

Wendell Finance Committee



**Annual Town Meeting
June 8, 2024**

Who are we? We're FinCom

The Finance Committee consists of five members appointed by the Selectboard.

Current members:

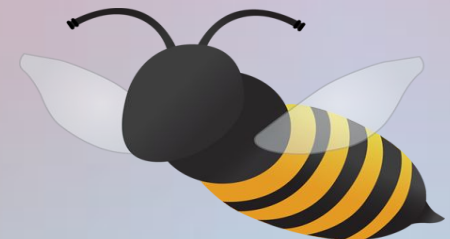
Meagan Sylvia (co-chair)

Thomas Richardson (co-chair)

Garrett Sawyer

Al MacIntyre

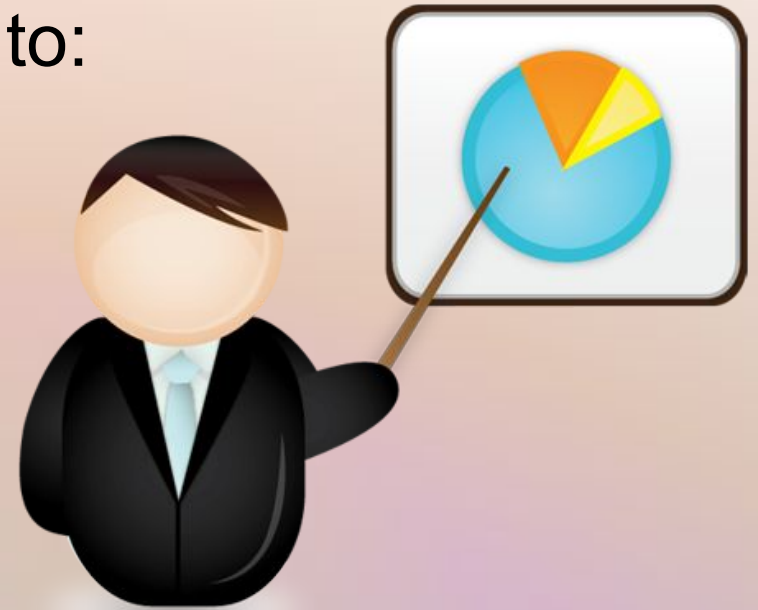
We have a vacancy!



What do we do?

The four main roles of the Finance Committee relating to municipal finance are to:

- **collaborate**
- **advise**
- **collect & organize data**
- **plan**



This includes compiling the budget requests of various town committees and boards into the annual operating budget (omnibus budget), which is voted at Town Meeting, and making recommendations on these and other issues which impact the town financially.

FinCom Budget Priorities

Balancing the Needs of Both Town Departments and Taxpayers

Aiming to keep tax rates as low as feasible while still allowing departments to do their jobs well.

Reasonable Compensation for Town Employees

Recently we've recommended increases in salaries and stipends for key employees, elected officers, and part time workers. Replacing and retaining experienced employees has become regionally competitive, and it's critical to keep pace in order to remain a viable employer.

FY25 Budget

Total Proposed Budget
Appropriation (Article 4) of
\$ 3,938,587

Up 8% from FY24

Total Operating Budget of
\$4,224,587

Up 8% from FY24

Operating Budget Changes

Department	FY'24	FY'25	\$ Change	% Change
Schools and Education	\$2,078,388	\$2,379,784	\$292,396	15%
Insurance, Interest & Assessments	\$235,931	\$220,823	\$-15,108	-7%
General Government	\$300,797	\$317,373	\$16,576	6%
Wendell Town Library	\$67,396	\$69,513	\$2,117	3%
Veterans Benefits & Services	\$21,171	\$21,381	\$210	1%
Protection	\$256,903	\$291,681	\$34,778	14%
Town Properties	\$75,646	\$89,844	\$14,198	19%
Highways / DPW	\$569,735	\$521,870	\$-47,865	-8%
Health & Sanitation	\$24,332	\$26,588	\$2,256	9%

Where Money Comes From

State Gov't. \$553,763

- Unrestricted Local Aid
- PILOT (*Payment in Lieu of Taxes*)
- Chapter 70 (School Transportation)

Town Gov't. (*Local Receipts*) \$313,390

- Fees, Taxes & Local Revenue

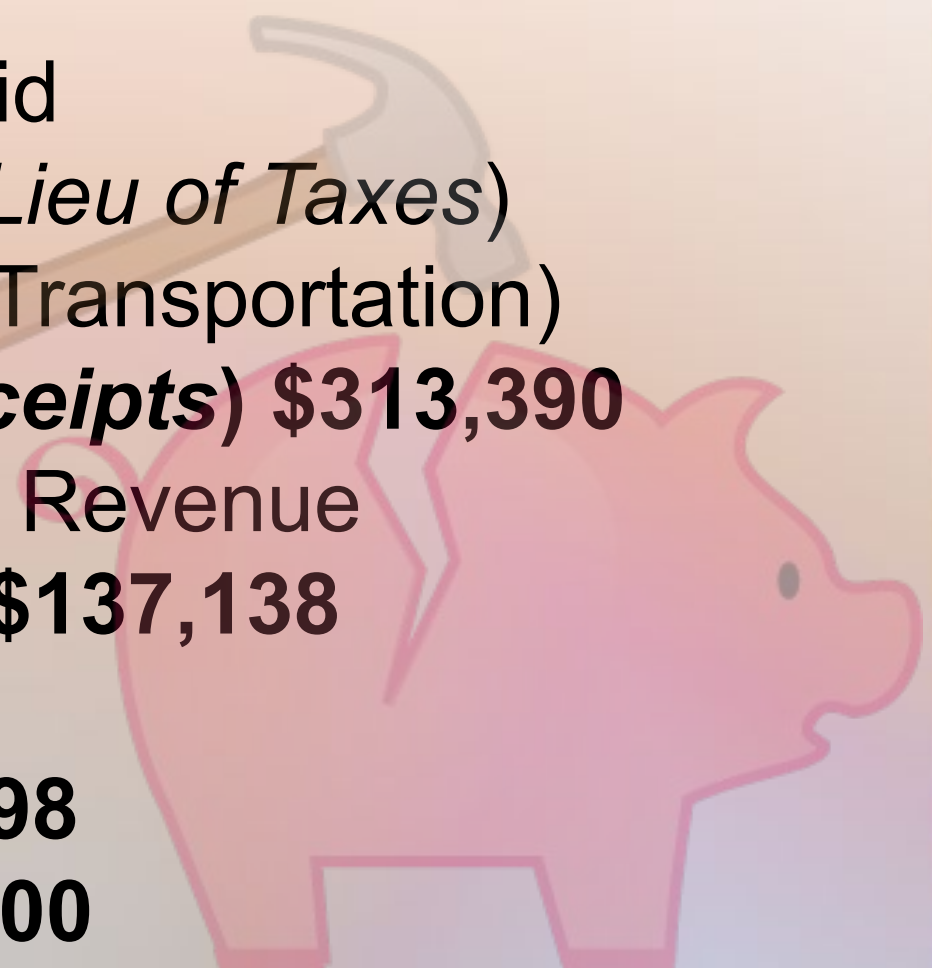
MLP Enterprise Fund \$137,138

Transfer

- Free Cash **\$109,298**
- Stabilization **\$281,000**

Property Tax Rate of \$22.59

(The Levy) \$3,096,434



STABILIZATION FUND

- Capital Projects - Buildings, vehicles
 - Flexibility in payment for projects & events with anticipated reimbursement – tornadoes etc.
 - Occasional subsidizing of tax rate (tax relief)
 - Funding unanticipated expenses or a way to maintain town services in the case of hitting tax ceiling.
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- ENDING BALANCE '23: \$763,432
 - '24: \$532,432
 - '25: \$251,432 (+\$109K Free Cash)

Property Tax

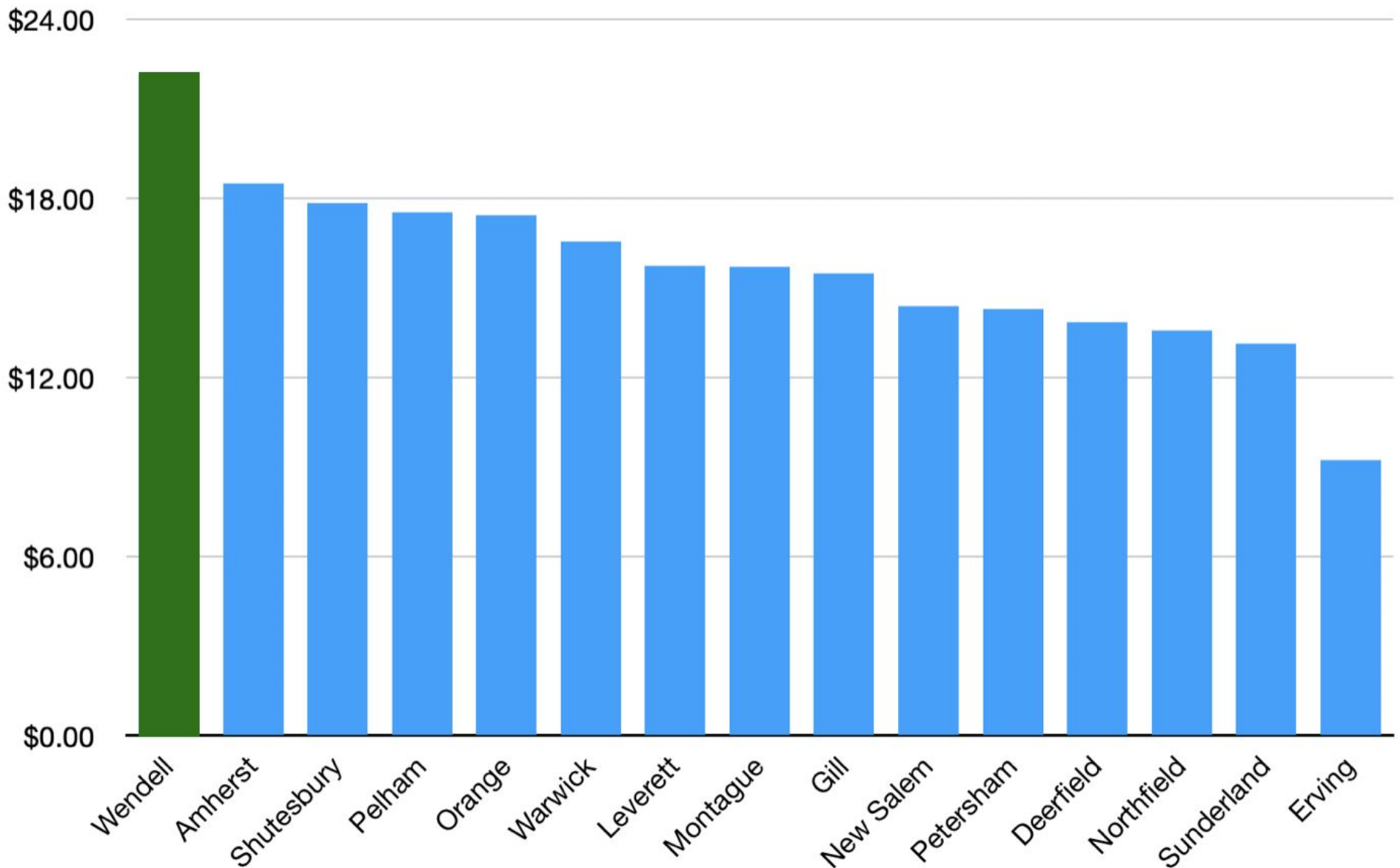
- Town Meeting decides how much to spend, and what of that should be “**raised and appropriated**”.
- After other income sources are accounted for, the remainder must be collected from **taxes**. This is referred to as the **total levy**.
- The Assessors decide how much each property is worth; its **valuation**. Valuations must be approved by the state before tax bills are issued.
- From these numbers the **tax rate** is defined, and the tax collector sends tax bills.



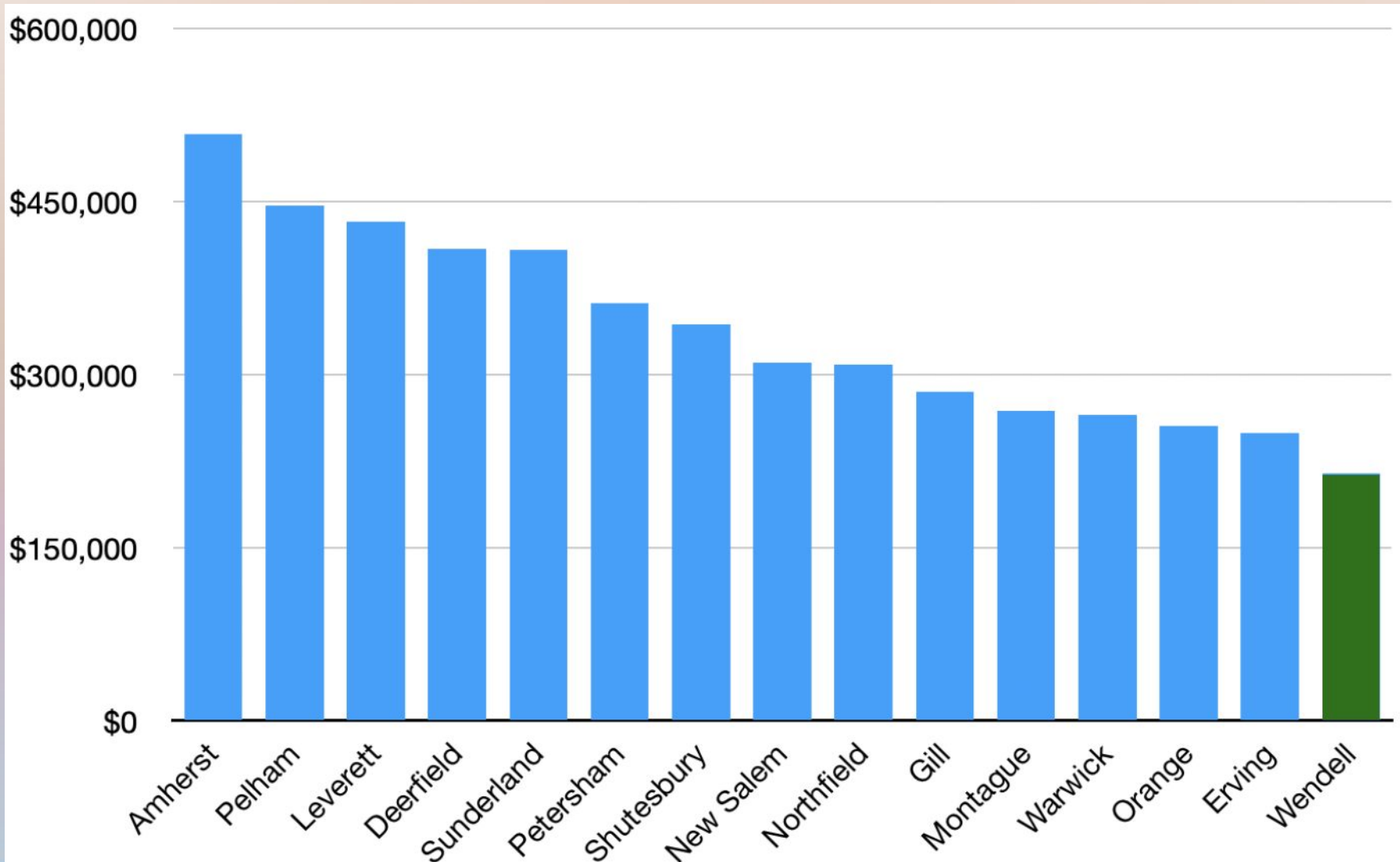
Are Wendell taxes high?

- Wendell has a higher tax **rate** than any of our neighbors. But hang on . . .
- We pay tax **bills**, not the tax **rates**
- (tax rate) X (assessed value) = tax bill
- Are our tax **bills** high? Let's see . . .

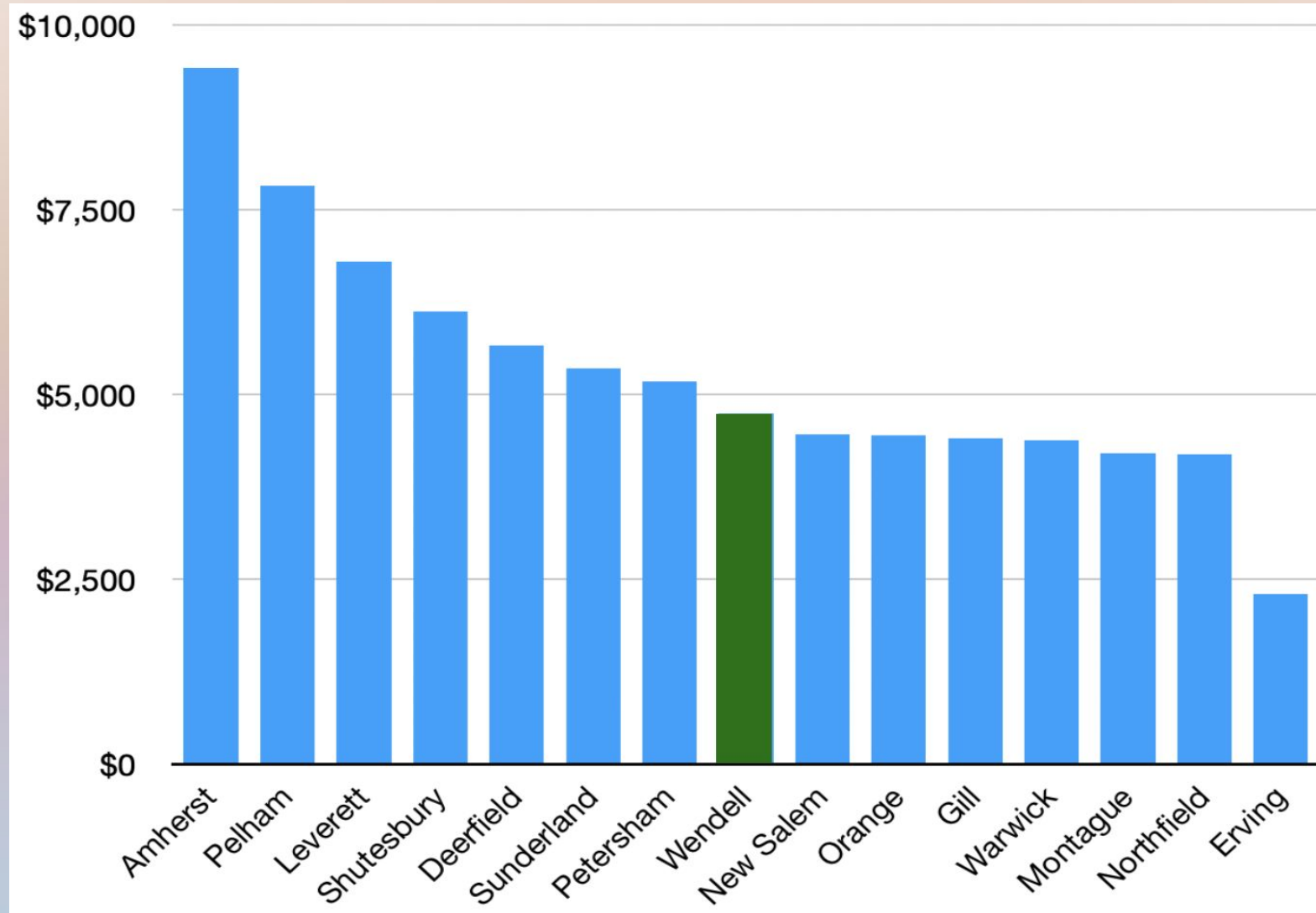
- (**tax rate**) X (assessed value) = tax bill
- We have the highest tax **rate**



- (tax rate) X (**assessed value**) = tax bill
- . . . But we have the **lowest** average single family house assessment



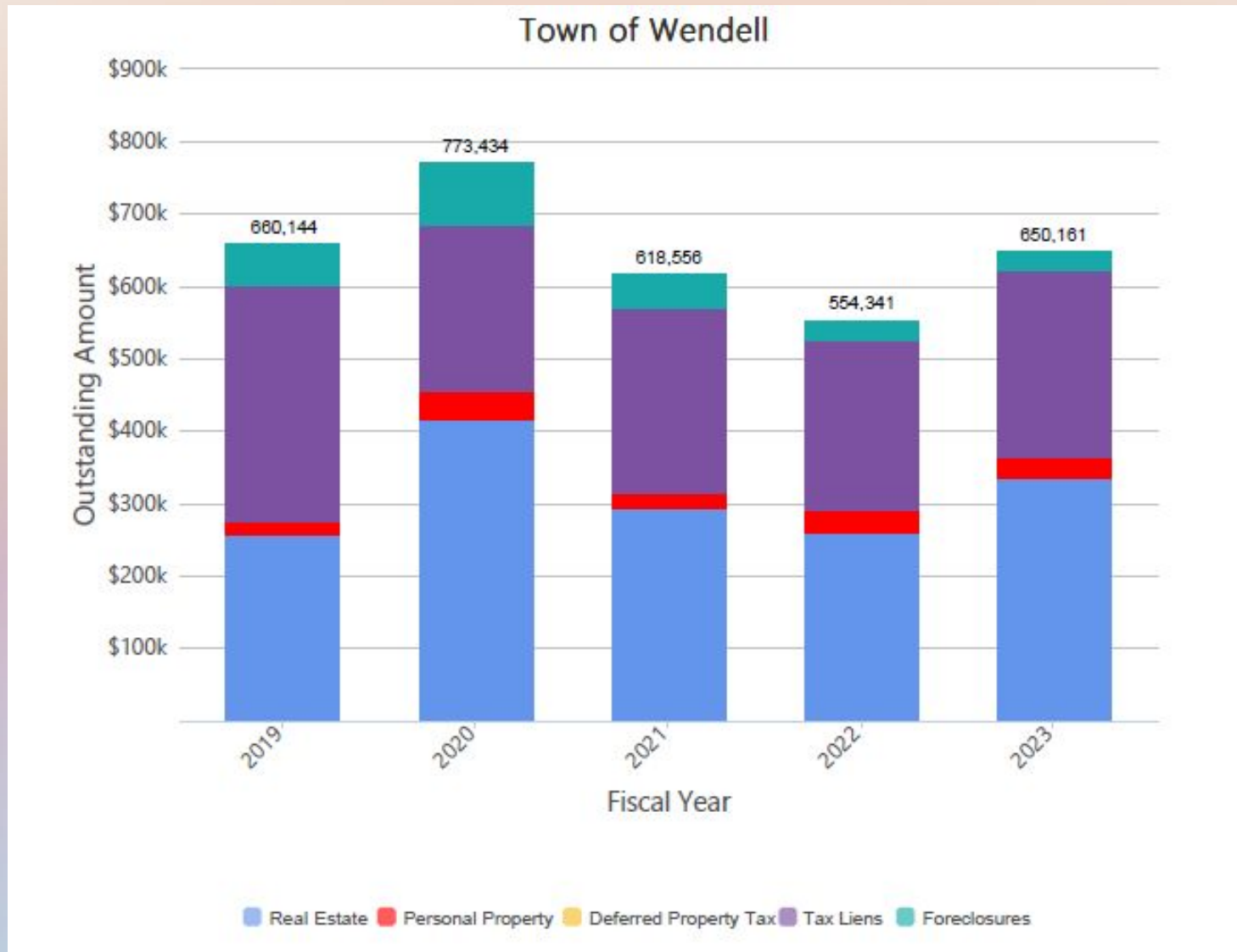
- (tax rate) X (assessed value) = **tax bill**
- **High** tax rate and **low** assessments put our tax bills in the **middle of the pack**



Are Wendell taxes high?

- It's common to focus on our high tax rate, but that's just one piece of the equation.
- Our low assessed property values make our tax bills pretty typical for our region.
- Our average tax bills are in the bottom 25% of Massachusetts towns
- Our average income is lower than 96% of MA towns, so we strive to keep tax bills as low as we can while providing good services to our people.

Outstanding Real Estate, Personal Property, Tax Lien & Foreclosure Receivables



Debt Obligations & Capital Planning

Current

Item	Balance	Years Remaining	Yearly Principal Payment
Town Buildings	\$707,919	14	\$33,000
Backhoe	\$23,225	Last Year	Last Payment
SRS Windows & Doors	\$119,470	14	\$8,535
MLP	\$1,156,948	14	\$82,640

Potential Future Capital Expenditures

Item	Cost
Fire Tanker Truck	\$250,000-\$500,000
Replacement Dump Truck	\$100,000

Capital Improvement Plan

Anticipated Expenses



Potential Expenses: Dump truck, tanker truck, Smeal fire truck, Replacement heating & cooling systems, Police cruiser, SRS maintenance projects, building repairs, hardware and software

Future Budget Planning

- Wendell's FY2025 levy (the amount the town raises through real and person property taxes) is nearly at the Levy Limit constrained by proposition 2 ½.
- Prop 2/12 - Constrains the Levy Limit increase each year based on the previous year's levy, and
 - An automatic 2.5% increase
 - New growth
 - Overrides

• **Override?**

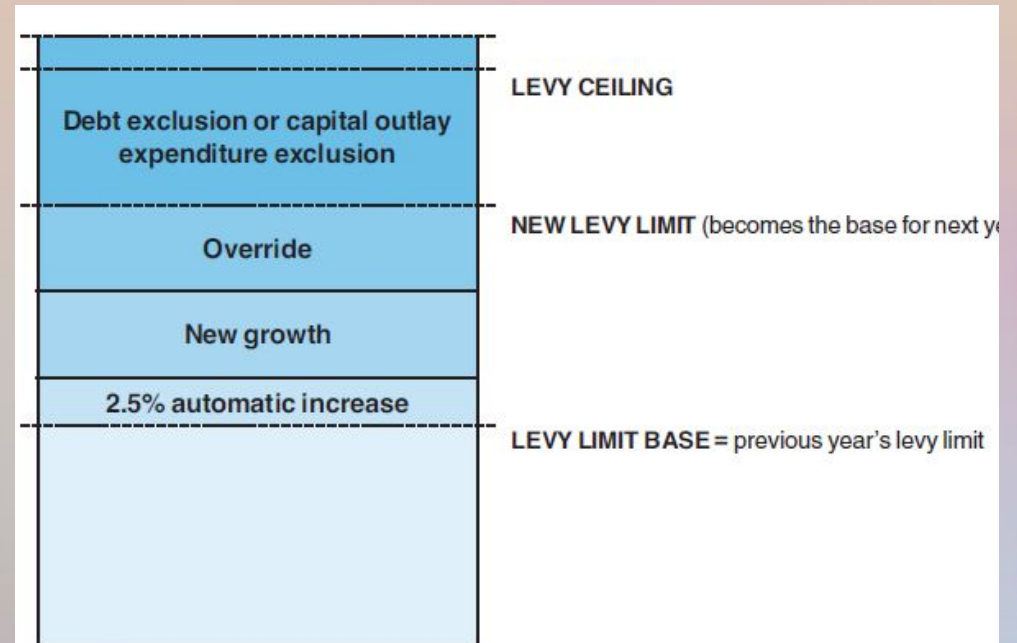


Figure 4b

Thank you