



# FY 2025 Initial Budget

January 29, 2024





# Budget Approach & Process

## Budget Approach

The Town Manager's Office and Finance Director/Town Accountant have spent the last several weeks reviewing department requests, meeting with departments to better understand their needs, and scrutinizing our revenue projections to ensure we can justify every expense and that we're confident in our projections for revenue to fund those expenses. This has been a very iterative process that has involved every department at Town Hall. Our aim has been to conservatively estimate our revenue to avoid mid-year deficits while also accounting for new growth and new or expanded revenue sources to maximize our funding capacity. This approach has remained consistent in Town and resulted in the Town maintaining a healthy free-cash balance and avoiding the precarious financial situation many of our neighbors are currently in.

## Process/Timeline

Departments were asked to submit their requests by December 21, 2023 and to craft a budget that maintained level-service, assumed a 2.5% increase in labor, and that sought creative approaches to delivering the services residents expect. We spent the weeks following December 21 in multiple meetings with departments refining requests, considering their new requests, and collaborating on a proposed budget that works for everyone.

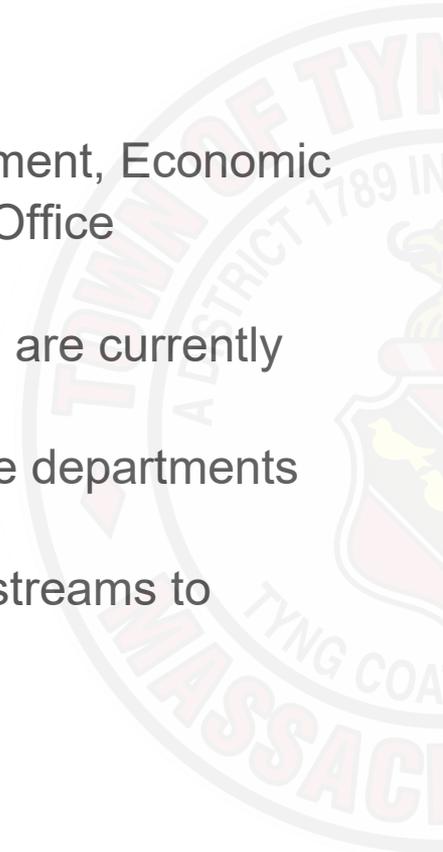
# Revenues



# Revenue Forecast

## How do we calculate the revenue forecast?

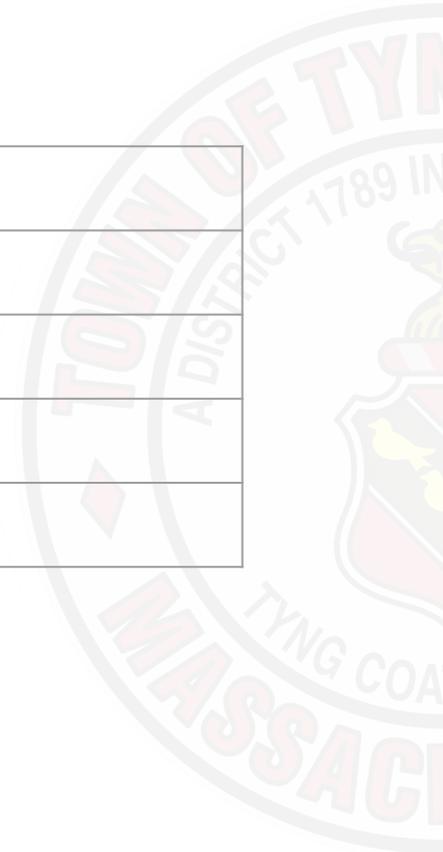
- Collaboration between the Assessors Office, Finance Department, Economic Development, Building Commissioner, and Town Manager's Office
- Look at 5 year trends
- Analyze the current FY trend to identify see how the numbers are currently tracking
- Incorporate anticipated new growth based off of input from the departments listed above
- Consider the factors that play into the various other revenue streams to identify anticipated changes in the coming fiscal year.



# Revenue Forecast

## What makes up our revenue?

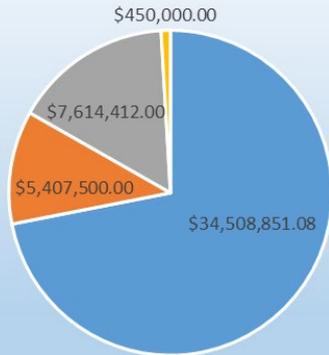
Levy Limit	\$34,508,851
Local Receipts	\$5,407,500
Net State Aid	\$7,613,490
Other Available Sources	\$450,000
<b>TOTAL</b>	<b>\$47,979,841</b>



# Revenue Forecast

What makes up our revenue?

**FY25 Revenue Sources**



■ Levy Limit  
 ■ Local Receipts  
 ■ Net State Aid  
 ■ Other Available Sources

**Property Tax Breakdown**



■ Residential  
 ■ Commercial  
 ■ Industrial  
 ■ Personal



# Revenue Forecast

Revenue Source	Amount
Levy Limit	\$34,508,851
Local Receipts	\$5,407,500
Net State Aid	\$7,613,490
Other Sources	\$450,000
<b>TOTAL</b>	<b>\$47,979,841</b>

Source	Amount	Source	Amount
MV Excise	\$2,280,000	Fines	\$40,000
Other Ex	\$417,000	Misc Rev	\$200,000
Cannabis	\$400,000	Cemetery	\$11,000
Pen & Int	\$232,000	Library	\$2,000
Fees	\$75,000	Medicaid Reimb	\$150,000
Licenses & Permits	\$820,000	Cherry Sheet	\$7,614,412
Dept Rev	\$300,000	Rentals	\$127,500
Investments	\$300,000	PILOT	\$35,000

# Revenue Forecast

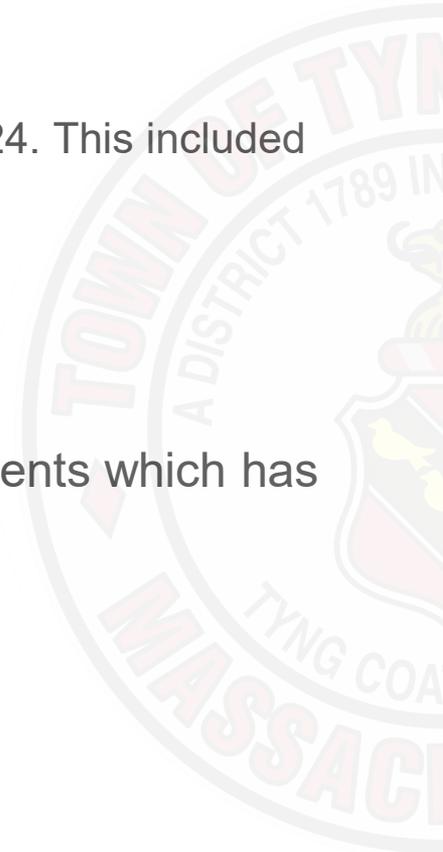
## Revenue Notes

- RE & PP taxes increase by 2.5% plus estimated new growth (**\$250,000**). Note that new growth has to be captured by end of this fiscal year to be approved by DOR in the fall as a part of our tax rate recap.
  - Toll Brothers (\$160,000)
  - Affordable Units on Sherburne Ave (\$67,165)
  - 45 Middlesex Road Building Improvements (\$21,210)
  - Washville Carwash- **Most experienced in Fy24**
  - Epigram Brewery - **Most experienced in Fy24**
- Meals taxes have been increased and trending well beyond FY24 budget (Epigram, Tavern in the Square, Dominos)
- Cannabis - Expecting a boost when new facility opens, sales of existing facility remain strong
- Building Permit Fees - Expecting these to increase as the majority of Toll Brothers project is built out & the new fee schedule considered by the Board tonight.
- Town hasn't balanced the indirect costs from Sewer Commission in two years, this balancing resulted in a substantial decrease (**\$93,615**) in general fund reimbursement

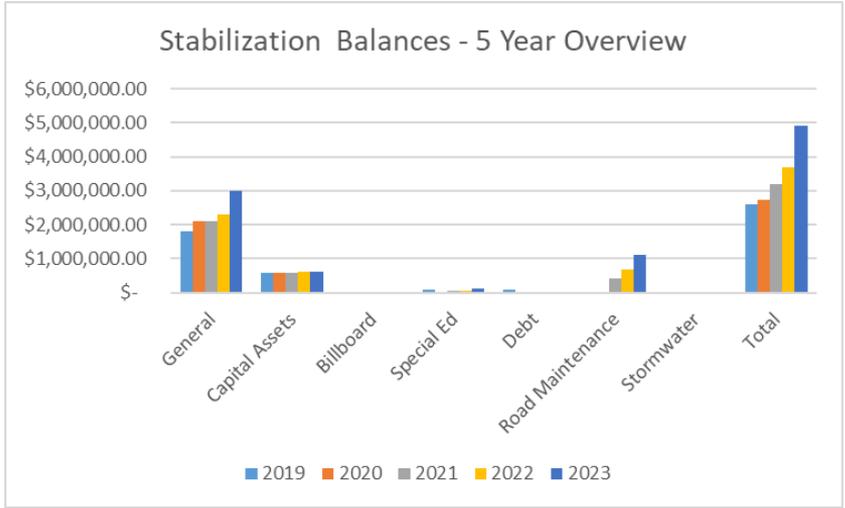
# Revenue Forecast

## State Aid

- Governor Healey filed her FY25 Budget Proposal on January 22, 2024. This included the following:
  - State Aid: \$9,572,928 (a **\$68,000 decrease** over FY24)
    - \$8,151,906 in Education Items
      - Reduction over FY24 in Charter School Reimbursement
    - \$1,421,022 in General Government Aid
- The Governor's Proposal calls for a decrease in our assessments which has a net positive impact on our state aid revenue
  - FY 24 Assessment \$2,081,642
  - FY 25 Assessment **\$1,959,438**



# Stabilization Fund Information



Stabilization	Balance
General	\$2,999,163.95
Capital	\$625,445.33 (\$825,445.33)
Billboard	\$17,168.00
Special Ed	\$134,162.02 (\$234,162.02)
Debt	--
Road Maint.	\$1,123,743.05
Stormwater	\$20,000.00 (\$30,000.00)
<b>Total</b>	<b>\$4,919,682.35 (\$5,229,682.35)</b>

# Grants

## Approach to Grants

- Town staff are diligent in seeking out any and all grant opportunities to fund large projects, offset costs where possible, and leverage a multitude of funding sources to accomplish things beyond what is possible with the operating budget.
- In FY24 to date, Town staff have received more than **\$3.9M** in grants to help fund projects and expand our service/program offerings.
  - **\$2M** MassWorks Grant
  - **\$400,000** Regional Public Health Grant
  - **\$869,000** Congressional Earmark for Sewer Commission Design
  - **\$100,000** Economic Development Earmark
  - **\$289,600** Fire Department Safer Grant
  - **\$15,000** Technical Assistance Grant - Planning Department
  - **\$25,645** Municipal Road Safety Grant - Police Department



# General Fund Expenditures



# Summary - Proposed FY25 Budget (General Fund)

Category	FY24 Budget	FY25 Recommended
Education	\$24,504,397.00	\$25,303,673.00*
General Government	\$16,396,348.00	\$16,993,693.38
Public Safety	\$5,283,398.00	\$5,644,220.00
<b>Total</b>	<b>\$46,185,143.00</b>	<b>\$47,941,586.38</b>

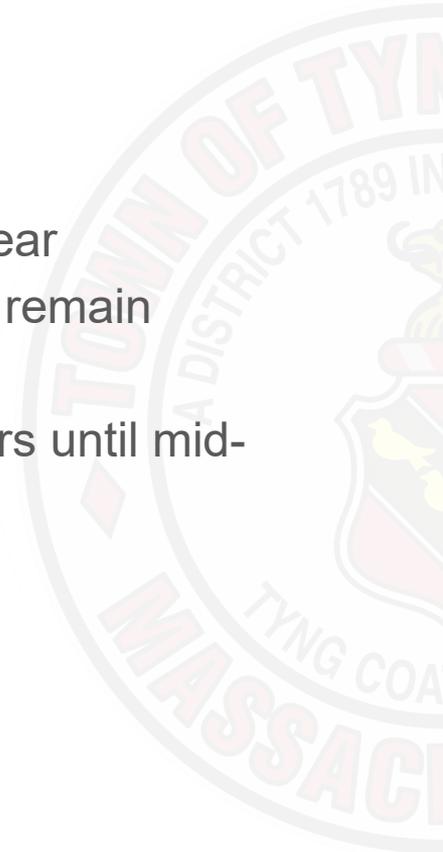
Proposed General Fund Budget represents a \$1.76M increase, or 3.7% over prior fiscal year.

\*Includes assumed increases for GLTHS assessment & School Dept.

# Proposed FY25 Budget (General Fund)

## Budgetary Assumptions:

- 2.7% increase in School Dept. Budget
- Same increase in GLTHS assessment we experienced last year
- 2.5% increase in labor - six collective bargaining agreements remain unsettled
- 10% increase in health insurance - won't have certain numbers until mid-February

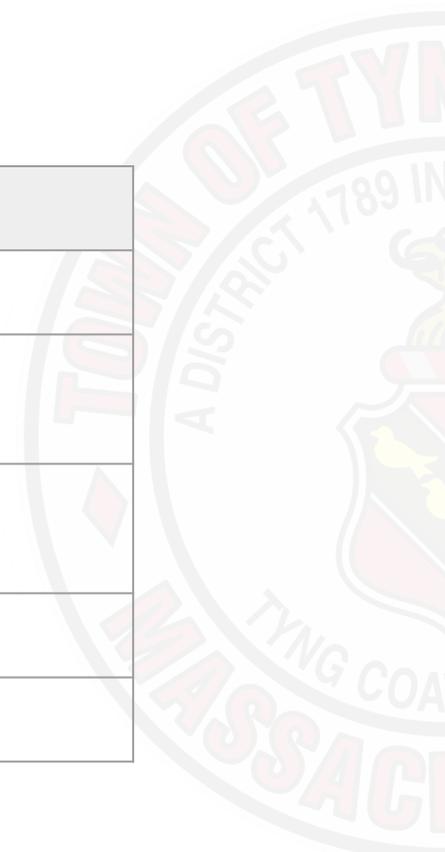




# Proposed FY25 Budget (General Fund)

## Budget Requests not Recommended by Town Manager

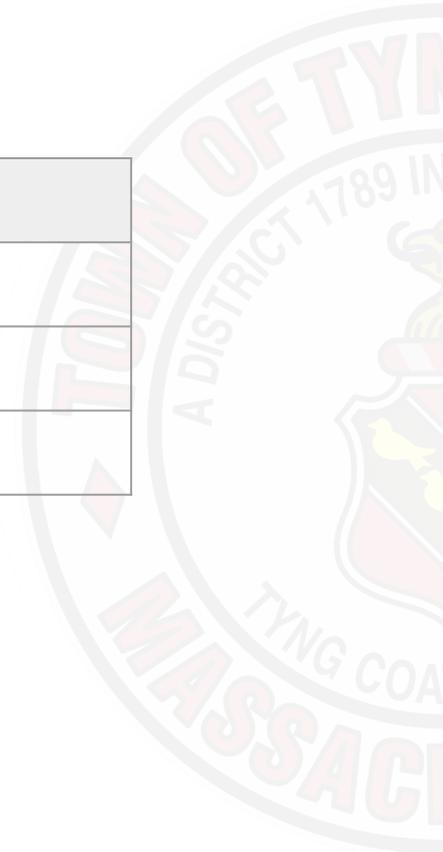
Department	Item	Cost
Information Technology	Social Media Archiving	\$12,000
Information Technology & Police Department	24/7 IT Support- Contracted Services	\$34,344
Information Technology	Cyber Incident Response Plan	\$12,000
Police Department	Cruiser Lease	\$30,000
Treasurer/Collector	PT Finance Clerk	\$19,271



# Proposed FY25 Budget (General Fund)

## New Position Proposals - Not Recommended

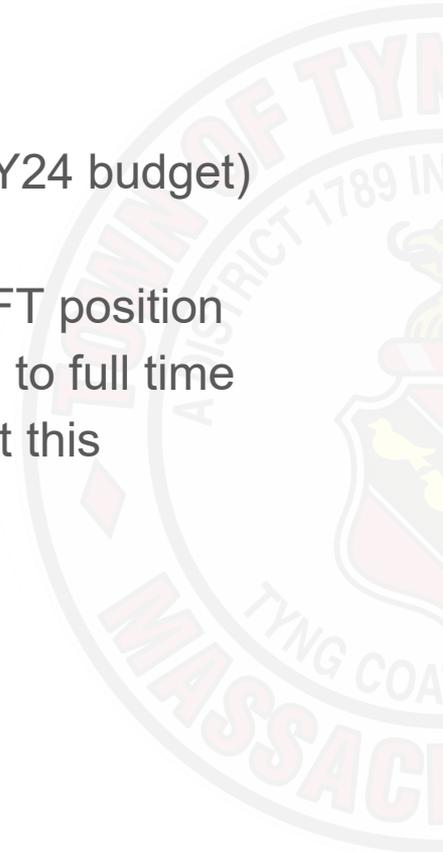
Department	Position	Cost
Police Department	Part-Time Records Clerk	\$23,490
Police Department	Patrol Officer	\$63,311
Fire Department	Fire Inspector	\$68,598



# Proposed FY25 Budget (General Fund)

## New Items Funded in FY25

- \$24,400 - Admin Support for the Fire Department (cut from FY24 budget)
- \$50,000 increase in road improvements budget
- \$10,000 increase in Highway to make PT Admin Assistant a FT position
- \$13,420 increase in IT to increase Support Specialist position to full time hours (an additional \$10,000 from PEG enterprise will support this position)



# Proposed FY25 Budget (General Fund)

## Other Budget Drivers in FY25

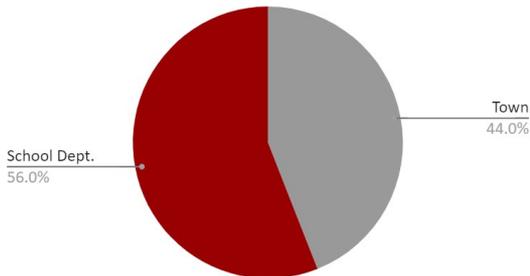
- Trash & Recycling Contract **5.7% increase**
- Fire Dept. holiday pay hasn't been accurately budgeted for in previous years. Correcting that this year results in a **102% increase**
- Fire Dept. overtime was cut in FY24 but has always trended higher than budgeted. Correcting to avoid mid-year issues results in a **27% increase**
- Health Insurance rates for FY25 are unknown, MIIA advising to budget for a **10% increase**
- Software costs in IT Budget have increased for vital software resulting in a **35% increase**
- Police Department additional cruiser lease resulting in **24% increase**

# Proposed FY25 Budget (General Fund)

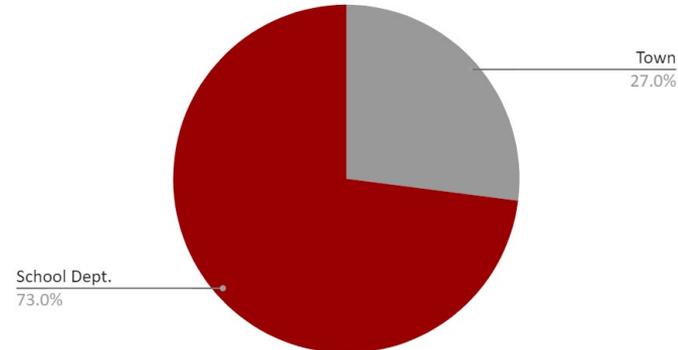
## Health Insurance

- Health insurance represents one of the largest drivers in the budget year over year. Important to note that the general fund covers the health insurance benefits for the school department as well so these increases aren't included in their budget which makes the general fund budget increase look higher.

Retiree Insurance Breakdown



Active Employee Insurance Breakdown



# Enterprise Funds



# Sewer Enterprise Fund FY25 Recommendation

	<b>FY24 Budget</b>	<b>FY25 Recommended</b>
<b>Salary</b>	<b>\$339,401</b>	<b>\$341,575</b>
<b>Expenses</b>	<b>\$3,032,813</b>	<b>\$3,428,048</b>
<b>Total</b>	<b>\$3,372,214</b>	<b>\$3,769,623</b>

## Revenue Sources

- Residential User Fees \$1,234,471.40
- Commercial User Fees \$359,079.11
- Miscellaneous Fees \$117,900.00
- Covenants \$29,184.76
- Betterments \$879,356.00
- Retained Earnings \$1,149,631.73

**TOTAL: \$3,769,623**



# Ambulance Enterprise Fund FY25 Recommendation

	<b>FY24 Budget</b>	<b>FY25 Recommended</b>
<b>Salary</b>	<b>\$558,822</b>	<b>\$597,500</b>
<b>Expenses</b>	<b>\$69,788</b>	<b>\$73,810</b>
<b>Total</b>	<b>\$628,610</b>	<b>\$671,310</b>

*Ambulance Enterprise budget impacted by previous budgeting lapses on holiday pay, resulting in large increase this year.*

## **Revenue Notes**

- **FY23 closed with \$69,000 in retained earnings which helped the Fire Department fund their portion of the ambulance without borrowing or adding payments to future years.**

# PEG Enterprise Fund FY25 Recommendation

	FY24 Budget	FY25 Recommended
<b>Salary</b>	<b>\$114,166</b>	<b>\$111,732</b>
<b>Expenses</b>	<b>\$44,446</b>	<b>\$73,547</b>
<b>Total</b>	<b>\$158,612</b>	<b>\$185,279</b>

## Notes

- FY25 request includes capital request of **\$40,000** to fund the installation of 2 additional video monitors in the Community Room, upgrade cameras, switches, and the production suite.

