

Financial Planning Timeline – Update April 2022

- **Winter/Spring 2022**
 - Review/approve FY 2023 budget – *Finance Committee review complete (votes expected 4/7/22)*
 - Review MSBA Letter of Interest for school building project – *Select Board vote complete*
 - *Initiate Operational Override review for FY 2024*
- **Summer/Fall 2022**
 - Review/consider approaches to addressing structural deficit - potential operational override for FY 2024 implementation
 - Development of Operational Override Implementation Plan
- **Fall 2022 or Spring 2023**
 - Placeholder: vote for operational override to support FY 2024 (Fall 2022 or Spring 2023 elections)
- **Fall 2023 - Spring 2025**
 - Implement Operational Override Implementation Plan – pending Town-wide vote
 - rebuild stabilization, fund long-term debt, invest in capital, establish revenue/expense balance, multi-year budgeting
- **Fall 2025/Spring 2026**
 - Completed debt exclusion payments for Wilson MS / CSC (part) / Others
 - Discussion/vote for school building and/or town building project(s) (for FY 26/27) – Debt Exclusion
- **2031/2032**
 - Completed debt exclusion payments for CSC (part) / High School / others
 - Possible large-scale capital or operational investment

General Fund Revenue / Expenditure Summary 02-01-2022	FY 2020 Recap	FY 2021 Actual	FY 2022 Appropriated	FY 2023 Preliminary	FY 22-FY 23 % Change
TAX LEVY	\$121,635,689	\$126,170,609	\$130,838,254	\$134,955,121	3.15%
STATE AID	\$14,938,819	\$14,876,255	\$15,146,380	\$17,132,772	13.11%
LOCAL RECEIPTS	\$17,901,540	\$14,509,004	\$11,909,632	\$12,772,292	7.24%
INDIRECTS	\$2,585,229	\$2,981,957	\$2,909,837	\$3,132,537	7.65%
FREE CASH	\$5,191,574	\$8,853,600	\$1,300,000	\$4,292,620	230.20%
STABILIZATION FUND (S)	\$3,617,000	\$2,300,000	\$5,445,174	\$3,000,000	-44.91%
OVERLAY SURPLUS	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000	0.00%
OTHER AVAILABLE FUNDS	\$291,309	\$251,756	\$210,335	\$210,335	0.00%
TOTAL GENERAL FUND REVENUES	\$166,661,160	\$170,943,181	\$168,759,612	\$176,495,677	4.58%
NATICK PUBLIC SCHOOLS	\$67,810,346	\$66,472,406	\$75,063,994	\$79,000,000	5.24%
KEEFE TECH	\$1,554,748	\$1,334,398	\$1,250,715	\$1,313,251	5.00%
MORSE INSTITUTE LIBRARY	\$2,357,551	\$2,167,624	\$2,388,653	\$2,434,034	1.90%
BACON FREE LIBRARY	\$190,792	\$167,390	\$184,520	\$227,271	23.17%
PUBLIC SAFETY	\$16,802,303	\$17,103,756	\$17,544,432	\$18,081,740	3.06%
PUBLIC WORKS	\$8,913,228	\$8,616,160	\$9,211,793	\$9,735,179	5.68%
HEALTH & HUMAN SERVICES	\$2,713,620	\$2,390,054	\$2,773,178	\$2,854,181	2.92%
ADMINISTRATIVE SUPPORT SERVICES	\$7,766,070	\$6,662,647	\$7,561,459	\$7,458,786	-1.36%
COMMITTEES	\$120,550	\$91,385	\$115,550	\$115,550	0.00%
FRINGE BENEFITS	\$16,756,666	\$16,944,115	\$17,683,754	\$18,560,442	4.96%
PROP & LIAB. INSURANCE	\$847,150	\$874,579	\$907,170	\$961,600	6.00%
RETIREMENT	\$10,070,552	\$10,843,647	\$11,711,796	\$12,725,574	8.66%
DEBT SERVICES	\$16,626,732	\$15,208,603	\$13,774,824	\$14,254,224	3.48%
RESERVE FUND	\$250,000	\$750,000	\$250,000	\$250,000	0.00%
FACILITIES MANAGEMENT	\$3,490,001	\$5,148,407	\$3,937,989	\$4,073,943	3.45%
GENERAL FUND OPER. EXPENSES	\$156,270,309	\$154,775,171	\$164,359,827	\$172,045,774	4.68%
CAPITAL IMPROVEMENTS	\$3,617,000	\$1,861,500	\$0	\$0	
SCHOOL BUS TRANSPORTATION	\$410,137	\$421,416	\$421,416	\$421,416	0.00%
STATE & COUNTY ASSESSMENTS	\$1,504,841	\$1,561,618	\$1,402,459	\$1,394,784	-0.55%
CHERRY SHEET OFFSETS	\$359,312	\$320,913	\$320,913	\$320,913	0.00%
SNOW REMOVAL SUPPLEMENT	\$525,565	\$350,000	\$350,000	\$350,000	0.00%
OVERLAY	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	0.00%
GOLF COURSE DEFICIT	\$240,000	\$240,000	\$240,000	\$240,000	0.00%
OPEB TRUST FUND	\$375,639	\$250,000	\$225,900	\$250,000	10.67%
MISC. ARTICLES	\$112,000	\$100,000	\$20,000	\$20,000	0.00%
SUB-TOTAL	\$10,313,841	\$6,255,447	\$4,130,688	\$4,147,113	0.40%
TOTAL GENERAL FUND EXPENSES	\$166,584,150	\$161,030,618	\$168,490,515	\$176,192,887	4.57%
NET EXCESS / (DEFICIT)			\$269,097	\$302,790	

Formulating FY 2023 Budget

Use of One Time Funds

- **Stabilization Funds**
 - FY 2022 - \$5.4M
 - FY 2023 - \$3M
- **Free Cash**
 - FY 2022 - \$1.3 M
 - FY 2023 - \$4 M

Revenue

- **Local Receipts (negative)**
 - FY 2020 - \$17.9M
 - FY 2023 - \$12.7M
- **State Aid (positive)**
 - FY 2022 - \$15M
 - FY 2023 - \$17M

Cash Preservation

- **Debt Services**
 - FY 2020 - \$16.6M
 - FY 2023 - \$14.2M
- **Capital Improvements**
 - FY 2020 - \$3.6M
 - FY 2022 - \$0M

Budget Deficiency: \$10m - \$12M+

Formulating FY 2023 Budget - recap

Budget Deficiency: \$10m - \$12M+

General Stabilization

- 12/2020 Balance: \$7.31M
- 02/2022 Balance: \$1.86M
- **FY23 Projected: \$1.86M**

Operational Stabilization

- 12/2020 Balance: \$4.33M
- 02/2022 Balance: \$4.33M
- **FY23 Projected: \$1.34M**

Capital Stabilization

- 12/2020 Balance: \$4.63M
- 02/2022 Balance: \$1.16M
- **FY23 Projected: \$1.16M**

Fiscal Policies:

- **Rebuild Reserve Funds**
- **Invest in Employees**
- **Implement Creative Debt Solutions**
- **Invest in Creative and Proactive Capital**

General Fund Forecast 04-01-2022	FY 2023 Budgeted	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 23-FY 27 % Change
TAX LEVY	\$134,954,755	\$139,007,498	\$143,631,847	\$148,371,805	\$153,230,263	2.71%
STATE AID	\$17,132,772	\$17,800,950	\$18,495,187	\$19,216,499	\$19,965,943	3.31%
LOCAL RECEIPTS	\$12,772,292	\$13,155,461	\$13,550,125	\$13,956,628	\$14,375,327	2.51%
INDIRECT	\$3,132,537	\$3,195,188	\$3,259,091	\$3,324,273	\$3,390,759	1.65%
FREE CASH	\$4,292,620	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	-6.02%
STABILIZATION FUND (S)	\$3,000,000	\$3,200,000				
OVERLAY SURPLUS	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	0.00%
OTHER AVAILABLE FUNDS	\$210,335	\$210,335	\$210,335	\$210,335	\$210,335	0.00%
TOTAL GENERAL FUND REVENUES	\$176,495,311	\$180,569,431	\$183,146,586	\$189,079,542	\$195,172,626	2.12%
NATICK PUBLIC SCHOOLS	\$79,000,000	\$83,279,134	\$85,826,161	\$88,795,746	\$91,868,079	3.26%
KEEFE TECH	\$1,141,027	\$1,163,848	\$1,187,124	\$1,210,867	\$1,235,084	1.65%
MORSE INSTITUTE LIBRARY	\$2,434,034	\$2,507,055	\$2,582,266	\$2,659,734	\$2,739,526	2.51%
BACON FREE LIBRARY	\$227,271	\$234,089	\$241,112	\$248,345	\$255,796	2.51%
PUBLIC SAFETY	\$18,081,740	\$18,443,375	\$18,812,242	\$19,188,487	\$19,572,257	1.65%
PUBLIC WORKS	\$9,735,179	\$9,929,883	\$10,128,480	\$10,331,050	\$10,537,671	1.65%
HEALTH & HUMAN SERVICES	\$2,854,181	\$2,911,264	\$2,969,490	\$3,028,879	\$3,089,457	1.65%
GENERAL GOVERNMENT	\$7,504,658	\$7,654,751	\$7,807,846	\$7,964,003	\$8,123,283	1.65%
COMMITTEES	\$115,550	\$115,550	\$115,550	\$115,550	\$115,550	0.00%
FRINGE BENEFITS	\$18,434,868	\$19,448,786	\$20,518,469	\$21,646,985	\$22,837,569	4.78%
PROP & LIAB. INSURANCE	\$961,600	\$1,013,527	\$1,068,257	\$1,125,943	\$1,186,744	4.68%
RETIREMENT	\$12,389,586	\$13,380,753	\$14,451,213	\$15,607,310	\$16,855,895	7.21%
DEBT SERVICES	\$14,254,224	\$14,610,580	\$14,975,844	\$15,350,240	\$15,733,996	2.08%
RESERVE FUND	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	0.00%
FACILITIES MANAGEMENT	\$4,073,943	\$3,908,522	\$3,970,602	\$4,033,924	\$4,098,513	0.12%
GENERAL FUND OPER. EXPENSES	\$171,457,861	\$178,851,115	\$184,904,658	\$191,557,065	\$198,499,420	3.15%
CAPITAL IMPROVEMENTS						
SCHOOL BUS TRANSPORTATION	\$429,844	\$421,416	\$421,416	\$421,416	\$421,416	-0.39%
STATE & COUNTY ASSESSMENTS	\$1,394,784	\$1,408,732	\$1,422,819	\$1,437,047	\$1,451,418	0.81%
CHERRY SHEET OFFSETS	\$320,913	\$330,540	\$340,457	\$350,670	\$361,190	2.51%
SNOW REMOVAL SUPPLEMENT	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	0.00%
OVERLAY	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	0.00%
GOLF COURSE DEFICIT	\$240,000					
GENERAL STABILIZATION FUND						
OPERATIONAL STABILIZATION FUND						
CAPITAL STABILIZATION FUND						
OPEB TRUST FUND	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
MISC. ARTICLES	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
SUBTOTAL	\$175,613,402	\$182,781,803	\$188,859,349	\$195,536,198	\$202,503,444	
NET EXCESS / (DEFICIT)	\$881,909	-\$2,212,372	-\$5,712,764	-\$6,456,657	-\$7,330,818	

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Forecasting FY 2024

FY 2024 Budget Projection

- **Local Receipts rebounding**
 - **FY23: \$12.7M**
 - **FY24: \$13.2M**
- **State Aid & New Growth leveling**
- **Continued use of Stabilization & Free Cash**
 - **\$3M Free Cash**
 - **\$3.2M Stabilization (depleting remaining stabilization)**
- **Continued deferral of Debt Service**
 - **Reliance on BANs for Capital plan**
- **Deferred Investment in Stabilization Accounts**
 - **\$0 projected**
- **Deferred Investment in Capital**
 - **\$0 projected**

Budget Forecast Trends:

- **FY24 Projected: \$2.2M deficit**
- **FY25 Projected: \$5.7M deficit**
- **FY26 Projected: \$6.5M deficit**

Considerations/Potential Impacts

- **Expense**
 - **Employee compensation**
 - **Retirement Liabilities**
 - **Debt Service**
 - **Health/Fringe Benefits**
- **Revenue**
 - **Free Cash**
 - **Local Receipts Rebound**
 - **New Growth Trends**