

# **FY23 Financial State of the Town**

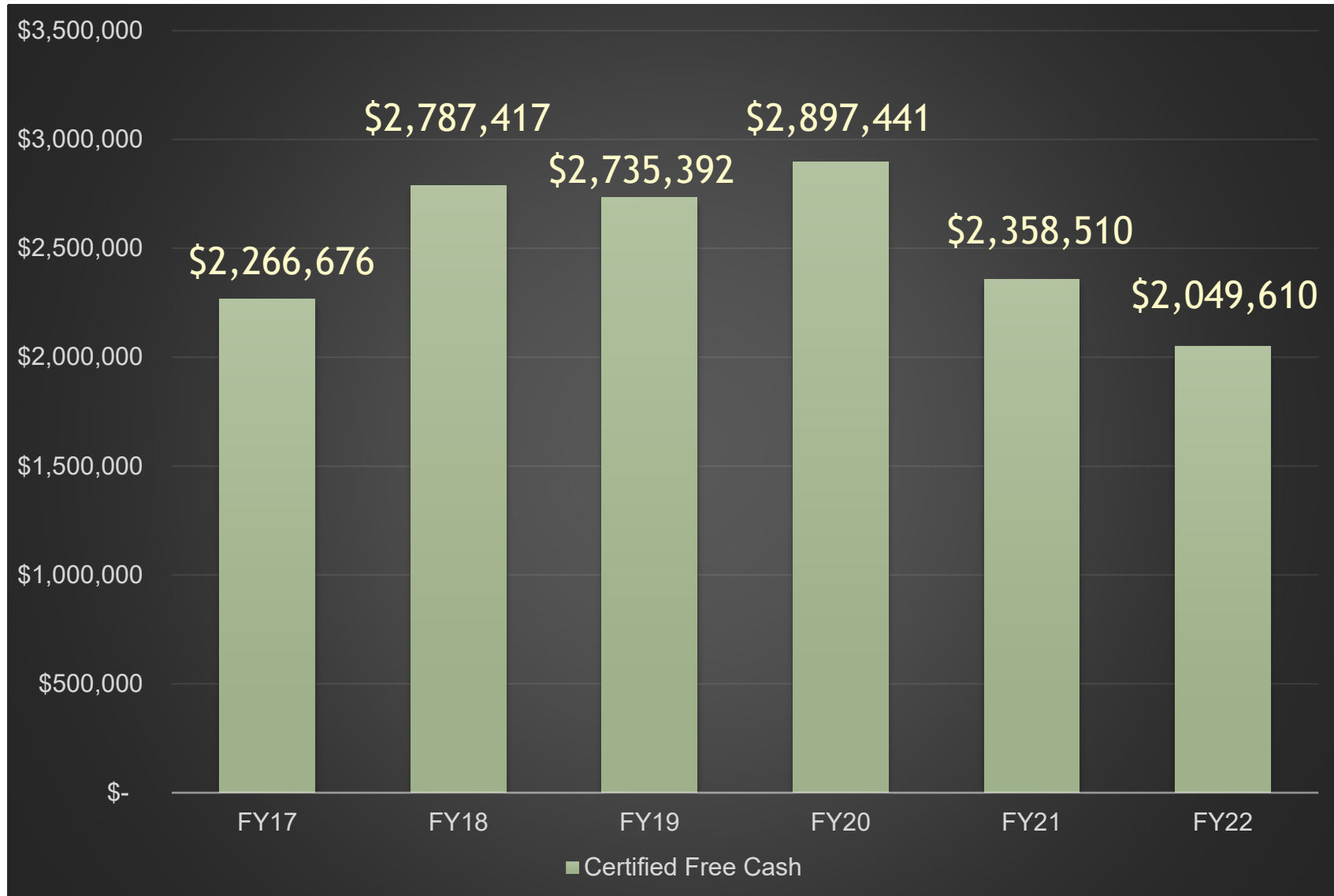
**Town Administrator's Presentation**

**February 22, 2022**



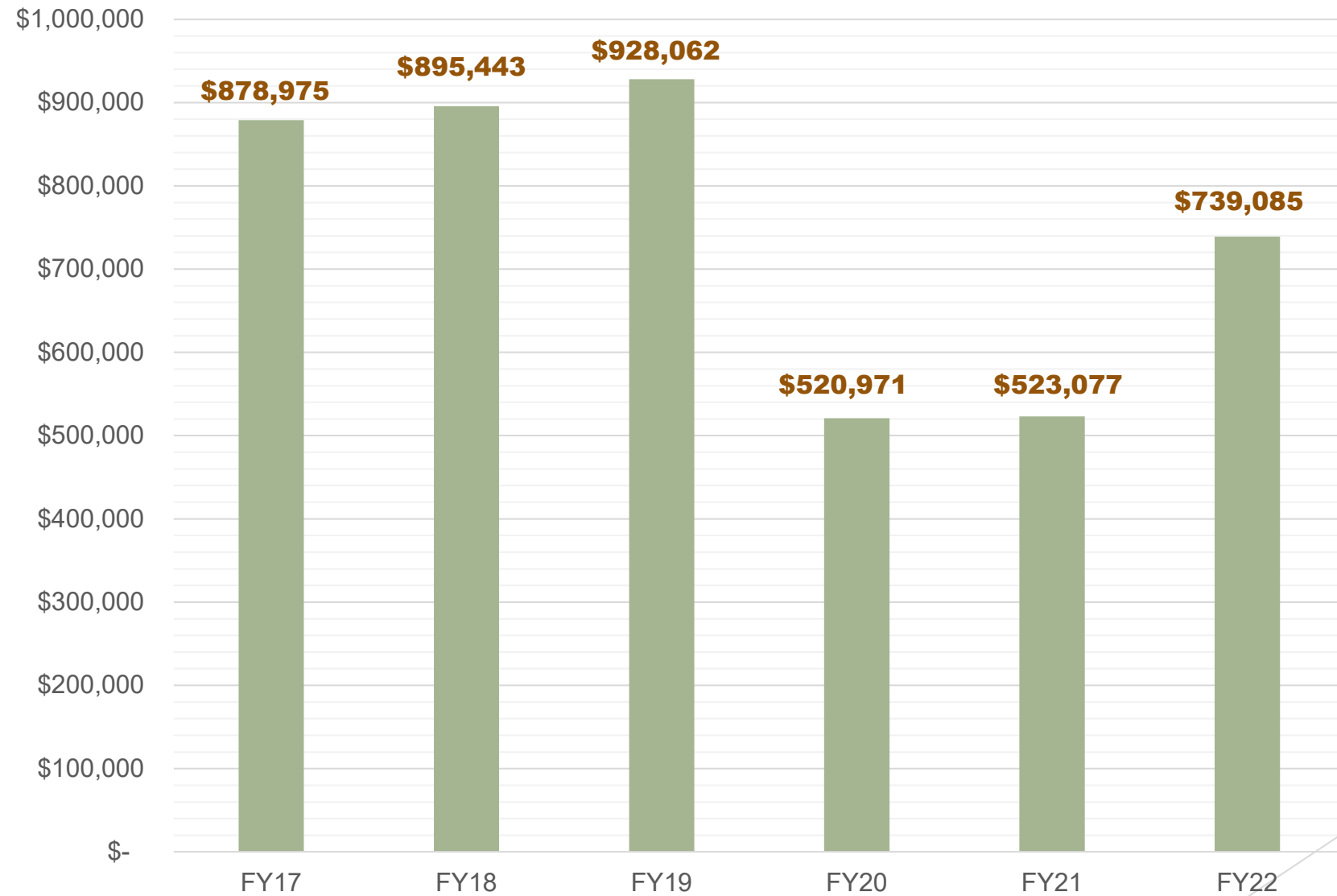
**Denise M. Dembkoski, Town Administrator**

# Certified Free Cash



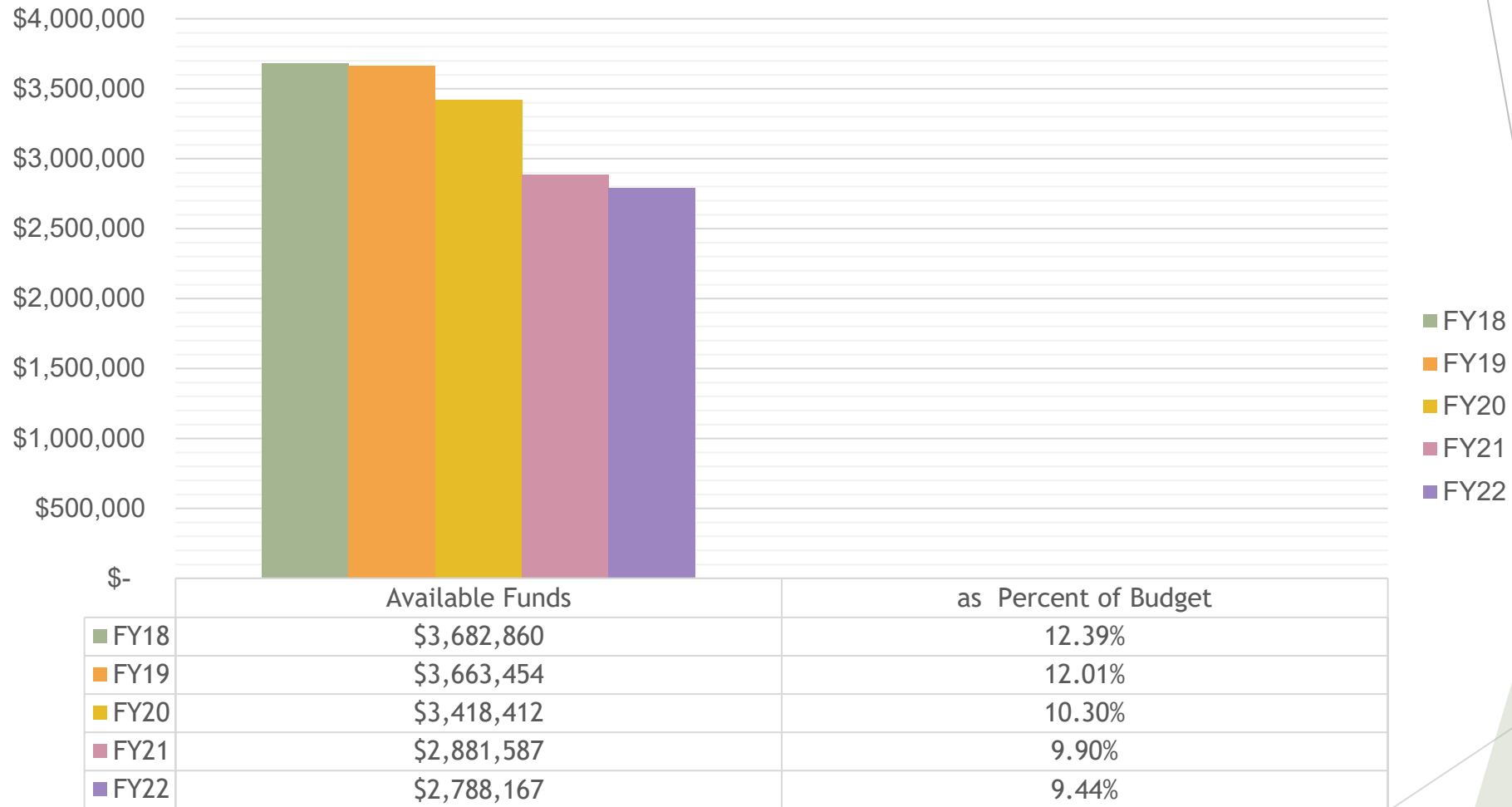
The Goal is for Free Cash to be on or above 5% of the Annual Budget. For FY22 we are at 6.9%.

# Stabilization Account



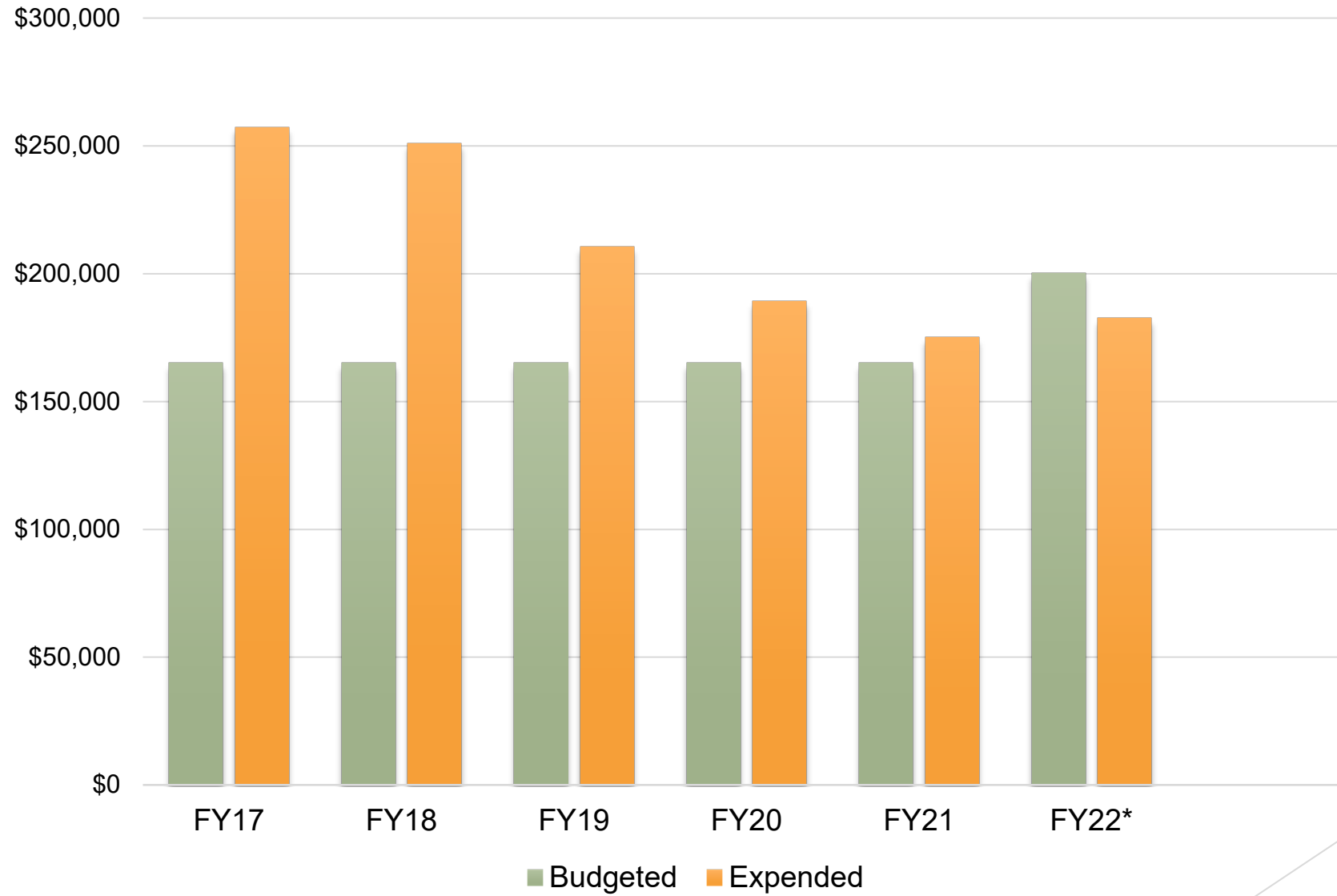
\* As of 02/18/2022

# Available Funds as a % of Budget



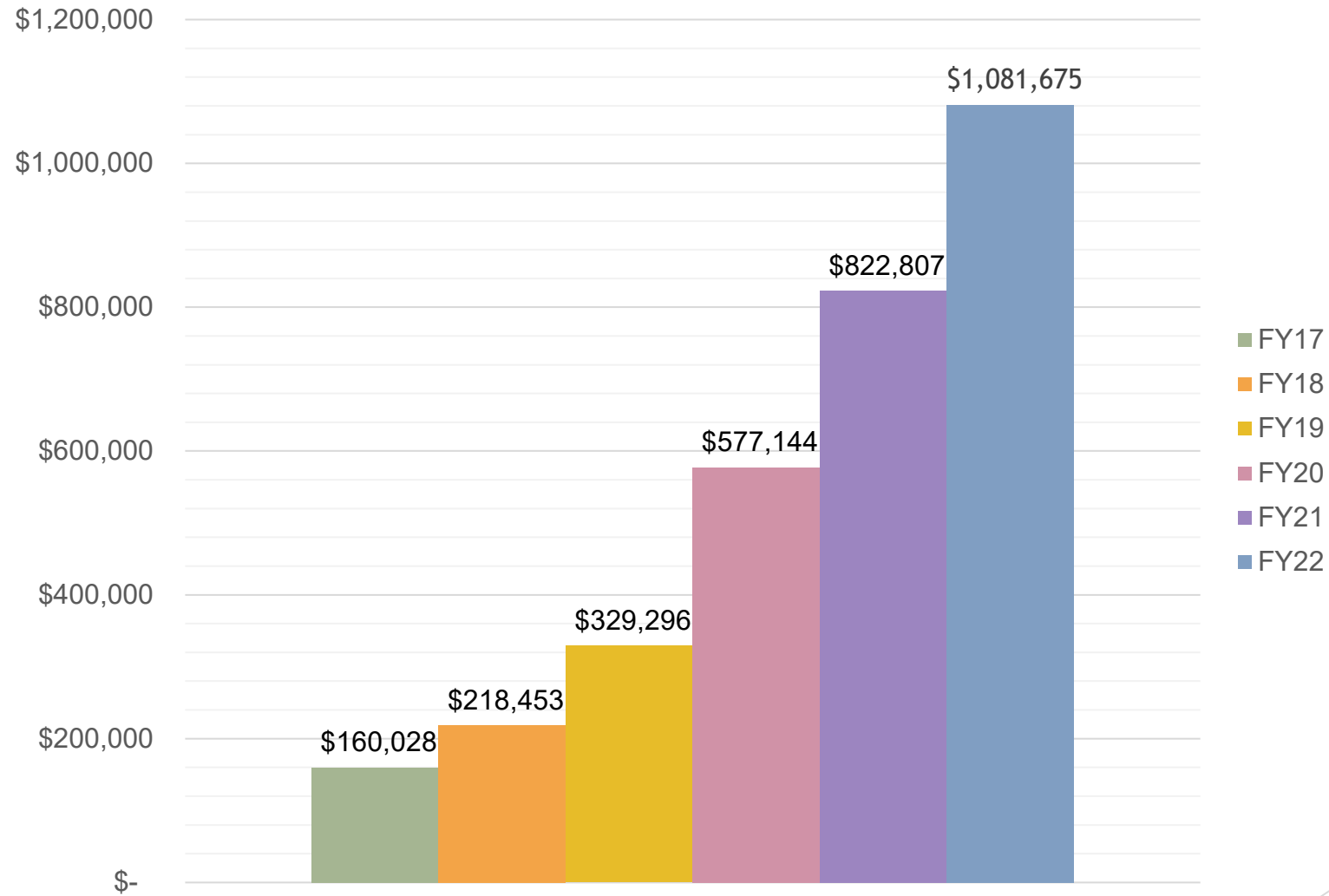
Our target range should be 10% - 15%

# Snow & Ice



\* As of February 18, 2022

# OPEB Trust Fund

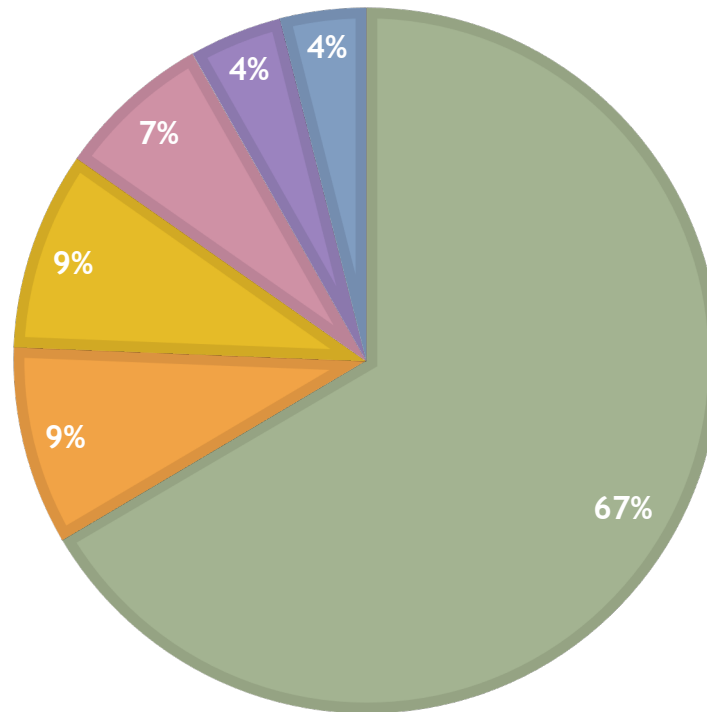


**Current OPEB Liability: \$7,409,078**

# FY22 Town Meeting Adopted Budget – \$29,516,015

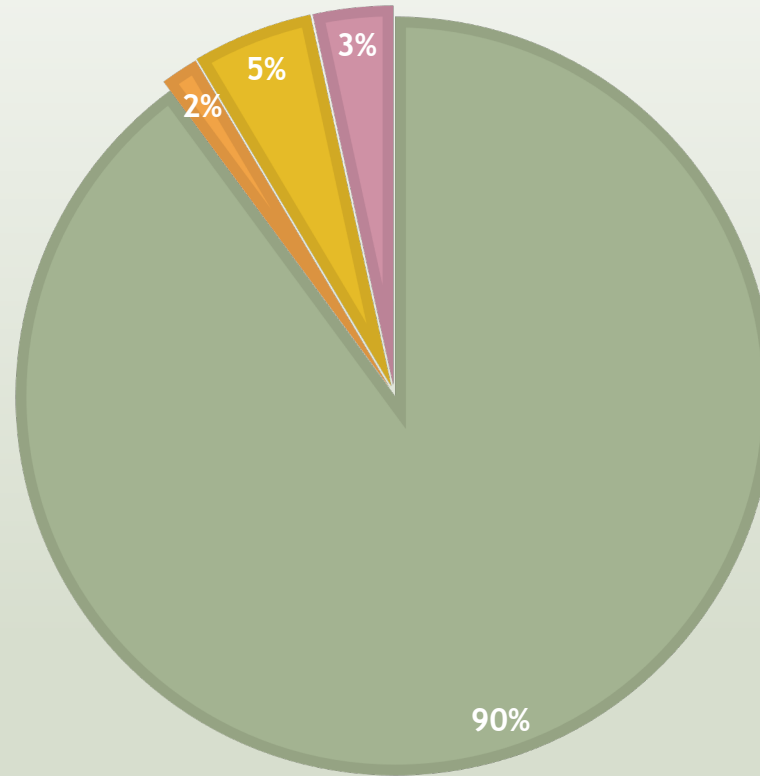
## FY22 BUDGET BREAKDOWN

■ Education ■ Public Safety ■ General Govt ■ Debt ■ Public Works ■ Other



# FY22 Revenue Breakdown

■ Tax Levy ■ State Aid ■ Local Receipts ■ Other





# FY23 Estimated New Growth

## \$270,000 up from ~\$200,00 in FY22

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Municipality: Stow  
2020 Population Estimate: 7,174  
DOR Income Per Capita: \$71,446

Average Single Family Tax Bill: \$10,893  
Average Single Family Value: \$556,907  
Number of Single Family Parcels: 2,108  
Exemption Type: None

DOR Code	Municipality	Year	Single Family Values	Single Family Parcels	Average Single Family Value	Single Family Tax Bill*	Single Family Tax Bill as % of Value*	DOR Income Per Capita	Average Tax Bill as a % of Income	Rank**
286	Stow	2013	875,841,500	2,066	423,931	7,788	1.84	49,095	15.86	37
286	Stow	2014	879,913,000	2,072	424,668	8,141	1.92	56,053	14.52	34
286	Stow	2015	888,431,900	2,075	428,160	8,555	2.00	54,572	15.68	34
286	Stow	2016	919,098,750	2,078	442,300	8,837	2.00	57,018	15.50	35
286	Stow	2017	934,995,100	2,081	449,301	9,251	2.06	65,981	14.02	31
286	Stow	2018	962,046,800	2,090	460,309	9,657	2.10	63,821	15.13	29
286	Stow	2019	1,013,911,100	2,097	483,506	9,733	2.01	67,147	14.50	32
286	Stow	2020	1,043,085,500	2,104	495,763	10,218	2.06	62,898	16.25	27
286	Stow	2021	1,119,236,400	2,106	531,451	10,618	2.00	66,802	15.89	27
286	Stow	2022	1,173,959,500	2,108	556,907	10,893	1.96	71,446	15.25	34

Per Capita Income has increased by 45.53% since 2013 - Number of single family parcels has increased by 2% and the Value of Single Family homes has increased 34% - and the FY22 tax rate is the lowest it's been since before 2015.

# American Rescue Plan Act Funds (ARPA)

**The Town is expecting a total of \$2,162,292 in federal funds through these Coronavirus State and Local Fiscal Recovery Funds**

The Select Board is the authority to determine how to spend these funds. To date, the Board has approved the following allocations:

- \$10,000 towards Administrative Cost to track and file necessary reports on these funds;
- \$75,000 towards addressing the Town's COVID response;
- \$500,000 towards the PFAS Remediation for the former Fire Station contamination;
- \$100,000 for Town Administrator discretionary funding including closing out former approved projects;
- \$100,000 for Community Initiated Projects;
- \$600,000 for Capital Projects.

**Leaving \$777,292 for future allocation**

# FY23 BUDGET DRIVERS

The background features abstract, overlapping geometric shapes in shades of orange and green, primarily concentrated on the right side of the slide. The shapes are composed of various triangles and polygons, creating a dynamic, modern aesthetic. The colors range from a bright, warm orange to a muted, earthy green.

# FY23 Department Requested Budgets – \$31,863,342\*

\* With unknowns estimated

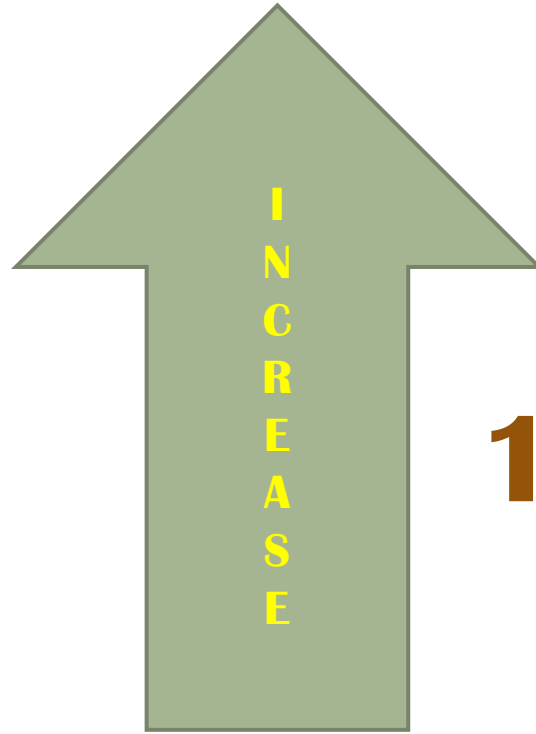
- Up \$1.9M from FY22 Budget
- Represents a 6.56% Increase
- The Proposed Increases from Minuteman High School and the Nashoba Regional School District makes up \$1.1M of the increase

\$6.5M for the  
Library

\$4.5M for the  
Lake Boon Dam

\$2.5M for Stow  
Acres

Includes Capital  
Projects to be  
funded through  
ARPA

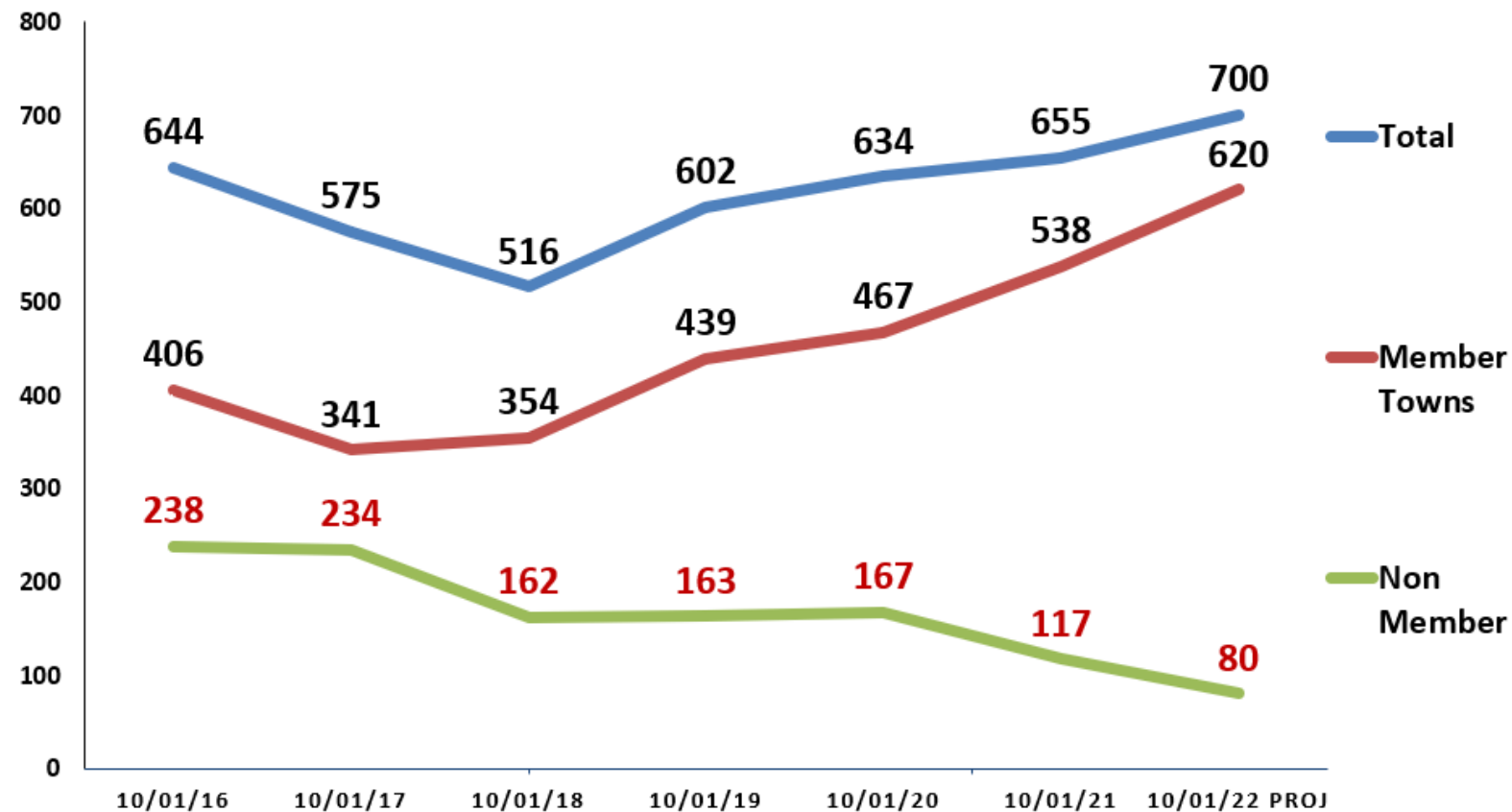


**1,548%**

**Capital Requests**  
**\$15,722,545\*** (approximately)

# Minuteman High School

## Overall Enrollment: Oct 1



# Enrollment HAS SHIFTED

- Greater (almost all) In-District Enrollment
- Out of District enrollment is decreasing
- Out of District Tuition Revenue decreasing
- Out of District Capital Fee Revenue decreasing

## **Resulting in:**

- **Increased Assessments to members &**
  - **Reduced Per Pupil assessments**



# Stow: Comparison of Assessment

Stow	FY22	FY23	Difference	% Change
Enrollment	43	57	14	32.6%
Enroll 4 Yr. Avg	28.25	38.75	10.5	37.2%
% Share Operating	8.5%	10.1%	1.6%	18.7%
% Share Capital	7.3%	8.4%	1.1%	14.4%
Min Req <u>Contr</u>	\$659,105	\$971,464	\$312,359	47.4%
Transportation	\$52,144	\$48,299	(\$3,845)	-7.4%
Operating	\$445,129	\$596,186	\$151,057	33.9%
Debt & Capital Ops	\$84,091	\$106,092	\$22,001	26.2%
MSBA Debt	\$340,335	\$423,062	\$82,727	24.3%
Total Assessment	\$1,580,804	\$2,145,103	\$564,299	35.7%

# Stow: Preliminary Assessment

Minimum Required Contribution	\$ 971,464
Transportation Assessment	\$ 48,299
Operating Assessment	\$ 596,186
Debt & Capital Assessment	<u>\$ 106,092</u>
Sub-Total	\$ 1,722,041
Building Project – Debt Service*	<u>\$ 423,062</u>
Total Assessment	<u><u>\$ 2,145,103</u></u>


***\*Debt service excluded from Prop 2 ½ limitation***

This assessment was approved by the Minuteman School Committee on January 27, 2022

**35.7%  
INCREASE**

# Nashoba Regional School District

## Preliminary Enrollment

 School	Bolton	Lancaster	Stow	Total
Center	4	3	499	506
Hale	2	2	274	278
MRE	4	450	5	459
Burbank	1	221	2	224
FSS	717	7	3	727
NRHS	282	275	313	870
Sub Total	1,010	958	1,096	3,064
Out of District - Special Ed	7	4	7	18
School Choice Out	19	32	27	78
Charter Out	12	7	16	35
Total Enrollment by Town	1,048	1,001	1,146	3,195

Town:	FIVE YEAR TOTAL	1-Oct-21	1-Oct-20	1-Oct-19	1-Oct-18	1-Oct-17	1-Oct-16	1-Oct-15	1-Oct-14	1-Oct-13	1-Oct-12
Bolton:	5,203	1,048	1,027	1,017	1,035	1,076	1,015	1,041	1,049	1,084	1,069
Lancaster:	4,839	1,001	946	962	964	966	978	985	969	1,007	948
Stow:	5,755	1,146	1,084	1,150	1,164	1,211	1,258	1,262	1,318	1,315	1,233
Total:	15,797	3,195	3,057	3,129	3,163	3,253	3,251	3,288	3,336	3,406	3,250

**Bolton FY22: 32.9% of NRSD enrollment**

**Lancaster FY22: 30.6% of NRSD enrollment**

**Stow FY22: 36.4% of NRSD enrollment**

*“Operating costs shall be apportioned among the member towns on the basis of the average of the previous five (5) years’ enrollment as of October 1 of each of the preceding years for fiscal year 2000 and thereafter”*

NRSD Regional Agreement

# FY23 Minimum Local Contribution

Minimum Local	
Contribution (House 1)	
<i>Town</i>	<i>Amount</i>
Bolton	\$9,705,349
Lancaster	\$7,856,057
Stow	\$10,534,011
Total	\$28,095,417
FY23 Preliminary H1	

## Assessment Breakdown

Proposed Budget	\$62,462,270	
High School Debt	\$544,713	Subject to Capital Assessment Process
Local Revenue	\$12,144,477	State and Locally Generated Revenue
Amount Assessed	\$49,773,080	Total Assessed
Fixed Assessment	\$28,095,417	Minimum Required Local Contributions
Variable Assessment	\$21,677,663	Remainder of Budget to be Assessed

Towns	Five Year Rolling Assessment Percentage	Fixed Assessment	Variable Assessment	FY 2023 Net Debt Assessment	Capital Assessment Credit	FY 2023 Total Assessment	FY 2022 Total Assessment	FY 2023 Total Dollar Increase	FY 2023 Percentage Increase
Bolton	32.9366335%	\$9,705,349	\$7,139,892	\$186,445.43	\$0	\$17,031,687	\$16,317,623	\$714,064	4.38%
Lancaster	30.6323986%	\$7,856,057	\$6,640,388	\$167,557.16	\$0	\$14,664,002	\$13,845,827	\$818,175	5.91%
Stow	36.4309679%	\$10,534,011	\$7,897,382	\$190,710.52	\$0	\$18,622,104	\$18,059,890	\$562,214	3.11%
Total	100.0000000%	\$28,095,417	\$21,677,663	\$544,713.11	\$0	\$50,317,793	\$48,223,340	\$2,094,453	4.34%

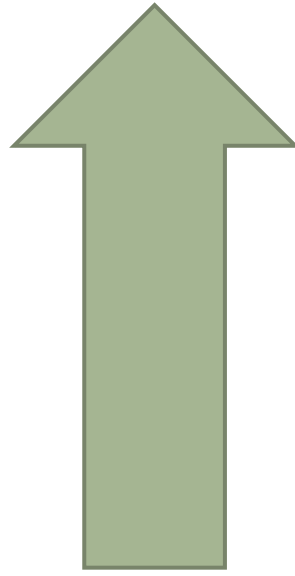
## Net Payment Analysis

	FY 2023 Assessment	SBAB Credit	FY 2023 Net Assessment
Bolton	\$17,031,687	\$0	\$17,031,687
Lancaster	\$14,664,002	\$0	\$14,664,002
Stow	\$18,622,104	\$0	\$18,622,104

A .4% to .5% DECREASE is expected to come off these percentages once union negotiations and transportation contracts are finalized.

# Health Insurance Change for FY23

8.5%



Increasing



# Looking ahead to FY23

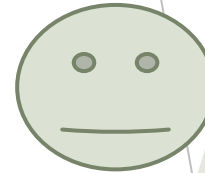
Minuteman Vocational Assessment and Nashoba combine for more than \$1M increase to FY23

Cost to update and improve failing facilities is increasing

Separate Education Incentive is gone and now included in budget line items

Tax collection rate is still high and has not been adversely affected by COVID

ARPA funds gives more flexibility on spending and use of Free Cash



# Town Administrator FY23 Budget Recommendations

We continue to fund the OPEB Trust with an annual appropriation of at least \$235,000 from Free Cash

Make an annual appropriation to the Stabilization Account – FY23 Recommendation is \$200,000 from Free Cash

Make improvements to the Facilities Department by budgeting for regular building maintenance and adding custodial hours

Add additional resources to Pompo with the creation of a part-time front desk position

# Town Administrator FY23 Budget Recommendations

Continue to support and invest in the Fire Department's hybrid call model by adding additional wages for the Ambulance Coverage and support the SAFER Grant to bring in 4 additional full-time Firefighters

Redesign the pay scale for Recreation Summer Staff – Streamline the positions and add steps to reward returning employees

# Town Administrator FY23 Budget Recommendations

Continue to work with our state and federal legislators on earmarked funds for Stow and Continue to seek out and apply for grants in all municipal areas:

\$300,000 from State ARPA Funds to install 6 Fire Cisterns

\$1,000,000 MVP Grant for the Stow Acres Acquisition – Letter of Intent submitted

\$1,000,000 Grant for the Lake Boon Dam – Applied For

~\$300,000 SAFER Grant for 4 Full-time Firefighters for 3 years (Includes salary and benefits) – Applied For

# Thank you!



# Any Questions?