

Shutesbury Finance Committee Fiscal Year 26 Budget Report

Shutesbury FY26 Estimated Budget Expenses and Revenue Sources (\$ in thousands)

Expenses

Total budget expenses:	\$7,679K
Budget increase from FY25	\$425K
Increase over FY25	5.9%

Revenue Sources

Residential taxes *	\$5,605K
Comm.,+Indust.,+ Pers. Prop Taxes	\$390K
Estimated Net State aid	\$812K
PILOT (Payment In Lieu of Taxes)	\$348K
Local Receipts (Excise tax, court fees, etc.)	\$388K
WPAT Septic Betterment Loan	\$10K
Free Cash for Easing and Temporary Costs	\$126K
Total Revenues	\$7,679K

* Estimated FY26 Tax rate:

Total levy / assessed valuation * 1000

\$6,034K / \$362,259K = \$16.66

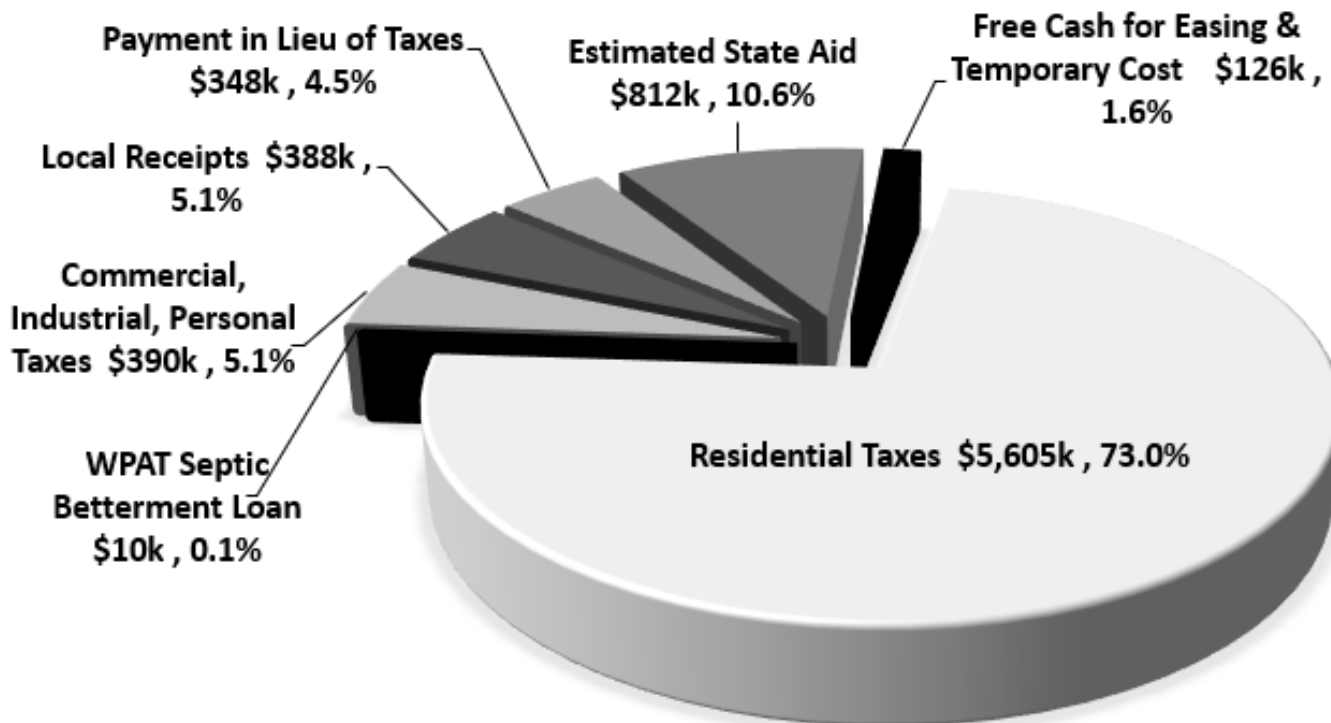
FY25 rate \$15.80

Estimated FY26 Average Single Tax Bill:

\$16.66 x \$395,588 = \$6,590

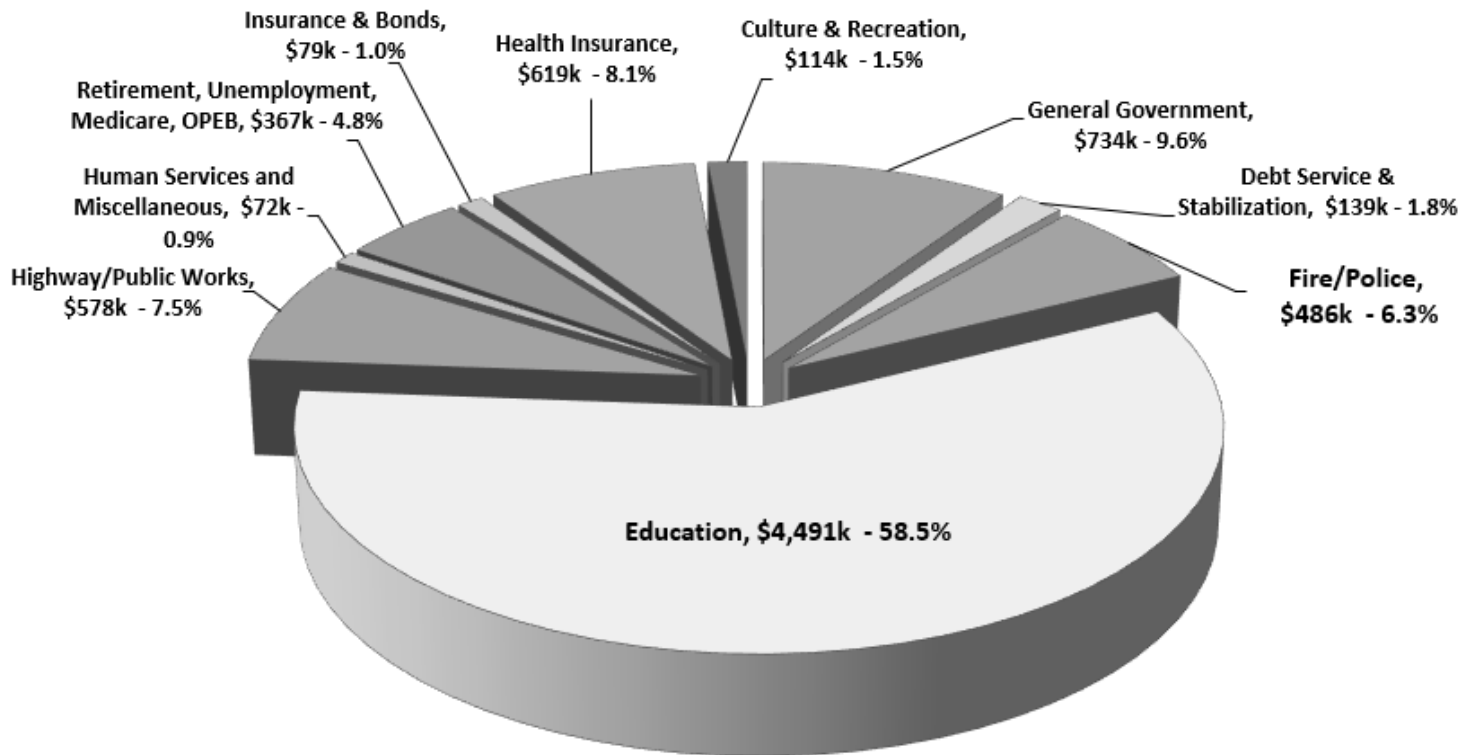
FY25 Average = \$6,250

FY26 REVENUE TO FUND THE OPERATING BUDGET, BY CATEGORY TOTAL IS \$7,678,806



FY26 Operating Budget By Category

Total is \$7,678,806



We have prepared a balanced budget for FY26

1. Significant Operating Increases and Decreases Compared to the FY25 Budget:

- A. Total Budget: \$425K increase (5.9%)
- B. Regional School: \$127K increase (7.7%)
- C. Elementary School: \$124K increase (5.0%)
- D. Health Insurance: \$99K increase (19.0%)
- E. Police Wages: \$40K increase (18.8%)
- F. Town Employees' Salary increases (excluding contracted & unions): \$28K
 1. Cost of Living Adjustment (COLA): \$18K (3.32%)
 2. Salary Market Alignments: \$10K
- G. Administrative Assistant Hours Increase \$15K (49.7%)
- H. Town Building Repairs/Maint. Fund \$40K decrease
- I. Retirement County: \$10K decrease
- J. WPAT Septic Repair: \$10K decrease
- K. All other net expense increases: \$52K

2. Notable Projected Revenue Increases/Decreases:

- A. Total Tax Levy Increase in FY26 Budget: \$354K
 - 1. Tax Levy Available: 2.5% increase is \$163K
 - 2. Excess Levy Capacity needed to balance budget \$148K
 - 3. New Growth: \$45K
 - 4. Debt Exclusions Decrease: \$2K
- B. Estimated State Aid increase by \$57K

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

A. Free Cash as of 7/1/2024	\$1,067K
<u>Less: Special Town Meeting (1)</u>	<u>-\$73K</u>
Free Cash as of 4/26/25	\$994K
B. Capital Stabilization as of 4/26/25	\$205K
C. <u>Stabilization</u>	<u>\$313K</u>
Total Cash Reserves as of 4/26/25	\$1,511K

(1) Appropriated for FY25 budget items, the Police Private Duty Detail Acct and prior years' bill

4. Capital expenditures and funding for FY26 warrant articles:

- A. Capital Budget – all from Free Cash
 - 1. Highway Grader Repairs \$17K
 - 2. Zero Turn Lawn Mower \$11K
 - 3. Town Hall Meeting Room Repairs \$10K
 - 4. Town Fire Alarm System \$9K
 - 5. \$80k Rural Dev Grant Match – L Wyola \$8K
- B. Operating budget – all from Free cash
 - 1. Health Insurance \$50K
 - 2. Elementary School \$34K
 - 3. Amh Regional Public School \$34K
 - 4. Veteran's Benefits 8K
- C. Funding PFAS Mitigation \$150K
 - 1. \$50k from Free Cash
 - 2. \$100K from Stabilization
- D. Legal – Solar Bylaw – from Free Cash \$30K
- E. Prior Year's Bills – from Free Cash \$1K

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

A. Free Cash	\$732K
B. Capital Stabilization	\$205K
C. <u>Stabilization</u>	<u>\$213K</u>
Total cash reserves	\$1,150K

- (1) This balance does not include the addition of Free Cash generated at the end of FY25
- (2) No funds will be transferred into Capital Stabilization in FY26

6. Approved Capital Projects Impacting FY27 Budget

- A. New library building
- B. Regional school track and field

7. Upcoming Potential Capital Projects:

- A. Replace fire truck
- B. Parking Lot Repaving:
 - 1. Elementary School
 - 2. Highway Department
 - 3. Town Hall
- D. Lake Wyola Dam Repairs
- E. Regional School Roof
- F. Building Repairs – currently being analyzed
- G. Gravel road upgrades
- H. PFAS mitigation

7. Risk and Opportunities:

A. Risks:

- 1. Ongoing loss of state/federal grants
- 2. Inflationary factors limiting our ability to maintain level services
- 3. Health insurance costs for elementary school and town employees
- 4. Unpaved roads/infrastructure (dirt roads, culverts, bridges, etc.)
- 5. 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
 - f. Charter school costs to local taxpayers
- 6. Continued maintenance to 40+ year old Shutesbury school building
- 7. Updating the long-range capital plan (new items, timing of items...)
- 8. Rising legal expenses due to pending litigation
- 9. PFAS testing and mitigation
- 10. Gas contamination at the fire station
- 11. Storage of public records/need for additional space
- 12. 94% of Shutesbury's tax levy is from residential taxes. The average town in Massachusetts relies on 83% residential taxes.

B. Opportunities:

- 1. Potential increase in rural aid and Chapter 90 funding for rural equity
- 2. Quabbin Reservoir/MWRA Payment in Lieu of Taxes increase
- 3. DCR state land Payment in Lieu of Taxes increase
- 4. Potential Chapter 70 funding reform
- 5. Participation in the regional school long range fiscal planning committee
- 6. Invest in projects that reduce operating costs (i.e. municipal solar photovoltaic systems)
- 7. Collaborate with other towns to share resources