

# Shutesbury Finance Committee Fiscal Year 25 Budget Report

## Shutesbury FY25 Estimated Budget Expenses and Revenue Sources (\$ in thousands)

### Expenses

Total budget expenses:	\$7,208K
Budget increase from FY24	\$309K
Increase over FY24	4.5%

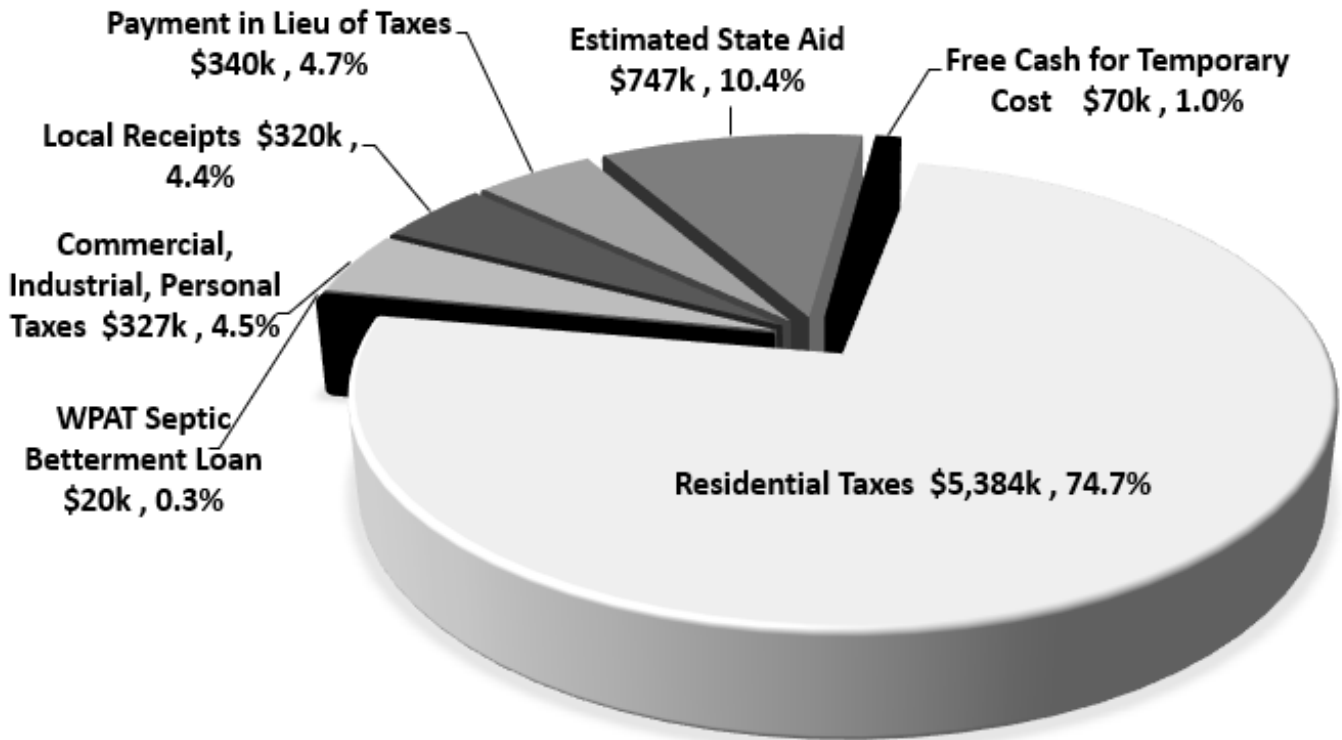
### Revenue Sources

Residential taxes *	\$5,384K
Comm.,+Indust.,+ Pers. Prop Taxes	\$327K
Estimated Net State aid	\$747K
PILOT (Payment In Lieu of Taxes)	\$340K
Local Receipts (Excise tax, court fees, etc.)	\$320K
WPAT Septic Betterment Loan	\$20K
Free Cash for Temporary Costs	\$70K
Total Revenues	\$7,208K

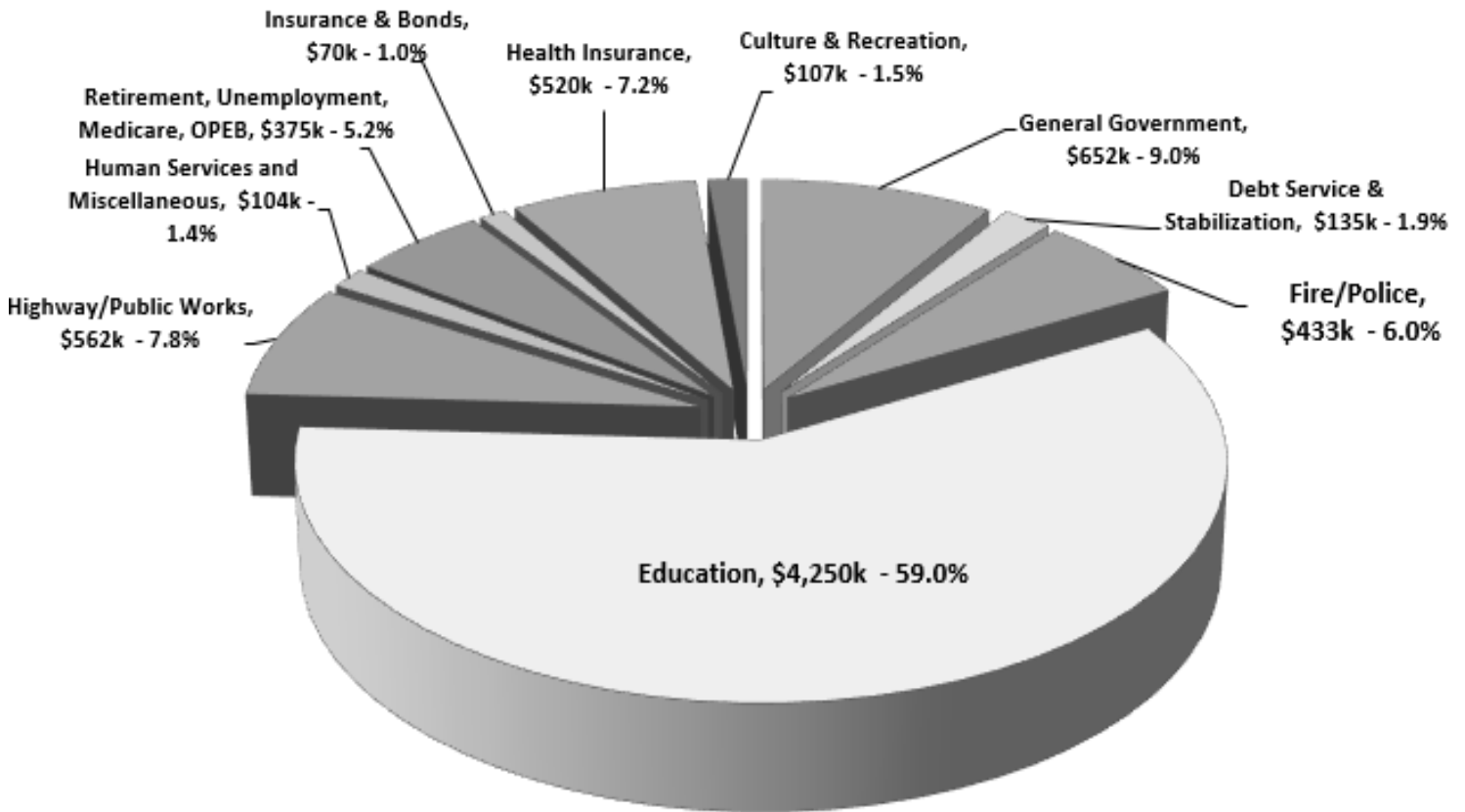
\* Estimated FY25 Tax rate:  
 Total levy / assessed valuation \* 1000  
 $\$5,751K / \$310,258K = \$18.53$   
 FY24 rate \$17.83

Estimated FY25 Average Single Tax Bill:  
 $\$18.53 \times \$343.570 = \$6,367$   
 FY24 Average = \$6,126

### FY25 REVENUE TO FUND THE OPERATING BUDGET, BY CATEGORY TOTAL IS \$7,207,878



## FY25 Operating Budget By Category Total is \$7,207,878



**We have prepared a balanced budget for FY25**

### 1. Significant Operating Increases and Decreases Compared to the FY24 Budget:

- A. Total Budget: \$309K increase (4.47%)
- B. Elementary School: \$137K increase (5.86%)
- C. Regional School \$93K increase (5.99%)
- D. Addition of Town Building Repairs\Maintenance \$40K increase
- E. Town Employees Salary increases (excluding schools): \$36K increase
- F. Elementary School Transportation \$15K increase
- G. Reserve Fund \$20K decrease
- H. Legal \$20K decrease (-50%)
- I. All other net expense increases: \$28K

**2. Notable Projected Revenue Increases/Decreases:**

- A. Total Tax Levy Increase in FY25 Budget: \$225K
  - 1. Tax Levy Available: 2.5% increase is \$156K
  - 2. New Growth: \$55K
  - 3. Excess Levy Capacity needed to balance budget \$13K
- B. Estimated State Aid increase by \$30k

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

A. Free Cash as of 7/1/2023	\$1,095K	
Less: Special Town Meeting (1)	<u>-\$62K</u>	
Free Cash as of April 27, 2024		\$1,033K
B. Capital Stabilization as of 7/1/2023	\$167K	
Less: Special Town Meeting (2)	<u>-\$40K</u>	
Capital Stabilization as of April 27, 2024		\$127K
C. Stabilization		<u>\$311K</u>
Total Cash Reserves		\$1,471K

- (1) Appropriated for legal fees, mitigation & testing for gas at fire station and prior years bill
- (2) Appropriated for the Culvert cost overrun

**4. Finance Committee FY25 warrant article capital expenditures and funding recommendations:**

- A. Police Pickup Truck \$71K from Free Cash
- B. Operating budget (1) \$70K from Free Cash
- C. Generator for the Highway Dept \$25K from Free Cash
- D. Police Dept Body Cameras (2) \$12K from Free Cash
- E. Gravel road repairs/upgrades \$12K from Capital Stabilization
- F. Storage Container for Highway Dept. \$5K from Free Cash

- (1) Not Capital. Funding for non-permanent school costs (\$40K) and to gradually restore the funding of the building repair line (\$30K) into the operating budget
- (2) Total cost for six cameras is \$24K, \$12K is funded from a grant
- (3) Elementary school exterior repairs and painting funded by an earmark through Senator Comerford's office

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

A. Free Cash *	\$851K
B. Capital Stabilization **	\$201K
C. Stabilization	<u>\$311K</u>
Total cash reserves	\$1,363K

\* This balance does not include the addition of Free Cash generated at the end of FY24

\*\* 86K transfer into Capital Stabilization from the FY25 budget

**6. Upcoming Potential Capital Projects:**

- A. Refurbish fire vehicle
- B. Parking Lot Repaving:
  - 1. Elementary School
  - 2. Highway Department
  - 3. Town Hall
- D. Regional School Roof and Track
- E. Building Repairs – currently being analyzed
- F. Gravel road upgrades
- G. PFAS mitigation

**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
  - d. Regional school operating budget
  - e. Chapter 70 funding policies are not benefiting our local schools and are no longer keeping pace with our school 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. Gas contamination at the fire station
- 9. Storage of public records/need for additional space
- 10. 94% of Shutesbury's tax levy is from residential taxes. The average town in Massachusetts relies on 83% 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