

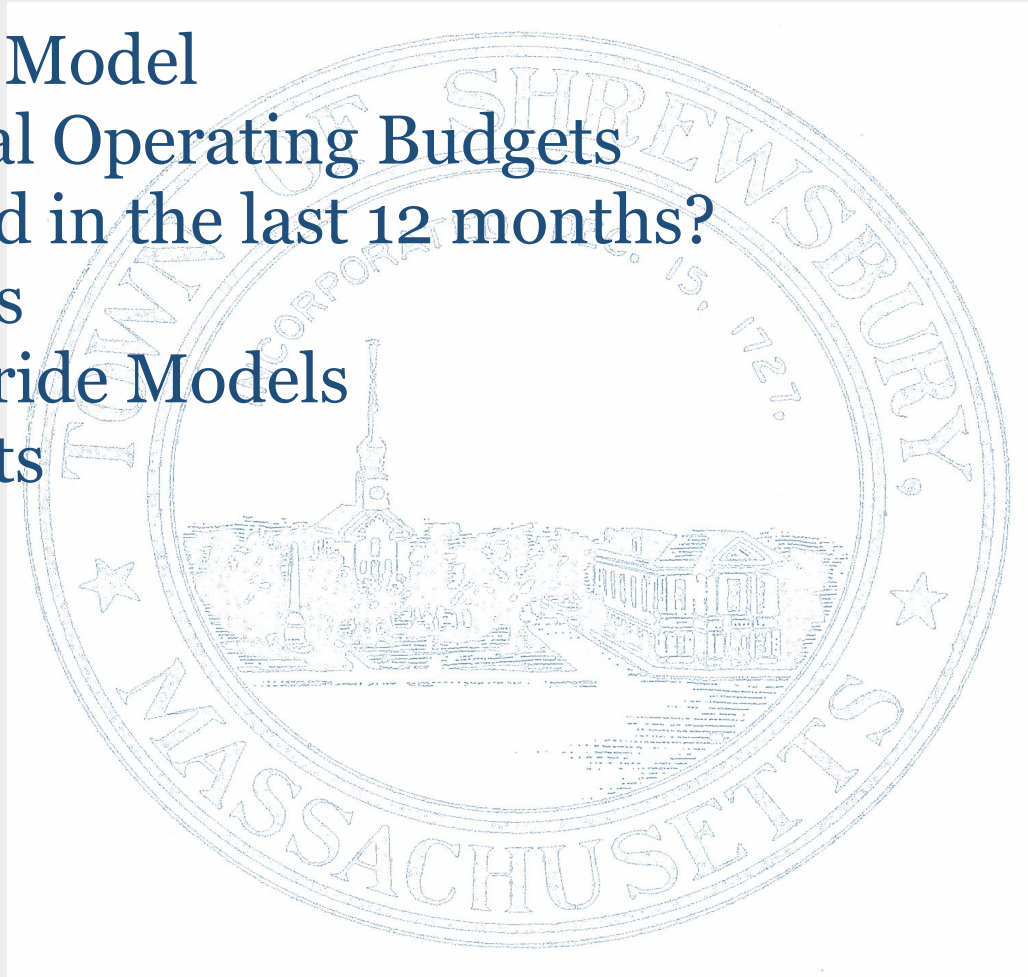
Financial Overview

Board of Selectmen & School Committee

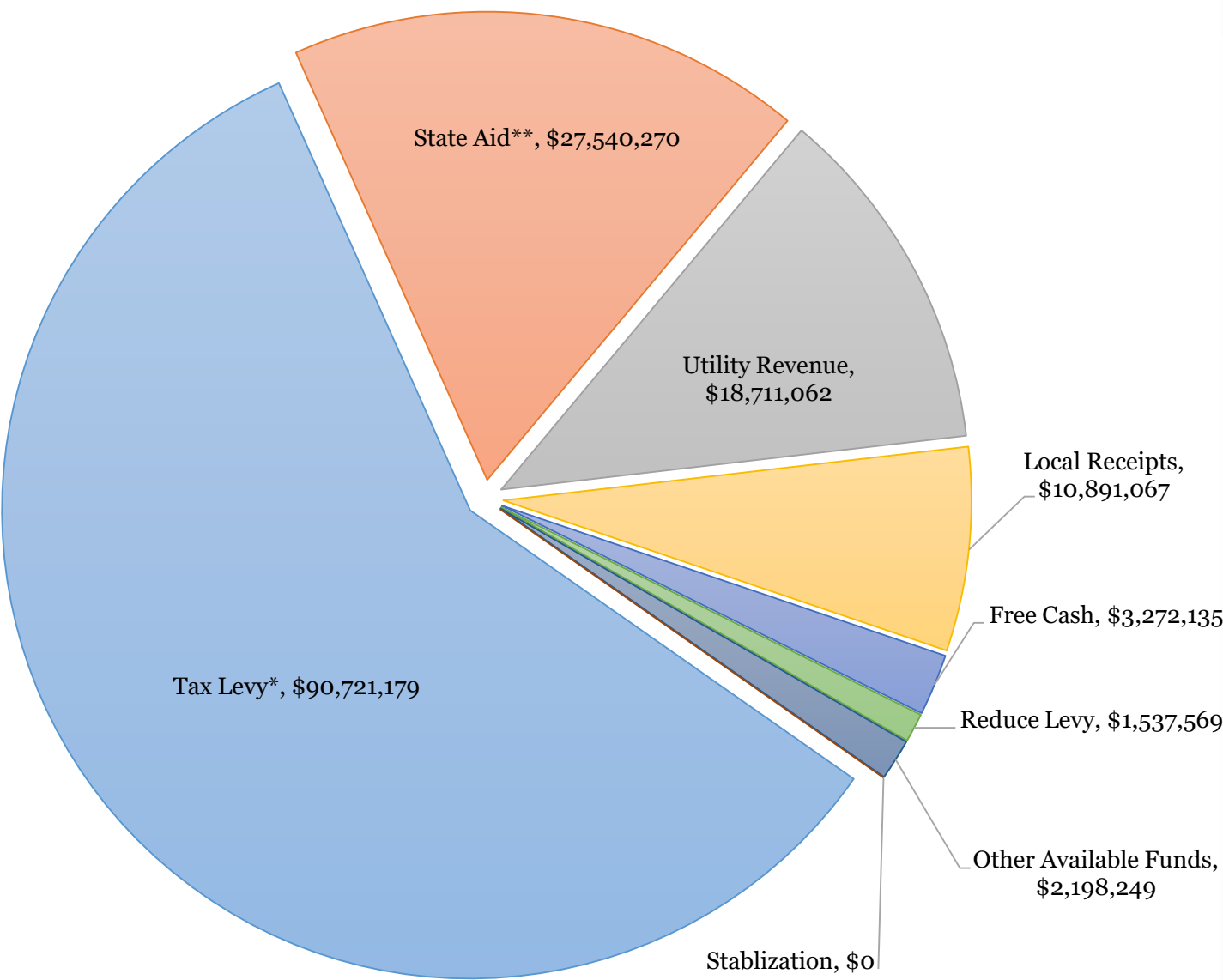
March 2, 2021

Summary

- FY22 Revenue Model
- FY22 Municipal Operating Budgets
- What's changed in the last 12 months?
- Override Basics
- Potential Override Models
- Tax Bill Impacts



FY22 All Revenue Summary



REVENUE SOURCE	FY22 FP One
Tax Levy*	\$90,721,179
State Aid**	\$27,540,270
Utility Revenue	\$18,711,062
Local Receipts	\$10,891,067
Free Cash	\$3,272,135
Reduce Levy	\$1,537,569
Other Available Funds	\$2,198,249
Stablization	\$0
TOTAL	\$154,871,532

FY 22 Revenue By Category

REVENUE BY CATEGORY				FY2021 Budget	FY2022 FP One	Difference
TOTAL ESTIMATED REVENUE				\$146,086,848	\$154,871,532	\$8,788,600
	UNRESTRICTED*					
		TAXATION		\$77,650,779	\$80,494,065	\$2,843,286
		STATE AID		\$23,314,094	\$23,593,146	\$282,968
		SCHEDULE A RECEIPTS		\$10,427,212	\$10,891,067	\$463,855
		FREE CASH**		\$2,320,000	\$2,522,135	\$202,135
		REDUCE LEVY		\$1,537,569	\$1,537,569	\$0
				\$115,249,654	\$119,037,982	\$3,792,244
	RESTRICTED					
		TAXATION - EXEMPT - DEBT SERVICE		\$8,066,932	\$10,227,115	\$2,160,183
		STATE AID - OFFSET FOR SPECIFIC USES		\$3,947,124	\$3,947,124	\$0
		UTILITY REVENUE		\$17,930,025	\$18,711,062	\$781,037
		FREE CASH**		\$0	\$750,000	\$750,000
		OTHER DEBT SERVICE		\$448,869	\$1,777,063	\$1,328,194
		OTHER RESTRICTED FUNDS		\$444,244	\$421,186	(\$23,058)
				\$30,837,194	\$35,833,550	\$4,996,356

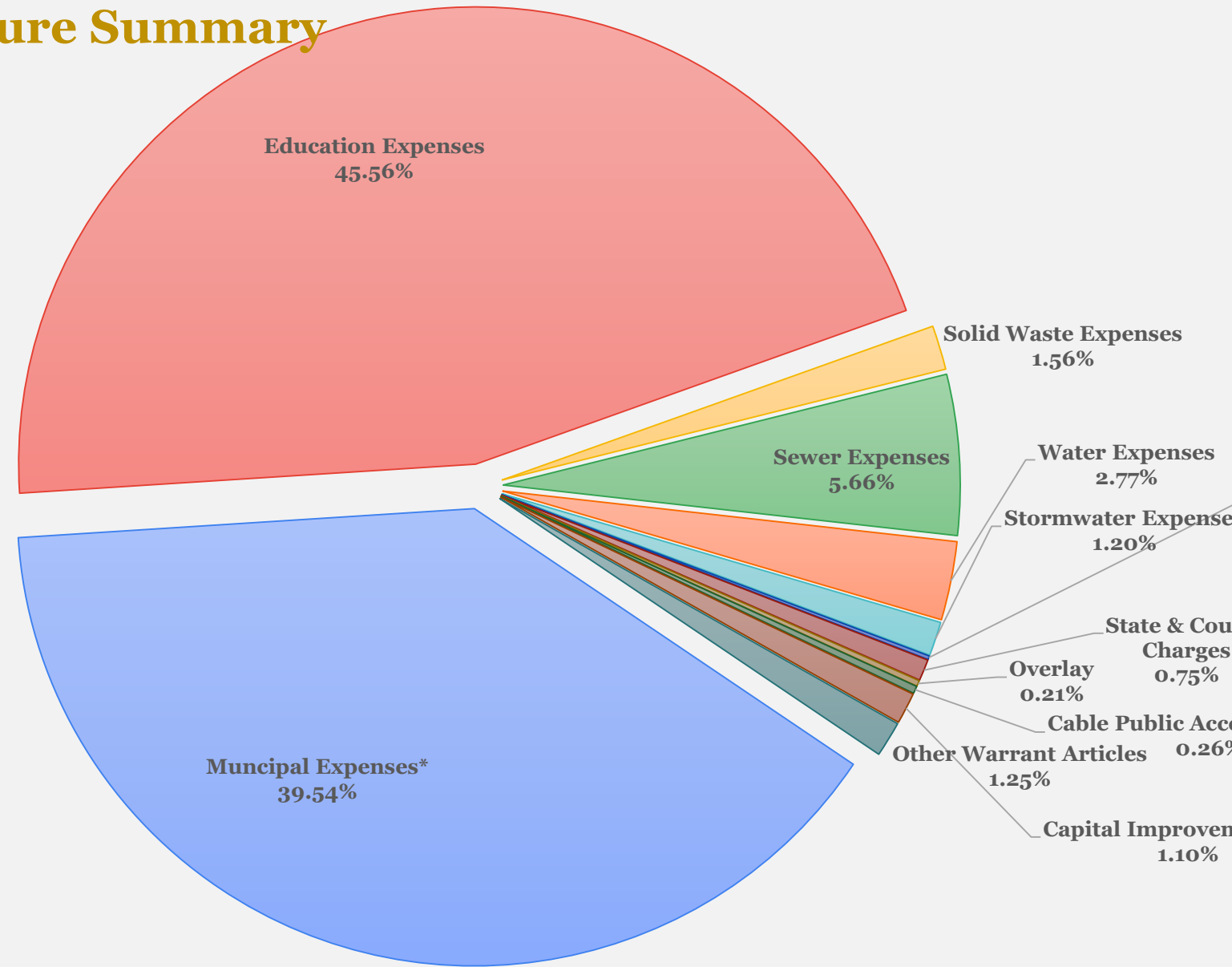
FY22 Unrestricted Revenue Distribution: \$3,792,244

UNRESTRICTED REVENUE DISTRIBUTION		
	Municipal	\$0
	School	\$2,556,717
	Operating Support	\$857,390
	Total Operating Budget	\$3,414,107
	Non-Operating Budget	\$378,137

FY22 Total Proposed Expenditure Summary

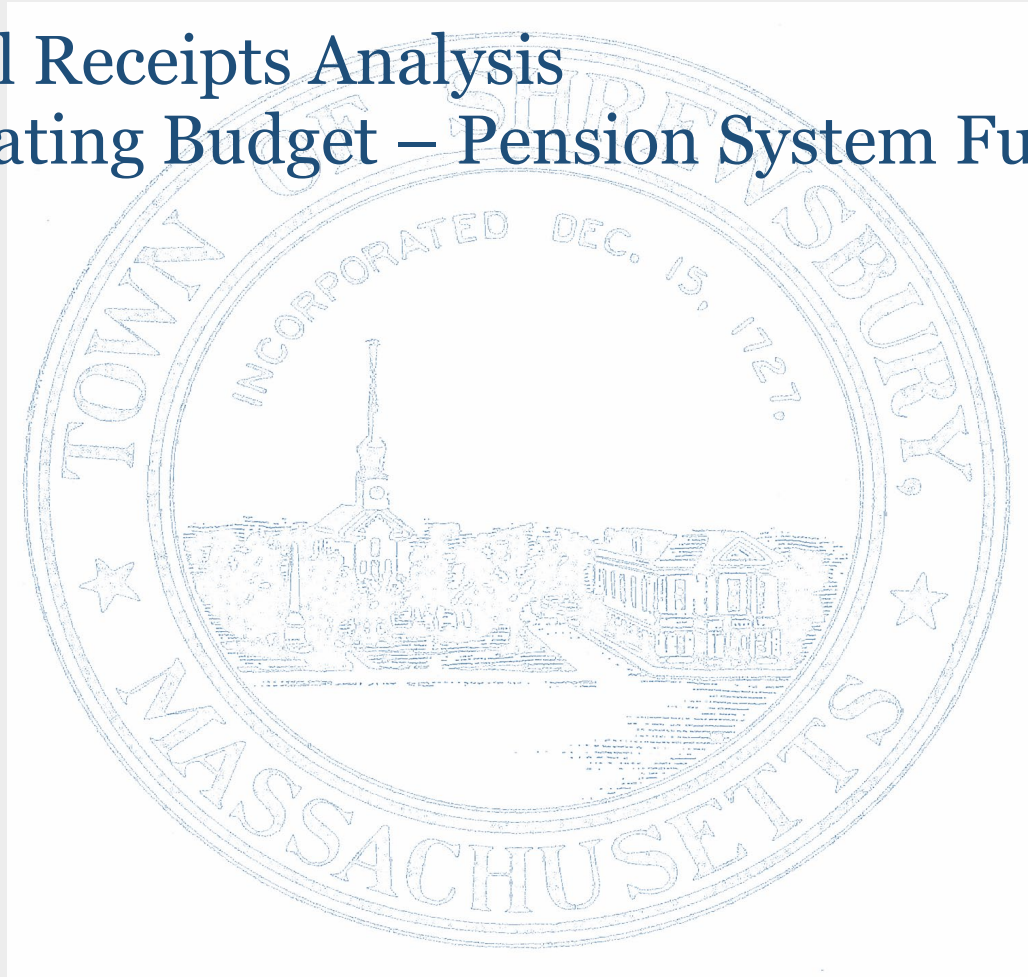
EXPENDITURE CATEGORY	FY22 FP One
Municipal Expenses*	\$ 61,241,857
Education Expenses	\$70,552,000
Solid Waste Expenses	\$2,415,995
Sewer Expenses	\$8,770,403
Water Expenses	\$4,295,580
Stormwater Expenses	\$1,857,205
Cherry Sheet Offsets	\$199,630
State & County Charges	\$1,167,714
Overlay	\$320,000
Cable Public Access Expenses	\$403,186
Capital Improvement Plan	\$1,710,710
Other Warrant Articles	\$1,937,252
TOTAL	<u><u>\$154,871,532</u></u>

*includes expenses which support Education



What's Changed in the Last 12 Months

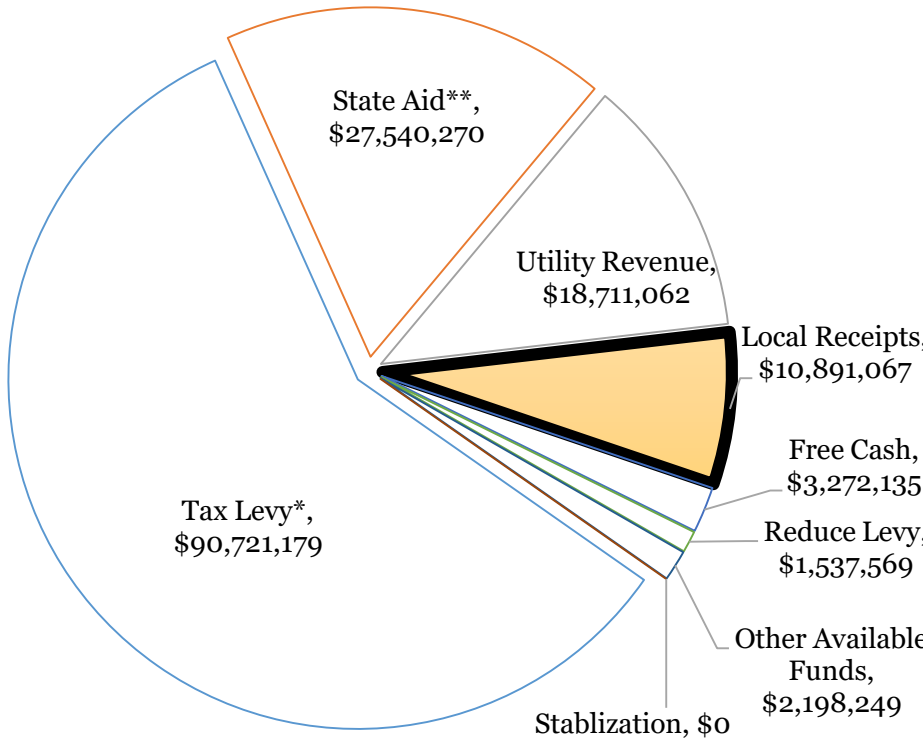
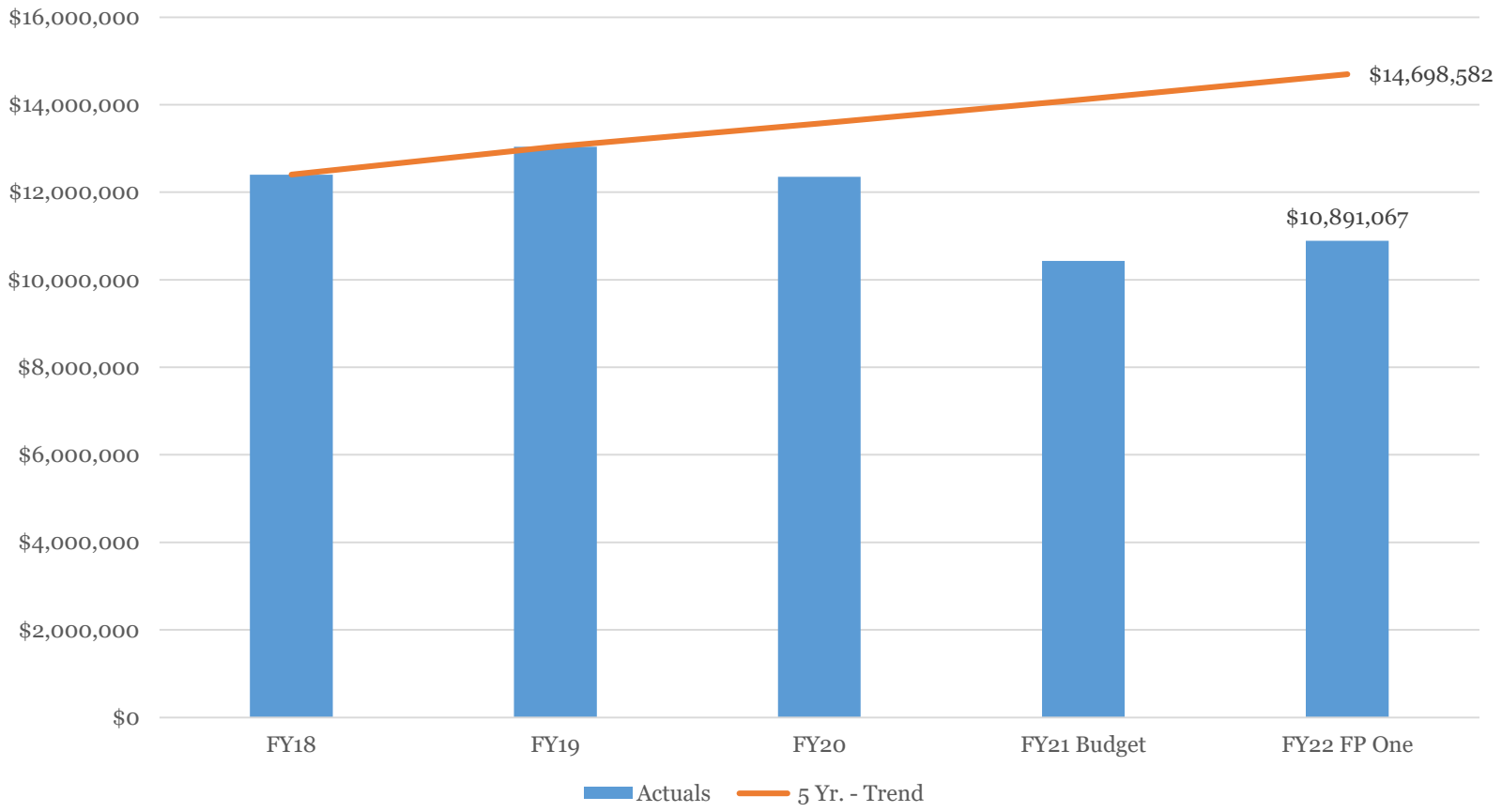
- Revenue – Local Receipts Analysis
- Municipal Operating Budget – Pension System Funding



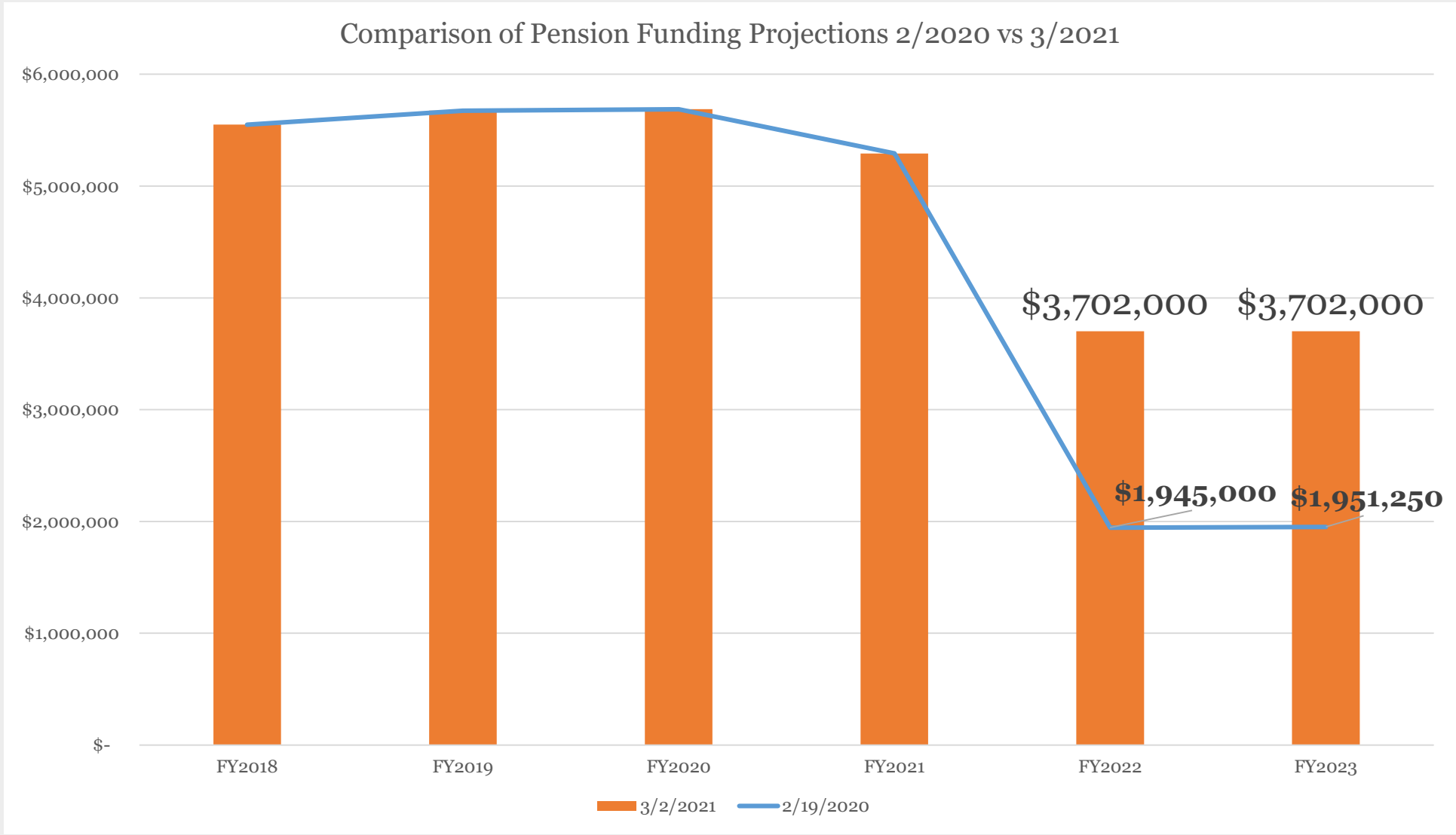
Local Receipts Analysis



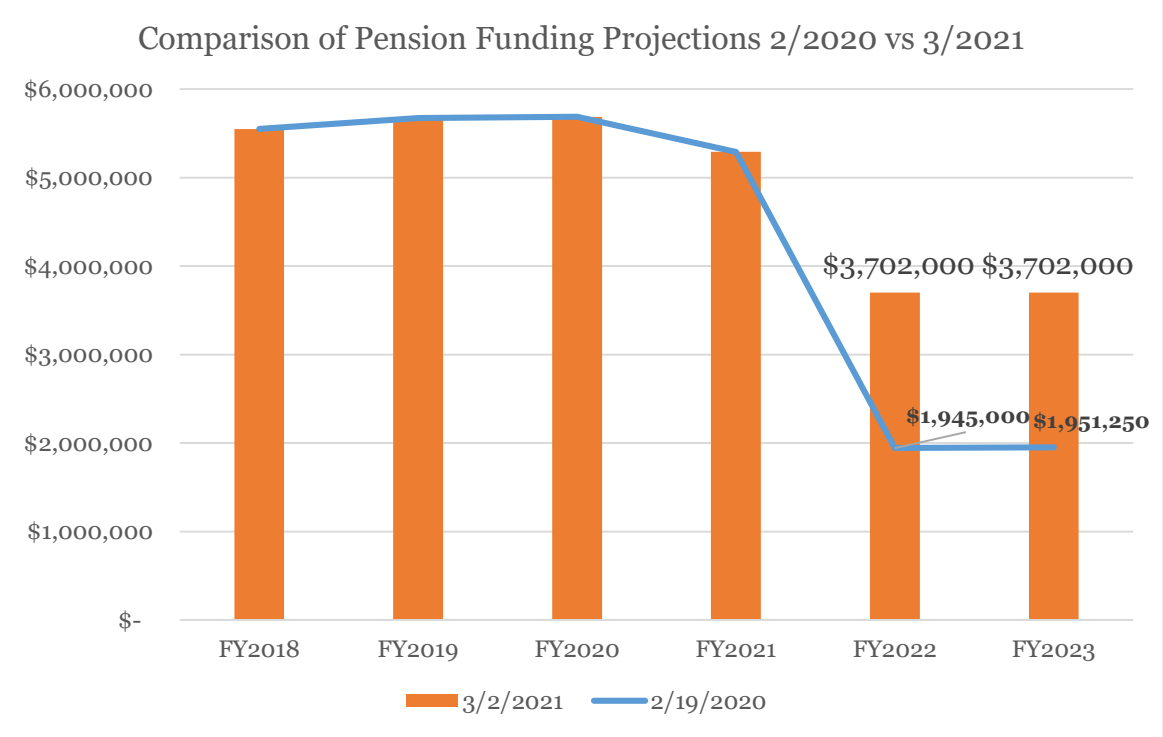
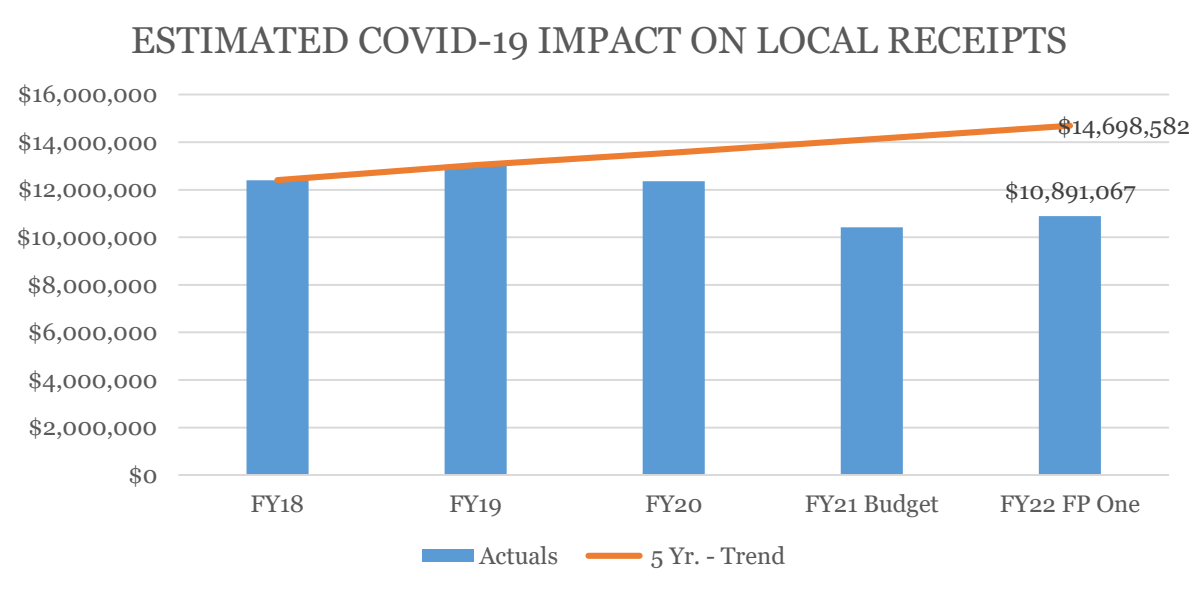
ESTIMATED COVID-19 IMPACT ON LOCAL RECEIPTS



Pension Funding Analysis



Summary of Estimated Change



Summary of Estimated Change

Local Receipt Revenue	(\$3,807,515)
Pension System Funding	<u>\$1,757,000</u>
Net Change in Available Funding	(\$5,564,515)

Override Basics – Tax Rate and Tax Levy

Assessed Value x Tax Rate = Tax Levy

\$1,000

\$6,498,689,186

\$1,000

x \$13.19 = \$85,717,710.37

$$\left(\frac{(\text{Tax Levy}) * 1.025}{\text{Assessed Value}} \right) \times 1000 = \text{Tax Rate}$$

Town of Shrewsbury, Massachusetts

Potential Override Model

- Generate Sufficient Revenue for an Agreed Upon Period of Time
- Override Ballot Question
 - *Single Request for Additional Amount Added to the Tax Levy*
 - *Permanent Addition the Tax Levy but a Single Request*
 - *Limited Long Term Benefit*

	FY2022 – FP One
Total Expenses	\$ 144,681,380
Total Available Revenue	<u>\$ 138,744,901</u>
Surplus/Deficit	\$ (5,936,479)
All Figures Exclude Utilities outside of the General Fund	

Potential Override Model

- Generate Sufficient Revenue for an Agreed Upon Period of Time
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 - *Limited Long Term Benefit*

	FY2022 OR	FY2023	FY2024
Total Expenses	\$ 144,681,380	\$ 146,335,443	\$ 150,929,541
Available Revenue	\$ 138,744,901	\$ 144,301,952	\$ 146,972,359
Override Revenue	\$ 5,936,479	\$ -	\$ -
Total Revenue	\$ 144,681,380	\$ -	\$ -
Surplus/Deficit	\$0	\$ (2,033,491)	\$ (3,957,182)
All Figures Exclude Utilities outside of the General Fund			
For Illustration Purposes Only			

Potential Override Model

- Using an override stabilization Approach
- Example 1: \$9.5M Request & 4.5% Growth

	FY2022 OR	FY2023	FY2024	FY2025	FY2026
Total Expenses	\$ 144,681,380	\$ 146,564,963	\$ 151,408,089	\$ 157,066,485	\$ 162,688,767
Available Revenue	\$ 138,744,901	\$ 147,954,561	\$ 150,716,283	\$ 154,160,977	\$ 157,301,369
Override Revenue (Initial)	\$ 9,500,000	\$ -	\$ -	\$ -	\$ -
From Override Stabilization	\$ -	\$ -	\$ 691,806	\$ 2,905,509	\$ 1,355,804
Total Revenue	<u>\$ 148,244,901</u>	<u>\$ 147,954,561</u>	<u>\$ 151,408,089</u>	<u>\$ 157,066,486</u>	<u>\$ 158,657,173</u>
To Override Stabilization	\$ 3,563,521	\$ 1,389,598	\$ -	\$ -	\$ -
Surplus/Deficit	\$ -	\$ -	\$ -	\$ -	\$ (4,031,594)

All Figures Exclude Utilities outside of the General Fund

For Illustration Purposes Only: Operating Budgets increase at 4.5%/yr.

Potential Override Model

- Using an override stabilization Approach
- Example 2: \$9.5M Request & 4.0% Growth

	FY2022 OR	FY2023	FY2024	FY2025	FY2026
Total Expenses	\$ 144,681,380	\$ 146,335,443	\$ 150,929,541	\$ 156,318,154	\$ 161,648,582
Available Revenue	\$ 138,744,901	\$ 147,954,561	\$ 150,716,283	\$ 154,160,977	\$ 157,301,369
Override Revenue (Initial)	\$ 9,500,000	\$ -	\$ -	\$ -	\$ -
From Override Stabilization	\$ -	\$ -	\$ 213,257	\$ 2,157,177	\$ 2,812,205
Total Revenue	<u>\$ 148,244,901</u>	<u>\$ 147,954,561</u>	<u>\$ 150,929,540</u>	<u>\$ 156,318,154</u>	<u>\$ 160,113,574</u>
To Override Stabilization	\$ 3,563,521	\$ 1,619,118	\$ -	\$ -	\$ -
Surplus/Deficit	\$ -	\$ -	\$ -	\$ -	\$ (1,535,008)

All Figures Exclude Utilities outside of the General Fund

For Illustration Purposes Only: Operating Budgets increase at 4.0%/yr.

Potential Override Tax Bill Estimated Impact

- \$9.5M Request; \$1.46 Tax Rate Increase

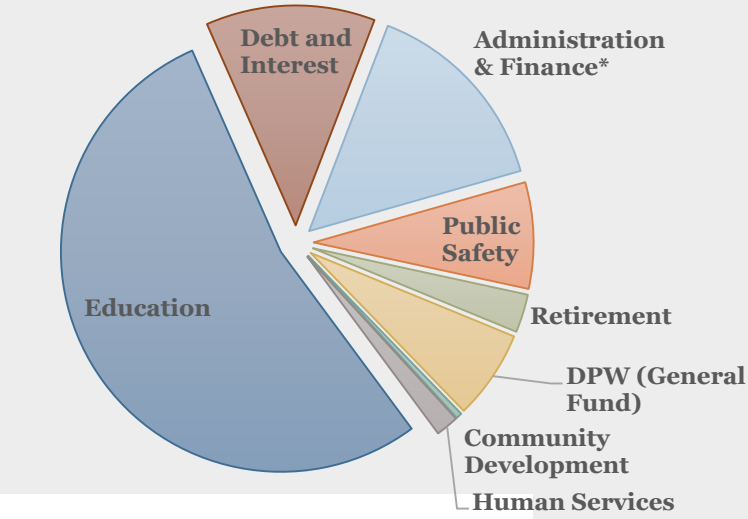
% Single Family Homes	Single Family Home Value	2022
25%	\$324,600	\$474.51
50%	\$441,200	\$644.96
59%	\$481,400	\$703.73
75%	\$574,500	\$839.82
90%	\$782,100	\$1,143.30
95%	\$1,146,300	\$1,675.70

DISCUSSION



FY 22 Fiscal Projection One

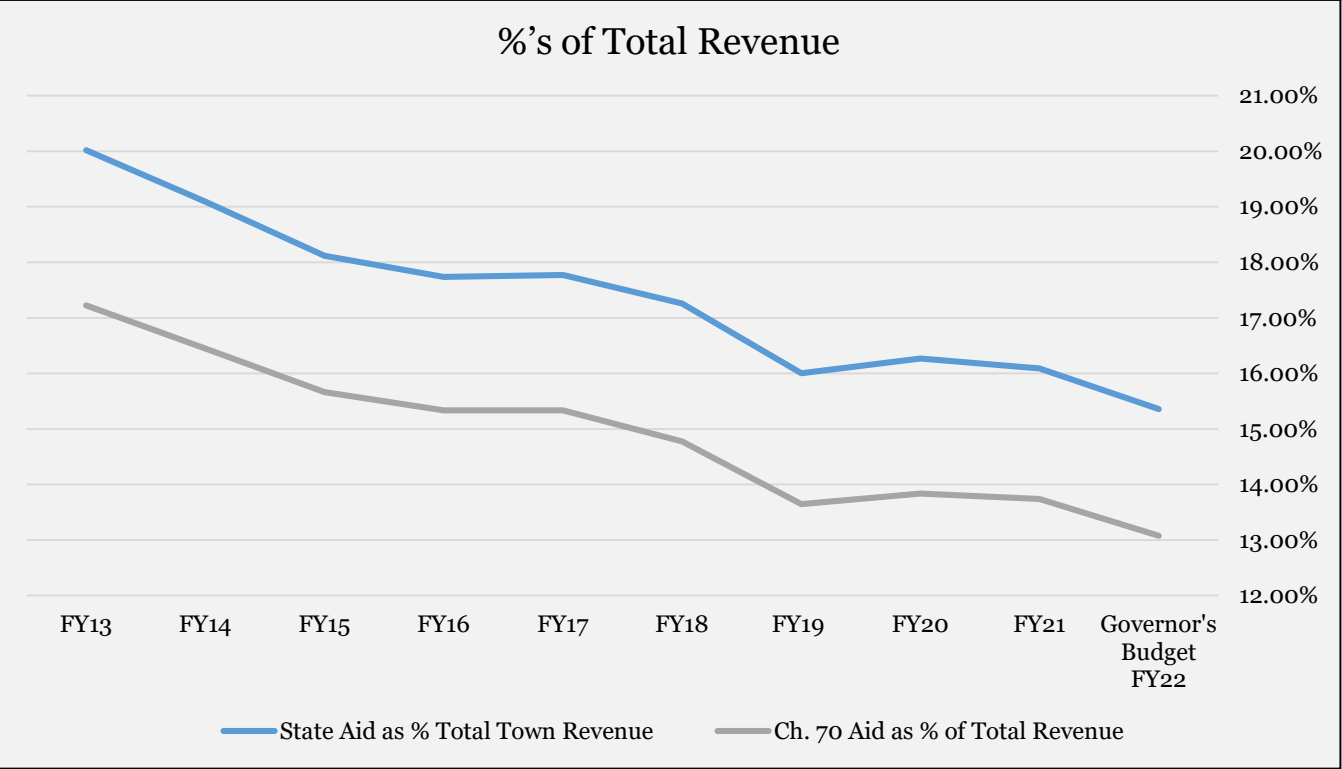
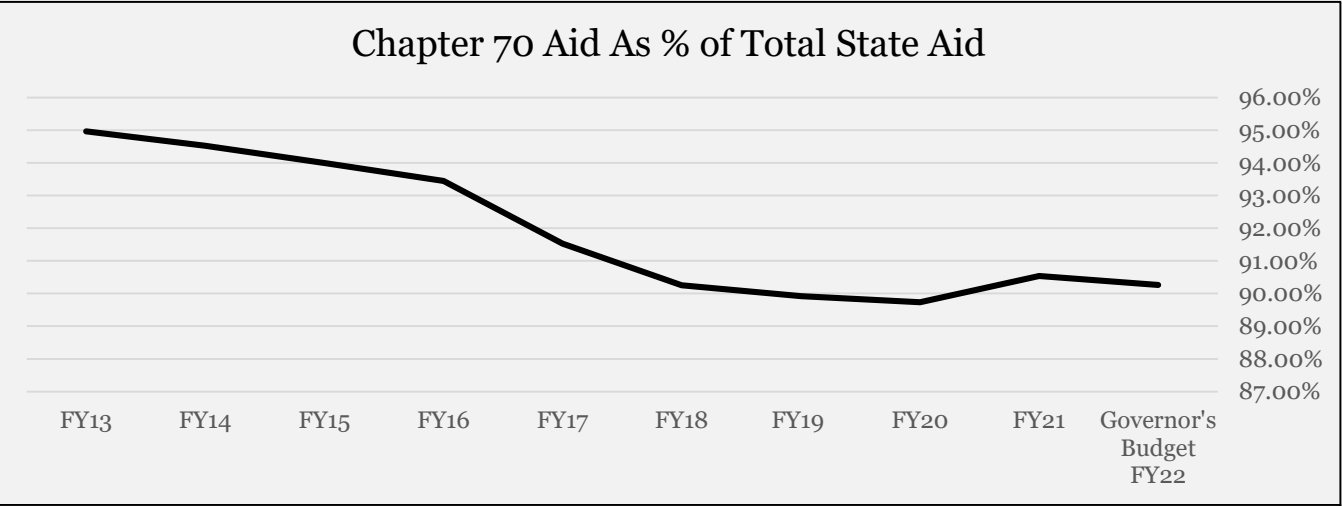
Functional Area



	FY2022 FP One	FY 2022 Dept. Request	FY2021 Budget	FY2020 Actuals	FY 2019 Actuals	% Change from FY21	\$ Change from FY21
Administration & Finance*	\$19,440,241	\$19,478,168	\$18,428,987	\$17,095,937	\$15,927,779	5.49%	\$1,011,254
Public Safety	\$10,290,832	\$10,714,794	\$9,550,937	\$9,102,892	\$8,757,155	7.75%	\$739,895
Retirement	\$3,702,000	\$3,752,000	\$5,292,000	\$5,687,965	\$5,674,609	-30.05%	-\$1,590,000
DPW (General Fund)	\$8,630,179	\$8,987,174	\$8,209,314	\$6,950,591	\$7,301,596	5.13%	\$420,865
Community Development	\$571,092	\$561,219	\$538,739	\$532,240	\$439,286	6.01%	\$32,353
Human Services	\$2,214,646	\$2,292,312	\$2,187,448	\$2,165,369	\$1,997,092	1.24%	\$27,198
Education	\$70,552,000	\$75,440,214	\$67,995,283	\$66,629,189	\$64,135,935	3.76%	\$2,556,717
Debt and Interest	\$16,392,866	\$16,392,866	\$12,997,405	\$10,536,812	\$8,987,001	26.12%	\$3,395,461
TOTAL	\$131,793,857	\$137,618,747	\$125,200,113	\$118,700,995	\$113,220,453	5.27%	\$6,593,744

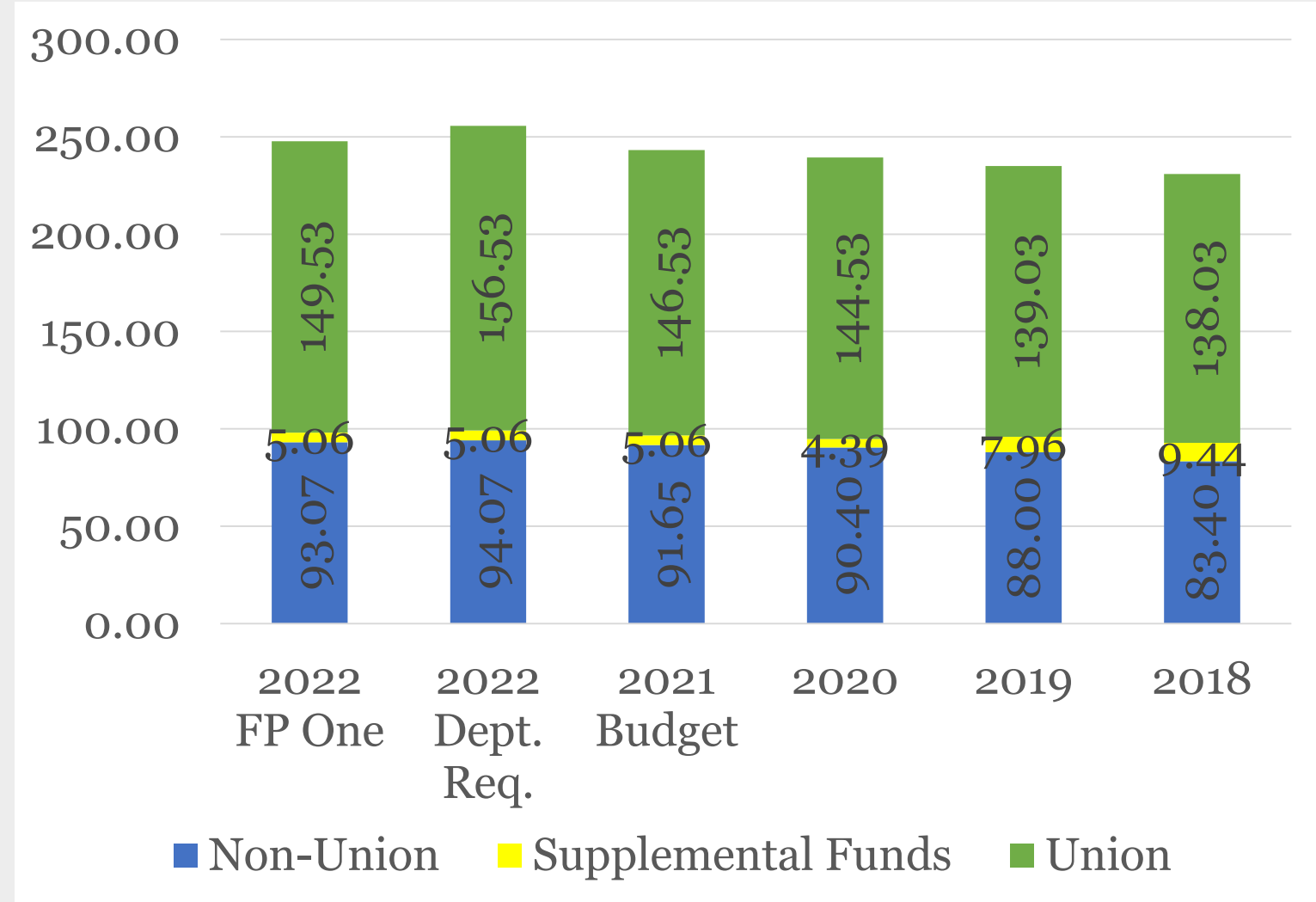
State Aid Analysis

	FY22	FY13	\$ Change FY13 to FY22	% Change FY13 to FY22
TOTAL TOWN REVENUE	\$ 154,871,531	\$ 108,832,644	\$ 46,038,887	42.3%
TOTAL STATE AID	\$ 23,786,023	\$ 21,790,490	\$ 1,995,533	9.2%
TOTAL CH. 70 AID	\$ 20,252,968	\$ 18,748,463	\$ 1,504,505	8.0%



FY 22 Fiscal Projection One

MUNICIPAL FTE



	2022 FP One	2022 Dept. Req.	2021 Budget	2020	2019	2018
Non-Union	93.07	94.07	91.65	90.40	88.00	83.40
Union	149.53	156.53	146.53	144.53	139.03	138.03
Supplemental Funds	5.06	5.06	5.06	4.39	7.96	9.44
TOTAL	247.66	255.66	243.24	239.32	234.99	230.87

FY22 Budget Summary

Departments

ADMINISTRATION & FINANCE	FY2022 FP One	FY 2021 Budget	Difference
PERSONNEL BOARD	\$253,701	\$167,000	\$86,701
SELECTMEN	\$24,510	\$21,635	\$2,875
TOWN MANAGER	\$756,604	\$578,835	\$177,769
FINANCE COMMITTEE	\$234,095	\$233,945	\$150
ACCOUNTANT	\$264,787	\$259,754	\$5,034
ASSESSORS	\$333,045	\$337,053	-\$4,007
TREASURER-COLLECTOR	\$364,905	\$433,648	-\$68,744
TOWN COUNSEL	\$172,300	\$171,623	\$677.00
TOWN CLERK	\$165,019	\$169,617	-\$4,598
ELECTION AND REGISTRATION	\$128,039	\$170,032	-\$41,992
OPERATING SUPPORT	\$16,743,236	\$15,885,846	\$857,390
Administration & Finance	\$19,440,241	\$18,428,987	\$1,011,254

Department	Percentage
OPERATING SUPPORT	86%
PERSONNEL BOARD	1%
SELECTMEN	0%
TOWN MANAGER	4%
FINANCE COMMITTEE	1%
ACCOUNTANT	1%
ASSESSORS	2%
TREASURER-COLLECTOR	2%
TOWN COUNSEL	1%
TOWN CLERK	1%
ELEC. AND REG.	1%

Town of Shrewsbury, Massachusetts

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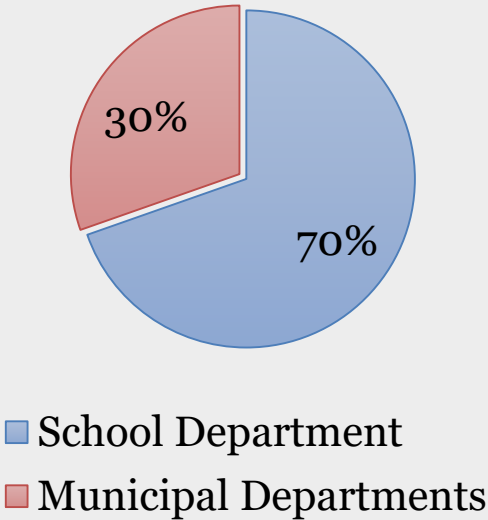
FY22 Budget Summary

Operating Support

	FY22 FP One	FY21 Budget	FY22 FP1 to FY21 Budget
Employee Assistance Program	\$2,750	\$2,750	\$0
Group Health and Life Insurance	\$13,225,000	\$12,390,000	\$835,000
Medicare	\$1,092,000	\$1,060,000	\$32,000
Unemployment Compensation Insurance	\$125,000	\$200,000	-\$75,000
Radio Maintenance	\$10,421	\$10,421	\$0
Gasoline and Oil	\$340,000	\$349,529	-\$9,529
Printing/Postage/Stationary	\$94,000	\$94,000	\$0
Memorial Day	\$4,800	\$4,000	\$800
General Insurance	\$916,750	\$867,500	\$49,250
Information & Technology	\$900,000	\$875,131	\$24,869
Telephone System	\$32,515	\$32,515	\$0
OPERATING SUPPORT	\$16,743,236	\$15,885,846	\$857,390

Health Insurance					
School Department			Municipal Departments		
Total Active	620	\$8,400,613	Total Active	186	\$2,511,362
Total Retired (over 65)	281	\$701,959	Total Retired (over 65)	207	\$531,469
Total School Department	901	\$9,102,572	Total Municipal Departments	393	\$3,042,831
FY21 As of 2/1/2021		Total Plans	1,294		

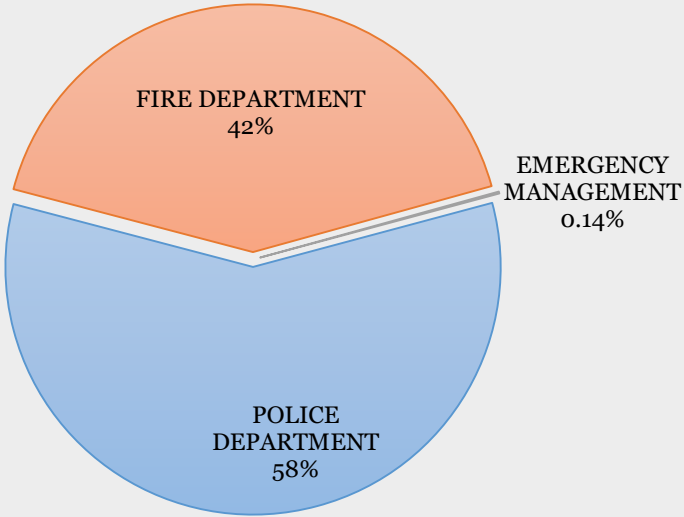
Health Insurance Plans



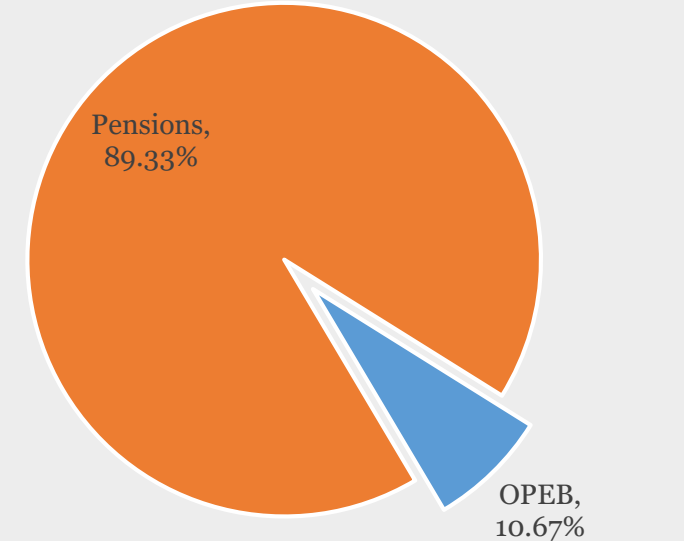
FY22 Budget Summary

Departments

	FY2022 FP One	FY 2021 Budget	Difference
PUBLIC SAFETY			
POLICE DEPARTMENT	\$5,994,994	\$5,598,319	\$396,675
FIRE DEPARTMENT	\$4,282,778	\$3,939,848	\$342,931
EMERGENCY MANAGEMENT	\$13,060	\$12,771	\$289
Public Safety	\$10,290,832	\$9,550,937	\$739,895



	FY2022 FP One	FY 2021 Budget	Difference
RETIREMENT			
OPEB	\$402,000	\$402,000	\$0
PENSIONS	\$3,300,000	\$4,890,000	-\$1,590,000
Retirement	\$3,702,000	\$5,292,000	-\$1,590,000



FY22 Budget Summary

Departments

Public Buildings

TOTAL
BUDGET

BEAL

Personal Services

S & W - Full Time

\$1,296,726

\$49,882

Total Personal Services (1-2-3):

\$1,453,138

\$49,882

Utility - Electricity

\$790,000

\$70,000

Utility - Natural Gas

\$251,000

\$12,500

Utility - Water

\$60,900

\$4,000

R & M - Building

\$250,000

\$5,160

Professional Services

\$990,000

\$140,000

Total OpEx (4-5-6):

\$2,633,875

\$231,660

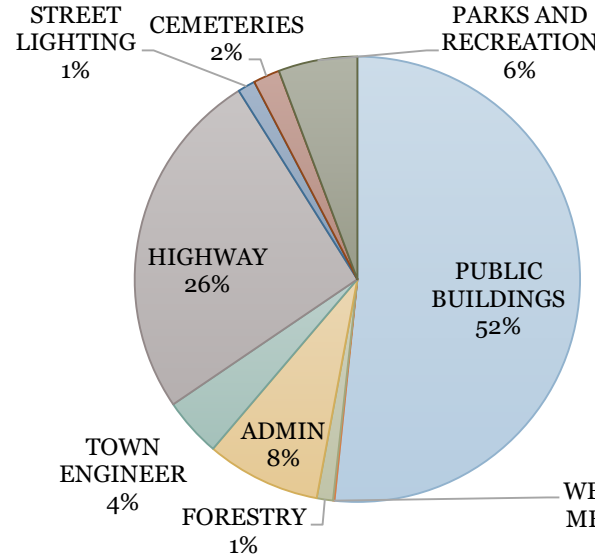
Total Public Buildings:

\$4,457,013

\$281,542

+1.0 FTE

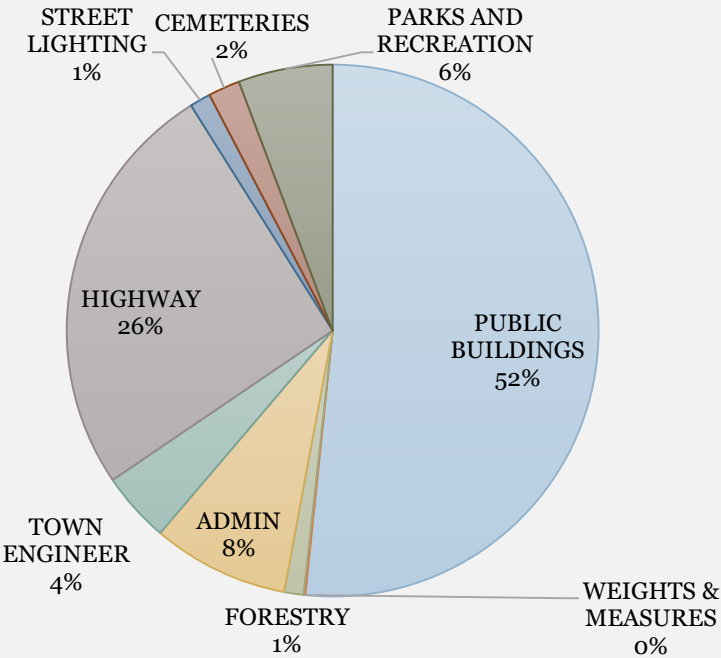
+1.0 FTE



FY22 Budget Summary

Departments

	FY2022 FP One	FY 2021 Budget	Difference	
DPW (General Fund)				
PUBLIC BUILDINGS	\$4,457,013	\$4,186,408	\$270,605	+1.0 FTE
DPW (General Fund)	\$8,630,179	\$8,209,314	\$420,865	

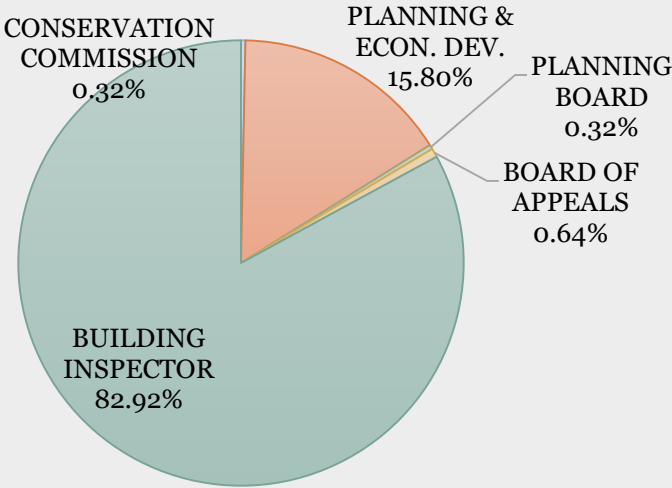


Public Buildings: BEAL IMPACT		
	TOTAL BUDGET	BEAL
Personal Services		
S & W - Full Time	\$1,296,726	\$49,882
Total Personal Services (1-2-3):	\$1,453,138	\$49,882
Utility - Electricity	\$790,000	\$70,000
Utility - Natural Gas	\$251,000	\$12,500
Utility - Water	\$60,900	\$4,000
R & M - Building	\$250,000	\$5,160
Professional Services	\$990,000	\$140,000
Total OpEx (4-5-6):	\$2,633,875	\$231,660
Total Public Buildings:	\$4,457,013	\$281,542

FY22 Budget Summary

Departments

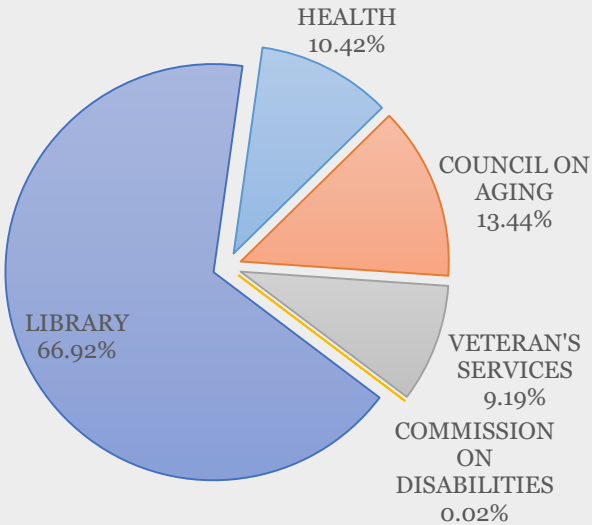
Community Development	FY2022 FP One	FY 2021 Budget	Difference
CONSERVATION COMMISSION	\$1,830	\$300	\$1,530
PLANNING & ECON. DEV.	\$90,226	\$78,463	\$11,763
PLANNING BOARD	\$1,850	\$1,930	-\$80
BOARD OF APPEALS	\$3,650	\$2,900	\$750
BUILDING INSPECTOR	\$473,536	\$455,146	\$18,390
Community Development	\$571,092	\$538,739	\$32,353



FY22 Budget Summary

Departments

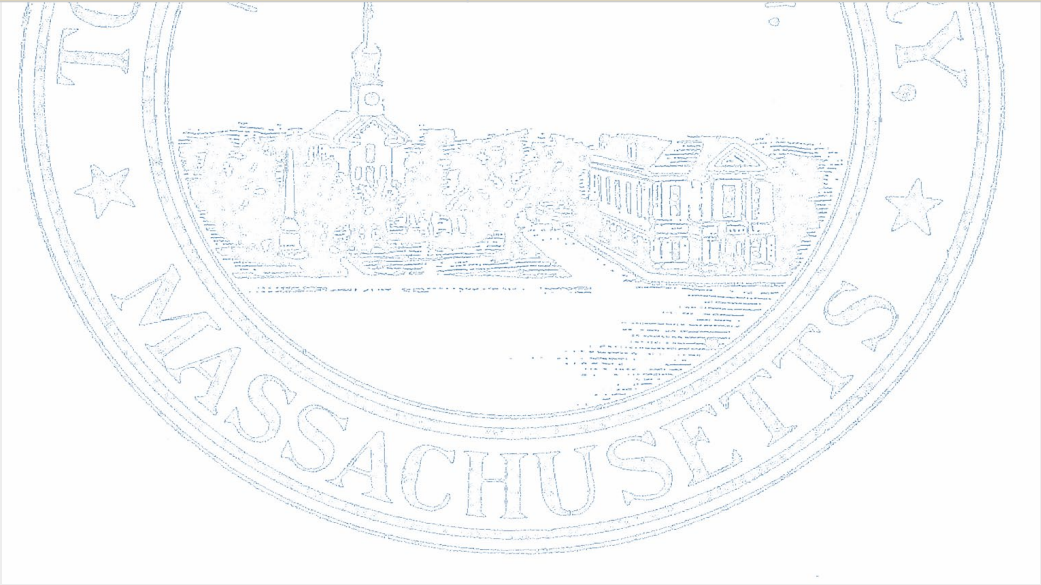
	FY2022 FP One	FY 2021 Budget	Difference
HUMAN SERVICES			
HEALTH	\$230,820	\$228,043	\$2,777
COUNCIL ON AGING	\$297,759	\$283,858	\$13,901
VETERAN'S SERVICES	\$203,479	\$212,960	-\$9,481
COMMISSION ON DISABILITIES	\$500	\$483	\$17
LIBRARY	\$1,482,088	\$1,462,105	\$19,984
Human Services	\$2,214,646	\$2,187,448	\$27,198



	FY2022 FP One	FY 2021 Budget	Difference
DEBT SERVICE			
PRINCIPAL	\$11,536,294	\$9,304,642	\$2,231,652
INTEREST	\$4,856,572	\$3,692,763	\$1,163,809
Debt Service	\$16,392,866	\$12,997,405	\$3,395,461

FY22 Budget Summary: Dept Request vs. FP One Recommendation

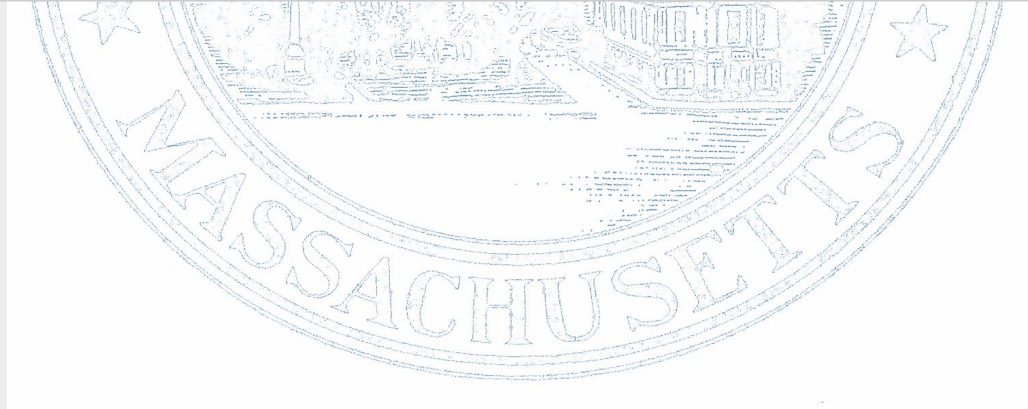
	FY2022 Dept. Request	FY 2022 FP One	Difference
OPERATING BUDGET	\$62,178,534	\$61,241,857	\$936,677
Excludes School Department			
FTE	247.66	255.66	8.0



FY22 Budget Summary

Utilities – Operating Budgets

	FY2022 FP One	FY 2021 Budget	Difference	
SOLID WASTE	\$2,415,995	\$2,328,503	\$87,492	
SEWER	\$8,770,403	\$7,950,878	\$819,525	
STORMWATER	\$1,875,205	\$1,706,741	\$150,464	+1.0 FTE
WATER	\$4,295,580	\$4,578,036	-\$282,456	+2.0 FTE
Utilities	\$17,339,183	\$16,564,158	\$775,024	



FY22 Capital Improvement Plan

Non-Utility

3/2/2021

Department	Project	FY 2022
Senior Center	Senior Center Security System	\$24,000
	Department Total	\$24,000
Engineering	Sidewalk Improvements	\$150,000
	Department Total	\$150,000
Fire	Ford Escape Replacement	\$65,000
	Brivio Install at Stations 2 and 3	\$31,000
	Department Total	\$96,000
Highway	Replace Truck 1 2015 Chevy pickup	\$50,000
	Replace Truck 16 1997 Cat loader	\$239,000
	Additional to install Lifts	\$125,000
	Department Total	\$414,000
Library	Upgrade 1/3 (36) of library computers	\$45,572
	Department Total	\$45,572
Parks and Rec	Truck replacement	\$57,000
	Dean Park Playground	\$200,000
	Maple Ave Roof	\$20,000
	Department Total	\$277,000

Police	Cruiser Replacements	\$237,188
	Department Total	\$237,188
Public Buildings	Replace 1999 pickup truck 105	\$35,000
	Replace 2001 Van (former Library)	\$40,000
	Remodel A/V Collaborative-SHS	\$100,000
	High School Brick Repair	\$100,000
	Floral HVAC repairs	\$100,000
	Town Hall Old Selectmen Room Renovation	\$10,200
	Department Total	\$385,200
IT	Aerohive Wireless Network	\$39,600.00
	IT HW, SW and Peripherals	\$2,500.00
	Server Related Equipment	\$20,000.00
	Tapitnova Call Accounting	\$4,000.00
	Network Upgrades	\$14,000.00
	Security Appliance	\$1,650.00
Department Total		\$81,750

NON-UTILITY TOTAL

\$1,710,710

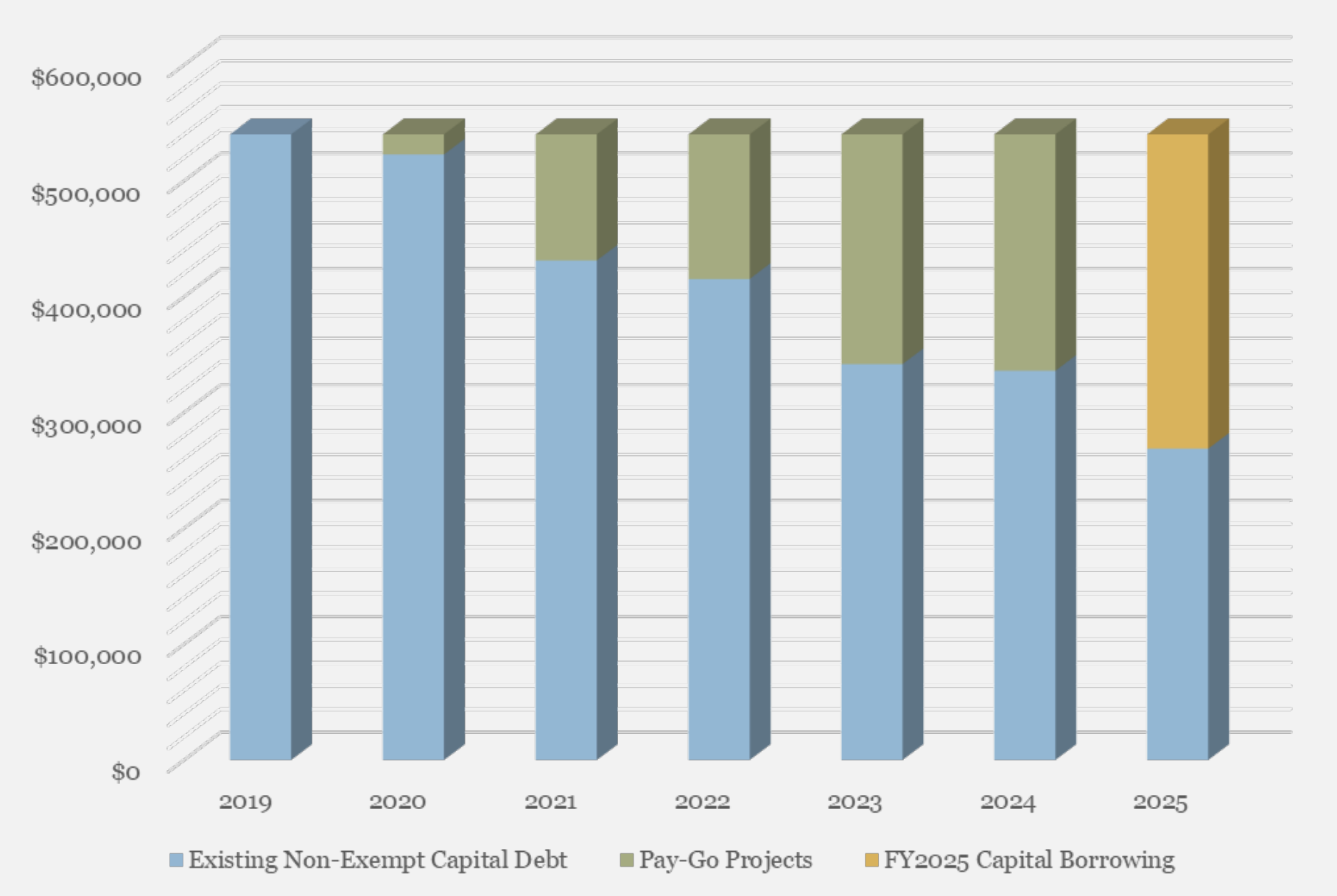
FY22 Capital Improvement Plan

Non-Utility Funding Model

General Tax Levy	\$ 539,250
Free Cash	<u>\$ 1,586,635</u>
Total FY2022 Capital Investment	\$ 2,125,885
The \$540,150 General Tax Levy will be used as follows:	
Existing Non-Exempt Capital Debt Service	\$ 415,250
FY2022 Pay-Go Projects	\$ 124,000
Existing Capital Improvements in Debt Service Schedule	
Not Excluded from Proposition 2 1/2	
PROGRAM/PROJECT (Original amount borrowed)	FY 2022 Payment
School Heating System Replacement Projects (\$3,196,000)	\$283,825
Spring Street School (\$635,000)	\$64,800
Credit Union Land Purchase (\$680,000)	\$66,625
Total Existing Capital Debt Service	\$415,250

FY22 Capital Improvement Plan

Non-Utility Future Funding through Debt Service



FY22 All Revenue Summary

REVENUE		FY2021 Budget	FY2022 FP One	Difference
	TAXATION	\$85,717,711	\$90,721,180	\$5,003,469
	STATE AID	\$27,261,218	\$27,540,270	\$279,052
	SCHEDULE A RECEIPTS	\$10,427,212	\$10,891,000	\$463,788
	UTILITY REVENUE	\$17,930,025	\$18,711,062	\$781,037
	FREE CASH	\$2,320,000	\$3,272,135	\$952,135
	OTHER AVAILABLE FUNDS	\$893,113	\$2,198,249	\$1,305,136
	REDUCE LEVY	\$1,537,569	\$1,537,569	\$0
		\$146,086,848	\$154,871,532	\$8,784,684