

To: Board of Finance

From: Lynne Vanderslice

Date: November 14, 2023

RE: Changes to FY2025 Mill Rate Projection

The following is information related to changes provided to Matt Raimonde for the FY25 mill rate projection:

- **Debt Service.** The previous projection was the amount presented at the ATM. The new projected budget excludes the debt service on the proposed turf field, reflects the actual interest rate of the May 2023 bond sale and reflects an adjustment to bond premium amortization. The net reduction was approximately \$300,000.
- **School and Town Building Maintenance Fund.** This is a proposed line item. For a number of years the Boards of Selectmen, Finance and Education discussed possible funding mechanisms outside of the BOE budget to fund non-bondable maintenance and repairs that exceeded the approximate \$500,000 included in the BOE annual budget. This line item represents a new proposal to be presented at the November 27th joint meeting. In the meantime, I suggested the addition of the line item with \$300,000 of funding as a placeholder. The amount was based on the reduction in the debt service projection.

Prior to the November 27th meeting, you will receive a copy of the consultant's presentation, a spreadsheet with detailed recommended spending by item, by priority, by school and a presentation on possible funding options. The detailed recommended spending includes spending that would typically be funded by the BOE operating budget, capital spending that would typically be funded by bonding, and non-bondable spending that is bondable if done as part of a school building renovation.

- **Board of Selectmen Budget Request.** The forecasted operating capital request was reduced by \$70,000.

Over the last 8 years, the Board of Selectmen requested significantly lower annual increases due to a number of factors, including consolidation and elimination of positions, modernization of operations, a significant number of retirements, allowing for new employees to be hired at a lower wage rate, budgeted vacancies as we sought to fill those positions and the move to the state medical plan. You may have noted the FY2025 projected medical benefits budget is basically flat with the FY2021 approved budget due to that move.

At this point, we don't anticipate any new large initiatives for the FY2025 budget.