

TOWN OF MANSFIELD PRELIMINARY FY2024 BUDGET

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JANUARY 11, 2023

FY2024 BUDGET – GOALS

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- Develop an FY2024 budget within the limitations of Prop. 2 ½ and in compliance with Town’s financial policies and goals and objectives.
- Maintain a level service budget, while identifying opportunities to improve service delivery through efficiency and a commitment to collaboration and innovation.
- Maintain employee compensation in a manner that provides opportunities for equity through modest adjustments and that provides for predictability and sustainability of operations.
- Continue to aggressively manage employee benefits and associated impacts, both short and long term.
- Continue investing in a Capital Improvement Plan that is based upon available Free Cash and debt appropriations that stay within the limitations of Proposition 2 ½.

8/31/22 & 10/12/22

BUDGET SUBCOMMITTEE MEETINGS

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Takeaways:





Before the FY2024 Budget Process Begins:

1. *Develop a common understanding of the FY2024 projected “new money”;*
2. *Discuss “high level” expense pressures; and*
3. *Agree upon presentation format of data.*

FY2024 BUDGET – ASSUMPTIONS

“New Money” Projections (updated)

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		FY2024	
		PROJECTED NEW MONEY	
		<i>(as presented to Budget Sub. (8/31/22)</i>	<i>Per "preliminary" FY2024 Budget</i>
FY2023 Levy	\$72,869,478.58		
Add: 2.5% Increase	\$1,821,736.96	 \$1,821,736.96	\$1,826,224.49
New Growth (est.)	\$400,000.00	 \$400,000.00	\$400,000.00
FY2024 LEVY LIMIT (projected)	\$75,091,215.54		
Local Receipts (FY2023 Budgeted)	\$8,887,933.58		
Add: 2% Increase	\$177,758.67	 \$177,758.67	\$94,489.67
FY2024 LOCAL RECEIPTS (projected)	\$9,065,692.25		
State Aid (net) (FY2023)	\$20,104,324.00		
Add: 1% Increase	\$201,043.24	 \$201,043.24	\$276,942.00
FY2024 STATE AID (net) (projected)	\$20,305,367.24		
TOTAL FY2024 PROJECTED NEW MONEY		\$2,600,538.88	\$2,597,656.16

FY24 BUDGET – ASSUMPTIONS (CONTD.)

<p>Tax Levy</p>	<p>Tax Levy to increase by the 2.5% as allowed by Proposition 2 ½, plus New Growth</p>
<p>New Growth</p>	<p>New Growth (\$400,000) projection is based on FY23 budgeted.</p>
<p>Local Receipts</p>	<p>Local Receipts (\$94,490 or 1.06%) projection based on trend analysis on each individual category and reflective of known reductions (e.g., MMED PILOT (-\$132k)).</p>
<p>State Aid</p>	<p>State Aid (\$276,942) projection based on historical trend analysis of State Revenue, net of State Assessments, until the Governor’s Budget is released.</p>
<p>Other Expenses Pressures</p>	<p>New Contracts for Six (6) Collective Bargaining Units (1 already settled) - carrying \$350k in TM’s Dept. until contracts are settled; Employee Benefits: 6% increase for Health Insurance (\$174k for Town & \$550k for School); 5% increase for Dental Insurance (\$5k for Town & \$17k for School); 5.46% (\$177k) for Town Pension & 7.78% (\$146k) for School Pension; OPEB funded at pre-COVID level (\$400k); Cyber Insurance (\$128k increase).</p>

TOWN BUDGET PRESSURES

UNION CONTRACTS

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5 union contracts expire on June 30, 2023 - Not Settled

- **Clerical**
- **Non-Supervisory**
- **Supervisory**
- **Fire**
- **Police**

1 union contract expired on June 30, 2022 - Settled

- **DPW**

TOWN BUDGET PRESSURES (CONTD.)

EMPLOYEE BENEFITS

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Health Insurance (paid by Town):

- **\$174k Increase for Town (6%)**
- **\$550k Increase for School (6%)**

Dental Insurance (paid by Town):

- **\$5k Increase for Town (5%)**
- **\$17k Increase for School (5%)**

Pension (paid by Town):

- **\$177k Increase for Town (5.46%)**
- **\$146k Increase for School (7.78%)**

TOWN BUDGET PRESSURES (CONTD.)

OTHER

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OPEB (paid by Town):

- **\$280k Increase (to pre-COVID level of \$400k)**

Cyber Insurance (paid by Town):

- **\$128k Increase**

FIXED COSTS INCREASES

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A level service FY2024 Budget will also include the following increases:

- **Wage and Salary Increases**
 - Contractual obligations for cost of living and step increases
- **Debt Service Increases for new long-term debt**
 - MHS Doors & Windows (adds \$107k)
 - School Security (adds \$57k)
 - Plymouth Street Playground (adds \$71k)
 - Road Bonds (adds \$446k)
 - Debt Falling Off (saves \$116k)
- **Electric Cost Increases**
 - Anticipated increase of cost for electricity of approximately \$220k (not including \$485k for School).
- **Rising cost of other goods and services**
 - Extraordinary inflationary pressures
 - Higher cost of fuel; equipment costs (e.g., fleet); materials and supplies; services contracts

EXPENSES BY MAJOR COST CENTERS (FY2023 vs. FY2024)

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	Description	FY23 Budget	Proposed FY24 Budget	\$ DIFF From FY23	% DIFF from FY23
1	Town Personal Services	\$16,151,496.91	\$16,943,562.95	\$792,066.04	4.90%
2	Town Expenses	\$7,511,932.64	\$8,100,098.11	\$588,165.47	7.83%
3	Town Capital Outlay	\$61,830.00	\$75,000.00	\$13,170.00	21.30%
4	Town Other	\$0.00	\$0.00	\$0.00	0.00%
5	Town Snow & Ice	\$389,440.00	\$389,440.00	\$0.00	0.00%
6	Town SE Regional Assessment	\$1,358,446.00	\$1,426,368.30	\$67,922.30	5.00%
7	School Personal Services	\$45,300,246.00	\$47,191,365.00	\$1,891,119.00	4.17%
8	School Expenses	\$10,550,802.00	\$11,899,629.00	\$1,348,827.00	12.78%
9	Debt Service	\$3,860,831.51	\$4,399,042.51	\$538,211.00	13.94%
10	Cherry Sheet Assessments	\$2,582,904.00	\$2,695,382.33	\$112,478.33	4.35%
11	Overlay	\$400,000.00	\$400,000.00	\$0.00	0.00%
12	Transfers Out	\$120,000.00	\$400,000.00	\$280,000.00	233.33%
13	Insurance	\$1,083,525.94	\$1,263,982.38	\$180,456.44	16.65%
14	Employee Benefits	\$18,845,512.68	\$19,975,637.63	\$1,130,124.95	6.00%
13	Budget Total	\$108,216,967.68	\$115,159,508.20	\$6,942,540.52	6.42%

EXPENSES BY MAJOR COST CENTERS (CONTD.)

TOWN PERSONAL SERVICES

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Town Personal Services	FY23 Budget	FY24 Budget	\$ DIFF	% DIFF	
General Govt.	\$2,696,578.90	\$3,124,491.45	\$427,912.55	15.87%	Includes \$350k for Pers. Svces. Adj. Pending Contract Settlements
Public Safety	\$10,864,106.58	\$11,014,794.32	\$150,687.74	1.39%	
Education	\$60,550.28	\$62,366.79	\$1,816.51	3.00%	
Public Works	\$1,316,968.16	\$1,462,812.00	\$145,843.84	11.07%	Includes \$124k to restore 2 vacant positions (Veh. Maintenance & Highway)
Human Services	\$572,225.78	\$612,059.57	\$39,833.79	6.96%	Reflects increased hours for COA Outreach Workers & Temp. Support
Culture & Recreation	\$641,067.21	\$667,038.82	\$25,971.61	4.05%	
Town Personal Services - TOTALS	\$16,151,496.91	\$16,943,562.95	\$792,066.04	4.90%	

EXPENSES BY MAJOR COST CENTERS (CONTD.)

TOWN EXPENSES

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Town Expenses	FY23 Budget	FY24 Budget	\$ DIFF	% DIFF	
General Govt.	\$2,187,007.00	\$2,328,652.02	\$141,645.02	6.48%	Legal fee increase based upon historical performance
Public Safety	\$1,262,326.64	\$1,335,569.09	\$73,242.45	5.80%	
Public Works	\$3,405,223.00	\$3,761,860.00	\$356,637.00	10.47%	Cost of electricity
Human Services	\$261,759.00	\$260,609.00	(\$1,150.00)	-0.44%	
Culture & Recreation	\$395,617.00	\$413,408.00	\$17,791.00	4.50%	
Town Expenses - TOTALS	\$7,511,932.64	\$8,100,098.11	\$588,165.47	7.83%	

EXPENSES BY MAJOR COST CENTERS (CONTD.)

DEBT SERVICE

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Debt Service	FY23 Budget	FY24 Budget	\$ DIFF	% DIFF	
Long-Term Principal	\$2,510,739.00	\$2,898,000.00	\$387,261.00	15.42%	Includes MHS Doors & Windows, School Security, Plymouth St. Playground and 2 Road Bonds
Long-Term Interest	\$1,324,867.51	\$1,490,817.51	\$165,950.00	12.53%	
Short-Term Interest	\$25,225.00	\$10,225.00	(\$15,000.00)	-59.46%	
Debt Service - TOTALS	\$3,860,831.51	\$4,399,042.51	\$538,211.00	13.94%	

EXPENSES BY MAJOR COST CENTERS (CONTD.)

TOWN EMPLOYEE BENEFITS, INSURANCE & OVERLAY

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Town Employee Benefits, Insurance & Overlay	FY23 Budget	FY24 Budget	\$ DIFF	% DIFF	
Town Employee Benefits	\$6,663,031.45	\$7,040,076.70	\$377,045.25	5.66%	Includes 5.46% Pension increase. Assumes 6% Health Insurance increase and 5% Dental
Insurance	\$1,083,525.94	\$1,263,982.38	\$180,456.44	16.65%	Includes \$128k increase for Cyber.
Transfers Out (OPEB)	\$120,000.00	\$400,000.00	\$280,000.00	233.33%	Reflects pre-COVID level
Overlay For Abatements	\$400,000.00	\$400,000.00	\$0.00	0.00%	
Town Employee Benefits, Insurance & Overlay - TOTALS	\$8,266,557.39	\$9,104,059.07	\$837,501.68	10.13%	

EXPENSES BY MAJOR COST CENTERS (CONTD.)

SCHOOL EMPLOYEE BENEFITS

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School Employee Benefits	FY23 Budget	FY24 Budget	\$ DIFF	% DIFF	
School Employee Benefits	\$12,182,481.23	\$12,935,560.93	\$753,079.70	6.18%	Includes 7.78% Pension increase. Assumes 6% Health Insurance increase and 5% Dental
School Employee Benefits	\$12,182,481.23	\$12,935,560.93	\$753,079.70	6.18%	

FY2024 PRELIMINARY BUDGET

SUMMARY (AS OF 1/11/23)

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General Fund Revenues	FY23 Budget	FY24 Budget (preliminary)	% Of Total	FY23-FY24 Var. (\$)	FY23-FY24 Var. (%)
<i>Previous Fiscal Year's Levy Limit</i>	\$70,370,223.12	\$73,048,979.70	66.51%	\$2,678,756.58	3.81%
<i>Add: 2.5% Increase</i>	\$1,759,255.58	\$1,826,224.49	1.66%	\$66,968.91	3.81%
<i>Add: New Growth</i>	\$919,501.00	\$400,000.00	0.36%	(\$519,501.00)	-56.50%
Subtotal Levy Limit	\$73,048,979.70	\$75,275,204.19	68.54%	\$2,226,224.49	3.05%
<i>Add: Debt Exclusions:</i>	\$2,053,205.01	\$2,040,030.01	1.86%	(\$13,175.00)	-0.64%
Maximum Allowable Levy	\$75,102,184.71	\$77,315,234.20	70.40%	\$2,213,049.49	2.95%
<i>Add: Cherry Sheet Receipts</i>	\$22,240,701.00	\$22,630,121.34	20.60%	\$389,420.34	1.75%
<i>Add: Local Receipts</i>	\$8,887,933.58	\$8,982,423.25	8.18%	\$94,489.67	1.06%
<i>Add: Interfund Transfers & Other Revenue Sources</i>	\$2,165,649.51	\$901,032.47	0.82%	(\$1,264,617.04)	-58.39%
Total Forecasted Revenue: General Fund	\$108,396,468.80	\$109,828,811.26	100.00%	\$1,432,342.46	1.32%
General Fund Expenses					
Town Personal Services	\$16,151,496.91	\$16,943,562.95	14.71%	\$792,066.04	4.90%
Town Expenses	\$7,511,932.64	\$8,100,098.11	7.03%	\$588,165.47	7.83%
Town Capital Outlay	\$61,830.00	\$75,000.00	0.07%	\$13,170.00	21.30%
Town Snow & Ice	\$389,440.00	\$389,440.00	0.34%	\$0.00	0.00%
Town SE Regional Assessment	\$1,358,446.00	\$1,426,368.30	1.24%	\$67,922.30	5.00%
School Personal Services	\$45,300,246.00	\$47,191,365.00	40.98%	\$1,891,119.00	4.17%
School Expenses	\$10,550,802.00	\$11,899,629.00	10.33%	\$1,348,827.00	12.78%
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Overlay	\$400,000.00	\$400,000.00	0.35%	\$0.00	0.00%
Transfers Out	\$120,000.00	\$400,000.00	0.35%	\$280,000.00	233.33%
Insurance	\$1,083,525.94	\$1,263,982.38	1.10%	\$180,456.44	16.65%
Employee Benefits	\$18,845,512.68	\$19,975,637.63	17.35%	\$1,130,124.95	6.00%
FinCom (COVID) Reserve	\$0.00	\$0.00	0.00%	\$0.00	#DIV/0!
Total	\$108,216,967.68	\$115,159,508.20	100.00%	\$6,942,540.52	6.42%
Surplus (Shortfall) as of 1/11/23:		(\$5,330,696.94)			

**TOWN OF MANSFIELD
PRELIMINARY FY2024 BUDGET**

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Thank You