



FISCAL YEAR 2025  
PROPOSED MUNICIPAL OPERATING BUDGET  
APPROPRIATIONS COMMITTEE

February 15, 2024

# FY2025 Budget – February 15, 2024

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- ❑ This presentation is meant to be a broad overview on the current status of budget
- ❑ Behind ideal schedule due to personnel changes
- ❑ Administration has met with all Town departments
- ❑ Continue reviewing and prioritizing departmental requests, and updating budget model as information become available
- ❑ 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	Bill	Tax Effort	2023 Rank
Hudson	19,790	555,573	7,778	17.49%	109
Boylston	4,882	581,920	8,036	12.25%	92
Shrewsbury	38,999	667,316	8,261	12.68%	89
Berlin	3,674	653,359	8,330	15.39%	91
Grafton	18,000	596,235	8,532	15.24%	82
Northborough	15,667	624,468	8,917	13.85%	70
Westborough	21,499	711,740	11,680	18.79%	36
Southborough	10,421	893,361	12,427	10.14%	28

# 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 5.6%
  - Fixed cost items increasing (health insurance, pension, PAYT subsidy) carried in Town Budget
  - 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>	\$ 428,400
▣ Subtotal:	\$1,987,006
□ State Aid	
▣ Governor’s Budget (1.46%)	\$ 86,512
□ Local Receipts	
▣ <u>Increased Investment Income</u>	\$ 400,000
TOTAL “NEW REVENUE”	\$2,473,518

# FY2025 Budget – Revenues

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- Property Taxes – Levy Capacity
  - ▣ Prior Year Unused Capacity: \$4,046,499
  - ▣ Used to Balance Budget: -1,298,043
  - ▣ Remaining: \$2,748,456
- Transfers- Underwrite Town Departments
  - ▣ Fire Dept Revolving \$ 377,861
  - ▣ Cable Receipts Reserved \$ 313,416
  - ▣ All Other Estimated \$ 158,723
  - ▣ Total Transfers/Other Funds \$ 850,000

# FY2025 Budget – Expenditures

## ▣ School Budget Requested Increases

- ▣ K-8 School Department 3.99% \$1,118,370
- ▣ ARHS Assessments 8.13% \$1,143,888
- ▣ Assabet Assessments 11.96% \$ 155,702
- ▣ Total Requests 5.57% \$2,417,960

DRAFT SCHOOL BUDGETS					
EXPENDITURES	FY2023	<u>PROPOSED</u> FY2024	REVISED FY2024	<u>PROPOSED</u> 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	\$14,142,458	5.37%
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%
<b>School Totals</b>	<b>\$41,464,824</b>	<b>\$43,375,347</b>	<b>\$43,375,347</b>	<b>\$45,793,307</b>	<b>5.57%</b>



# FY2025 Budget – Expenditures

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## ▣ Town Budget Fixed Cost Increases

▣ Health Ins (pending renewals) 10.00%	\$ 618,405
▣ WRRS Retirement Assessment 11.30%	\$ 315,139
▣ <u>Solid Waste Subsidy 72.96%</u>	<u>\$ 251,840</u>
▣ Subtotal 12.72%	\$1,185,384

# FY2025 Budget – Total Expenditures

## DRAFT EXPENSE BUDGET MODEL

EXPENDITURES	FY2023	<u>PROPOSED</u> FY2024	<u>REVISED</u> FY2024	<u>PROPOSED</u> FY2025	% CHANGE
Town Budget	\$24,501,963	\$25,476,532	\$25,476,532	\$26,750,359	5.00%
School Totals	\$41,464,824	\$43,375,347	\$43,375,347	\$45,793,307	5.57%
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	
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	\$850,000	-4.69%
Adjustments	\$4,417		(\$23,648)		
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$71,218,703</b>	<b>\$73,691,740</b>	<b>\$73,668,092</b>	<b>\$78,434,966</b>	<b>6.47%</b>
Water Enterprise Fund	\$2,636,103	\$2,772,795	\$2,772,795	\$2,885,234	4.06%
Sewer Enterprise Fund	\$2,397,488	\$2,508,481	\$2,508,481	\$2,770,581	10.45%
Solid Waste Enterprise Fund	\$928,113	\$1,040,684	\$1,040,684	\$1,292,650	24.21%
<b>TOTAL ALL FUNDS</b>	<b>\$77,180,407</b>	<b>\$80,013,700</b>	<b>\$79,990,052</b>	<b>\$85,383,431</b>	<b>6.74%</b>

# FY2025 Budget – TAX IMPACT

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- Tax Impact to a ASFHV \$655,691
  - With 5% Town Budget Increase: 5.87% or \$524
  - With 10.4% Town Budget Increase: 8.14% or \$726

# FY2025 Budget – Revenues

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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)	