



Budget Status Update

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TOWN OF MANCHESTER

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Overview

- ▶ Review operating results of last fiscal year (FY2022-23)
- ▶ Update on current fiscal year (FY2023-24)
- ▶ Preview of upcoming budget process (FY2024-25)

Items to Note

- ▶ **Figures will differ from Annual Comprehensive Financial Report (ACFR), which will include some non-budgetary factors, may account for some items in different reporting periods, etc**
- ▶ **Covers General Fund only; Fire Fund merged into General Fund, Water & Sewer will be covered in December Rate Study presentation**

Prior Year (July 1, 2022- June 30, 2023)

- ▶ **FY23 Expenditure Budget: \$201,578,135**
- ▶ **FY23 Projected Revenues: \$199,078,135**
(excluding budgeted “use of fund balance” - \$2.5M fund balance placed at-risk)

FY2022-23 Expenditures

- ▶ **FY23 Expenditure Budget: \$201,578,135**
- ▶ **Adjustments: +\$555,000**
 - \$250,000 Public Works vehicles-use of prior year savings
 - \$305,000 Microsoft 365- use of prior year savings
- ▶ **Revised budget: \$202,127,935**
- ▶ **Actual Expenses: \$198,501,815**
- ▶ **Positive variance of \$4,014,987**

Uses of FY23 Expenditure Variance

- ▶ **Gross FY23 expenditure variance: \$4,014,987**
- ▶ **-\$700,000 Resiliency Fund (Public Works)**
- ▶ **-\$140,000 Retro-active collective bargaining agreement**
- ▶ **-\$200,000 Public works vehicles**
- ▶ **-\$150,000 Increase to DPW Snow & Operations Reserve**
- ▶ **Net FY23 expenditure variance: \$2,824,987**

FY23 End of Year Results

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ ADJSMTS	REVISED BUDGET	YTD ACTUAL	AVAILABLE BUDGET	% USED
GENERAL GOVERNMENT	6,675,684	2,598	6,678,282	6,237,340.55	440,942	93.4%
PUBLIC SAFETY	26,516,377	324,957	26,841,334	25,584,500.23	1,256,833	95.3%
PUBLIC WORKS	13,982,515	28,174	14,010,689	12,574,741.13	1,435,948	89.8%
HUMAN SERVICES	3,420,419	7,656	3,428,075	3,299,671.54	128,403	96.3%
LEISURE SERVICES	6,632,529	19,783	6,652,312	6,214,041	438,272	93.4%
FIXED/MISCELLANEOUS	24,157,898	555,500	24,713,398	24,405,722	307,676	98.8%
EDUCATION	120,192,713	0	120,192,713	120,185,799.58	6,913	100.0%
GENERAL FUND TOTAL	201,578,135	938,668	202,516,803	198,501,815.51	4,014,987	98.0%
FIRE FUND	19,470,863	1,454,278	20,925,141	20,050,651.41	874,490	95.8%

FY2022-23 Revenues

- ▶ **FY23 Projected Revenues: \$199,078,135**
(excluding \$2.5M budgeted “use of fund balance”)
- ▶ **Actual Revenues: \$202,399,694**
- ▶ **Variance of \$3,321,559**

FY23 Significant Revenue Variances

- ▶ **+\$1,325,658 Unanticipated State Grant (MRSA)**
- ▶ **+\$954,835 Interest earnings**
- ▶ **+\$784,232 Town Clerk revenues**
- ▶ **+\$340,992 Education Cost Sharing grant**
- ▶ **-\$719,616 Property tax collections (prior year & MV supp)**

FY23 Net Variance- General Fund

- ▶ **\$4,014,987 Expenditure surplus**
- ▶ **-\$1,190,000 Uses of FY23 surplus (will appear in FY24 reporting)**
- ▶ **+\$3,321,559 Revenue surplus**
- ▶ **-\$2,500,000 Budgeted use of fund balance**
- ▶ **+\$3,646,546 Net variance of operations- General Fund**
- ▶ **1.8% of adopted budget**

Current Year (FY2023-24) Budget

- ▶ **First year of budgeting Fire/EMS operations in General Fund**
- ▶ **Received another MRSA grant that was not part of State budget projections: +\$1,755,026**
- ▶ **May not receive MV Tax Cap Grant (budgeted at \$1,837,016) in which case State Aid variances may net out**
- ▶ **Budget variances will depend on staff turnover & hiring, severity of winter, State Aid, etc (too early to tell)**
- ▶ **Positive variance anticipated- though probably not as big as last year**

FY24 Budget Year-to-Date

ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJS MTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
GENERAL GOVERNMENT	7,110,575	7,467	7,118,042	2,623,036.05	115,254.46	4,379,752	38.5%
PUBLIC SAFETY	46,782,659	220,554	47,003,213	19,666,626.82	622,758.18	26,713,828	43.2%
PUBLIC WORKS	14,659,169	30,623	14,689,792	4,655,539.09	1,112,050.08	8,922,203	39.3%
HUMAN SERVICES	3,589,633	5,627	3,595,260	1,407,002.39	15,475.35	2,172,782	39.6%
LEISURE SERVICES	6,790,898	0	6,790,898	2,724,622	206,817	3,859,459	43.2%
FIXED/MISCELLANEOUS	27,246,612	1,050,000	28,296,612	13,278,080	21,640	14,996,892	47.0%
EDUCATION	123,187,062	0	123,187,062	36,238,580.04	56,013,965.03	30,934,517	74.9%
Expense Total	229,366,608	1,314,271	230,680,879	80,593,486.56	58,107,960.32	91,979,432	60.1%

Next Year (FY2024-25) Budget

- ▶ All ARPA funds must be spent or encumbered by 12/31/24; FY25 budget begins transition away from using ARPA (capital, police cruisers, Town-wide operating system, bodycams, any ARPA-funded programs the Town may wish to continue)
- ▶ Post-merger Fire budget relies on closed-out reserves for capital; in FY25, annual Fire capital costs will need to start being built-into the budget; also any adjustments to operating budget
- ▶ Debt service will continue to increase over next several years- completion of school renovations & new library, plus biennial infrastructure authorizations
- ▶ State Aid- always unpredictable
- ▶ Inflation remains unusually high
- ▶ Health insurance & public safety pension costs could be major drivers
- ▶ Will look for reduction & alternate funding options to minimize mill rate increase
- ▶ Working on simplifying interfund transfers, so some costs may be moved around in next year budget proposal

FY25 Budget Timeline

- ▶ Department heads currently working on budget requests
- ▶ Meetings between departments & Town Manager Dec-Jan
- ▶ Presentation to Board in early March
- ▶ Board workshops in March
- ▶ Budget adoption usually in mid-April

Questions?