



# FY2024 Year End Update

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AUGUST 6, 2024



# FY2024 Year End

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Fiscal Year 2024 ended on June 30, 2024

Financial departments have finalized year end expenditures and revenues

**Big picture:**

- Revenues in excess of budget estimates of more than \$2.2 million
  - Investment Income: \$1,267,000 above estimate
  - Building permits: \$726,000 above estimate
  - Motor Vehicle Excise: \$434,000 above estimate
- Expenditure turnbacks of approximately \$1.8 million
  - Driven by vacancies in some departments, including: Police, Select Board/Town Administrator, and general turnover
  - Employee benefits (health insurance)
  - Debt service



# Investment Income

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The Town's "Investment Income" is primarily income from interest earned on the Town's bank balances (money market, savings, etc.)

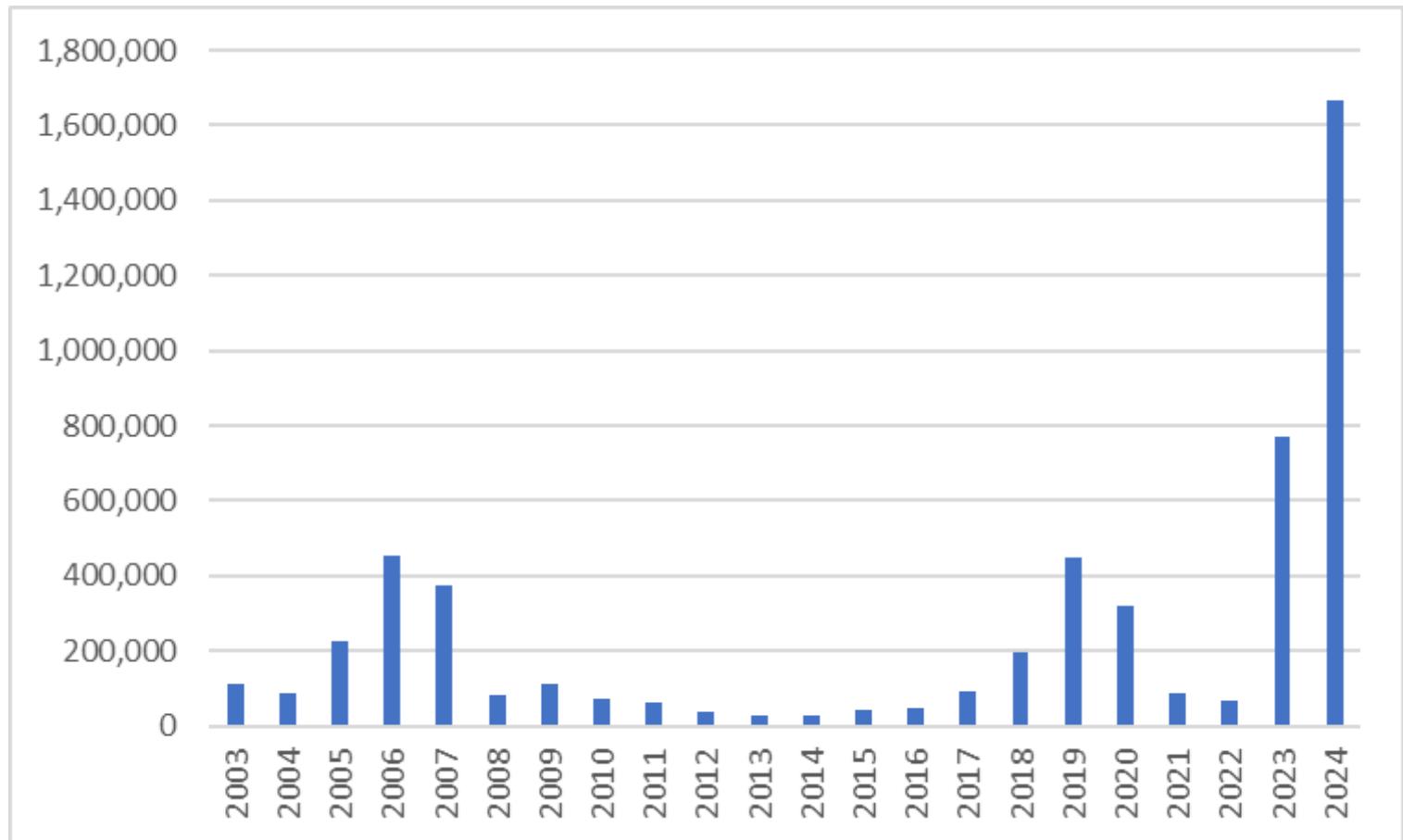
We have increased our estimates for FY24 and FY25 above historic trend

Cannot expect revenues similar to those in FY24 to be the norm.

<b>Fiscal Year</b>	<b>Estimate</b>	<b>Actual</b>	<b>Actual to Estimate</b>
2020	160,000	322,015	162,015
2021	160,000	85,105	-74,895
2022	85,000	67,550	-17,450
2023	50,000	769,155	719,155
2024	400,000	1,667,263	1,267,263

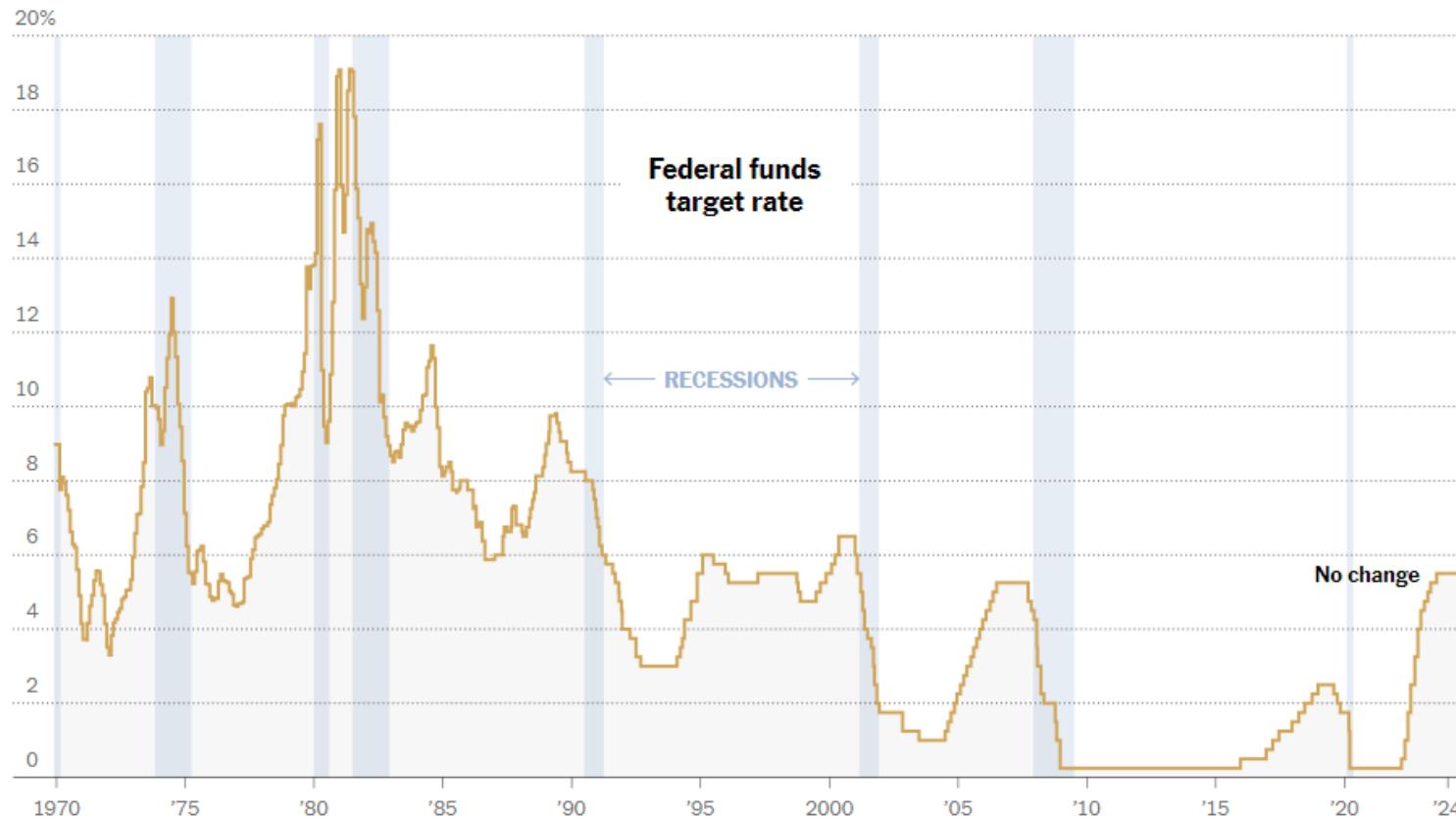


# Investment Income





# Investment Income



## *Fed Opens Door to September Rate Cut if Inflation Stays Cool*

Federal Reserve officials left interest rates unchanged but signaled that a rate cut could be imminent as they watch inflation and the labor market.

## **Fed Clears Path for September Interest Rate Cut**

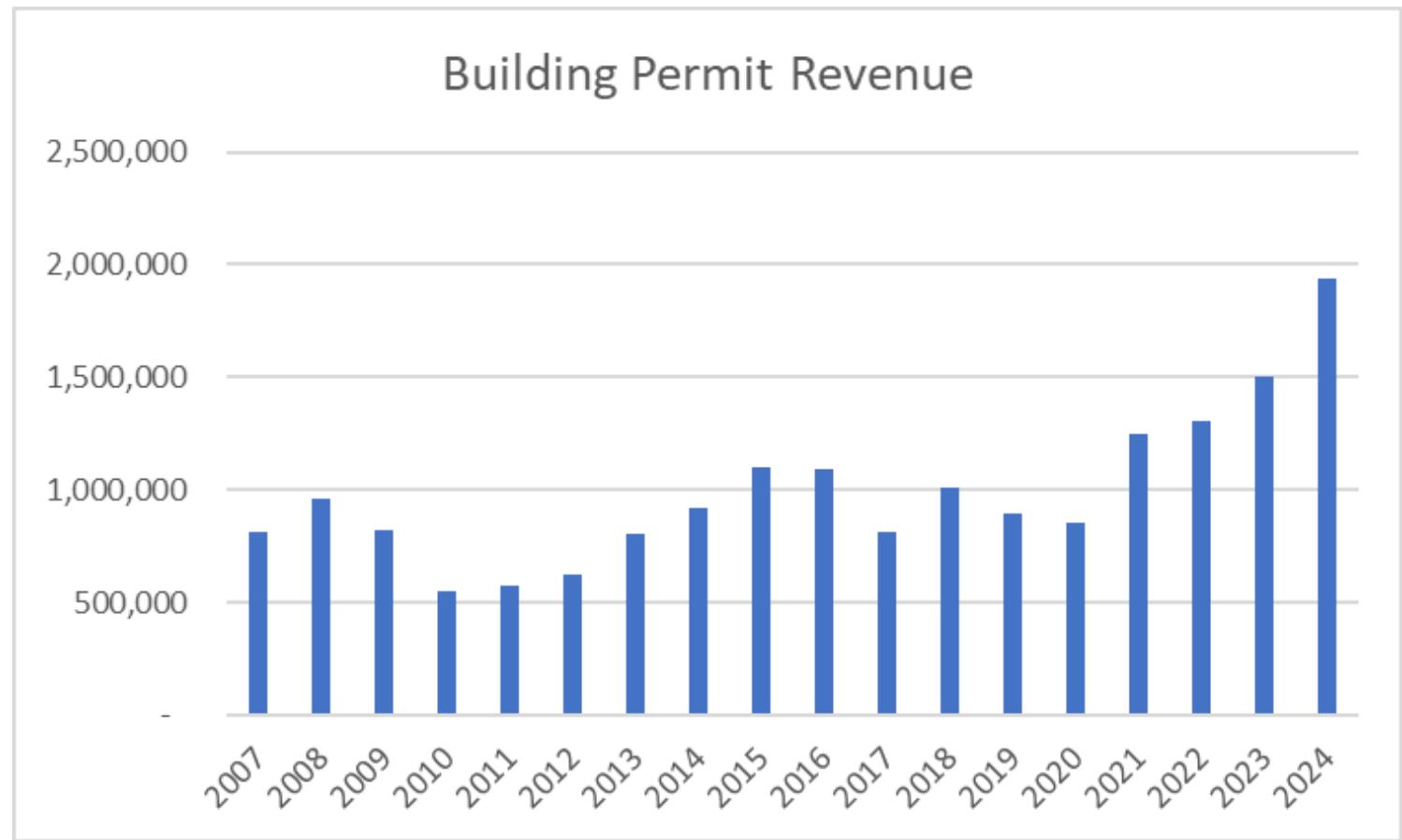
Officials held rates steady, but made an important pivot by highlighting a more equal focus on employment and inflation goals

By [Nick Timiraos](#) [Follow](#)

Updated July 31, 2024 6:07 pm ET



# Building Permits





# Water and Sewer Enterprise Funds

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In FY2024, there was lower than anticipated usage, resulting in less revenue

Both water and sewer operating budgets were also underspent

Water and Sewer Retained Earnings (Free Cash) will be less than anticipated.

Higher than typical rate increases may be necessary, especially for sewer

Water Free Cash

FY2023: \$2.9 million

FY2024: \$2.3 million (est.)

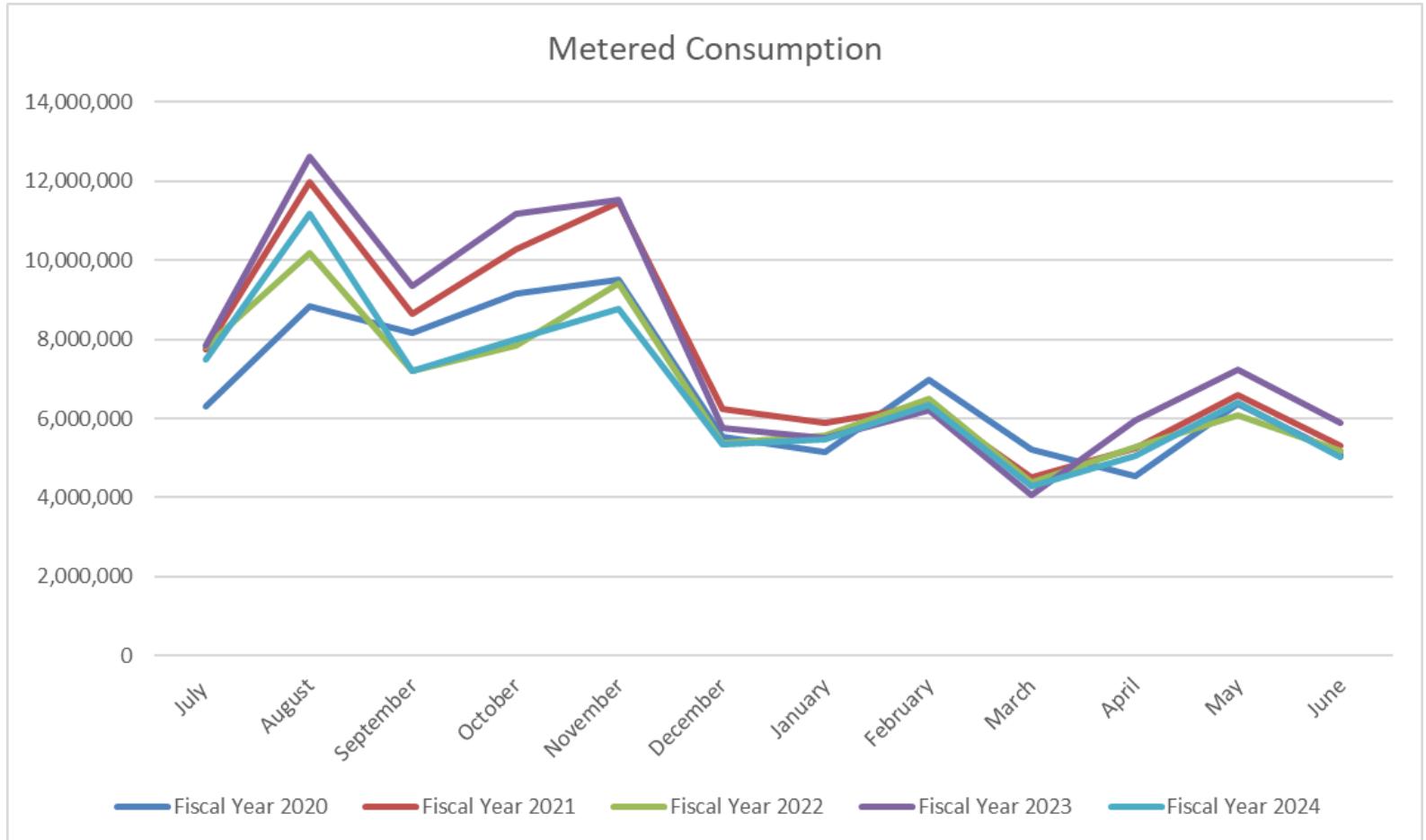
Sewer Free Cash

FY2023: \$512,000

FY2024: \$391,603 (est.)



# Water and Sewer Enterprise Funds





# Free Cash

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What does FY2024 Year End Results mean for Free Cash?

- As of July 1, 2024, Free Cash no longer exists until it is certified by the Department of Revenue
- Goal: October/November to receive certification of Free Cash
- Year End Results are just one factor in the Town's Free Cash Balance



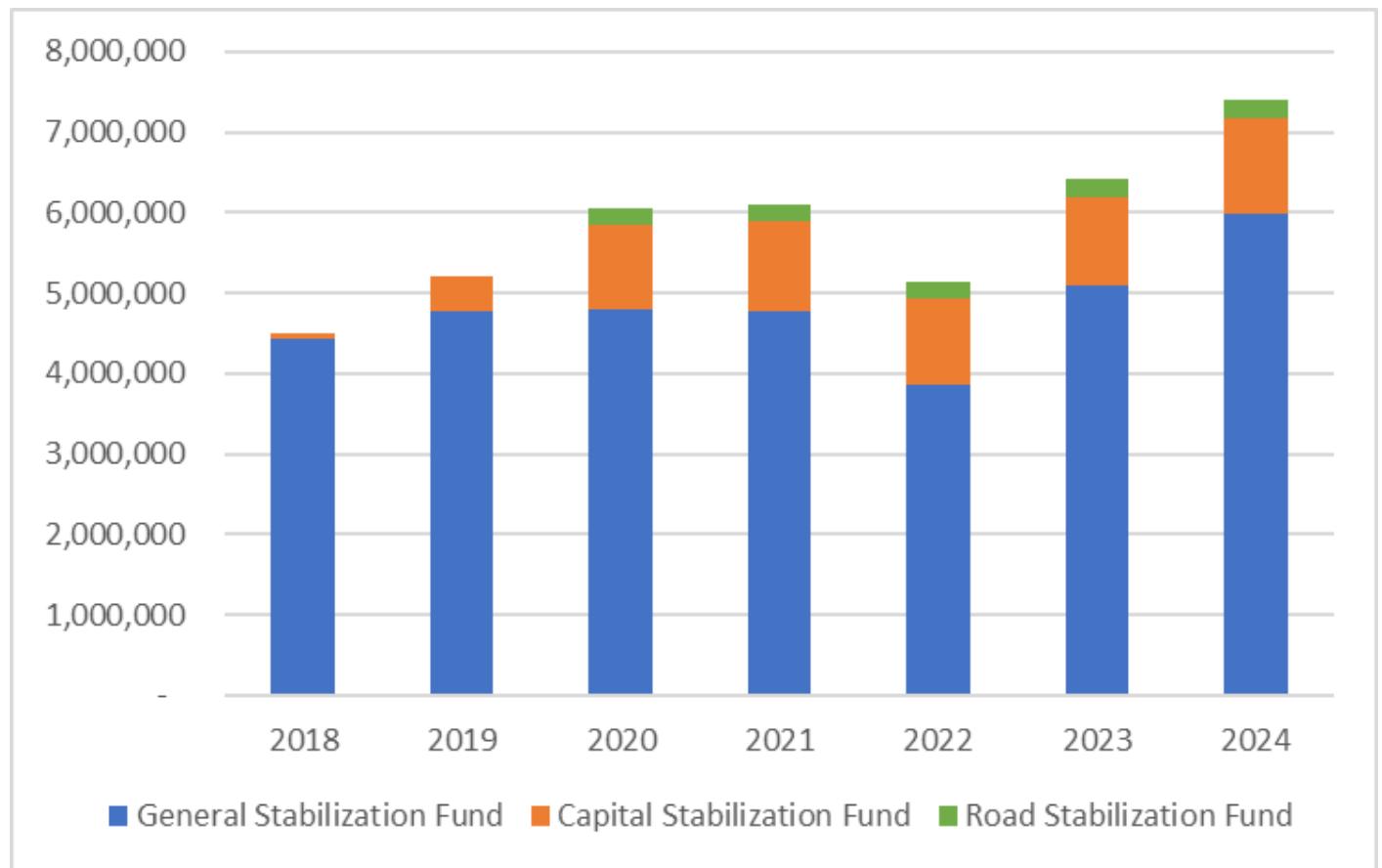
# Stabilization Funds

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Type	6/30/2023	Contribution	Income	6/30/2024
General Stabilization Fund	\$5,085,087	\$500,000	\$393,079	\$5,978,166
Capital Stabilization Fund	\$1,114,731	\$0	\$76,326	\$1,191,057
Road Stabilization Fund	\$214,066	\$0	\$15,345	\$229,412
<b>Total</b>	<b>\$6,413,884</b>	<b>\$500,000</b>	<b>\$484,750</b>	<b>\$7,398,635</b>

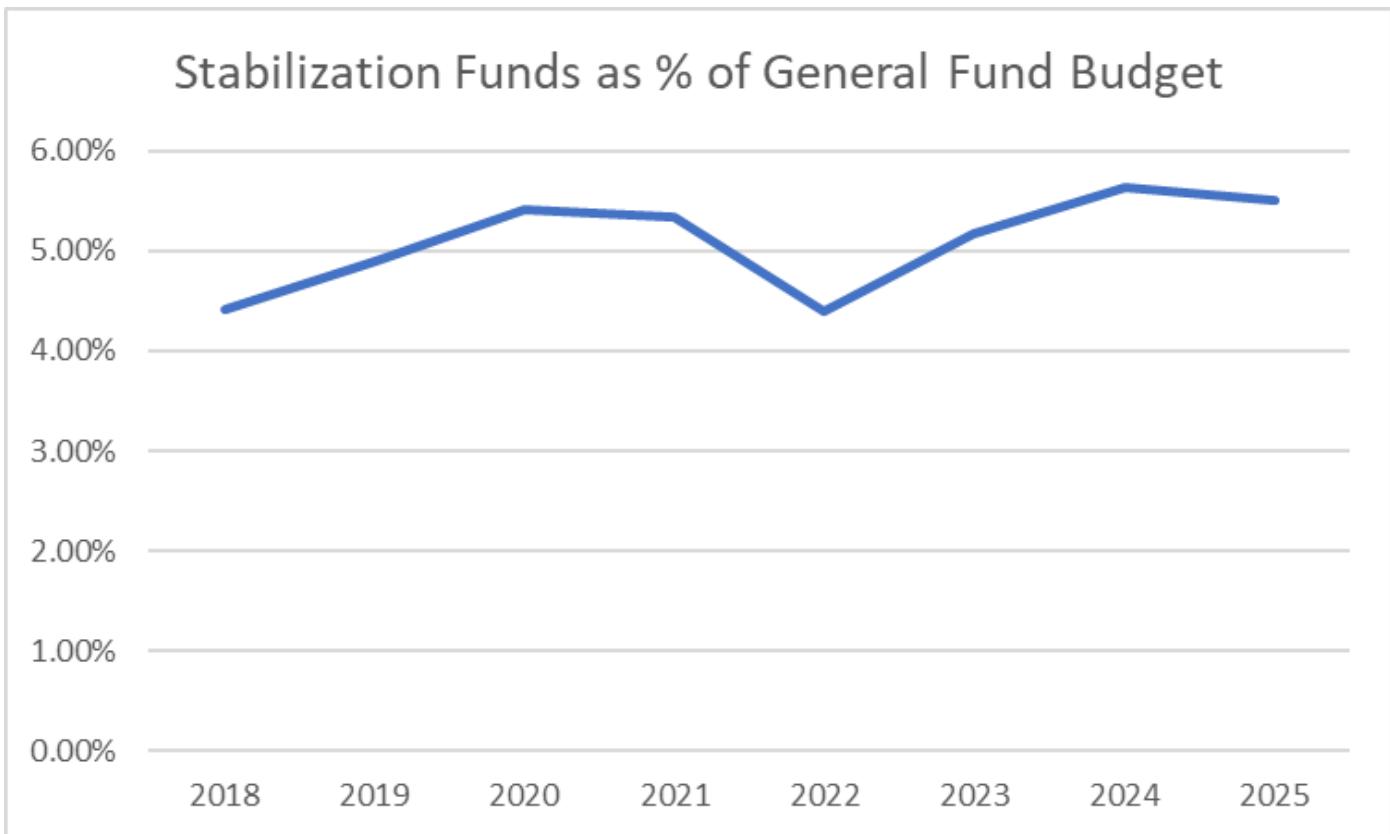


# Stabilization Funds





# Stabilization Funds





# FY2026 Revenue Outlook

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Potential updates to the FY2026 revenue forecast:

- Property Taxes
  - New Growth
- Local Receipts
  - Will review and update once we finalize FY2024; continue to monitor economic conditions throughout FY2025
- State Aid
  - No new information anticipated between now and January 2025 when the Governor releases the FY2026 State Budget
- Free Cash
  - Needs to be certified by the Department of Revenue Division of Local Services
  - Timeline: Fall 2024



# FY2026 Expenditures Outlook

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## **Level service forecast:**

- Salaries: 4% increase
- General Expenses: 3% increase

No capital funded by Free Cash

Health Insurance: 5% premium increase

Milton Retirement System: normal cost + \$1 million, per approved funding schedule and OPEB Policy

OPEB Trust: \$1.56 million, per approved OPEB Policy

No contribution to Stabilization Funds

Debt Service includes estimates for authorized unissued debt for previously approved projects



# FY2026 Outlook

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General Fund Revenue: \$135.4 million

General Fund Expenditures: \$140.0 million (level service only)

Surplus/Deficit: **\$4.6 million**

*Note: figure may change – and could be higher – as we update budget requests and refine forecast*



# School Project Tax Impacts

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Posted a comprehensive overview on the Town website, on the School Building Committee site:

<https://www.townofmilton.org/1177/School-Project-Cost-Information>

Total Project Budget estimate: \$173,439,000

Assumptions:

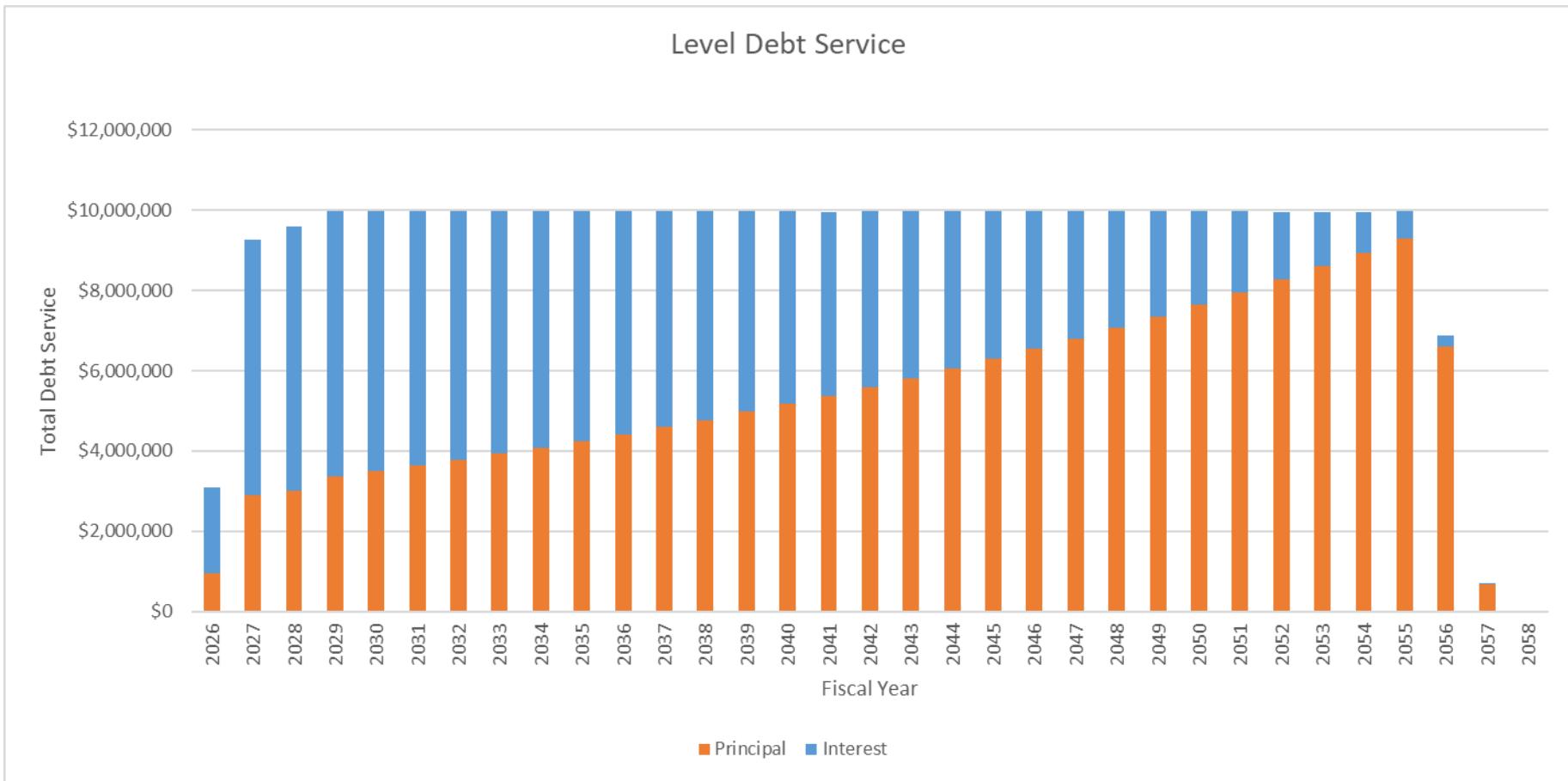
- Bond term: 30 years
- Interest rate: 4.25%
- Level debt payments each year
- AAA bond rating

Estimated typical annual debt service amount: \$9,967,000

- Roughly, a 10% increase to the Town's tax levy (translating to 10% increase in property taxes)



# School Project Tax Impacts





# School Project Tax Impacts

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Fiscal Year 2024 Tax Rates:

- Residential : \$10.92
- Commercial - Industrial - Personal Property (CIP): \$17.94

In order to fund the debt service, tax rates would increase by:

- Residential: \$1.11 per \$1,000 of value for a new tax rate of \$12.03
- CIP: \$1.92 per \$1,000 of value for a new tax rate of \$19.76



# School Project Tax Impacts

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FY2024 Average Single-Family Home: \$1,008,088

FY2024 Average Single-Family Tax Bill: \$11,008

Estimated tax impact for the Average Single-Family Home: \$1,119

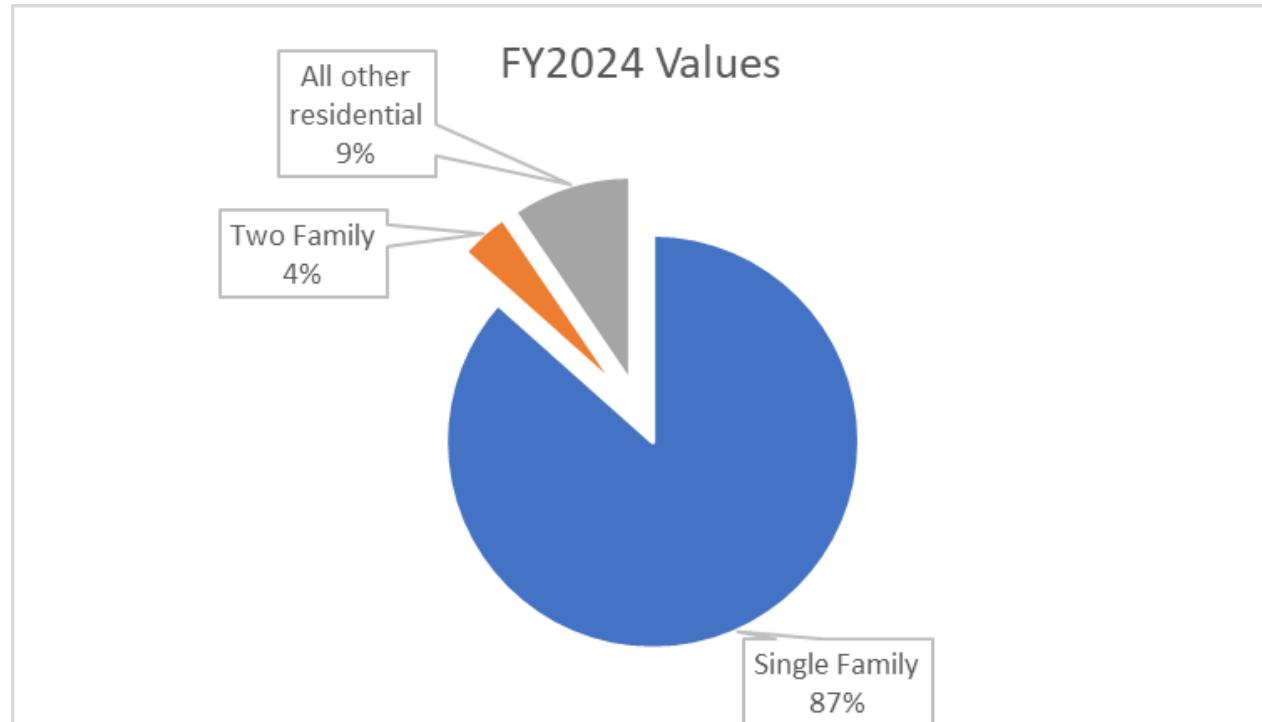
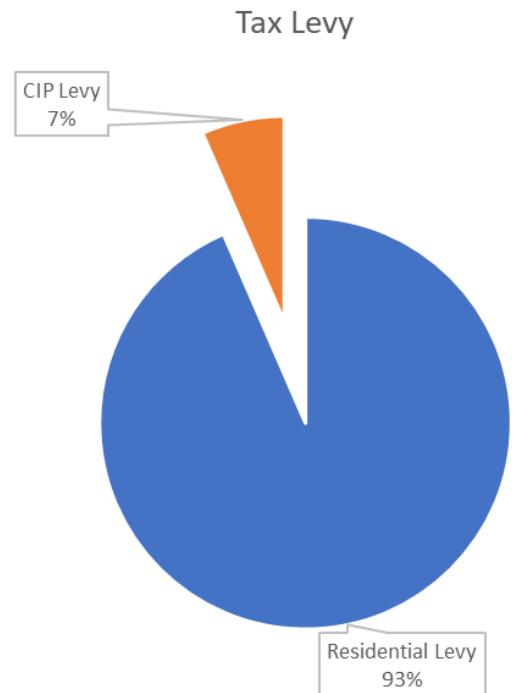
FY2024 Median Single-Family Home: \$872,000

FY2024 Median Single-Family Tax Bill: \$9,522

Estimated tax impact for the Median Single-Family Home: \$968



# School Project Tax Impacts





# Debt Exclusion

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## Ballot Question

- Written to conform to Proposition 2 ½ requirements for Debt Exclusions: G.L. c. 59, § 21C(k)
- Reviewed by Bond Counsel

*Shall the Town of Milton be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bond issued in order to design, construct, and equip a new Middle School, with or without Pre-Kindergarten?*