



Town of Foxborough Financial Forecast FY 2025-2029

December 5, 2023

GFOA (Government Finance Officers Association) Distinguished Budget Presentation

- The Town was awarded the GFOA Budget Book Award for FY24
- Highest form of recognition in governmental budgeting
- Encourages and assists local governments in preparing budget documents of the highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and GFOA's best practices on budgeting and financial reporting.
- There are over 1,700 participants in the Budget Awards program
- **Only 23 municipalities out of the 351 in Massachusetts were awarded**



The GFOA is a professional association of government finance officials in the US & Canada



**The Government Finance Officers Association
of the United States and Canada**

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

**Finance Department
Town of Foxborough, Massachusetts**



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards

Executive Director

Christopher P. Morill

Date: **October 09, 2023**

Financial Policies Update

- **Unassigned Fund Balance** - no less than 7.5% of operating expenditures as defined in audited financial statements, with a goal range of 10.0% to 15.0% (as of 6/30/22 audit it was 7.71%)
- **Stabilization Fund** - no less than 5.0% of the General Fund operating budget (as of 6/30/23 it was 5.25%)
- **Capital Stabilization Fund** - balance of at least \$100K with a goal of \$1 million (as of 6/30/23 it was \$295,365)
- **Overlay Reserve Fund** - balance of at least \$440K each year (FY24 overlay was \$1,034,649)
- **Operating Budget Reserve** - at least \$50K (as of 7/1/23 it's \$75K)
- **Free Cash** - target minimum \$2 million recharge (6/30/23 balance certified was \$6,714,841)

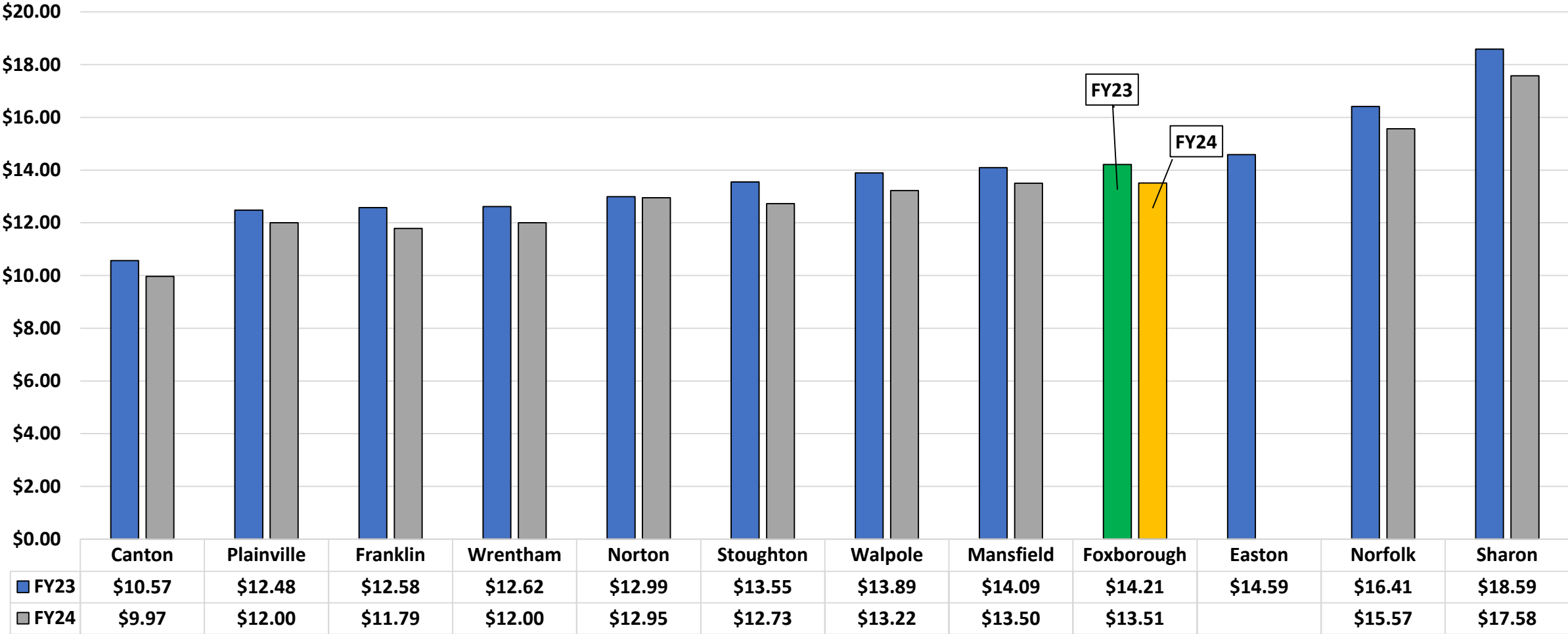
Fiscal Year 2023

- General Fund revenue collections were \$2.24 million higher than estimates
- Enterprise Fund revenue collections were \$2.07 million higher than estimates
- Tax collections – 99.2%
- Local receipts - 124.7% or \$2.9 million higher than estimates (investment income, permits, PILOT, and hotel/meals tax)
- Water revenue collections – 127.6%
- Sewer revenue collections – 120.7%
- General Fund expense budget closeouts totaled \$1.1 million (Police, Schools, Reserve Fund, and Group Insurance)
- Water and Sewer expense budget closeouts totaled \$827.9K

Fiscal Year 2024

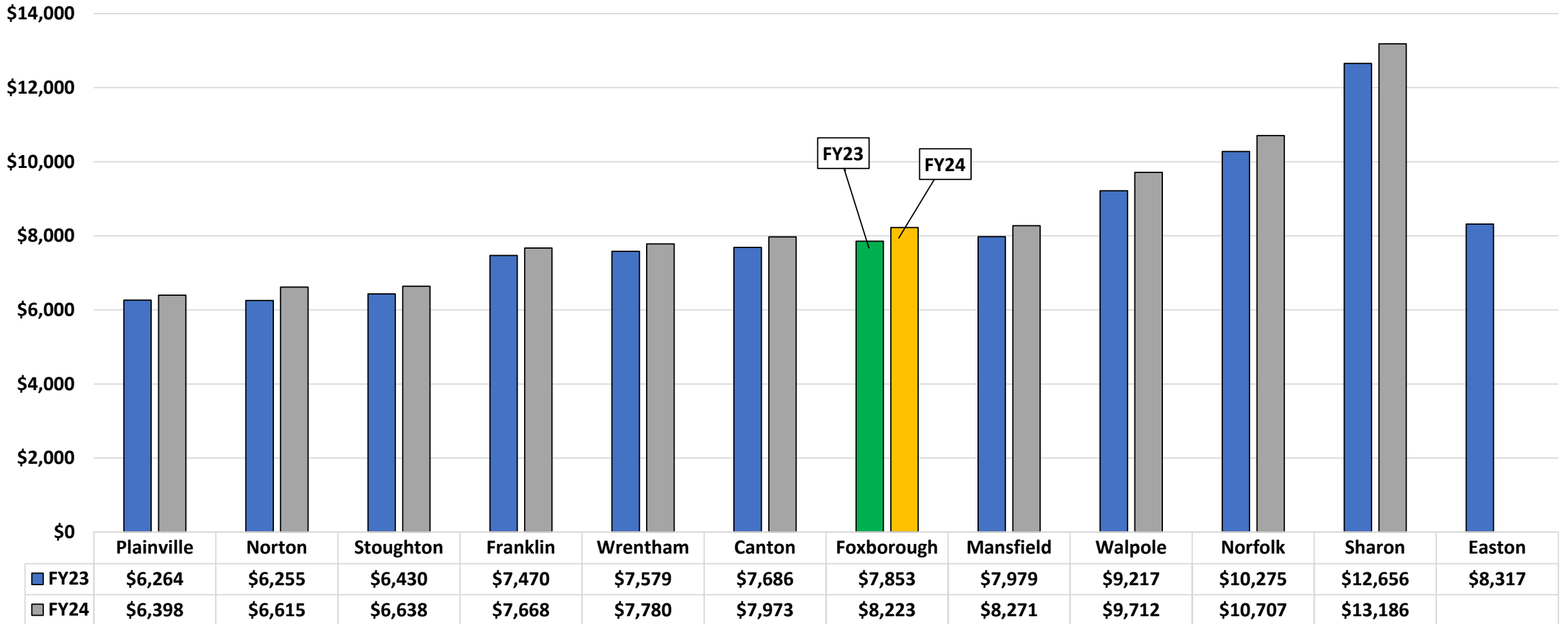
- Tax rate certified in mid-November
 - \$13.51 residential & \$17.99 commercial
- Current GF revenue collections are \$2.29 million or 6.2% higher than this time last year
- Local receipts collections are \$937.6K higher or 25.6% higher than this time last year
- Current GF expenditures total \$33.4 million (39.6% spent)
- Water revenue collections are \$112.2K or 2.8% higher than this time last year
- Sewer revenue collections are \$162.6K or 20.5% higher than this time last year
- Current Water expenditures total \$1.95 million (27.1% spent)
- Current Sewer expenditures total \$725.3K (41% spent)

Residential Tax Rate Comparisons



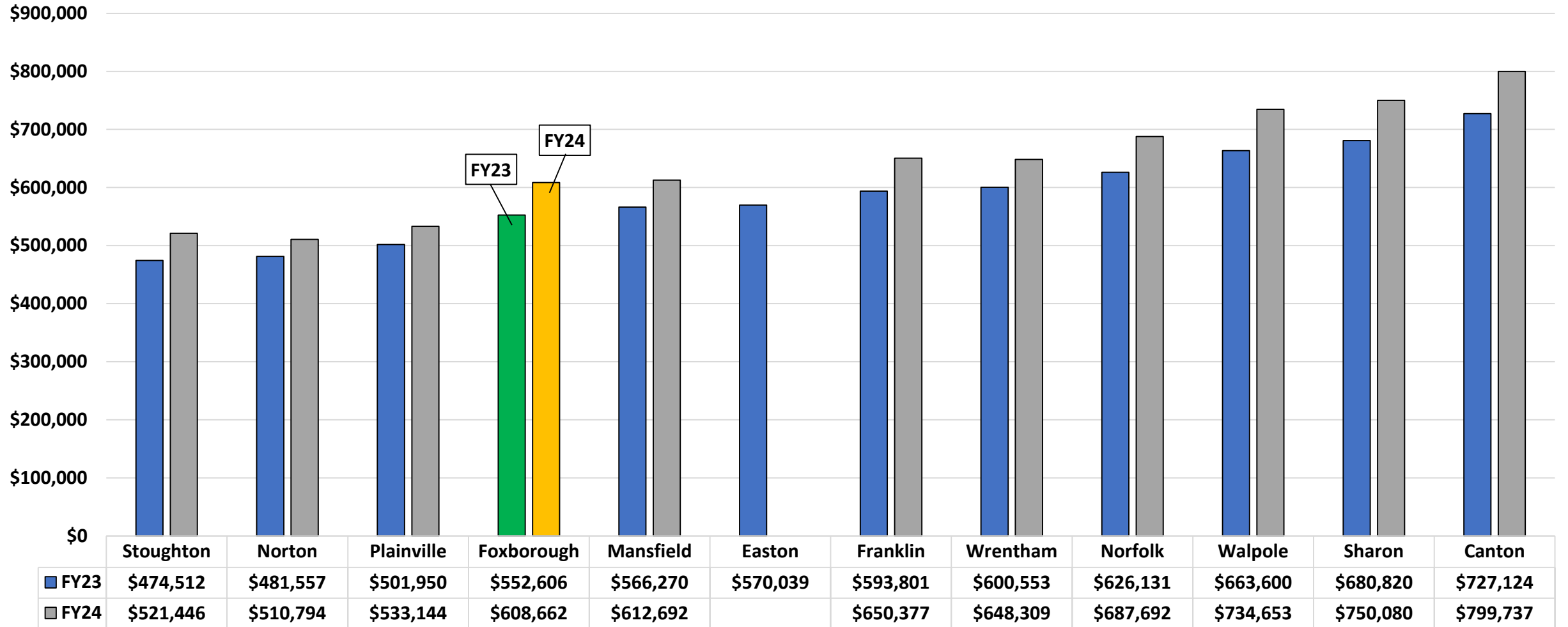
* Communities showing \$0.00 in FY24 have not had their tax information uploaded to the DLS Municipal databank. Towns are organized based on the FY23 Residential Tax Rate from smallest to largest.

Average Single Family Tax Bill Comparisons



* Communities showing \$0.00 in FY24 have not had their tax information uploaded to the DLS Municipal databank. Towns are organized based on the FY24 Avg Single Family Tax Bill from smallest to largest.

Average Single Family Value Comparisons



* Communities showing \$0.00 in FY24 have not had their tax information uploaded to the DLS Municipal databank. Towns are organized based on their Average Single Family Value from smallest to largest.

Five Year Financial Forecast

Assumptions: Revenue

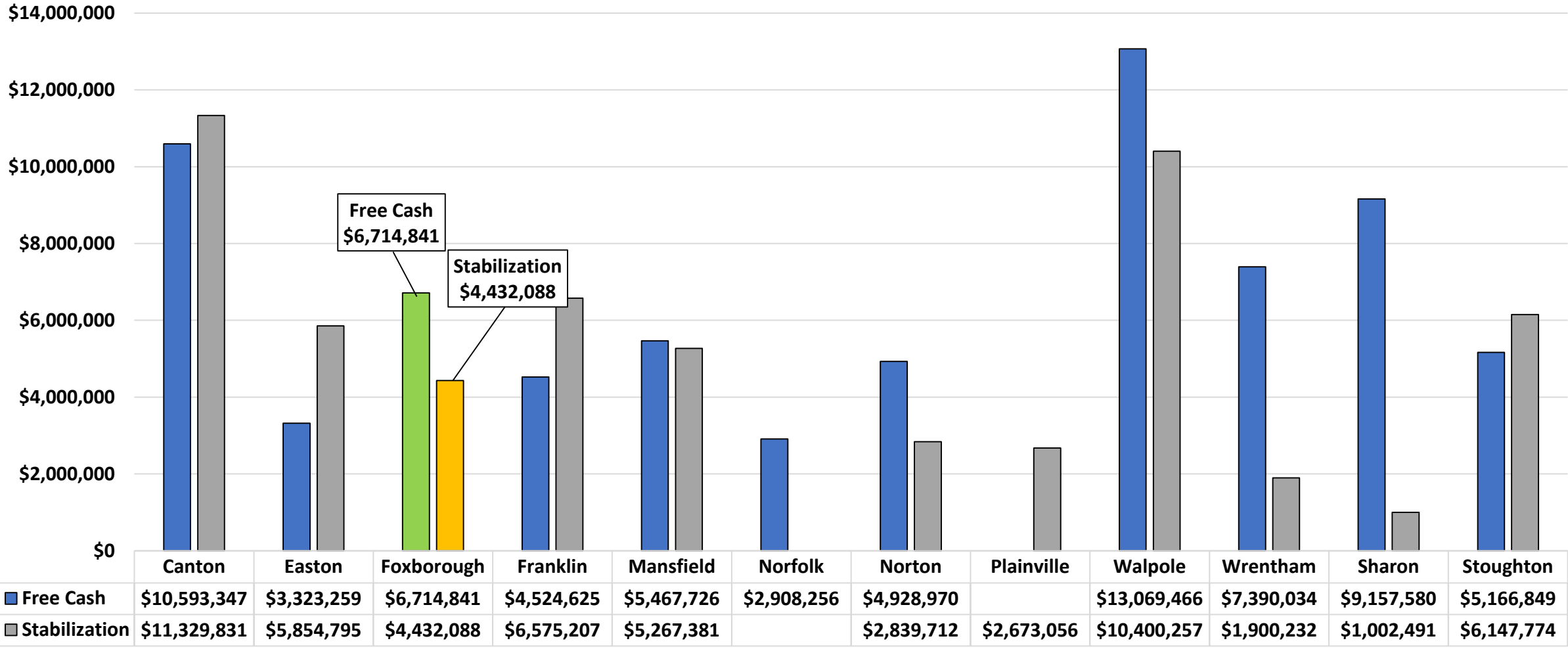
- Levy limit will grow by 2.5% plus new growth estimated at \$915,000, and debt exclusions totaling \$1,846,749 (Library, Public Safety Building, High School and Ahern renovations)
- State aid projected to remain flat except for minimal increases to Chapter 70 (1.58%) and Unrestricted General Government Aid (1%)
- Local receipts to grow by \$300,000 or 2.65%
- Water and Sewer indirect costs to grow by \$19,542 or 1.6%

Five Year Financial Forecast

Assumptions: Free Cash and Overlay Surplus

- Free Cash to be used for the operating budget - \$700,000
- Overlay Surplus to be used - \$715,000
- Free Cash and Overlay surplus are used to pay for the principal & interest for the Burrell and Town Hall projects which will total \$1,383,011 in FY25

Free Cash & Stabilization Comparisons



*Communities showing \$0 for either Free Cash or Stabilization Fund have not had their information uploaded to the DLS Municipal databank.

Five-Year Financial Forecast

Assumptions: Operating

- Base operating expenses (including Schools) to grow at 3%
- Debt service based upon yearly debt service schedule (decreasing by 4.5%)
- Debt service runoff to be re-invested into operating capital outlay – if budget allows
- Reserve Fund to grow at one-tenth of 1% of net General Fund revenue

Assumptions: Fixed Costs & Assessments

- Health insurance to grow at 7%
- Pension assessment in FY25 is \$6,445,061 (5.5% increase)
- Property & liability insurance to grow at 7%
- Workers compensation to grow at 5%
- OPEB contribution remaining at \$1,064,069 (\$985,135 from GF)
- State assessments to grow at 3.25%

Five Year Financial Forecast

Revenue Summary

	Authorized FY 2024	Forecast				
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Property Tax Levy	60,579,276	62,893,316	64,675,069	67,074,845	69,333,211	71,861,691
State Aid	12,067,484	12,234,253	12,403,555	12,575,426	12,749,908	12,927,041
Local Receipts	11,300,000	11,600,000	11,815,982	12,033,974	12,254,010	12,476,128
Other Available Funds	4,578,882	4,609,181	4,580,128	4,555,133	4,534,409	4,518,182
Enterprise Funds	10,213,939	10,213,939	10,401,133	10,544,151	10,695,899	10,861,200
Free Cash		0	0	0	0	0
Total Revenues	98,739,581	101,550,690	103,875,867	106,783,529	109,567,438	112,644,242
Annual % Growth	2.95%	2.85%	2.29%	2.80%	2.61%	2.81%

Five Year Financial Forecast

Expenditure Summary – General Fund

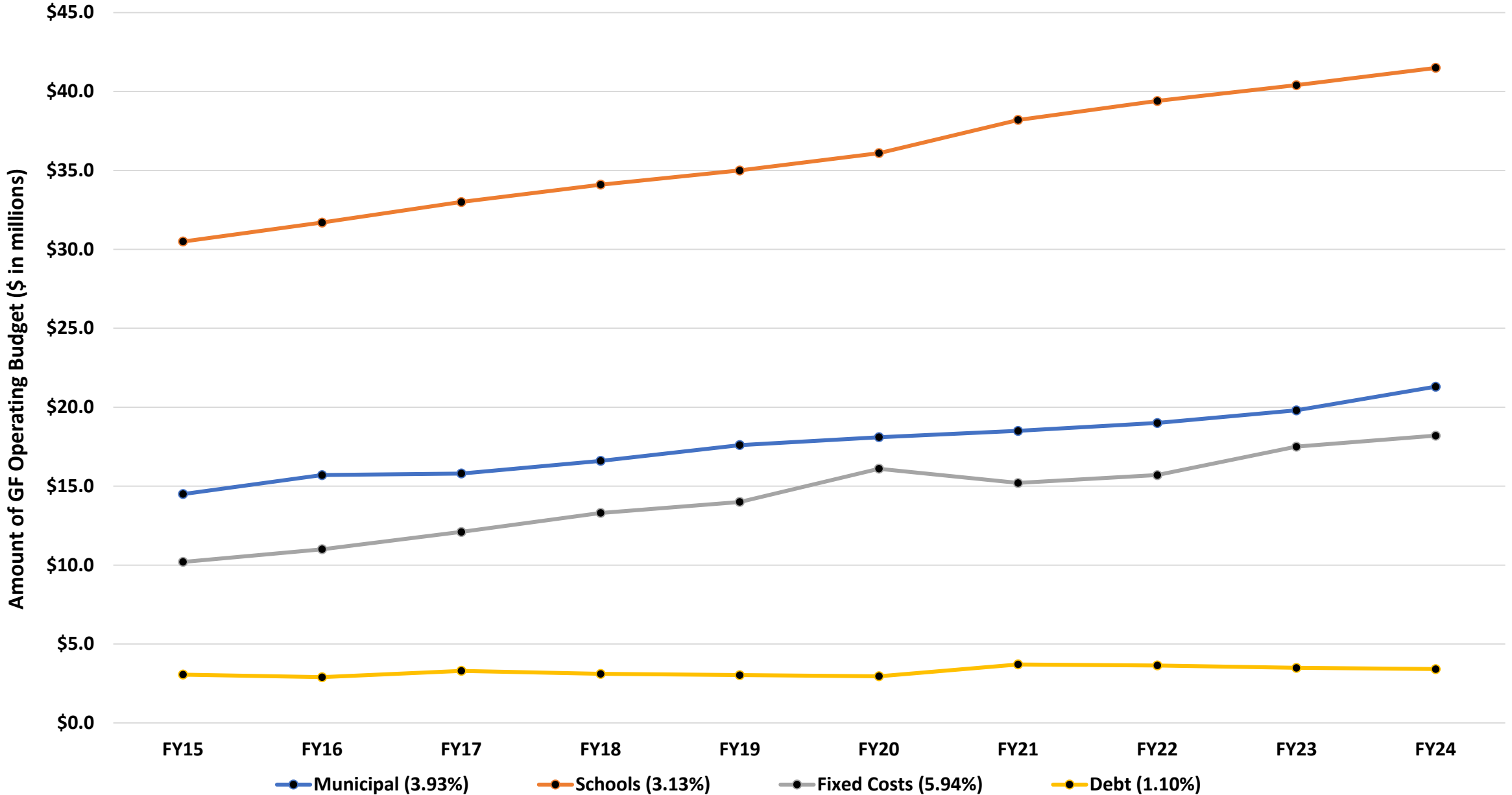
	Authorized	Forecast				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Government	4,623,158	4,700,168	4,778,649	4,858,631	4,940,145	5,023,220
Public Safety	11,459,652	11,684,619	11,914,309	12,148,823	12,388,263	12,632,734
Education	41,539,541	42,906,145	44,319,107	45,780,100	47,290,867	48,853,221
Public Works	2,674,826	2,720,633	2,767,327	2,814,924	2,863,445	2,912,907
Human Services	1,330,533	1,355,265	1,380,489	1,406,217	1,432,459	1,459,224
Culture & Recreation	1,240,711	1,264,118	1,287,996	1,312,355	1,337,205	1,362,557
Debt Service	3,411,069	3,254,760	2,647,515	2,597,638	2,349,213	2,307,781
Employee Benefits	17,111,126	18,090,488	19,132,365	20,240,835	21,420,246	22,675,231
Prop/Liability Insurances and Reserve Funds	1,044,805	979,589	1,036,776	1,097,632	1,162,340	1,231,150
Total General Fund	84,435,421	86,955,785	89,264,533	92,257,156	95,184,182	98,458,025

Five Year Financial Forecast

Expenditure Summary – Other Expenses including Enterprise Funds

	Authorized FY 2024	Forecast				
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Enterprise Funds	10,213,939	10,272,413	10,401,133	10,544,151	10,695,899	10,861,200
Free Cash/Meals Tax for S&I Deficit, Reserves, OPEB & Roads	124,617	244,482	274,882	305,309	335,763	366,244
Capital		232,336	390,252	469,640	636,323	709,016
Non-Appropriated						
Overlay Reserve	1,034,649	1,031,377	1,028,036	1,024,624	1,021,141	1,017,585
State and County Assessments	2,917,353	3,010,690	3,107,059	3,206,561	3,309,297	3,415,372
Total Appropriations	98,725,978	101,747,082	104,465,895	107,807,442	111,182,606	114,827,442
Annual % Growth	2.94%	3.06%	2.67%	3.20%	3.13%	3.28%
Cumulative Surplus/Deficit	13,603	(196,392)	(590,028)	(1,023,913)	(1,615,168)	(2,183,200)

General Fund Operating Budget History (FY15 to FY24)



General Fund Budget Comparisons

<u>Town</u>	<u>FY24 Budget</u>	<u>Population</u>
Plainville	\$40,261,218	9,945
Norfolk	\$49,635,355	11,662
Wrentham	\$51,740,706	12,178
Norton	\$69,965,686	19,202
Foxborough	\$84,435,421	18,618
Easton	\$92,624,309	25,058
Sharon	\$103,243,582	18,575
Mansfield	\$111,655,967	23,860
Walpole	\$114,430,401	26,383
Canton	\$114,556,241	24,370
Stoughton	\$124,780,494	29,281
Franklin	\$134,277,223	33,261

<u>Town</u>	<u>\$ Inc FY23-FY24</u>	<u>Population</u>
Wrentham	\$1,902,132	12,178
Norfolk	\$2,699,631	11,662
Foxborough	\$3,152,618	18,618
Plainville	\$3,294,187	9,945
Mansfield	\$3,438,999	23,860
Easton	\$3,647,395	25,058
Norton	\$4,791,729	19,202
Canton	\$5,304,099	24,370
Franklin	\$5,374,624	33,261
Walpole	\$5,638,621	26,383
Sharon	\$6,043,039	18,575
Stoughton	\$12,472,702	29,281

* Towns are organized from smallest to largest \$ budget or \$ budget change. Population data collected from 2020 US Census Data (Quick Facts).

General Fund Budget Comparisons

<u>Town</u>	<u>% Inc FY23-FY24</u>	<u>Population</u>
Mansfield	3.18%	23,860
Wrentham	3.82%	12,178
Foxborough	3.88%	18,618
Easton	4.10%	25,058
Franklin	4.17%	33,261
Canton	4.85%	24,370
Walpole	5.18%	26,383
Norfolk	5.75%	11,662
Sharon	6.22%	18,575
Norton	7.35%	19,202
Plainville	8.91%	9,945
Stoughton	11.11%	29,281

<u>Town</u>	<u>Avg % Inc. FY22-FY24</u>	<u>Population</u>
Mansfield	3.43%	23,860
Wrentham	3.69%	12,178
Franklin	4.23%	33,261
Foxborough	4.24%	18,618
Easton	4.45%	25,058
Sharon	4.83%	18,575
Canton	5.17%	24,370
Norfolk	5.23%	11,662
Norton	5.69%	19,202
Plainville	6.76%	9,945
Walpole	6.91%	26,383
Stoughton	7.39%	29,281

* Towns are organized from smallest to largest % increase or average % increase from FY22 to FY24. Population data collected from 2020 US Census Data (Quick Facts).

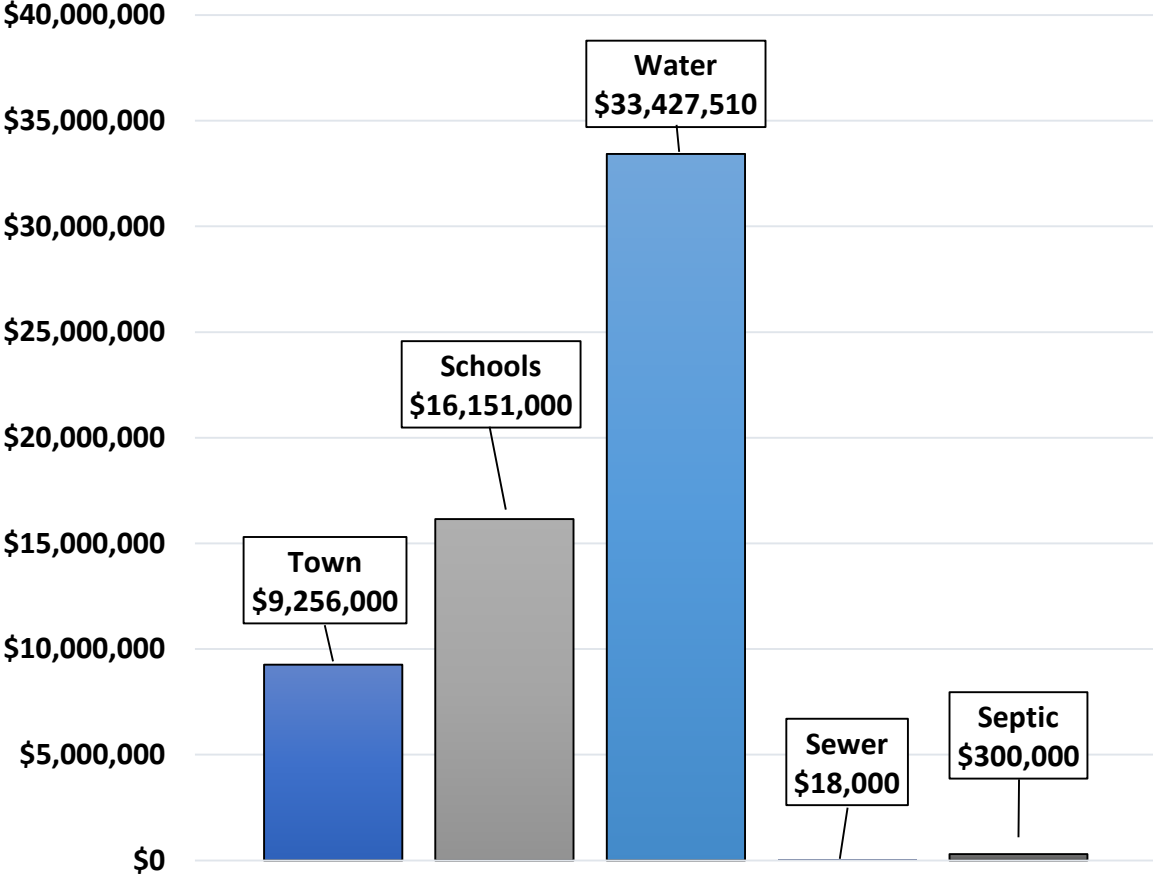
Outstanding Debt

Long Term Debt - Inside Debt Limit	13,307,303.00
Long Term Debt - Outside Debt Limit	45,845,207.00
Total Long Term Debt	59,152,510.00
Total Short Term Debt	0.00
Total Long Term and Short Term Debt	59,152,510.00
Total Authorized and Unissued Debt	1,916,410.00

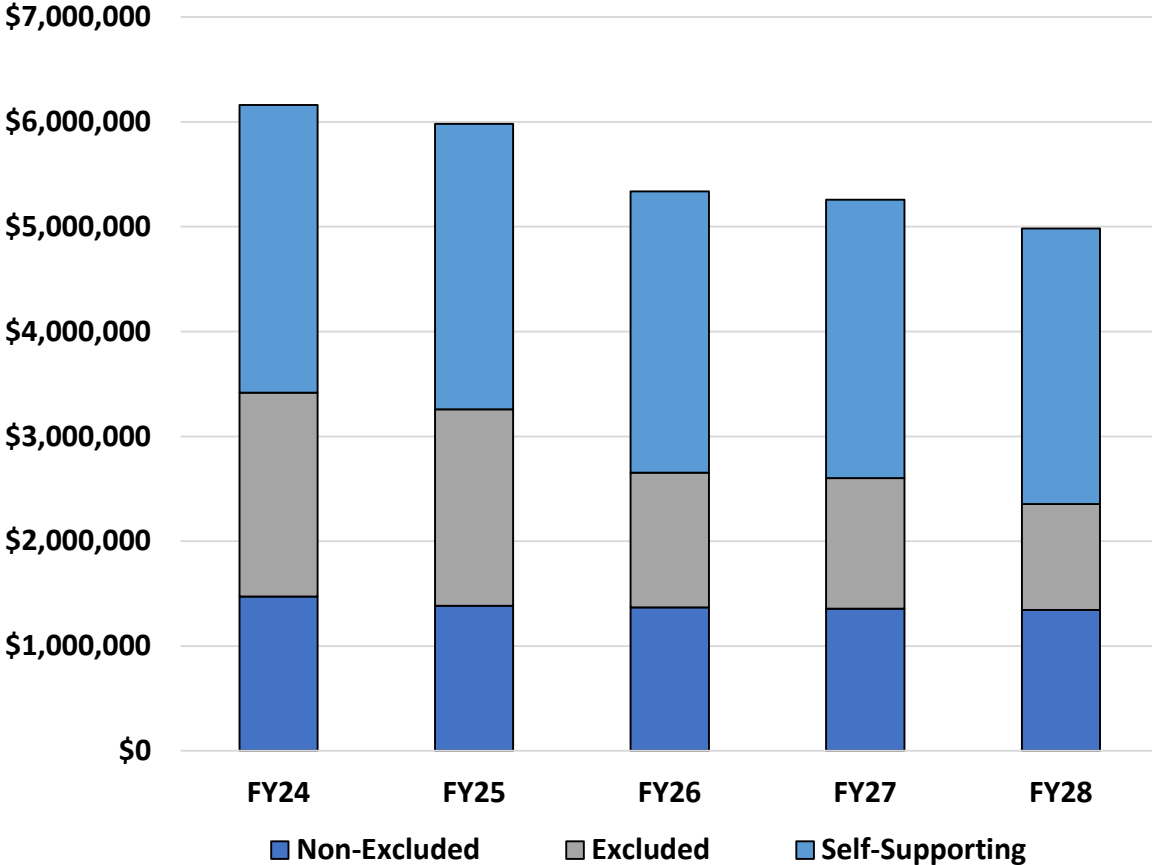
Debt Service Schedule (Principal & Interest)					
Purpose	FY23	FY24	FY25	FY26	FY27
<i>General Obligation Bonds:</i>					
Ahern Renovation	211,505	202,640	193,865		
Land Acquisition	73,150	71,050			
FHS Gas Conversion	6,270	6,090			
Public Safety Bldg	400,195	381,125	360,325		
Public Safety Bldg	243,155	232,765	225,450	214,225	208,075
High School Renov	669,890	651,800	633,064	613,035	592,361
Library Renovation	457,959	446,003	434,046	425,078	416,110
Town Hall	470,436	458,852	447,267	435,682	424,098
Burrell School	934,494	935,744	935,744	934,494	931,994
Subtotal General:	3,467,054	3,386,069	3,229,761	2,622,514	2,572,638
<i>Sewer Bonds:</i>					
Greenview Est.	9,675	9,405	9,135		
<i>Water Bonds:</i>					
Water CWMP	29,719				
Water CWMP	1,637	1,578			
Water Reuse	101,500				
Water Press. Dist.	167,475				
Witch Pond Well	259,139	259,138	259,139	259,139	259,138
Oak St Treatment	374,258	364,489	354,720	347,393	340,066
Pumping Station Rd	911,118	891,498	871,879	852,260	832,641
Water Improvements	669,419	667,419	669,669	670,919	671,169
Water Improvements	552,600	552,600	556,850	555,100	552,600
Subtotal Water:	3,066,865	2,736,722	2,712,257	2,684,811	2,655,614
<i>Septic Loans:</i>					
Title V Septic Loans	30,000	30,000	30,000	30,000	30,000
Totals	6,573,594	6,162,196	5,981,153	5,337,325	5,258,252

Debt Service

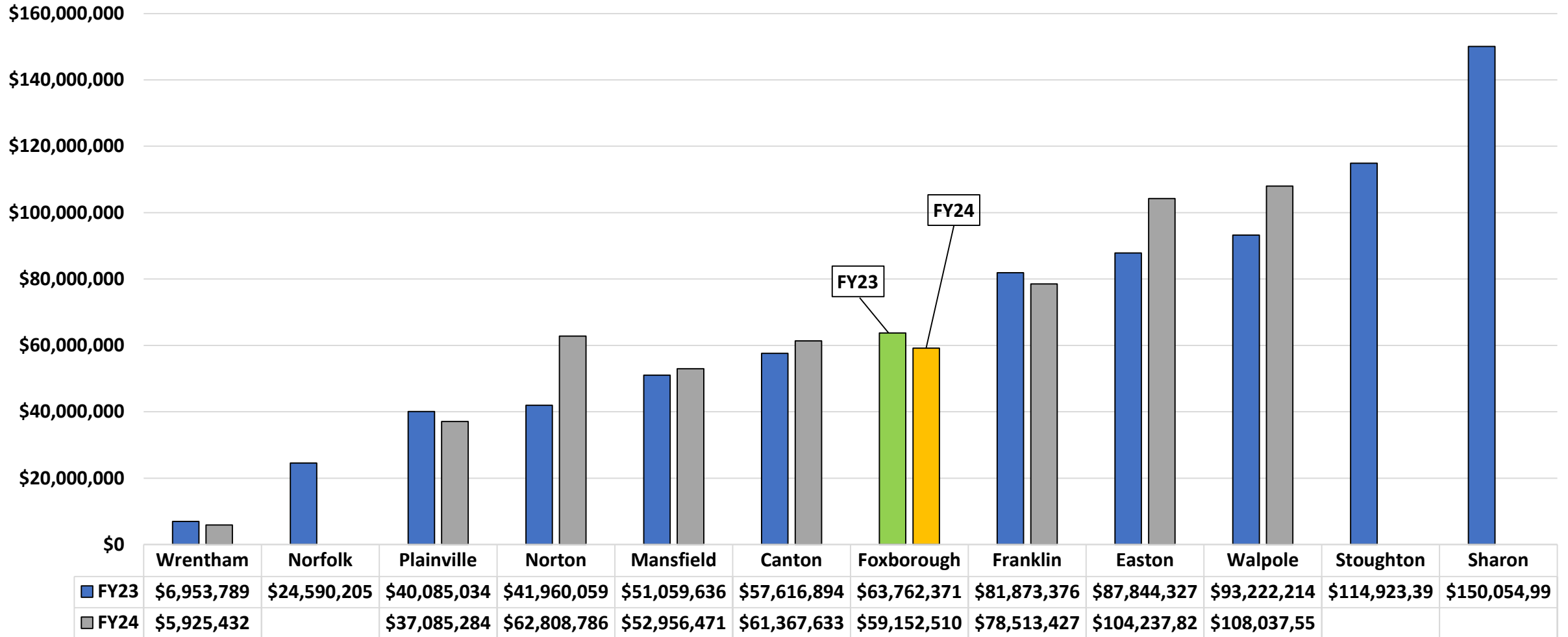
Outstanding Debt as of 6/30/23



Yearly Debt + Principal



Outstanding Debt Comparisons



* Communities showing \$0.00 in FY24 have not had their debt information uploaded to the DLS Municipal databank. Towns are organized by total outstanding FY23 debt from smallest to largest.

Proposed Debt Exclusion – DPW Facility

- Average single family assessed value \$608,662
- Estimated Debt \$15,000,000 (4.5% interest rate)
- 20 years
- \$1,153,412/year combined principal & interest payments
- Tax impact on average single family home \$158.25(\$39.56/quarter)

Assessed Value	Current Estimated RO Tax Bill	Proposed Estimated RO Tax Bill	Estimated RO Tax Bill Impact	Current Estimated CIP Tax Bill	Proposed Estimated CIP Tax Bill	Estimated CIP Tax Bill Impact
250,000	3,377.50	3,430.00	52.50	4,497.50	4,565.00	67.50
350,000	4,728.50	4,802.00	73.50	6,296.50	6,391.00	94.50
450,000	6,079.50	6,174.00	94.50	8,095.50	8,217.00	121.50
550,000	7,430.50	7,546.00	115.50	9,894.50	10,043.00	148.50
650,000	8,781.50	8,918.00	136.50	11,693.50	11,869.00	175.50
750,000	10,132.50	10,290.00	157.50	13,492.50	13,695.00	202.50
850,000	11,483.50	11,662.00	178.50	15,291.50	15,521.00	229.50
950,000	12,834.50	13,034.00	199.50	17,090.50	17,347.00	256.50
1,050,000	14,185.50	14,406.00	220.50	18,889.50	19,173.00	283.50
1,150,000	15,536.50	15,778.00	241.50	20,688.50	20,999.00	310.50
1,250,000	16,887.50	17,150.00	262.50	22,487.50	22,825.00	337.50
1,350,000	18,238.50	18,522.00	283.50	24,286.50	24,651.00	364.50
1,450,000	19,589.50	19,894.00	304.50	26,085.50	26,477.00	391.50
1,550,000	20,940.50	21,266.00	325.50	27,884.50	28,303.00	418.50

Proposed Debt Exclusion – Roads & Sidewalks

- Average single family assessed value \$608,662
- Estimated Debt \$10,000,000 (4.25% interest rate)
- 15 years
- \$912,000/year combined principal & interest payments
- Tax impact on average single family home \$121.73 (\$30.43/quarter)

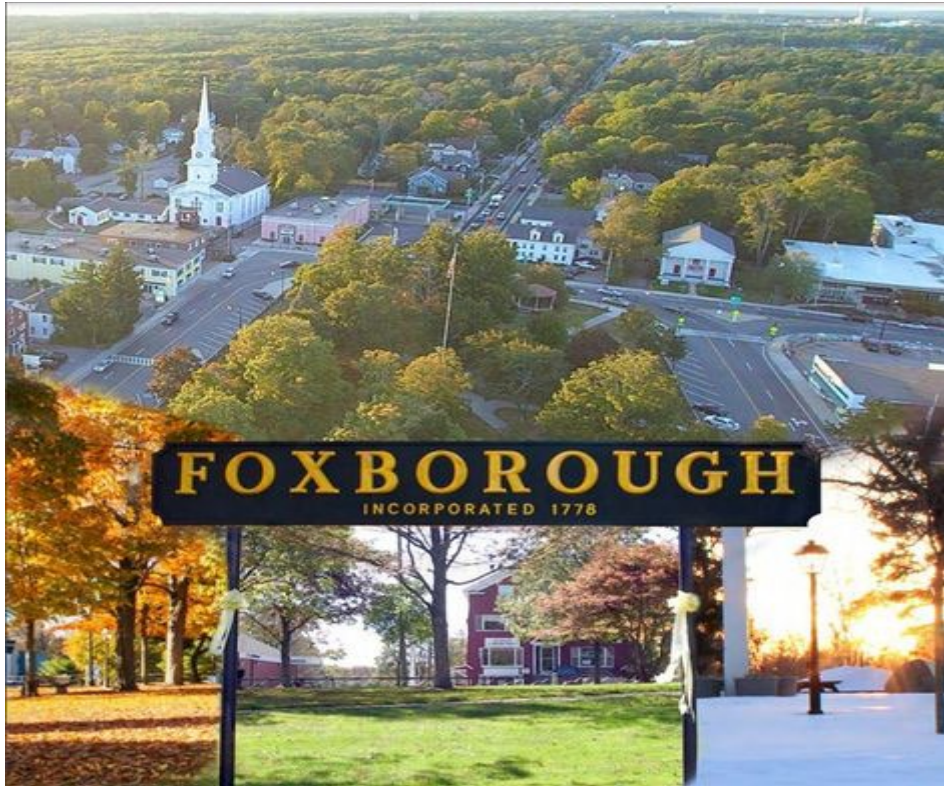
Assessed Value	Current Estimated RO Tax Bill	Proposed Estimated RO Tax Bill	Estimated RO Tax Bill Impact	Current Estimated CIP Tax Bill	Proposed Estimated CIP Tax Bill	Estimated CIP Tax Bill Impact
250,000	3,377.50	3,427.50	50.00	4,497.50	4,565.00	67.50
350,000	4,728.50	4,798.50	70.00	6,296.50	6,391.00	94.50
450,000	6,079.50	6,169.50	90.00	8,095.50	8,217.00	121.50
550,000	7,430.50	7,540.50	110.00	9,894.50	10,043.00	148.50
650,000	8,781.50	8,911.50	130.00	11,693.50	11,869.00	175.50
750,000	10,132.50	10,282.50	150.00	13,492.50	13,695.00	202.50
850,000	11,483.50	11,653.50	170.00	15,291.50	15,521.00	229.50
950,000	12,834.50	13,024.50	190.00	17,090.50	17,347.00	256.50
1,050,000	14,185.50	14,395.50	210.00	18,889.50	19,173.00	283.50
1,150,000	15,536.50	15,766.50	230.00	20,688.50	20,999.00	310.50
1,250,000	16,887.50	17,137.50	250.00	22,487.50	22,825.00	337.50
1,350,000	18,238.50	18,508.50	270.00	24,286.50	24,651.00	364.50
1,450,000	19,589.50	19,879.50	290.00	26,085.50	26,477.00	391.50
1,550,000	20,940.50	21,250.50	310.00	27,884.50	28,303.00	418.50

Combined Debt Exclusions – DPW, Roads, Sidewalks

- Average single family assessed value \$608,662
- \$15 million DPW & \$10 million roads/sidewalks
- \$2,065,412/year combined principal & interest payments
- Tax impact on average single family home \$279.98 (\$69.99/quarter)

Assessed Value	Current Estimated RO Tax Bill	Proposed Estimated RO Tax Bill	Estimated RO Tax Bill Impact	Current Estimated CIP Tax Bill	Proposed Estimated CIP Tax Bill	Estimated CIP Tax Bill Impact
250,000	3,377.50	3,492.50	115.00	4,497.50	4,650.00	152.50
350,000	4,728.50	4,889.50	161.00	6,296.50	6,510.00	213.50
450,000	6,079.50	6,286.50	207.00	8,095.50	8,370.00	274.50
550,000	7,430.50	7,683.50	253.00	9,894.50	10,230.00	335.50
650,000	8,781.50	9,080.50	299.00	11,693.50	12,090.00	396.50
750,000	10,132.50	10,477.50	345.00	13,492.50	13,950.00	457.50
850,000	11,483.50	11,874.50	391.00	15,291.50	15,810.00	518.50
950,000	12,834.50	13,271.50	437.00	17,090.50	17,670.00	579.50
1,050,000	14,185.50	14,668.50	483.00	18,889.50	19,530.00	640.50
1,150,000	15,536.50	16,065.50	529.00	20,688.50	21,390.00	701.50
1,250,000	16,887.50	17,462.50	575.00	22,487.50	23,250.00	762.50
1,350,000	18,238.50	18,859.50	621.00	24,286.50	25,110.00	823.50
1,450,000	19,589.50	20,256.50	667.00	26,085.50	26,970.00	884.50
1,550,000	20,940.50	21,653.50	713.00	27,884.50	28,830.00	945.50

Current & Long Term Budget Pressures



- Increases to non-discretionary spending in health insurance, property & liability insurance, and pension costs continue to rise
- Supply chain issues and significant cost increases to services, supplies, equipment, vehicles, etc.
- Increasing state assessments (charter school) and minimal increases to state aid
- Expiring grant funding (ARPA, ESSER, etc.)
- Funding for OPEB (GASB 45) prior to being mandated
- Debt service for non-excluded projects (Town Hall and Burrell)
- Staffing needs (Police, Fire, Schools, and DPW) and funding for collective bargaining agreements
- Capital needs (DPW facility, PFAS treatment plants, roads/sidewalks, JPSB locker room expansion, Taylor School, and Community Center)
- Maintaining current service levels while enhancing services where needed

Options for the Budget & Budget Strategy

Budget Options

1. Level Funded Budget

- Available funds are kept the same
- Results in reduction of staff or services
- Prevents the Town from addressing staffing and budgetary needs

2. Level Services Budget

- Maintains current levels of services with incremental increases based on departmental and community needs (FY24 budget)

3. Percentage Increase Limit

- Places a limit on the overall percentage increase
- Prevents the Town from meeting current and future service demands and budgetary needs

Budget Strategy

- Funding is needed for contractual (salary) increases and operational/fixed costs that are outside of the control of the Town
- The total \$101,531,390 estimated revenues (including \$10.2 million from Enterprise Funds) are sufficient to support a budget increase in the range of 3.0%-3.5%
- Departments will put forward their needs and prioritize both current/future needs
- Departments are expected to submit clear documentation and justification for additional funding requested to aid in budget reviews/decisions

Questions to Consider

- Does the Town want the same level of services?
- Does the Town want to allow for increases based on need just as in FY24?
- How do we address the staffing and capital needs of departments?
- Does the Town wish to shift more of the tax burden to the commercial, industrial, and personal property classes?
- Does the Town wish to explore new revenue options? Approve new developments to increase the tax base?
- Does the Town wish to revise our financial policies to better reflect best practices?

Questions/Thoughts?

