



Town of Scituate

FY 24 Operating and Capital Budget Overview

November 8, 2022



FY 22 Recap

- FY 22 certified free cash of \$5,022,839 driven by budget turn-backs and revenue collections that were better than forecasted
- General Fund receipts and New Growth were up over projections: \$2,835,334 (\$2,185,116; \$650,218)
 - Driven by major developments that are wrapping up
- Continued investment in capital including roads, technology, facilities, foreshore protection, water and sewer infrastructure
- Maintained AA+ Bond Rating



FY 23 YTD

- FY23 New Growth exceeded projections by \$1,228,742
- FY23 local receipts to date on par with FY22
- Forward momentum on storm repairs to foreshore structures from Storms Sandy, Nemo, Juno and Riley with MEMA assigned consultant and Town retained FEMA consultant
 - Two more legacy projects have been completed
 - Reimbursements totaling \$272,654 received YTD
 - Extensive engineering on multiple other projects ongoing
 - Town share of remaining projects were approved in the FY23 capital plan

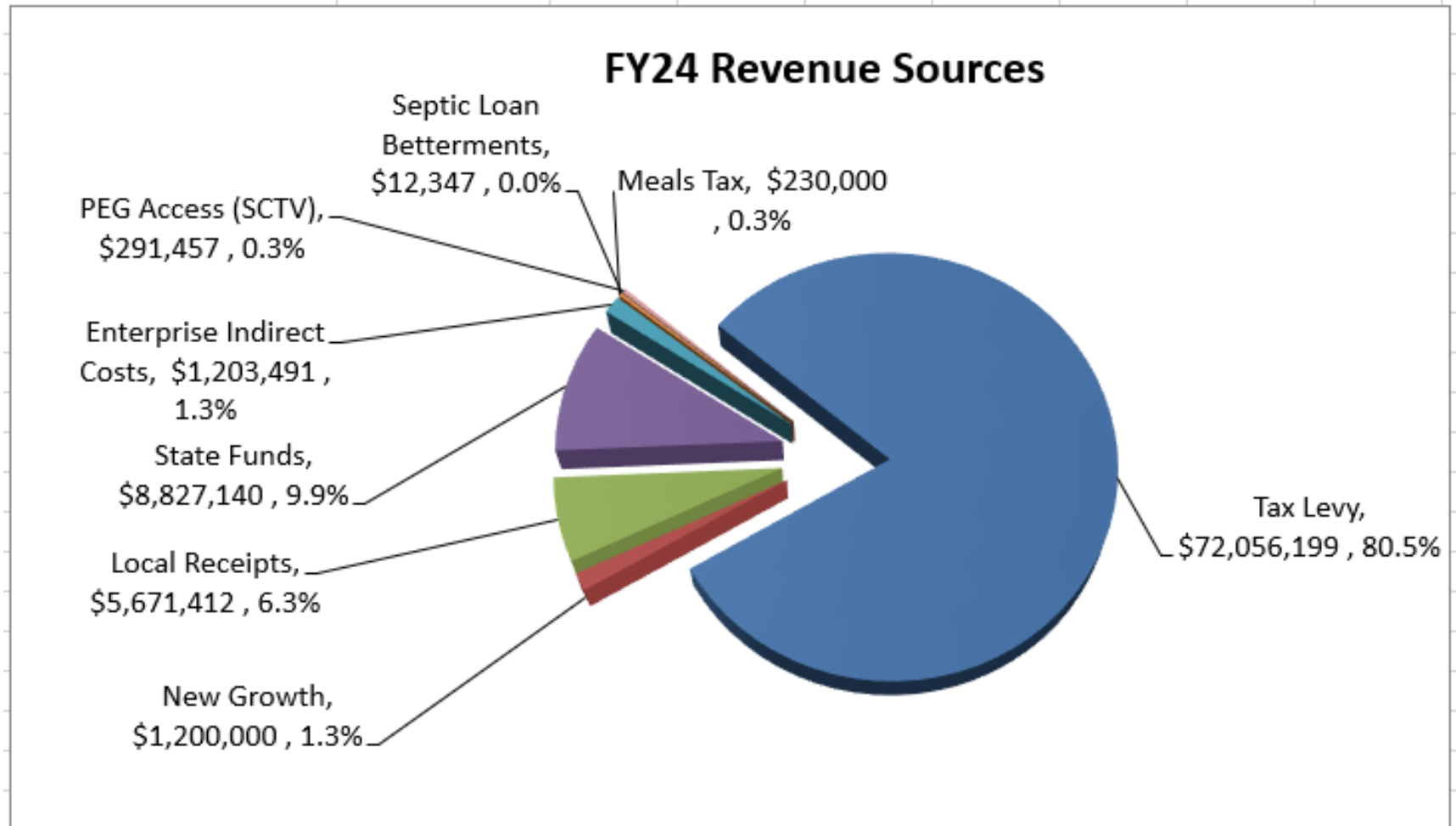


Revenue Assumptions

- Property taxes to increase by 2.5%
- New Growth is projected at \$1.2M
- State Aid is level funded to FY23 estimated level
- Local Receipts increased by 3.7% which is 1.2% higher than the original pre-pandemic FY20 estimate
- Meals tax forecast at \$230,000 – pre-COVID level
- Financial Forecast Committee has met three times and plans to meet again in late January after the MMA meeting to incorporate any adjustments to assumptions on health insurance, general liability and property insurance and state aid.

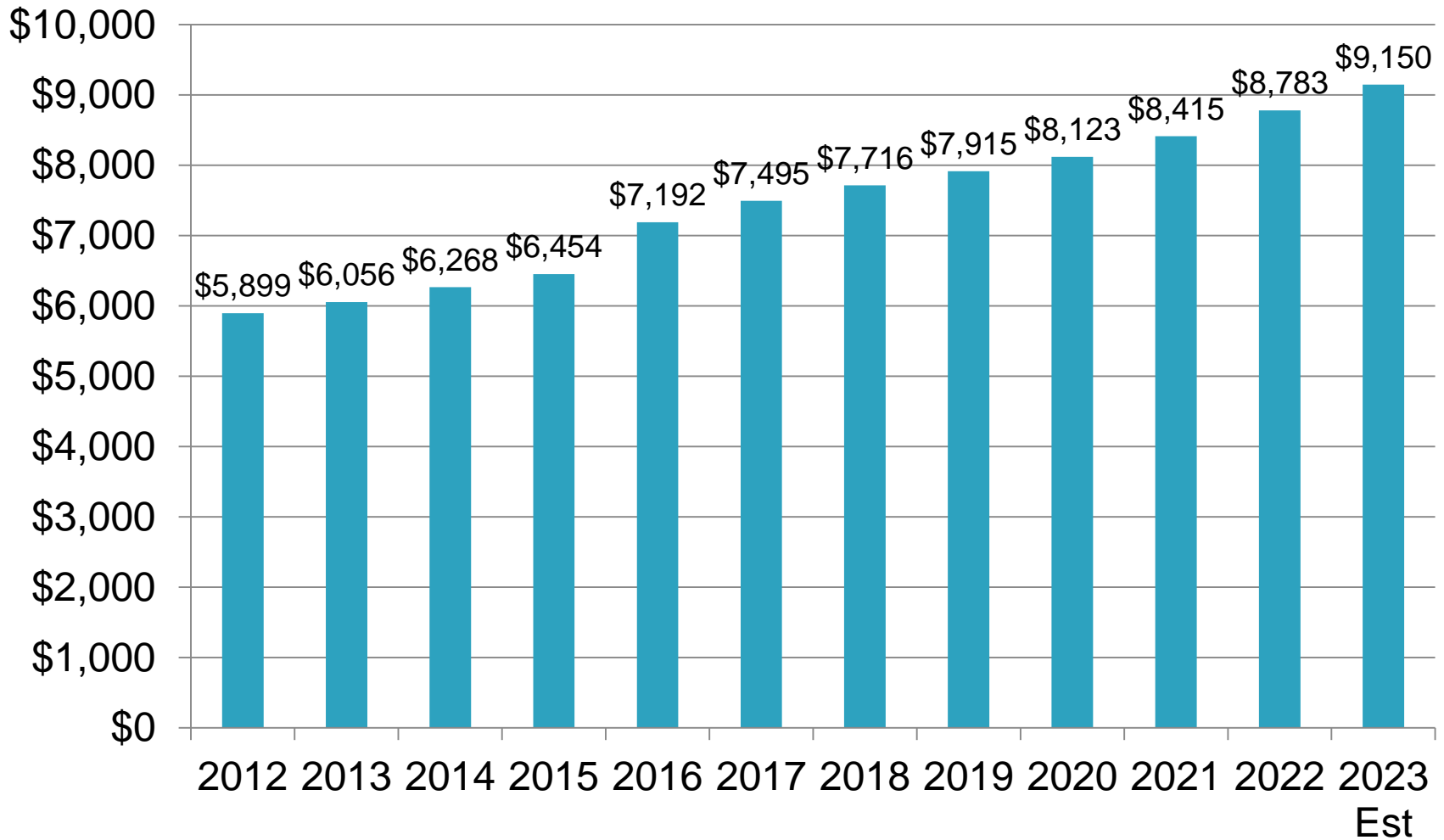


Revenue Sources



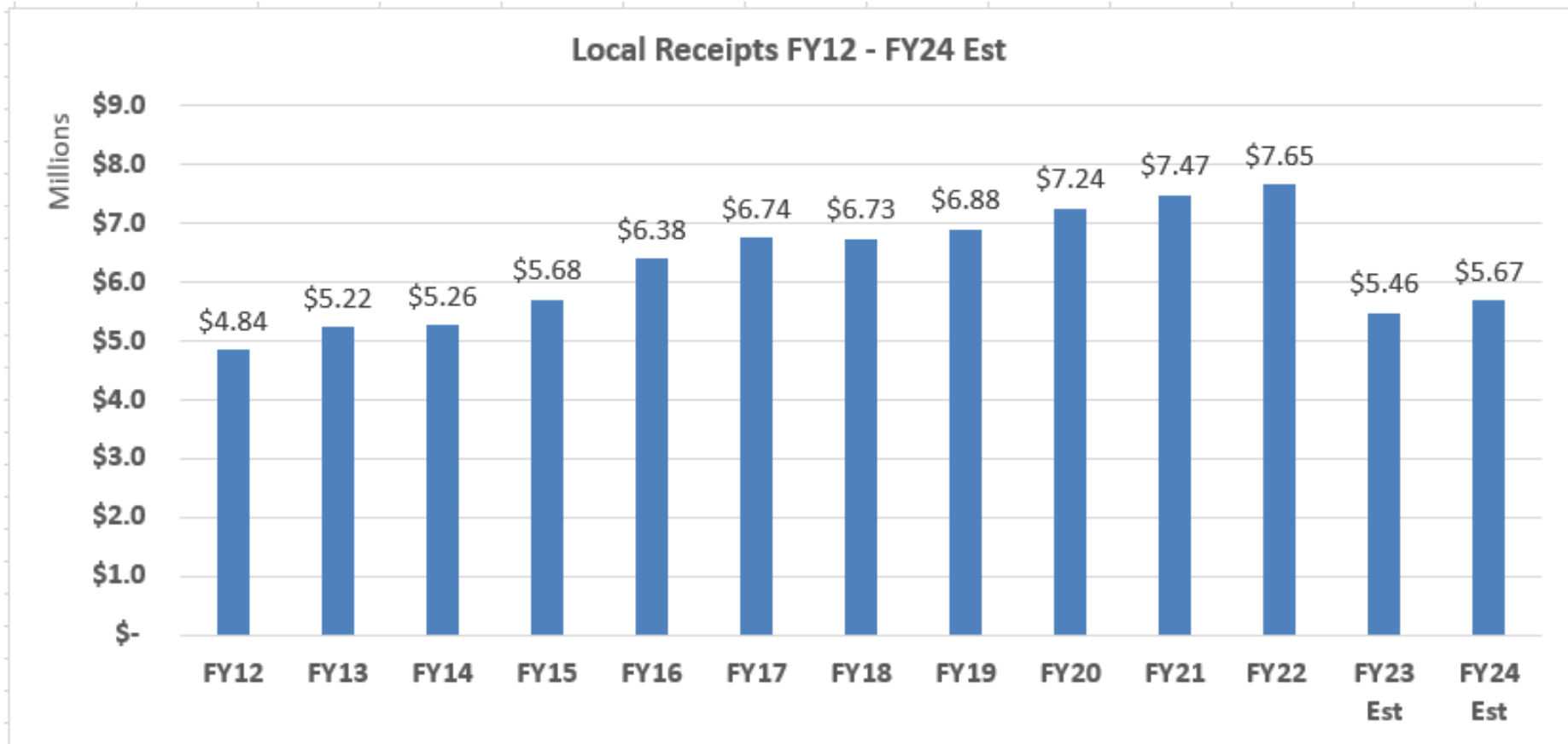


Average Tax Bill Based on Average Single Home Value





Local Receipts





Challenges

- Revenue and expense uncertainty in various areas due to lingering effects of pandemic, supply chain issues, inflation, workforce shortages, energy costs and economic global uncertainty
- Accommodating fixed cost increases for Employee Benefits (health, life insurance, FICA, pension assessment, unemployment) and negotiating new collective bargaining agreements
- Significant staff time and funds dedicated to ocean and storm related impacts and preparation for future impacts (FEMA, emergency management, elevation grants, DPW clean ups, conservation, Hazard Mitigation)
- Competing for grant funds to continue major initiatives including foreshore improvements and fund new ones while waiting for potential major infrastructure funding opportunities
 - \$7.9M in foreshore protection grants received in FY23 YTD
- Balancing competing service demands for personnel with limited increases in available recurring revenue



FY 24 Operating Budget Focal Points

LEVEL SERVICES BUDGET

- In accordance with existing financial policies, FY 24 operating budget is balanced without using Free Cash or other one-time revenues
- New growth projections remain elevated due to continued development which is coming to close in many cases
- State aid receipts and assessments level-funded to FY23 levels
- Some union contracts expire as of 06/30/23.
- No new positions added in the General Fund though seven were requested
 - Three new positions recommended in Golf Enterprise Fund and one new position in Transfer Station Enterprise Fund
- Commitment to roads & foreshore protection with combined \$400,000 for those items in operational budget



Budgeted Fixed Costs FY 23-24*

Item	FY23 Budget	FY24 Proposed	Change
Employee Pension	\$6,213,897	\$7,111,365	\$897,468
Health Insurance	\$6,833,077	\$7,279,855	\$446,778
FICA	\$848,396	\$882,332	\$33,936
OPEB	\$124,278	\$142,227	\$17,949
Workers Comp	\$210,000	\$210,000	\$0
Unemployment	\$65,000	\$65,000	\$0
General Liability Ins	\$999,983	\$1,099,981	\$99,998
Debt Service	\$8,111,167	\$7,979,309	(\$131,858)
Regional School Assmnt	\$614,185	\$767,731	\$153,546

*Subject to refinement as more information becomes available during budget review



FY 24 Budget Highlights

- **Supports** *levels services programs and activities*
- **Acknowledges** *needs for additional services as not supportable from recurring revenues at this time*
- **Maintains** *allocations for road improvements & foreshore protection*
- **Upholds** *commitment to water and sewer infrastructure*
- **Advances** *foreshore protection projects with Seawall & Dam Repair Fund, FEMA, ACoE and EOEEA funding assistance*
- **Aggressively pursues** *grant opportunities to augment taxpayer funds to address needs in all areas*



FY 24 Recommended and 5-Year Rolling Capital Plan

- Addressed in a separate presentation provided to Select Board on October 18, 2022
 - *Link to presentation:* [PowerPoint Presentation \(scituatema.gov\)](https://www.scituatema.gov/powerpoint-presentation)
 - *Link to Town Administrator Recommended Capital Plan:* [fy2024-2028 capital plan.pdf \(scituatema.gov\)](https://www.scituatema.gov/fy2024-2028-capital-plan.pdf)
 - *Link to Capital Plan project descriptions:* [Scituate, MA | Capital Projects Info | ClearGov](https://www.scituatema.gov/capital-projects-info)



Continuing Obligations for FY 24 and Beyond

- Adequate supply of water and expansion of sewer capacity and connections for residents
- Fixed costs such as pension and insurances will continue to increase as evidenced in FY24
- New growth of past few years will slow as developments complete
- Continuing the commitment to the maintenance needs of the facilities as identified in the town-wide facilities study
- Balancing major facility needs of elementary school, water treatment plant and foreshore protection
- Lingering effects of pandemic and global economic uncertainty on operational budget and capital plan costs
- Securing grant funds to ease burden on taxpayers and meet demands for capital improvements and program support and expansion