



TOWN OF DEDHAM
Leon I. Goodwin III, Town
Manager

Town of Dedham
450 Washington Street
Dedham, MA 02026
781-751-9100
lgoodwin@dedham-ma.gov

Memo

April 1, 2024

To: Finance and Warrant Committee

From: Leon I. Goodwin III, Town Manager

Dear Finance and Warrant Committee Members,

In response to the questions and requests for additional information from your March 20, 2024 public meeting, we have prepared the enclosed packet that includes the following:

- Historical Free Cash Use
- Historical School Department Spending
- Estimated FY25 ASFH Tax Impact
- OPEB Information
- General Fund and Enterprise Fund FTEs
- School Department Budget

Thank you for taking the time to review this information. Please do not hesitate to contact me if you have additional questions.

Regards,
Leon I. Goodwin, III
Town Manager



TOWN OF DEDHAM
Leon I. Goodwin III, Town
Manager

Town of Dedham
450 Washington Street
Dedham, MA 02026
781-751-9100
lgoodwin@dedham-ma.gov

To: Finance and Warrant Committee

From: John Arnett, Director of Finance

CC: Leon I. Goodwin III, Town Manager

Date: April 1, 2024

Re: Historical Free Cash Use

The following has been prepared in response to a request for historical Free Cash balances. Free Cash is the annual surplus in the Town's operating budget that results from higher than budgeted revenues or lower than budgeted expenditures. These funds are certified annually by the Massachusetts Department of Revenue and are then available for allocation by Town Meeting, at either the Fall or Spring meeting. The "Fall Use" and "Spring Use" columns below show the amount of Free Cash that was allocated by that year's Fall and Spring Town Meetings. Spring Use and Anticipated Ending Balance for Fiscal Year 2024 show the projected use recommended in the Town Manager's budget.

Free Cash History				
Fiscal Year	Certified Free Cash	Fall Use	Spring Use	Anticipated Ending Balance
2024	\$ 7,185,616	\$ 965,721	\$ 3,933,000	\$ 2,286,895
2023	\$ 9,122,206	\$ 519,258	\$ 3,909,488	\$ 4,693,460
2022	\$ 5,928,690	\$ -	\$ 2,500,625	\$ 3,428,065
2021	\$ 4,376,828	\$ 644,724	\$ 1,822,500	\$ 1,909,604
2020	\$ 6,027,596	\$ 1,938,380	\$ 2,223,087	\$ 1,866,129
2019	\$ 6,038,748	\$ 3,890,574	\$ 1,310,682	\$ 837,492
2018	\$ 6,905,303	\$ -	\$ 3,958,319	\$ 2,946,984
2017	\$ 8,952,059	\$ 50,000	\$ 5,641,168	\$ 3,260,891
2016	\$ 16,256,612	\$ -	\$ 13,449,626	\$ 2,806,986



TOWN OF DEDHAM

Leon I. Goodwin III, Town
Manager

Town of Dedham
450 Washington Street
Dedham, MA 02026
781-751-9100
lgoodwin@dedham-ma.gov

To: Finance and Warrant Committee

From: John Arnett, Director of Finance

CC: Leon I. Goodwin III, Town Manager

Date: April 1, 2024

Re: Historical School Department Spending

The following has been prepared in response to a request for historical information on the School Department's budgeted spending as a percentage of the overall Town operating budget. Table 1 shows the total Education Cost excluding Regional Schools, which are Blue Hills Regional Technical School and Norfolk Agricultural School. Table 2 shows the total Education cost including the two regional schools.

Total Education Cost includes:

- School Department operating budget
- Retired teachers health insurance assessment from the state
- Other Post Employment Benefits for retired School Department employees
- Health insurance costs for current School Department employees
- Medicare tax for current School Department employees
- Debt service for School Department bonded projects



TOWN OF DEDHAM
 Leon I. Goodwin III, Town
 Manager

Town of Dedham
 450 Washington Street
 Dedham, MA 02026
 781-751-9100
 lgoodwin@dedham-ma.gov

Table 1. Education Cost Excluding Regional Schools

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Education Cost	65,202,057	63,569,516	67,823,012	68,698,716	70,452,543	73,382,512	76,172,136
Total Operating Budget	107,687,948	104,805,782	112,271,223	115,375,121	119,412,212	125,345,104	132,681,998
Percent School	60.5%	60.7%	60.4%	59.5%	59.0%	58.5%	57.4%
Percent Town	39.5%	39.3%	39.6%	40.5%	41.0%	41.5%	42.6%

Table 2. Education Cost Including Regional Schools

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Education Cost	66,706,877	65,079,288	69,756,734	70,725,360	72,531,956	75,630,506	78,393,792
Total Operating Budget	109,192,768	106,315,554	114,204,945	117,401,765	121,491,625	127,593,098	134,903,654
Percent School	61.1%	61.2%	61.1%	60.2%	59.7%	59.3%	58.1%
Percent Town	38.9%	38.8%	38.9%	39.8%	40.3%	40.7%	41.9%



TOWN OF DEDHAM
Leon I. Goodwin III, Town
Manager

Town of Dedham
450 Washington Street
Dedham, MA 02026
781-751-9100
lgoodwin@dedham-ma.gov

To: Finance and Warrant Committee

From: John Arnett, Director of Finance; Kevin Doyle, Director of Assessing

CC: Leon I. Goodwin III, Town Manager

Date: April 1, 2024

Re: Estimated FY25 ASFH Tax Impact

The following has been prepared in response to a request for the projected average tax impact of the FY25 Town Manager's proposed budget. Tax rates are calculated per \$1,000 of assessed value and are updated every December. Assessed value is based on "full and fair cash value," or 100% of the fair market value. Every year, the Select Board votes to set the tax rate and the shift factor that dictates the percentage of the tax levy that commercial properties will contribute. To estimate the future year's average single family tax bill, we use the current fiscal year's assessed value and tax shift combined with the future fiscal year's proposed tax levy. This information is then applied to the current fiscal year's average single family home value. The table below shows the projected FY25 tax impact, which is an increase of \$577 or 6.24% over the average FY24 tax bill. Actual FY25 tax bills will vary based on the assessed value of each property, as well as the tax rate and shift approved by the Select Board.

Average Single Family Tax Bill			
	2023	2024	2025
Tax Levy	\$ 101,712,664	\$ 109,648,329	\$ 116,498,445
Average Single Family Value	\$ 668,273	\$ 739,506	\$ 739,506
Average Single Family Tax Bill	\$ 8,581	\$ 9,244	\$ 9,821
\$ Increase	\$ 601	\$ 663	\$ 577
% Increase	7.53%	7.73%	6.24%



TOWN OF DEDHAM
Leon I. Goodwin III, Town
Manager

Town of Dedham
450 Washington Street
Dedham, MA 02026
781-751-9100
lgoodwin@dedham-ma.gov

To: Finance and Warrant Committee

From: John Arnett, Director of Finance

CC: Leon I. Goodwin III, Town Manager

Date: April 1, 2024

Re: OPEB (Other Post Employment Benefits) Funding Level

The following has been prepared in response to a request for the total amount needed in fiscal year 2025 to fully fund the Town's OPEB contribution. Additional information was requested to provide the Town's total asset level and total funding ratio.

The Town's most recent valuation and Actuarially Determined Contribution (ADC) were calculated through fiscal year 2023. The Town is undergoing a new evaluation and will have an updated report in the Summer of 2024.

As of fiscal year 2023, the Town's total liability is \$112,076,282, \$29,858,232 of which is funded. This means the Town's current funding ratio is 26.64%. To fully fund the growing liability costs projected by 2042, the Town would have had to budget \$5,001,405 in fiscal year 2024 and an estimated \$6,500,000 in fiscal year 2025. The Town of Dedham is among the top performers in OPEB funding ratios in the State of Massachusetts, with many towns below the 5% funded ratio.



TOWN OF DEDHAM
Leon I. Goodwin III, Town
Manager

Town of Dedham
450 Washington Street
Dedham, MA 02026
781-751-9100
lgoodwin@dedham-ma.gov

To: Finance and Warrant Committee

From: Leon I. Goodwin III, Town Manager

CC: John Arnett, Director of Finance

Date: April 1, 2024

Re: General Fund and Enterprise Fund FTEs

The following has been prepared in response to a request for more information on the Full Time Equivalent employees that have been transferred from the General Fund to the Enterprise Fund over time. In FY 2023, the Town had a part time Conservation Agent and a full time Assistant Conservation Agent. In FY 2024, the Town made the Conservation Agent position full time and held the Assistant Conservation Agent position vacant. At the same time, the Stormwater Manager position and Environmental Specialist positions were created to help administer the Stormwater Enterprise Fund activities. The Stormwater Manager is fully funded through the Stormwater Enterprise Fund, while the Environmental Specialist is funded 50% through the General Fund and 50% through the Stormwater Enterprise Fund. The total number of FTEs is included in the table below.

FY 2023	
General Fund FTE: 1.64	Conservation Agent: .64 FTE Assistant Conservation Agent: 1.0 FTE

FY 2024	
General Fund FTE: 1.5	Conservation Agent: 1.0 FTE Environmental Specialist: .5 FTE
Stormwater Enterprise FTE: 1.5	Stormwater Manager: 1.0 FTE Environmental Specialist: .5 FTE



TOWN OF DEDHAM
Leon I. Goodwin III, Town
Manager

Town of Dedham
450 Washington Street
Dedham, MA 02026
781-751-9100
lgoodwin@dedham-ma.gov

To: Finance and Warrant Committee

From: Leon I. Goodwin III, Town Manager

CC: John Arnett, Director of Finance

Date: April 1, 2024

Re: School Department Budget

The following has been prepared in response to a request for clarification regarding the School Department budget presentation compared with the Town Manager budget message. The School Department has historically used slightly different budgeting practices than other Town departments, due to the unique nature of public school funding sources and reporting requirements. The Town presents the Schools operating budget in Article Three of the Spring Town Meeting Warrant in three different ways:

- Dedham Public Schools
 - This line represents the DPS education budget
- Total: DPS
 - This line represents the DPS education budget + School Facilities budget
- Total (Net) Education:
 - This line represents the DPS education budget + Regional School Districts budget

In addition to these lines in Article Three, the Schools budget is also shown on the Town's "Sources and Uses of Funds" table in the Warrant Book. This table pulls out operating capital from all departments and lists it in a consolidated line. This table shows the lines:

- Dedham District Education
 - This line represents the DPS education budget, less operating capital
- Schools
 - This line represents the DPS education budget + Regional School Districts, less operating capital

We are exploring ways to streamline the process to illustrate the Town's education budget and most effectively communicate budget changes.

For FY 2025, Dedham Public Schools presented a total budget request of \$58,502,252. The Town Manager's recommended total DPS budget is \$58,558,234.