

Shutesbury Finance Committee Fiscal Year 24 Budget Report

Shutesbury FY24 Estimated Budget Expenses and Revenue Sources (\$ in thousands)

Expenses

Total budget expenses:	\$6,907K
Increase over FY23	3.4%

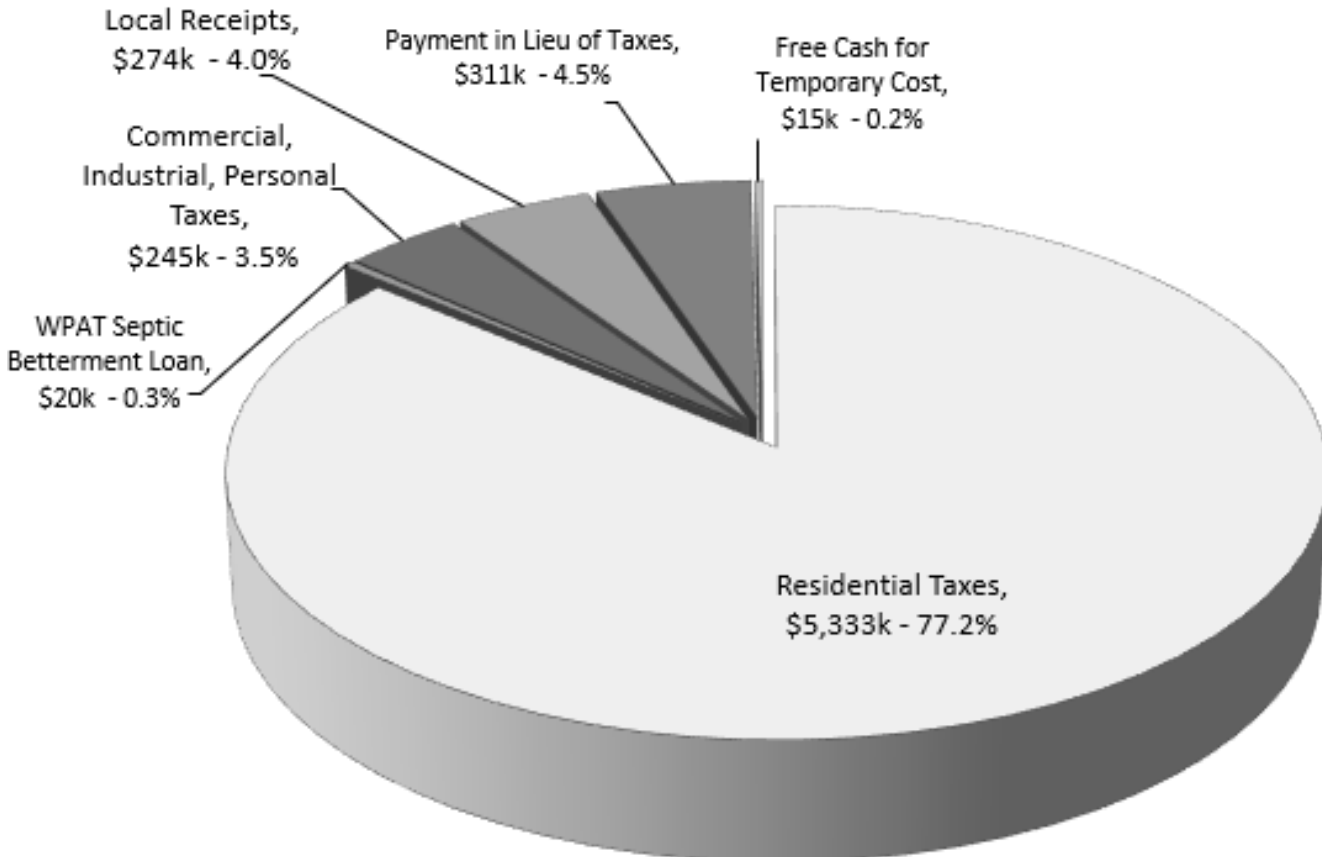
Revenue Sources

Residential taxes *	\$5,374K
Comm.,+Indust.,+ Pers. Prop Taxes	\$245K
Overlay (adjustment to tax revenue)	(\$40K)
Estimated Net State aid **	\$708K
PILOT (Payment In Lieu of Taxes DCR, etc)	\$311K
Local Receipts (Excise tax, court fees, etc.)	\$274K
WPAT Septic Betterment Loan	\$20K
Free Cash for Temporary Costs	\$15K
Total Revenues	\$6,907K

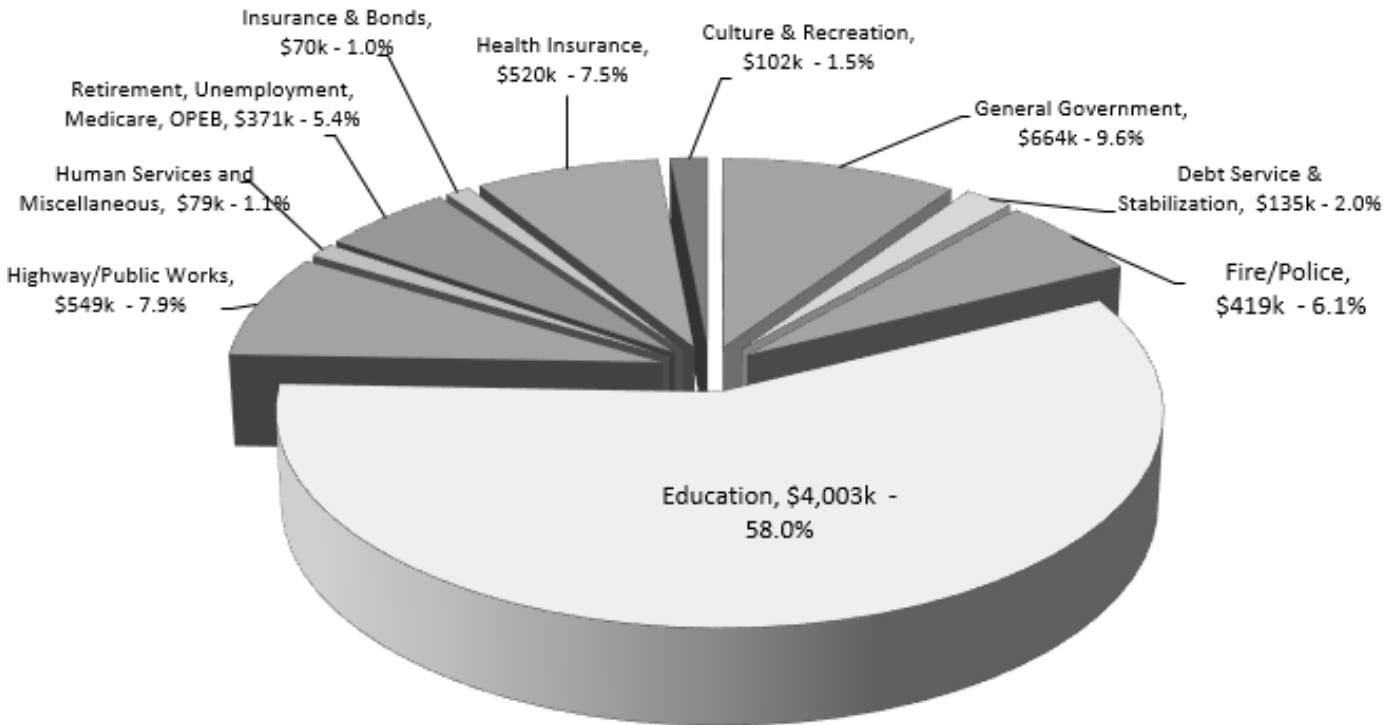
* Estimated FY24 Tax rate:
 Total levy / assessed valuation * 1000
 \$5,618K / \$293,273K = \$19.16
 FY23 rate \$18.44

** State aid: Estimated reduction 0.47%

FY24 Revenue to Fund the Operating Budget, By Category Total is \$6,906,641



FY24 Operating Budget By Category
Total is \$6,906,641



We have prepared a balanced budget for FY24

1. Significant Operating Increases and Decreases Compared to the FY23 Budget:

- A. Total Budget: \$226K increase (3.4%)
- B. Elementary School: \$84K increase
- C. Town Employees Salary increase (excluding schools): \$25K increase
- D. Legal: \$25K increase (\$15K of increase funded by Free Cash)
- E. Retirement County: \$20K increase
- F. Solid Waste \$15K increase
- G. Total Human Services (including Mosquito Control) \$13K increase
- H. Regional School \$11K increase
- I. Assistant Town Clerk \$10K increase
- J. Fire Dept Call Wages \$10K increase
- K. Heating and Vehicle Fuel \$10K increase
- L. All other net expense increases: \$14K
- M. Elementary School Transportation \$11K decrease

2. Notable Projected Revenue Increases/Decreases:

- A. Total Tax Levy Increase in FY24 Budget: \$173K
 - 1. Tax Levy Available: 2.5% increase is \$150K
 - 2. Excess Levy Capacity needed to balance budget \$23K
- B. New Growth: \$40K
- C. Estimated State Aid decreased by \$3k

3. Cash Reserves Summary, beginning balances (after January Special town meeting):

A. Free Cash as of 7/1/2022	\$1,062K
Less: Special Town Meeting *	<u>-\$155K</u>
Free Cash as of June 3, 2023	\$907K
B. Capital Stabilization	\$246K
C. <u>Stabilization</u>	<u>\$309K</u>
Total Cash Reserves	\$1,462K

* Appropriated for PFAS and VADAR software

4. Finance Committee FY24 warrant article capital expenditures and funding recommendations:

A. Highway Backhoe	\$120K from Borrowing
B. School Roof *	\$100K from Capital Stabilization
C. Culvert	\$60K from Capital Stabilization
D. Elem School Cameras	\$46K from Capital Stabilization
E. Lake Wyola Drawdown	\$35K from Free Cash
F. Dam Consulting	\$35K from Free Cash
G. Elem School HVAC	\$33K from Capital Stabilization
H. Elem School Floors	\$31K from Free Cash
I. Building Upgrades	\$20K from Free Cash
J. One-time Legal Expenses **	\$15K from Free Cash
K. Bills for Prior Years **	\$3K from Free Cash

* Roof cost estimate \$600K, \$300K from ARPA, \$200K State Grant and \$100K Cap Stabilization

** Not Capital

5. Cash Reserves if all warrant articles pass (Section 3 and 4 above):

A. Free Cash *	\$768K
B. Capital Stabilization **	\$61K
C. <u>Stabilization</u>	<u>\$309K</u>
Total cash reserves	\$1,138K

* This balance does not include the addition of Free Cash generated at the end of FY23

** 54K transfer into Capital Stabilization from the FY24 budget

6. Upcoming Potential Capital Projects:

- A. Elementary School Building Exterior Repair and Painting
- B. Refurbish fire vehicle:
- C. Parking Lot Repaving:
 - 1. Elementary School
 - 2. Highway Department
 - 3. Town Hall
- D. Regional School Roof and Track
- E. Building Repairs – currently being analyzed

7. Risk and Opportunities:

A. Risks:

- 1. Health Insurance Costs for Elementary School and Town Employees
- 2. Unpaved roads/infrastructure (dirt roads, culverts, bridges, etc.)
- 3. School costs:
 - a. Ongoing loss of grant funds
 - b. The Regional School OPEB and employee health insurance costs
 - c. Regional school buildings maintenance and capital costs
- 4. Continued maintenance to 40+ year old Shutesbury school building
- 5. Updating the long range capital plan (new items, timing of items...)
- 6. Rising legal expenses due to pending litigation
- 7. PFAS testing and mitigation
- 8. Storage of Public Records/Need for Additional Space
- 9. Residential taxes account for 94% of Shutesbury's tax revenues. The average town in Massachusetts relies on 82% residential taxes.

B. Opportunities:

- 1. Quabbin Reservoir\MWRA Payment in Lieu of Taxes increase
- 2. DCR state land Payment in Lieu of Taxes increase
- 3. Invest in projects that reduce operating costs (i.e. municipal solar photovoltaic systems)
- 4. Collaborate with other towns to share resources