

2023 Annual Town Meeting Finance Committee Presentation

May 13, 2023

Finance Committee

Erica Benedick, Chair

Chris Buck

Kevin Gross

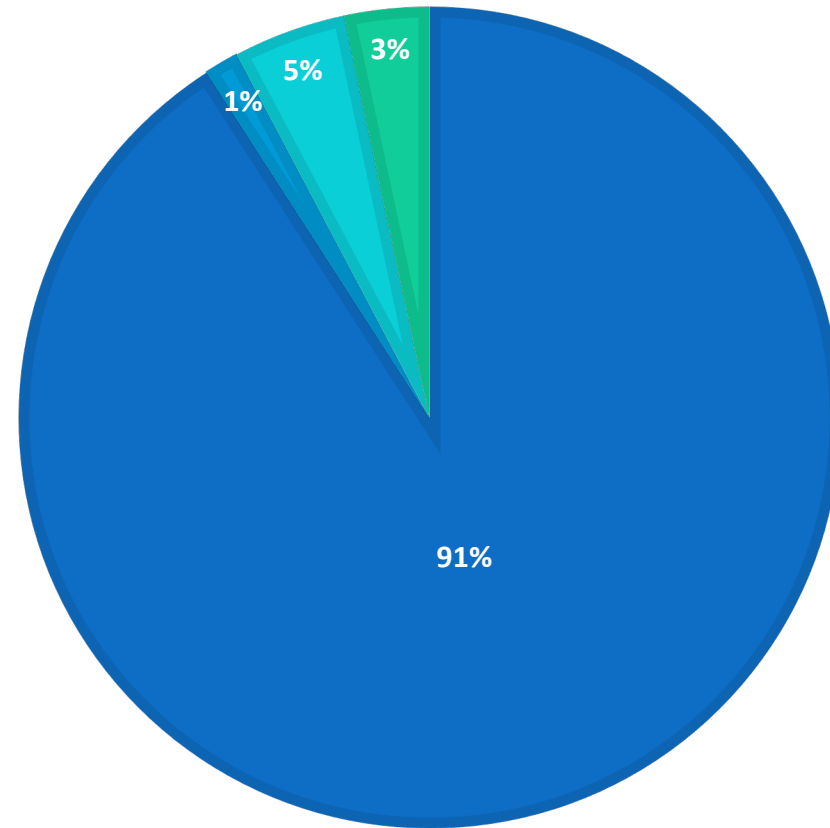
Brian Patuto

Evgenia Petrova

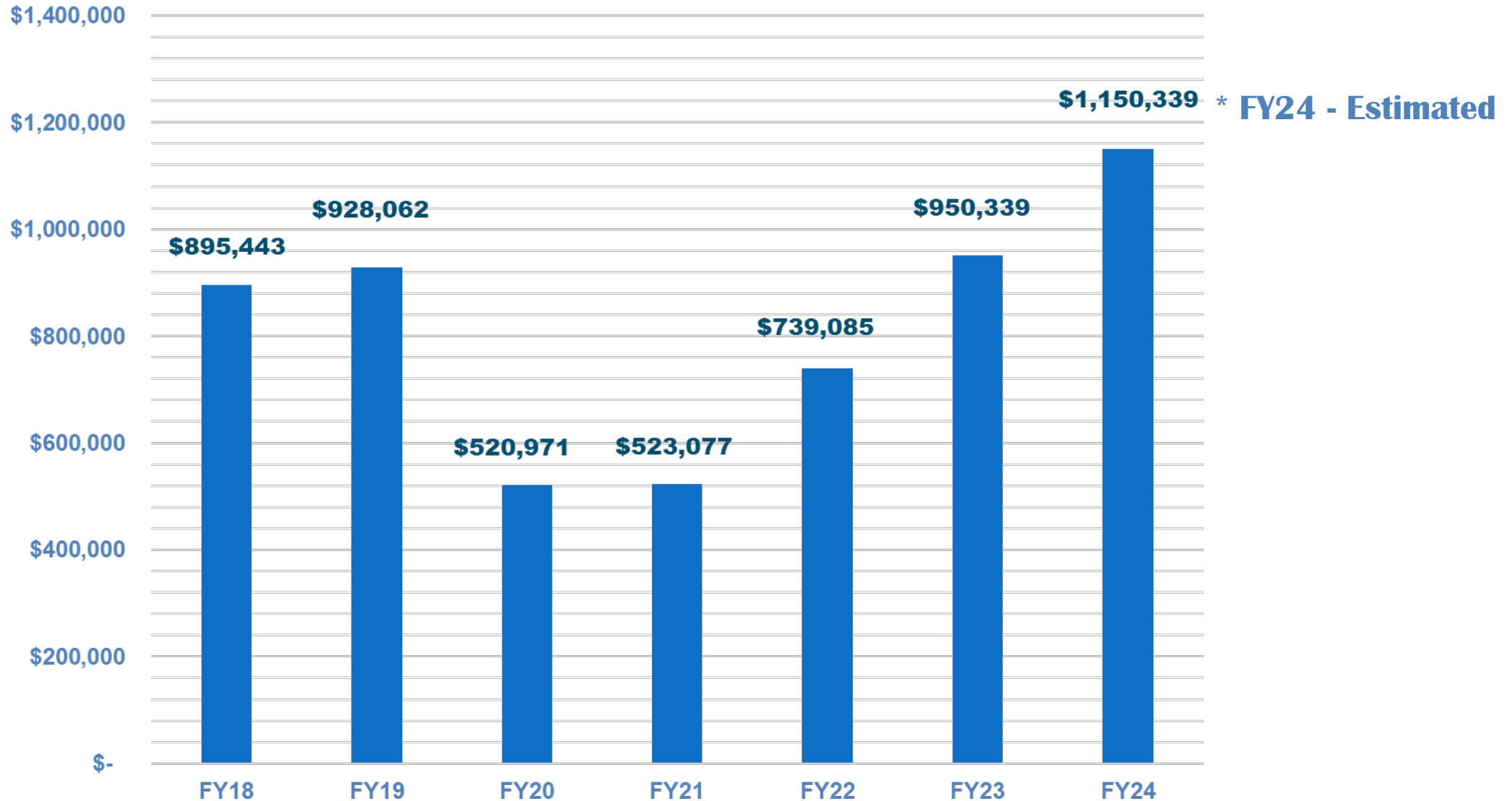
Members are appointed by the Town Moderator to review the operating budget and all articles in the warrant. No action may be taken on any town meeting article until the Finance Committee has reviewed it and makes a recommendation.

FY24 Estimated Revenues – \$38,269,671

■ Tax Levy ■ State Aid ■ Local Receipts ■ Other



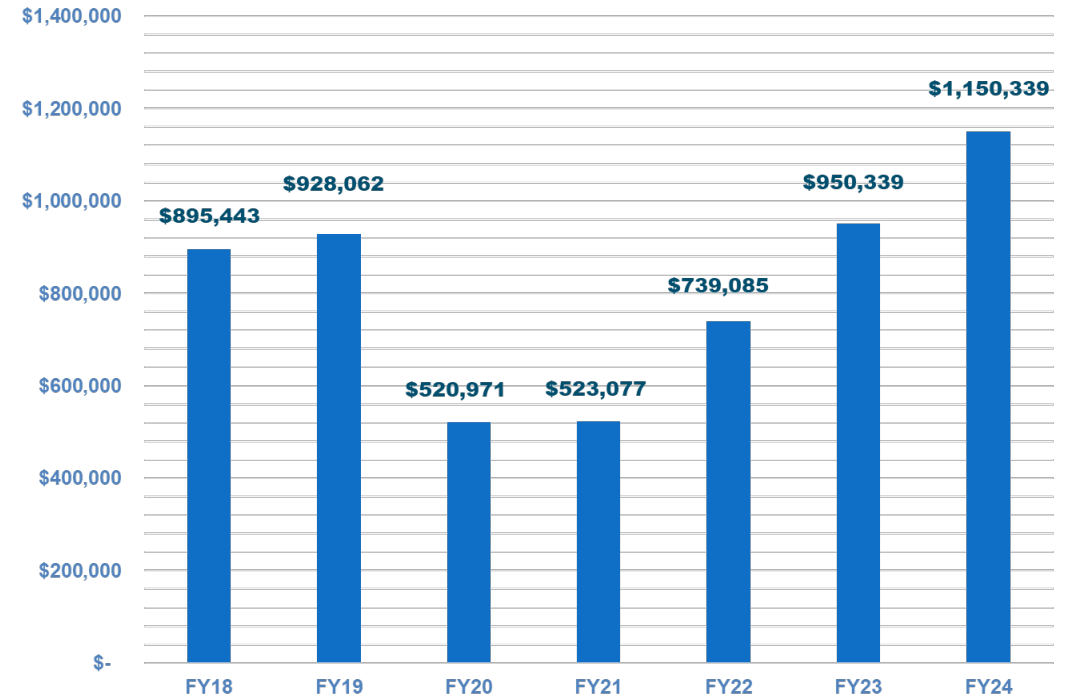
Stabilization Account



Stabilization Account

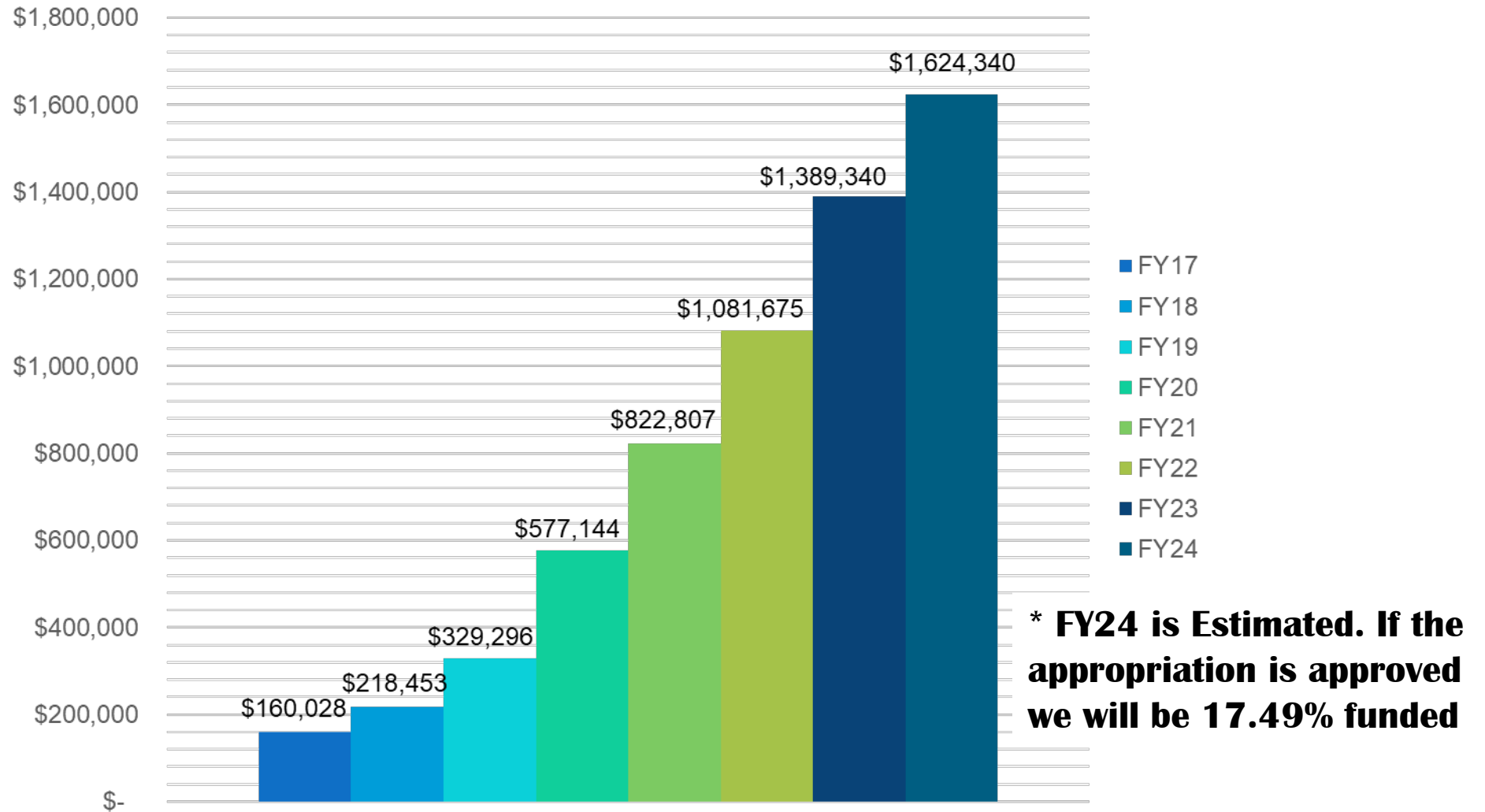
The Stabilization Account, in combination with Free Cash, makes up the “Rainy Day” funds for Stow.

It should be considered a necessity, not a luxury, as it plays a role in the financial health of the town.



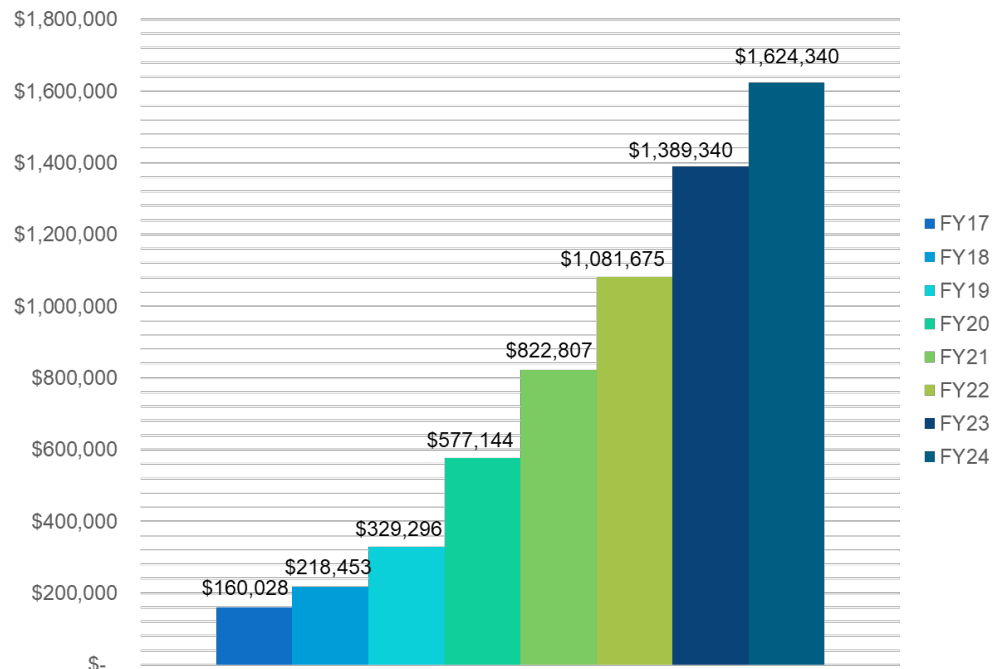
* FY24 - Estimated

OPEB Trust Fund



Current OPEB Liability: \$9,287,198 (as of June 30, 2022)

What is OPEB? (Other Post-Employment Benefits)

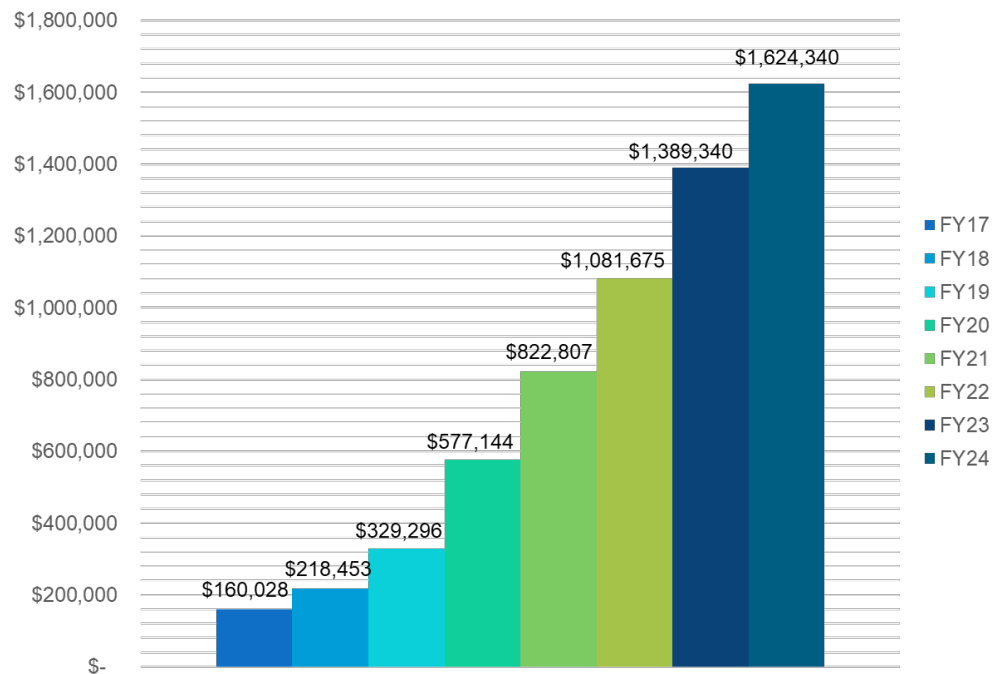


*** FY24 is Estimated. If the appropriation is approved we will be 17.49% funded**

OPEB is part of the compensation employees earn each year, even though those benefits are not received until after employment has ended.

Stow contracts with an actuary every two years to calculate the future value of the benefits that are being promised

How Does Stow Compare to Other Towns in Managing Our OPEB Responsibilities?



*** FY24 is Estimated. If the appropriation is approved we will be 17.49% funded**

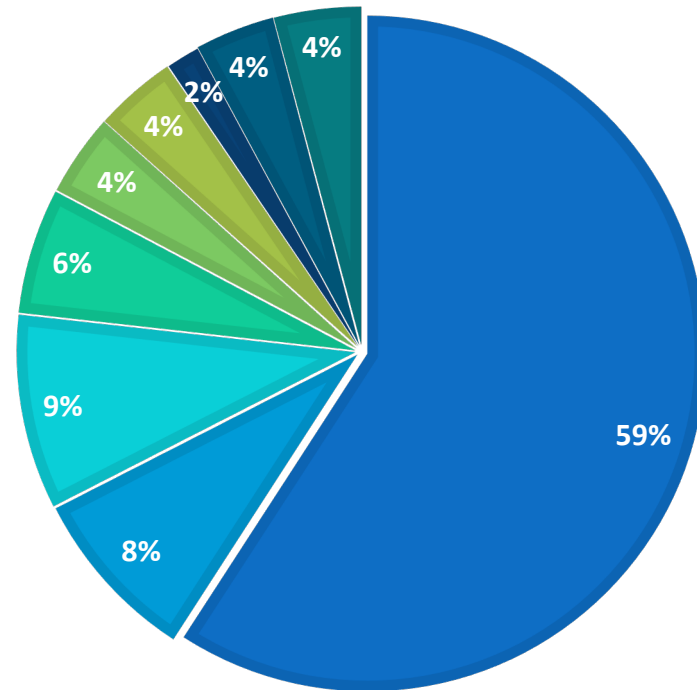
A recent survey showed that 79% of the towns and cities in Massachusetts are funding; however, most of them are not materially funded.

Only 53% of the towns and cities are over 1% funded, 19% are over 10% funded and 11% are over 20% funded.

The expectation is to have OPEB liability paid within 30 years – **We are ahead of schedule!**

FY24 Recommended Expenditures – \$36,578,440

■ Education	■ Public Safety	■ General Govt
■ Debt	■ Public Works	■ Insurance
■ Capital Articles	■ Special Articles	■ Tax Recap Items



Budget Drivers

- ❖ Nashoba and Minuteman Assessments up 4.61% to \$21,634,026
- ❖ Municipal Health Insurance is up 13.75%
- ❖ Addition of 4 Municipal Employees
 - ❖ 1 full-time police officer
 - ❖ 2 full-time firefighters
 - ❖ 1 full-time Procurement/Grants Administrator – previously funded through ARPA funds
- ❖ Incorporation of IT expenses previously funded through ARPA

Town Administrator's Salary

Comparable Town Administrator Contract Terms

Town	Population	Date of Hire	FY24 Salary	Annual Car Allowance	Cell Phone	Deferred Comp	Total Compensation	FY23 Budget	TA Compensation % of Budget *
Norfolk	9,500	8/29/2022	\$176,800.00	\$5,400.00	Town Provided phone & service	\$8,840.00	\$191,040.00	\$46,935,724	0.41%
Lancaster	8,100	4/25/2022	\$178,500.00	\$3,000.00	Town Provided phone & service	\$5,000.00	\$186,500.00	\$25,841,637	0.72%
Bolton	5,665	March 2009	\$175,411.00	Reimbursed at IRS Rate	\$1,200.00	\$8,000.00	\$184,611.00	\$27,486,447	0.67%
Boxborough	5,500	11/7/2022	\$166,860.00	\$6,240.00	Town Provided phone & service	\$8,000.00	\$181,100.00	\$24,674,420	0.73%
Harvard	6,610	1/8/2007	\$164,541.50	\$5,400.00	Town Provided phone & service	\$7,500.00	\$177,441.50	\$31,147,098	0.57%
Sherborn	4,400	10/20/2022	\$175,000.00	Reimbursed at IRS Rate	Town Provided phone & service	\$0.00	\$175,000.00	\$31,100,000	0.56%
Carlisle	5,237	8/22/2022	\$173,825.00	Reimbursed at IRS Rate	Town Provided phone & service	\$0.00	\$173,825.00	\$32,448,042	0.54%
Stow	7,200	9/1/2020	\$150,328.00	\$1,500.00	\$1,000.00	\$0.00	\$152,828.00	\$31,408,624	0.49%
Average and Median data does not include Stow, as that is based on the FY23 salary - and all others are based on FY24								* Approximate, since compensation is for FY24 and budget is FY23	
Average Salary:		\$172,991.07				\$181,359.64			
Median Salary:		\$175,000.00				\$181,100.00			

Recommendations

The Finance Committee held a public hearing on the budget and town meeting articles on Tuesday, April 18, 2023.

- ❖ The Finance Committee has reviewed the requested and recommended budgets of each department. We recommend favorable action on Article 4, in the amount of \$33,111,129, as presented under the Finance Committee Recommend column.

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