THE MEETING WILL START SHORTLY

Warrant Hearing

Town Meeting – May 5, 2025,
Fiscal Update and Articles

April 1, 2025

TOWN OF MEDFIELD
WARRANT HEARING AGENDA

- **Call to Order, Disclosure of Video Recording and Opening of Warrant Hearing**
- **Warrant Committee Co-Chair Presentation on Proposed Operating Budget and Fiscal Status**
- **Review of Warrant Articles**
  - **Public Input – Questions and Comments**
- **Close of Warrant Hearing**

The Financial Articles Address All Areas of Town Finance

Tax Bill Impact

Operating Budget



Capital Assets

Long Term Liabilities

Reserve and Stabilization Accounts

Service Levels

Balance Many Needs

Town's Finances – Complying With Financial Policies

KEY TAKEAWAYS ON THE PROPOSED FY 2026 BUDGET

- ❑ **Operating Budget is balanced without the need for a Prop 2 ½ override.**
- ❑ **Prudent use of free cash to fund stabilization funds and one-time needs.**

- **Important disciplines needed to achieve yearly operating budgets that are financially sustainable within the Prop 2 ½ framework.**
  - ❑ **Financially sustainable and responsible budgets prepared in accordance with our financial policies and objectives.**
  - ❑ **Operating expenditures are covered by current operating revenues, not non-recurring revenue sources.**

FY 2026 Budget – Big Picture

Needs Based Requests NOT INCLUDED in FY 25 & 26 Budgets:

	FY 2025	FY 2026	Change
School Department -	$355K	$799K	$444K
Town Departments -	$169K	$295K	$126K
TOTAL	$524K	$1,094K	$570K

FY 2026 Budget – Big Picture

REVENUES

- ❑ **Assumes Property Tax New Growth of $400K**
- ❑ **Local Receipts Growth of $404K**
  - $273K Investment Income
  - $250K Motor Vehicle Excise Tax
  - ($50K) Medicaid Reimbursement
  - ($48K) Departmental Revenue
  - ($25K) Other
- ❑ Other revenues assume growth consistent with Medfield's History

PROPERTY TAX REVENUE – HOW DETERMINED?

	FY 2025 Budget	FY 2026 Proposed	$ Change FY25 to FY26	% Change FY25 to FY 26
PROPERTY TAX LEVY SUBJECT TO PROP 2 1/2 LIMITATION	$54,247,722	$ 56,003,916	$ 1,756,194	3.2%
PROPERTY TAX LEVY OUTSIDE OF PROP 2 1/2 LIMITATION				
General Fund Exempt Debt Exclusions	$ 2,382,869	$ 1,894,656	$ (488,213)	-20.5%
TOTAL PROPERTY TAX LEVY	$56,630,591	$ 57,898,572	$ 1,267,981	2.2%

Decrease in taxes from exempt debt not reinvested in capital projects

PROP 2 ½ LEVY LIMITS

	FY 2025 Budget	FY2026 Estimate
Property Tax Levy Subject to Prop 2 1/2		
Prior Year Prop 2 1/2 Levy	$ 51,283,621	$ 53,088,030
2 1/2 Increase	$ 1,282,091	$ 1,327,201
New Growth	$ 522,318	$ 400,000
	$ 53,088,030	$ 54,815,231
Municipal Building Stabilization Fund	$ 1,159,692	$ 1,188,685
Levy Limit (within Prop 2 1/2)	$ 54,247,722	$ 56,003,916

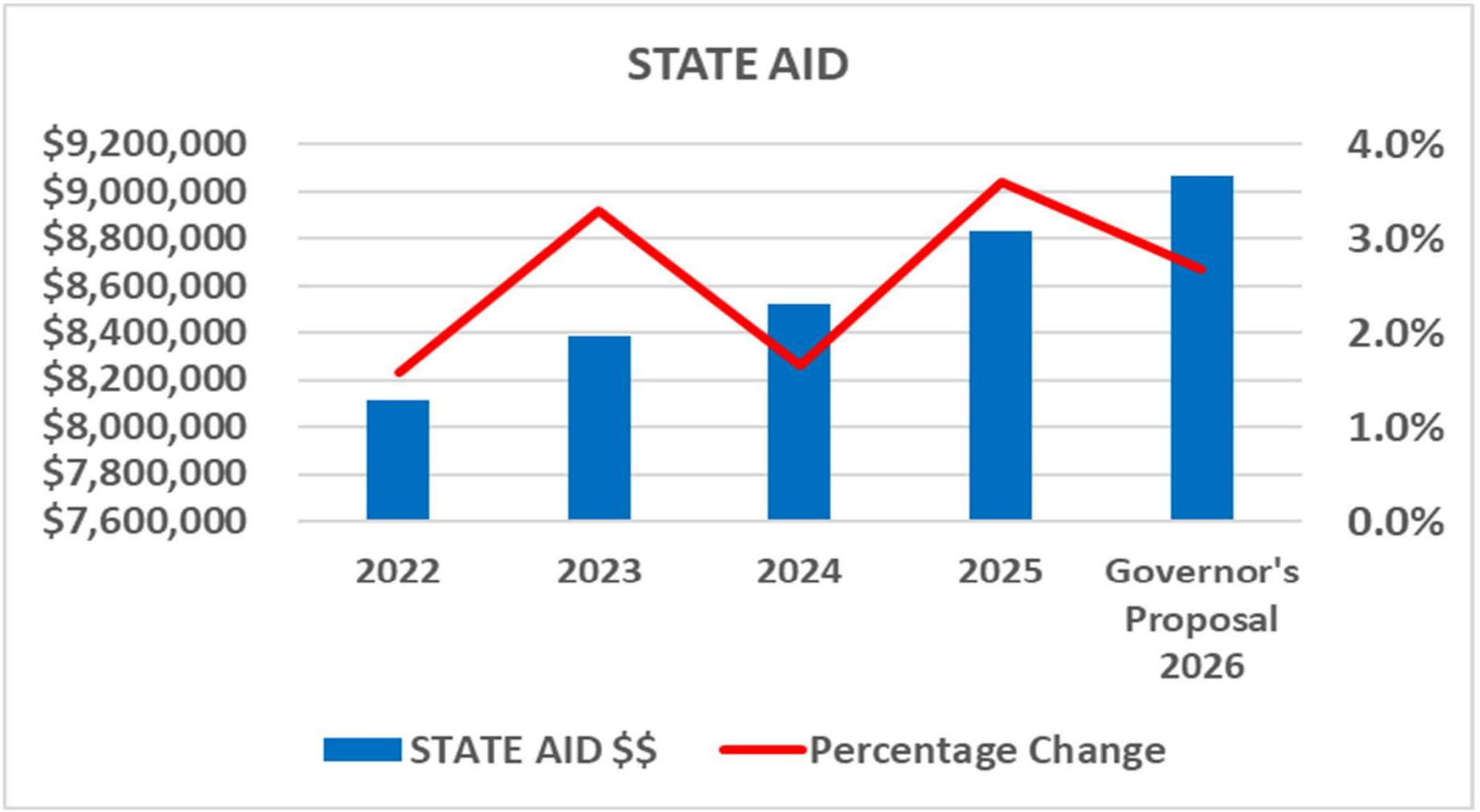
Plus 2.5%
Estimated New Growth

Municipal Building Stabilization

FY 2026 General Fund Operating Budget Revenue, $ 74.1M, 2.5% increase

	FY 2025 Budget	FY 2026 Estimate	$ Change FY 25 to FY 26	% Change FY 25 to FY 26
PROPERTY TAX REVENUE				
Property Tax Levy	$ 51,283,621	$ 53,088,030	$ 1,804,409	3.5%
2 1/2 Levy Increase	$ 1,282,091	$ 1,327,201	$ 45,110	3.5%
New Growth (FY 25 actual)	$ 522,318	$ 400,000	$ (122,318)	-23.4%
General Fund Debt Exclusions	$ 2,382,869	$ 1,894,656	$ (488,213)	-20.5%
TOTAL PROPERTY TAX LEVY	$ 55,470,899	$ 56,709,887	$ 1,238,988	2.2%
OTHER REVENUES				
State Aid	$ 8,830,186	$ 9,066,320	$ 236,134	2.7%
Local Receipts	$ 4,872,307	$ 5,276,461	$ 404,154	8.3%
Other Available General Funds	$ 784,887	$ 803,486	$ 18,599	2.4%
Enterprise Fund Offset	$ 2,280,969	$ 2,206,095	$ (74,874)	-3.3%
TOTAL OTHER REVENUE	$ 16,768,349	$ 17,352,362	$ 584,013	3.5%
TOTAL REVENUE	$ 72,239,248	$ 74,062,249	$ 1,823,001	2.5%

Medfield State Aid – Cherry Sheet



FY 2026 General Fund Operating Expenditures, $ 74.1M, 2.8% increase

	FY 2025 Budget	FY 2026 Estimate	$ Change FY 25 to FY 26	% Change FY 25 to FY 26
DEPARTMENTS				
School	$ 43,112,411	$ 44,598,728	$ 1,486,317	3.4%
Town Municipal	$ 13,988,744	$ 14,484,183	$ 495,439	3.5%
TOTAL DEPARTMENTS	$ 57,101,155	$ 59,082,911	$ 1,981,756	3.5%
SHARED COSTS				
Town and School Employee Ber	$ 8,383,712	$ 9,086,211	$ 702,499	8.4%
Other Shared Costs	$ 2,517,441	$ 2,343,921	$ (173,520)	-6.9%
TOTAL SHARED COSTS	$ 10,901,153	$ 11,430,132	$ 528,979	4.9%
FIXED COSTS				
Excluded Debt Service	$ 4,015,328	$ 3,549,204	$ (466,124)	-11.6%
TOTAL FIXED COSTS	$ 4,015,328	$ 3,549,204	$ (466,124)	-11.6%
TOTAL GENERAL FUND EXPEND	$ 72,017,636	$ 74,062,247	$ 2,044,611	2.8%

FY 2026 Budget – Big Picture

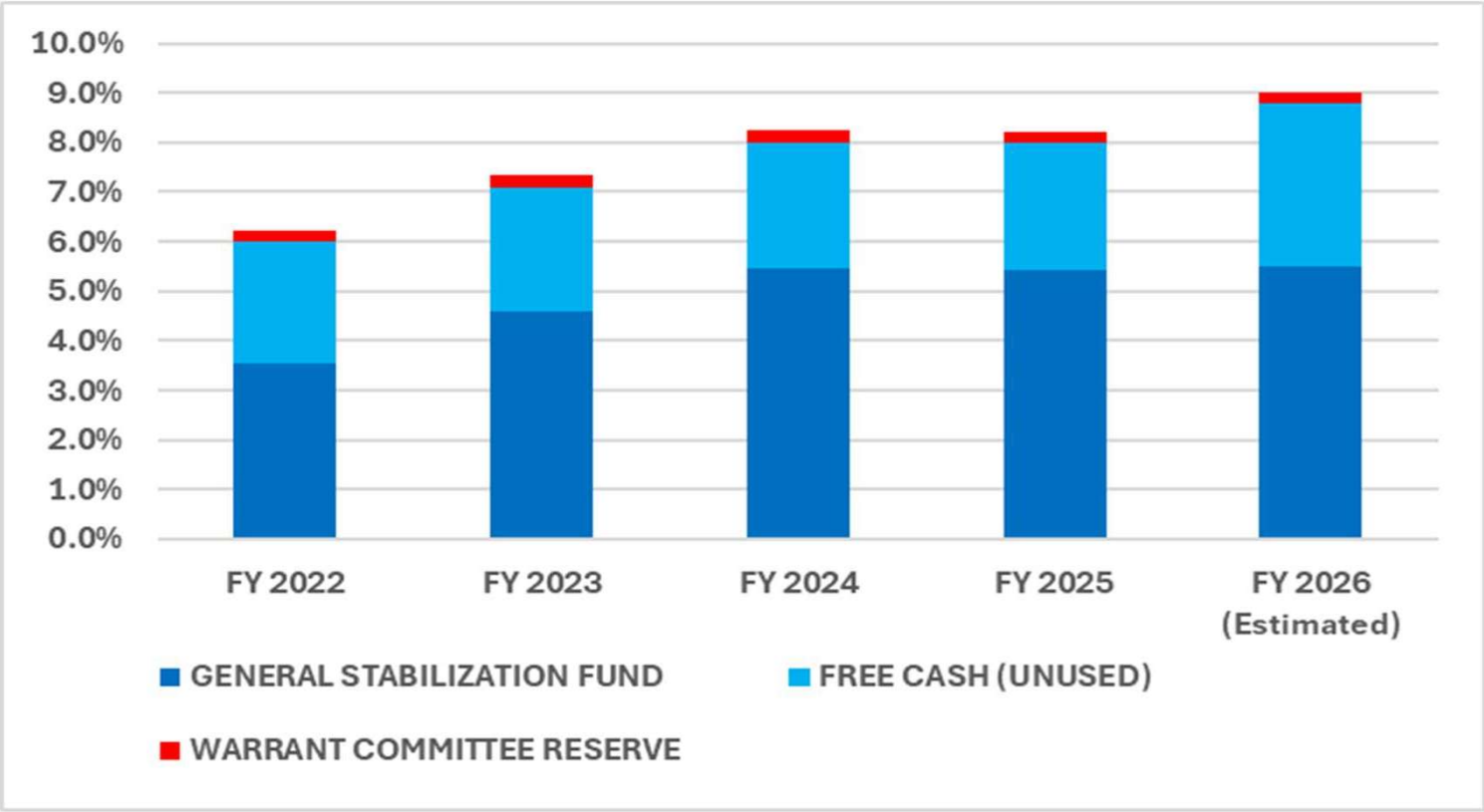
Expenditures

Needs Based Requests INCLUDED in FY 26 Budget:

- **School Department**
  - ✓ Represents a 3.4% increase or $1.5 million over FY 2025 operating budget, mostly for Steps and Lanes, and addition of 2.0 FTEs.
- **Town Departments**
  - ✓ Represents a 3.5% increase or $ .5 million. Addition of 4 Firefighters/Paramedics to the Fire Department Budget. Partially offset by a 3 - year federal grant. Expiration of federal grant may require an operational override or elimination of positions.
  - ✓ Includes new Police and Fire collective bargaining agreements.
- **Shared Costs**
  - ✓ Assumes a 16.92% increase in employee health insurance rates.

Building Up Our Reserves

RESERVES AS A % OF GENERAL FUND OPERATING EXPENDITURES (PER FINANCIAL POLICY)

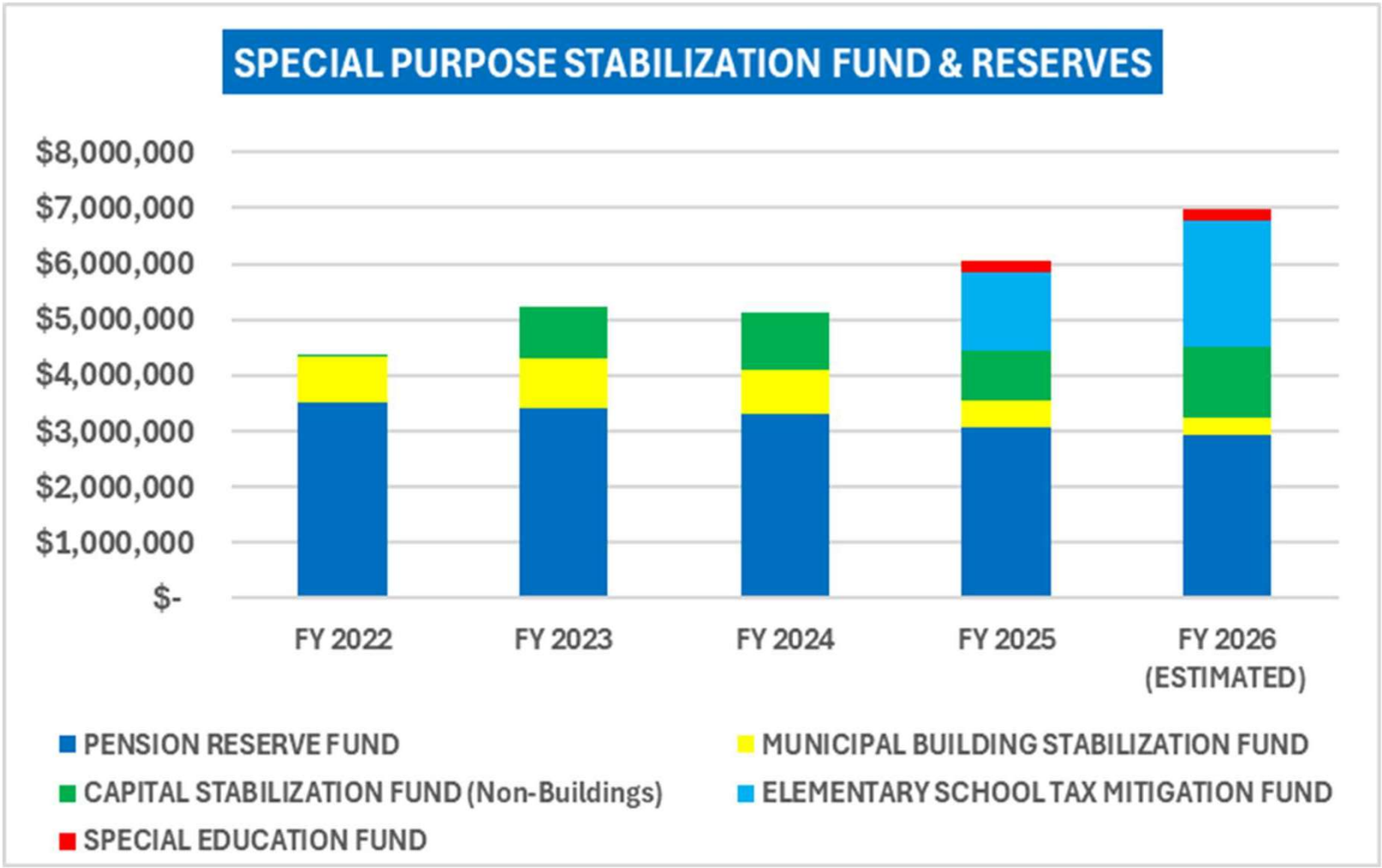


Reserves for :

- ✓ General Economic Downturn
- ✓ Emergencies

Reserves are an important component of Credit Rating

PLANNING FOR FINANCIALLY SUSTAINABLE BUDGETS AND TAXES



Prudent use of Pension Reserve Fund and continued build up of the Elementary School Tax Mitigation Fund

Free Cash Use

Certified Free Cash – June 30, 2024:		**$5,625,562**
Less FY 2026 Articles Proposed Uses of Free Cash:		
General Stabilization Fund (Article 13)	**($175,000)**	
School Tax Impact Mitigation Fund (Article 26)	**($900,000)**	
Capital Stabilization Fund (Article 9)	**($850,000)**	
Elementary School Feasibility Study (Article 25)	**($400,000)**	
OPEB Trust Fund (Article 13)	**($578,813)**	
Metacomet Tennis Courts (Article 10)	**($190,000)**	
Danielson Pond (Article 21)	**($ 50,000)**	
MSH/Overlook Environmental Review (Article 23)	**($ 25,000)**	
Conservation Land Trust (Article 22)	**($ 5,000)**	
TOTAL		**($3,173,813)**
Estimated Unused Free Cash		**$2,451,749**
Free Cash Required to Meet Financial Policy		**$2,175,357**
Excess		**$ 276,392**

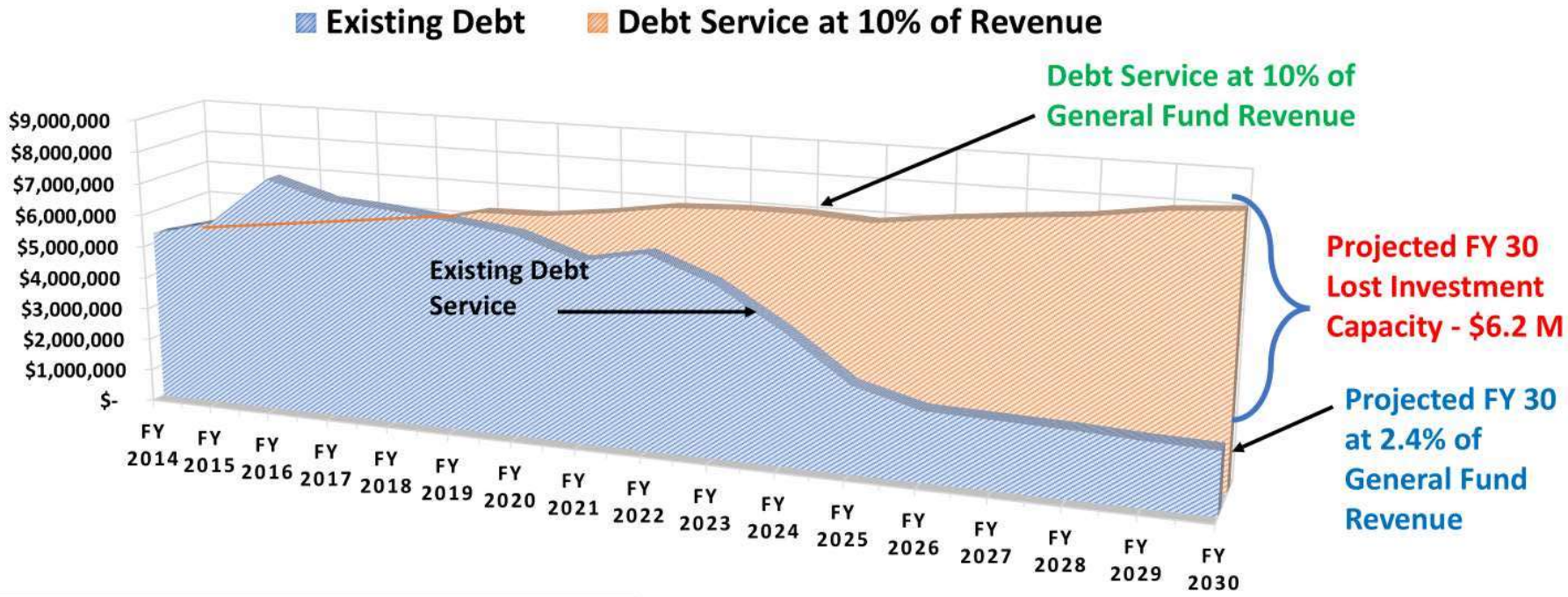
FUTURE BUDGET CHALLENGES AND OPPORTUNITIES

The current level of town services and operating budgets are not financially sustainable within the current revenue framework. Recent increases in shared costs (e.g. employee health insurance 16.92%), departmental costs and potential expiration of federal grants will make future budget years much more challenging.

- ❑ Expiration of teachers collective bargaining agreement at end of FY 2026.
- ❑ State Aid is under pressure and has not kept pace with wage inflation and cost increases.
- ❑ A proposed new Elementary School Building Project and other significant building capital needs will result in a significant increase in property taxes, if approved.
- ❑ WC is supportive of studying opportunities for potential sale and development of Town owned land and any related financial benefits that is consistent with the Town's strategic plan and values.

Managing Both Capital Investment and Exempt Debt

MAINTAIN A STEADY BALANCE OF CAPITAL INVESTMENT

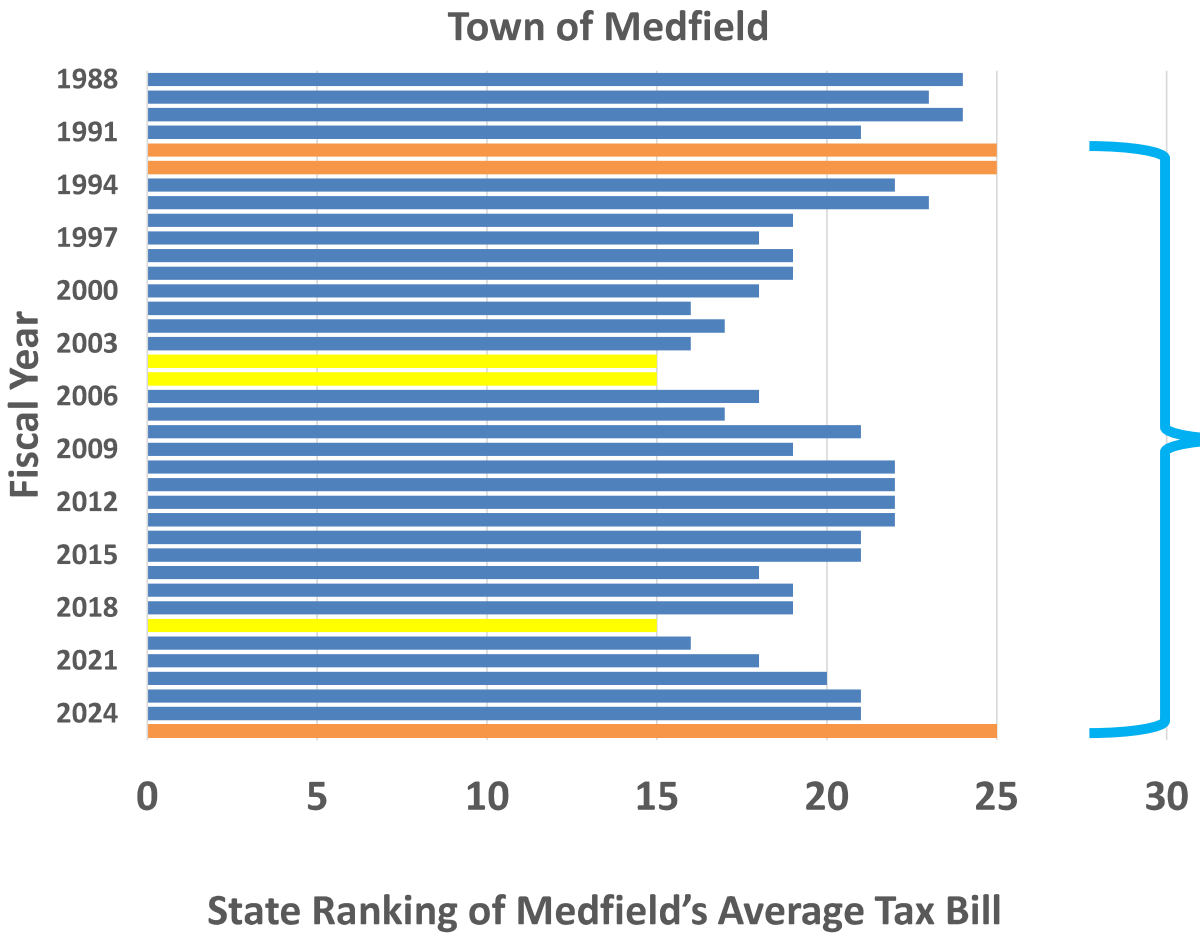


Best Practice:
Take on new debt as old is retired
(Lack of reinvestment leads to lost capacity)

Exempt Debt: a temporary property tax increase above and beyond the Proposition 2 ½ Levy limits. Temporary because it decreases over life of debt

Trends in Medfield's Average Single Family Tax Bill and State Ranking

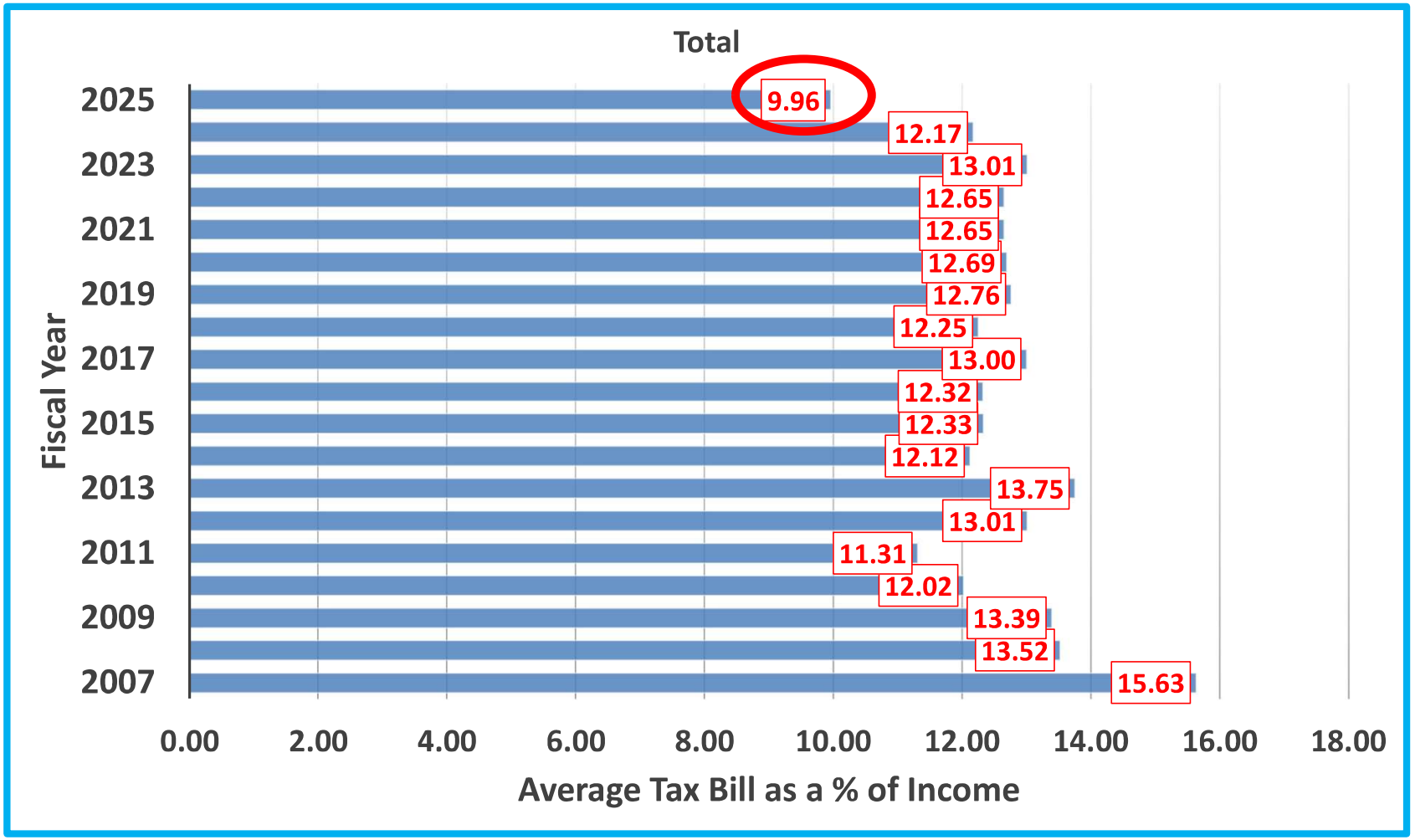
Fiscal Year	Rank
1988	24
1989	23
1990	24
1991	21
1992	25
1993	25
1994	22
1995	23
1996	19
1997	18
1998	19
1999	19
2000	18
2001	16
2002	17
2003	16
2004	15
2005	15
2006	18
2007	17
2008	21
2009	19
2010	22
2011	22
2012	22
2013	22
2014	21
2015	21
2016	18
2017	19
2018	19
2019	15
2020	16
2021	18
2022	20
2023	21
2024	21
2025	25



Last time Medfield was ranked **# 25** was 32 years ago

Highest Rank in last 37 years was **#15** and occurred after either an operating or debt override votes

Trends in Medfield Average Tax Bill as a % of Income



2025 Average Tax Bill as a % of Income 9.96% is at 18 year low (since data has been tracked by DLS)

PUBLIC INPUT ON WARRANT ARTICLES

- ✓All questions and comments should be directed to the Chair.
- ✓When recognized please state your name and address
- ✓Please be considerate of time.
- ✓Questions and comments will first be taken from those present in the room and then from those participating remotely on Zoom
- ✓Zoom participants should enter the name and address in the “chat” function and we will promote you to comment or ask a question.

Articles

Town Meeting Action: Article 1

Article 1 – Annual Town Reports (SB)

Human Resources

Town Meeting Action: Articles 2 to 3

Article 2 - Elected Official Compensation (SB)

Article 3 - Personnel Administration Plan (Personal Board)

Financial Articles

Revolving Funds

Town Meeting Action: Articles 4 and 7

Article 4 - Annual Revolving Fund Expenditure Limit Authorization (SB)

Article 7 – Rescind Authorization for Parks & Rec Revolving Account (SB and Parks & Rec Comm)

Special Purpose Trusts and Stabilization Funds

Town Meeting Action: Articles 5 to 6

Article 5 - Cemetery Perpetual Care Trust Funds (Cemetery Commission/ DPW Director)

Article 6 – Local PEG Access Appropriation (SB)

Article 26 -Elementary School Tax Mitigation Stabilization Fund Appropriation (SB, WC, SC)

Municipal Building and Capital Stabilization Funds

Town Meeting Action: Articles 9 to 12

Article 9 - Appropriation to the Capital Stabilization Fund (SB)

Article 10 – Capital Projects Appropriations: Non-Buildings (SB, CBC)

Article 11 – Transfers to the Municipal Building Capital Stabilization Fund (SB)

Article 12 – Capital Projects Appropriations: Municipal Buildings (SB, CBC)

Other Financial Articles

Town Meeting Action: Articles 13, 21 to 25, 27

Article 13 - FY 2026 Operating Budget (WC)
Article 21 - Appropriation for Danielson Pond (Con Comm)
Article 22 - Appropriation for Conservation Trust Fund (Con Comm)
Article 23 – MSH/Overlook Environmental Review Appropriation (SB)
Article 24 – Park & Rec Modular Appropriation (Park & Rec Commission)
Article 25 – Elementary School Feasibility Study Funding (SB, SC and SBC)
Article 27 – Prior Year Bills (SB)

Town Meeting Action: Article 30 - Free Cash (Board of Assesors)

Water and Sewer

Enterprise Fund

Town Meeting Action: **Article 14**

- **FY 2026 Water and Sewer Enterprise Fund Budget (Water & Sewer Board/DPW Director)**

Sewer Budget / Retained Earnings Transfer

Town Meeting Action: **Article 8**

– **FY 2025 Sewer Budget/Retained Earnings Transfer (Water & Sewer Board/DPW Director)**

GENERAL ARTICLES 15 to 20

Town Meeting Action: Articles 15 to 20

Article 15 – Senior Exemption Amendment (Increase in Exemption) (SB)
Article 16 – Senior Exemption Amendment (Increase in Asset Limit) (SB)
Article 17 – Senior Exemption Amendment (Increase in Income Limit) (SB)
Article 18 – Senior Tax Work-Off Amendments (SB)
Article 19 – Veterans Exemptions (SB)
Article 20 - Cemetery Expansion (DPW, Cemetery Comm)

ZONING ARTICLES 28 - 29

Town Meeting Action: **Articles 28 -29**

Article 28 – Floodplain District (Planning Board)

Article 29 – Accessory Dwelling Units (Planning Board)

Thank You For Your Interest in the Town's Finances and Articles before Town Meeting

MORE IMPORTANTLY THANK YOU FOR BEING AN INVOLVED, PARTICIPATORY MEMBER OF OUR LEGISLATURE AT TOWN MEETING – MONDAY, MAY 5, 2025

Additional financial information is available:

Town Meeting Warrant Book

Town Website: www.town.medfield.net

- **FY 2026 Municipal and School Budget Summary**
- **FY 2026 Municipal and School Departments Annual Budget Detail Book.**
- **Annual financial statements**
- **Financial Policies**
- **Warrant Committee web site**

Comments or Questions for Warrant Committee?
email: warrantcommittee@medfield.net