



FISCAL YEAR 2025
PROPOSED MUNICIPAL BUDGET
SELECT BOARD UPDATE

March 11, 2024

FY2025 Budget – March 11, 2024

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- ❑ This presentation is meant to be a broad overview
- ❑ Behind ideal schedule due to personnel changes
- ❑ Administration has met with all Town departments
- ❑ Continue reviewing departmental requests and updating budget model
- ❑ Final Budget Hearing March 25, 2024
- ❑ Annual Town Meeting April 22, 2024

Community Demographics FY2024

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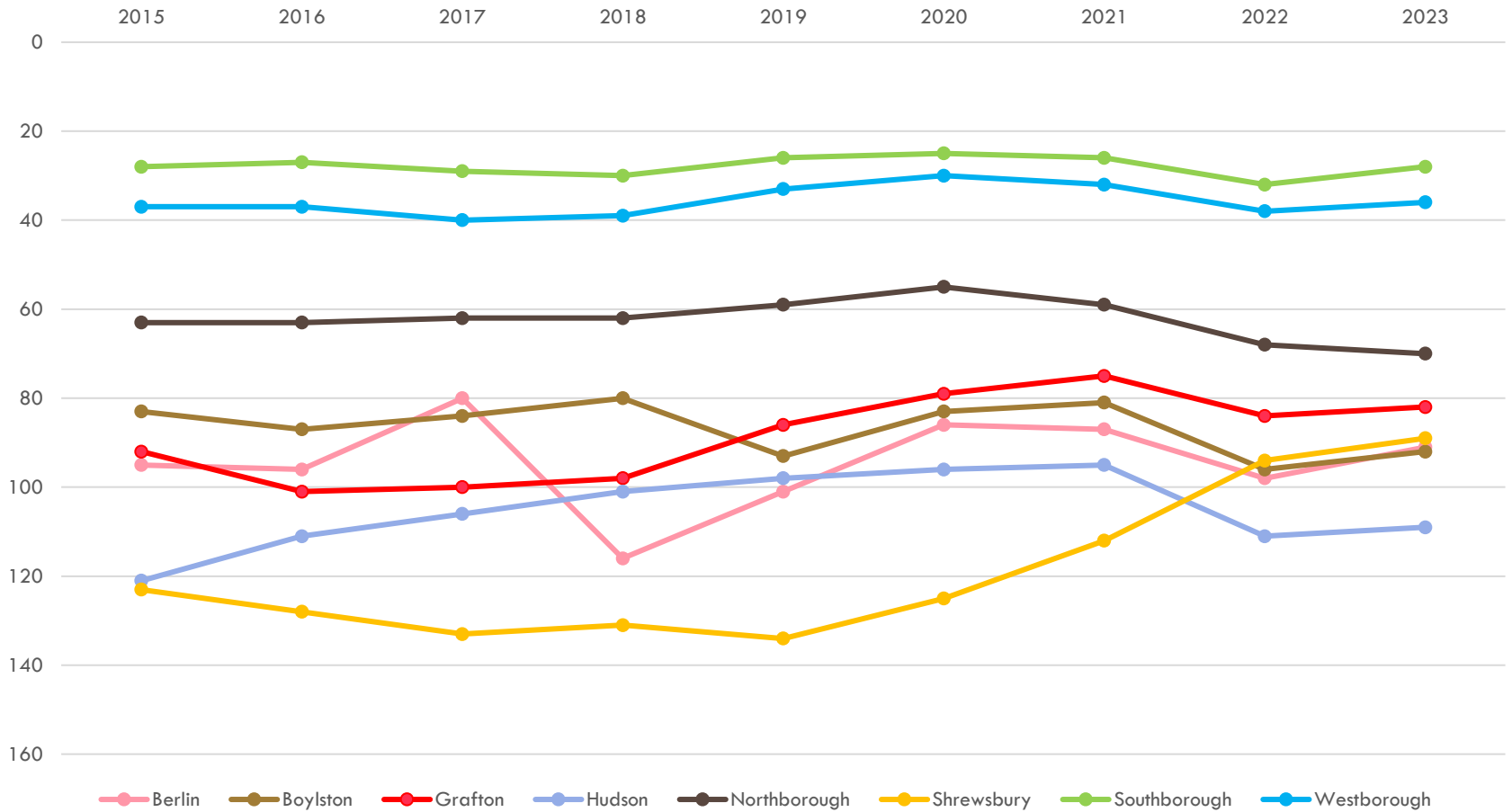
Item	
Population	15,600+
Average home value	\$624,468
Average tax bill	\$8,917
Total property value	\$4.255B+
Single tax rate	\$14.28 / \$1,000
Residential / CIP	73% / 27%
Bond rating	Moody's AA1

Surrounding Communities

Municipality	Population	FY2024 ASFHV	Per Capita Income	2024 Bill	Tax Effort	2023 Rank
Hudson	19,790	555,573	44,478	7,778	17.49%	109
Boylston	4,882	581,920	65,579	8,036	12.25%	92
Shrewsbury	38,999	667,316	44,478	8,261	12.68%	89
Berlin	3,674	653,359	54,143	8,330	15.39%	91
Grafton	19,756	596,235	55,978	8,532	15.24%	82
Northborough	15,667	624,468	64,398	8,917	14.26%	70
Westborough	21,499	711,740	62,154	11,680	18.79%	36
Southborough	10,421	893,361	122,554	12,427	10.14%	28

Surrounding Communities

Statewide Ranking



FY2025 Budget Outlook

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- Continued national and state economic uncertainty
 - Governor's Budget increases local aid 1.46%, continues to not keep pace with local demands
 - New growth tapers off as Town approaches buildout
- Challenge to maintain level service
 - School budget requests including regional assessments increase 5.5%
 - Fixed cost items increasing carried in Town Budget (health insurance, pension, PAYT subsidy)
 - Town Departments addressing pent up needs in budget requests

FY2025 Budget – New Revenues

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□ Property Taxes	
▣ Proposition 2½ Increase:	\$1,558,606
▣ <u>New Growth (\$30M Value):</u>	<u>\$ 428,400</u>
▣ Subtotal:	\$1,987,006
□ State Aid	
▣ Governor’s Budget (1.46%)	\$ 86,512
□ Local Receipts	
▣ <u>Increased Investment Income</u>	<u>\$ 400,000</u>
TOTAL “NEW” REVENUE	\$2,473,518

FY2025 Budget – Revenues

- Property Taxes – Levy Capacity
 - Prior Year Unused Capacity: \$4,046,499
 - Used to Balance Budget: -2,029,940
 - Remaining: \$2,016,559

- Transfers- Underwrite Town Departments
 - Fire Dept Revolving \$ 377,861
 - Cable Receipts Reserved \$ 313,416
 - Recreation \$ 100,000
 - All Other Estimated \$ 158,935
 - Total Transfers/Other Funds \$ 950,212

FY2025 Budget – Revenues

- General Fund's Fund Balance / Free Cash Plan
 - Free Cash Plan - \$3,572,920 Certified
 - Use \$3,072,920 to Fund CIP, Reserve Fund, Stabilization Transfer, apply \$500k to Operating Budget, & leave \$500k remaining in reserves
 - Overlay Surplus - \$600,000 declared & proposed for use in CIP

FY2025 Budget – Total Revenues

CURRENT BUDGET MODEL 3.11.2024					
	FY2023	PROPOSED FY2024	REVISED FY2024	PROPOSED FY2025	% CHANGE
LEVY LIMIT CALCULATION					
Prior Year Levy Limit	\$57,890,129	\$60,232,198	\$60,232,198	\$62,344,239	
Add 2.5%	\$1,447,253	\$1,505,805	\$1,505,805	\$1,558,606	
Add New Growth	\$894,816	\$591,600	\$606,236	\$428,400	
True Levy Limit	\$60,232,198	\$62,329,603	\$62,344,239	\$64,331,245	3.48%
Add Total Net Debt Exclusions	\$2,065,769	\$2,483,417	\$2,472,690	\$2,513,207	1.64%
Adjusted Levy Limit	\$62,297,967	\$64,813,020	\$64,816,929	\$66,844,452	3.13%
REVENUES					
Adjusted Levy Limit	\$62,297,967	\$64,813,020	\$64,816,929	\$66,844,452	
Less Unused Levy Capacity	(\$4,790,839)	(\$3,868,927)	(\$4,046,499)	(\$2,051,858)	
Total Tax Receipts	\$57,507,128	\$60,944,093	\$60,770,430	\$64,792,594	6.62%
State Aid	\$5,759,836	\$5,875,821	\$5,929,537	\$6,016,049	1.46%
Free Cash (Operating)	\$500,000	\$500,000	\$500,000	\$500,000	
Free Cash (Reserve)	\$175,000	\$175,000	\$175,000	\$175,000	
Free Cash (Stabilization)	\$200,000	\$200,000	\$200,000	\$200,000	
Free Cash (Capital)	\$2,024,000	\$1,105,000	\$1,105,000	\$2,197,920	
Free Cash	\$2,899,000	\$1,980,000	\$1,980,000	\$3,072,920	55.20%
Overlay Surplus (Capital)	\$0	\$0	\$0	\$600,000	
Local Receipts	\$4,198,118	\$4,000,000	\$4,096,299	\$4,400,000	7.41%
Other Funds	\$854,621	\$891,826	\$891,826	\$950,212	6.55%
TOTAL GENERAL FUND REVENUES	\$71,218,703	\$73,691,740	\$73,668,092	\$79,831,775	8.37%

FY2025 Budget – Expenditures

■ School Budget Requested Increases

- K-8 School Department 3.99% \$1,118,370
- ARHS Assessments 7.97% \$1,121,308
- Assabet Assessments 11.96% \$ 155,702
- Total Requests 5.52% \$2,395,380

SCHOOL BUDGETS 3.11.2024

EXPENDITURES	FY2023	PROPOSED FY2024	REVISED FY2024	PROPOSED FY2025	% CHANGE
Schools					
Northborough K-8	\$26,692,953	\$28,001,227	\$28,001,227	\$29,119,597	3.99%
Algonquin 9-12 Operating	\$12,833,497	\$13,421,085	\$13,421,085	\$14,119,879	5.21%
Algonquin 9-12 Capital	\$0	\$0	\$0	\$242,077	
ARHS Debt Excluded Debt (Ad/Ren)	\$653,069	\$651,454	\$651,454	\$645,282	-0.95%
ARHS Non-Excluded Debt (Complex)	\$0	\$0	\$0	\$186,610	
Assabet	\$1,155,301	\$1,175,405	\$1,175,405	\$1,334,935	13.57%
Assabet Renovation Project	\$130,004	\$126,176	\$126,176	\$122,348	-3.03%
School Totals	\$41,464,824	\$43,375,347	\$43,375,347	\$45,770,727	5.52%

FY2025 Budget – Expenditures

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■ Town Budget Fixed Cost Increases	
□ Health Ins (pending 8% renewal) 4.40%	\$ 271,830
□ WRRS Retirement Assessment 11.20%	\$ 315,139
□ Solid Waste Subsidy 72.96%	\$ 251,840
□ <u>All Other Fixed Costs 2.55%</u>	<u>\$ 49,311</u>
□ Subtotal 7.87%	\$ 885,355
■ Town Department Requests (still developing)	
□ <u>Current Total 7.79%</u>	<u>\$1,107,649</u>
■ Total Town Budget Increase (7.82%)	\$1,993,004

FY2025 Budget – New Positions

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□ Police Department – Patrolman	\$ 78,840
▣ Reduce Sergeant/Add Lieutenant	\$ 24,083
□ Town Accountant	\$112,320
□ Town Clerk (19 hours)	\$ 25,083
□ DPW Admin Assistant (50% Enterprise)	\$ 33,408
□ Assistant Library Director	\$ 78,000
▣ Increase Library Assistant hours	\$ 13,314
□ <u>Health Insurance Benefits (4.5 FTE)</u>	<u>\$ 96,965</u>
Total	\$462,013

FY2025 Budget – Total Expenditures

CURRENT EXPENDITURE BUDGET MODEL 3.11.2024

EXPENDITURES	FY2023	PROPOSED FY2024	REVISED FY2024	PROPOSED FY2025	% CHANGE
Town Budget	\$24,501,963	\$25,476,532	\$25,476,532	\$27,469,536	7.82%
School Totals	\$41,464,824	\$43,375,347	\$43,375,347	\$45,770,727	5.52%
Warrant Articles					
Town Hall Reuse Article	\$10,000	\$0	\$0	\$0	
Reserve Fund	\$175,000	\$175,000	\$175,000	\$175,000	
Transfer to Stabilization	\$200,000	\$200,000	\$200,000	\$200,000	
Overlay Surplus Capital	\$0	\$0	\$0	\$600,000	
Free Cash Capital	\$2,024,000	\$1,105,000	\$1,105,000	\$2,197,920	
Transfer to OPEB Trust	\$300,000	\$550,000	\$550,000	\$600,000	
Total Debt Excluded Debt Service	\$1,683,878	\$1,918,035	\$1,918,035	\$1,868,380	-2.59%
Other Funds	\$854,621	\$891,826	\$891,826	\$950,212	6.55%
Adjustments	\$4,417		(\$23,648)		
TOTAL GENERAL FUND EXPENDITURES	\$71,218,703	\$73,691,740	\$73,668,092	\$79,831,775	8.37%
Water Enterprise Fund	\$2,636,103	\$2,772,795	\$2,772,795	\$2,914,998	5.13%
Sewer Enterprise Fund	\$2,397,488	\$2,508,481	\$2,508,481	\$2,763,283	10.16%
Solid Waste Enterprise Fund	\$928,113	\$1,040,684	\$1,040,684	\$1,292,650	24.21%

FY2025 Budget – Capital Plan

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- \$5,389,077 Requests less \$45M Fire Station
 - Police Department \$140,000 (1 Article/2 Cruisers)
 - Fire Department \$1,250,000 (1 Truck)
 - DPW Facilities \$530,000 (3 Projects)
 - DPW Highway \$1,675,000 (5 Articles)
 - DPW Water/Sewer \$520,000 (2 Articles)
 - K-8 School Department \$1,032,000 (4 Articles)
 - Includes \$900,000 Peaslee Feasibility Borrowing Auth
 - ARHS \$242,077 (CIP within Assessment)

FY2025 Budget – Capital Plan

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- **\$5,389,077 Requests less \$45M Fire Station**
 - Free Cash \$2,197,920
 - Tax Levy \$242,077 (ARHS CIP)
 - Other Funds \$810,839
 - Overlay Surplus \$600,000
 - Existing Articles \$172,000
 - Water Revenues \$20,000
 - Premium Reserve \$18,839
 - Enterprise Funds Free Cash \$492,399
 - Borrowing Authorization \$1,645,842
 - Peaslee School Feasibility \$900,000
 - Fire Department Rescue 1 \$745,842

FY2025 Budget – Reserves

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□ Fund Balances / Free Cash Plan

□ Certified Free Cash	\$3,572,920
□ Proposed Capital Plan	- 2,197,920
□ Operating Budget	- 500,000
□ Appropriations Reserve Fund	- 175,000
□ <u>Transfer to Stabilization</u>	<u>- 200,000</u>
□ Remaining	\$ 500,000

□ Status of Reserves

□ <u>Stabilization Fund (12/2023)</u>	<u>\$5,674,690</u>
□ Reserves with Free Cash	\$6,374,690
□ Versus \$80M Budget = 8% (within 5-10% per policy)	

FY2025 Budget – Tax Impact

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- Tax Impact to a ASFHV \$655,691
 - As presented: 7.0% or \$626

- Consideration of limits
 - With 3.5% Town Budget Increase: 5.2% or \$464
 - Department requests at 0%, fixed costs increase only
 - With 11% Town Budget Increase: 8.4% or \$745
 - All initial Dept requests granted, Health Ins at 10%

FY2025 Budget