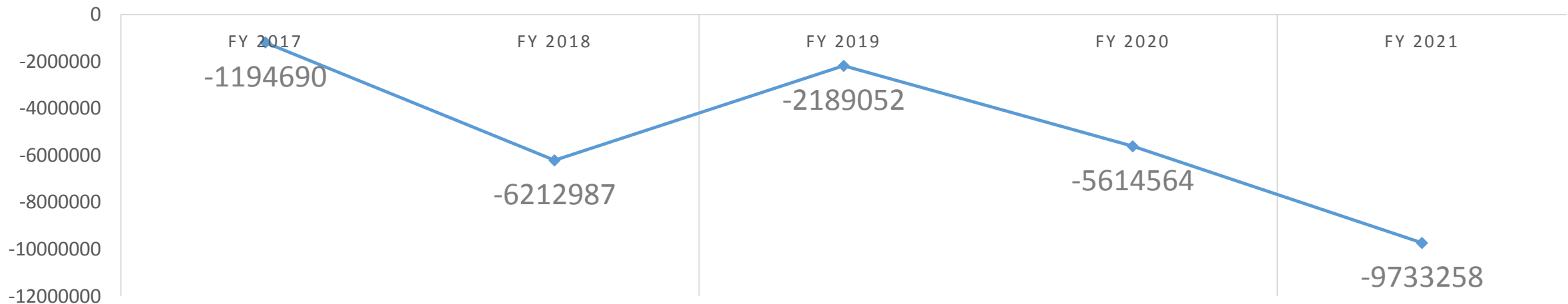
Forecast Assumptions

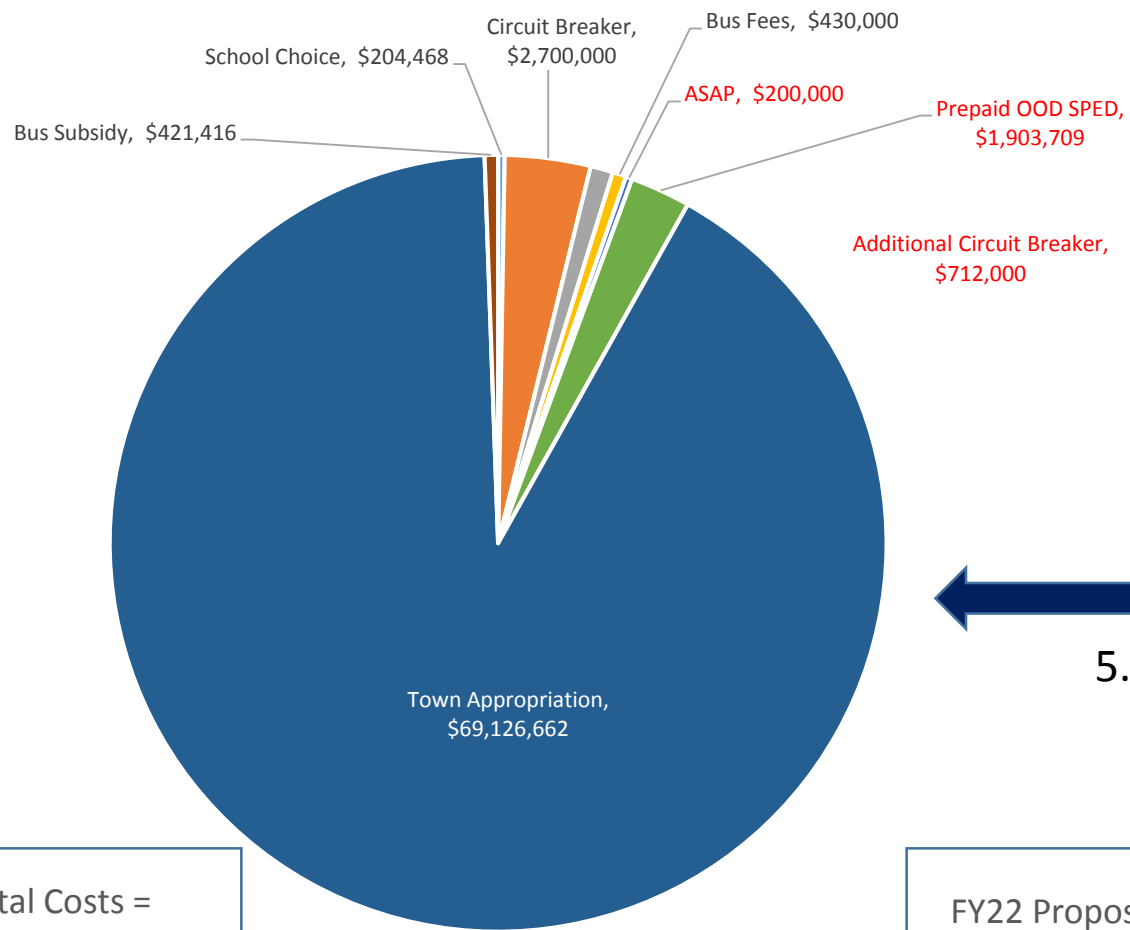
- Revenue return to FY 2019 levels by the end of FY 2022
- Free cash – used at 5 year average - \$6,557,064 (one time funding)
- New growth – used at 5 year average - \$1,673,700 (included in Tax Levy)
- Overlay Surplus - \$500,000 per year (one time funding)
- Town Department budgets increased at 1.75% per year
- Stabilization rebuild
- Level services

What is a Structural Deficit

- “If government spending exceeds tax revenue even when the economy is strong and one time funds are used to resolve the budget deficit, then the deficit is deemed to be “structural.”
- One Time Funding – Free cash, Overlay Surplus, Sale of assets, Grants,

DEFICIT OVER TIME





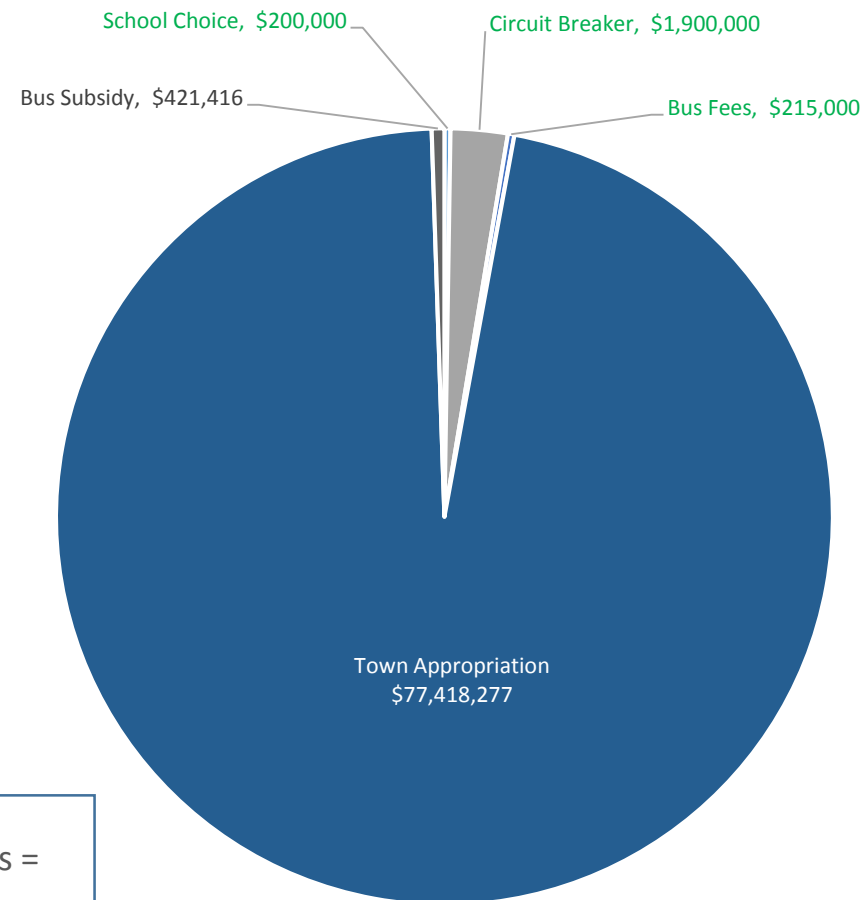
FY21 Total Costs =
\$75,698,255

Red = one-time funds



5.9%

FY22 Proposed Total Costs =
\$80,154,643



Green – reduced contribution

FY20-FY21 Natick Public Schools Funds Contributed to Total Operating Costs Outside of General Fund Town Appropriation



Budget Cuts and Deferred Costs to Balance the Budget

FY21 Personnel Cuts

Eliminate most new district positions, KMS compliance/new team maintained thru transfers

Staff reductions due to retirements, resignations/non-renewals

\$1,198,244

7 unfilled positions originally cut from FY20 budget

5.6 positions transferred for SPED

2 positions (1.0 ELL, 1.0 KMS Para) still to be filled (from staffing needed to run FY21 on a normal year, this was a net cut of 14.6 positions)

FY21 Expense Cuts

Technology Purchases

\$175,000

FY22 Costs Deferred to a Future Fiscal Year

District Wide	Instructional Staff/Tech/Library/Tech Staff (since 2018)	5.00	\$318,200	
NHS	Theater tech teacher and auditorium management district wide (since 2013)	1.00	\$ 63,640	
NHS	Music orchestra arts audit (since 2013)	1.00	\$ 63,640	\$637,505
District Wide	BCBA Elementary	1.00	\$ 63,640	
District Wide	Paraprofessionals	3.00	\$ 77,031	
NHS	2.0 Workshop tutors	2.00	\$ 51,354	

FORECAST - #1

	FY 2022 Budget	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Tax Levy	\$130,094,415	\$134,495,937	\$139,007,498	\$143,631,847	\$148,371,805	\$153,230,263
State Aid	\$15,146,380	\$15,737,089	\$16,350,835	\$16,988,518	\$17,651,070	\$18,339,462
Local Receipts, One Time Revenue and Other Availables	\$22,774,978	\$22,502,354	\$22,929,722	\$23,369,318	\$23,821,496	\$24,286,622
Total GF Revenues	\$168,015,773	\$172,735,380	\$178,288,056	\$183,989,683	\$189,844,372	\$195,856,347
Natick Public Schools	\$74,977,311	\$77,601,517	\$80,317,570	\$83,128,685	\$86,038,189	\$89,049,526
Libraries (Morse, Bacon), Keefe Tech	\$3,842,310	\$3,944,888	\$4,050,289	\$4,158,594	\$4,269,884	\$4,384,243
Town (Public Safety, DPW, Admin, H&H, Committees)	\$36,925,448	\$37,600,957	\$38,238,600	\$38,891,310	\$39,559,506	\$40,243,618
Shared Expense	\$48,115,533	\$50,036,471	\$51,794,266	\$53,376,069	\$55,087,487	\$57,134,630
GF Operating Expenses	\$163,860,602	\$169,183,833	\$174,400,725	\$179,554,658	\$184,955,066	\$190,812,017
Other Expense (Capital, Assessment, Overlay etc)	\$4,154,788	\$7,053,440	\$7,077,521	\$7,102,041	\$7,127,011	\$7,152,441
Total GF Expenses	\$168,015,390	\$176,237,273	\$181,478,246	\$186,656,699	\$192,082,077	\$197,964,457
Net	\$383	-\$3,501,893	-\$3,190,190	-\$2,667,016	-\$2,237,705	-\$2,108,111

FORECAST #1 5M OVERRIDE –over 5 years

	FY 2022 Budget	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Tax Levy Change with adding \$1 M each year	\$130,094,415	\$135,824,208	\$141,659,813	\$147,641,308	\$153,772,341	\$160,056,650
Total GF Revenues	\$168,015,773	\$174,063,651	\$180,940,371	\$187,999,144	\$195,244,907	\$202,682,733
Total GF Expenses	\$168,015,390	\$176,237,273	\$181,478,246	\$186,656,699	\$192,082,077	\$197,964,457
Net	\$383	-\$2,173,622	-\$537,875	\$1,342,445	\$3,162,830	\$4,718,276

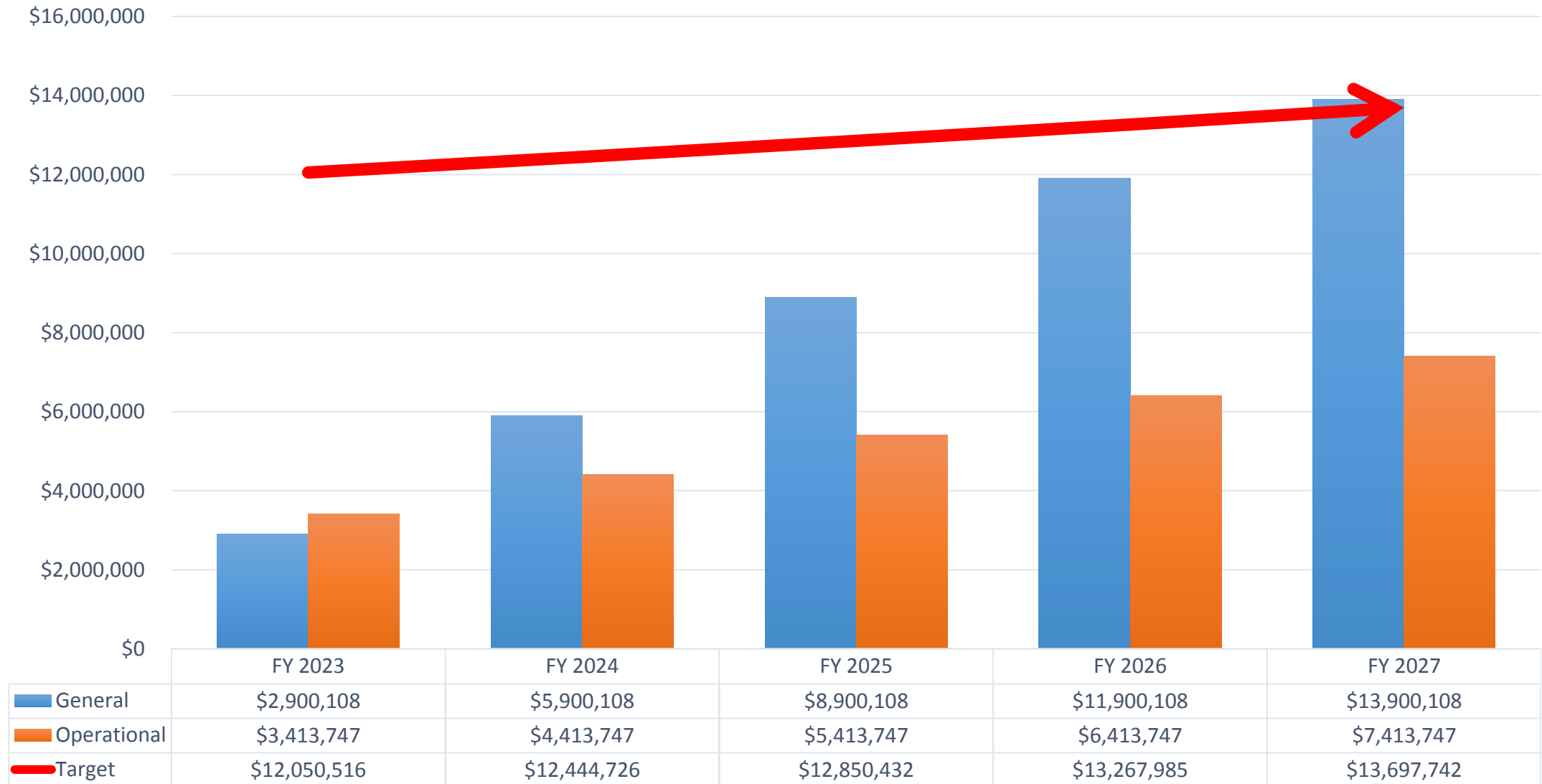
FORECAST - #2

	FY 2022 Budget	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Tax Levy	\$130,094,415	\$134,495,937	\$139,007,498	\$143,631,847	\$148,371,805	\$153,230,263
State Aid	\$15,146,380	\$15,737,089	\$16,350,835	\$16,988,518	\$17,651,070	\$18,339,462
Local Receipts, One Time Revenue and Other Availables	\$22,774,978	\$22,502,354	\$22,929,722	\$23,369,318	\$23,821,496	\$24,286,622
Total GF Revenues	\$168,015,773	\$172,735,380	\$178,288,056	\$183,989,683	\$189,844,372	\$195,856,347
Natick Public Schools	\$74,977,311	\$81,650,137	\$85,357,404	\$89,038,229	\$93,935,332	\$99,101,775
Libraries (Morse, Bacon), Keefe Tech	\$3,842,310	\$3,944,888	\$4,050,289	\$4,158,594	\$4,269,884	\$4,384,243
Town (Public Safety, DPW, Admin, H&H, Committees)	\$36,925,448	\$37,600,957	\$38,238,600	\$38,891,310	\$39,559,506	\$40,243,618
Shared Expense	\$48,115,533	\$50,036,471	\$51,794,266	\$53,376,069	\$55,087,487	\$57,134,630
GF Operating Expenses	\$163,860,602	\$173,232,453	\$179,440,559	\$185,464,202	\$192,852,209	\$200,864,266
Other Expense (Capital, Assessment, Overlay etc)	\$4,154,788	\$7,053,440	\$7,077,521	\$7,102,041	\$7,127,011	\$7,152,441
Total GF Expenses	\$168,015,390	\$180,285,893	\$186,518,080	\$192,566,243	\$199,979,220	\$208,016,707
Net	\$383	-\$7,550,513	-\$8,230,025	-\$8,576,560	-\$10,134,848	-\$12,160,360

FORECAST #2 10M OVERRIDE –over 5 years

	FY 2022 Budget	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Tax Levy Change	\$130,094,415	\$136,824,208	\$143,684,813	\$150,716,933	\$157,924,856	\$165,312,977
Total GF Revenues	\$168,015,773	\$175,063,651	\$182,965,370	\$191,074,769	\$199,397,422	\$207,939,061
Total GF Expenses	\$168,015,390	\$180,285,893	\$186,518,080	\$192,566,243	\$199,979,220	\$208,016,707
Net	\$383	(\$5,222,242)	(\$3,552,710)	(\$1,491,474)	(\$581,798)	(\$77,646)

Stabilization Fund Rebuild Plan



Tax Impact

	2021 Values	\$5M Override	\$10 M Override
Assessed Value	\$9,266,987,430	\$9,266,987,430	\$9,266,987,430
Tax Levy	\$126,123,698	\$131,123,698	\$136,123,698
Tax Rate \$\$ per 1,000	13.61	14.15	14.69
Property Value (ASF)	\$639,148.00	\$639,148.00	\$639,148.00
Tax	\$8,698.80	\$9,043.94	\$9389.08
Annual Tax Impact		\$345.14 Increase	\$690.28 Increase
Total Cost over 5 Years		\$1725.7	
Total Cost Over 5 Years			\$3,046



The override is designed to strike a balance the needs of the community and the financial impact on the town's residents



It's estimated to have an annual cost of \$690.28 per single family house assessed valuation



Stabilization Fund Rebuild