

TOWN OF SUTTON FISCAL 2025

BUDGET RECOMMENDATION



May 13, 2024
Spring Annual Town Meeting



FY 2025 Budget Overview

FY 2025 Town Budget = \$38,900,655

\$1,080,677 or 2.72% over FY2024 final budget

- The budget is balanced. We are proposing to raise the tax levy by \$925,373 which is 2 ½% plus new growth of \$200,000.

New Design for Budget Layout

- After years of dealing with the three ring binder budget, and years of listening to Chairman Pat Morris, we have transitioned to a simpler more organized layout.
- This document will be available to the public after tonight's meeting, by downloading it off the town's website address www.SUTTONMA.org.
- I would like to thank Tim Harrison, as well as Pam Nichols and Christine Hicks, for helping in creating this budget.

FY 2025 Budget – Big Picture

- Special Education Out of District (OOD) costs are decreasing for the first time in 6 years. The FY 24 actual number is anticipated to be \$2,595,063. In FY 25 OOD are decreasing by roughly \$400,000. We prudently used free cash over a two-year period of time to mitigate the peak of special education out of district costs.
- The required contribution to Worcester Regional Retirement System in FY24 was double the amount that it was in previous years. This year the Town's assessment increased by 11%.



FY 2025 Budget – School Big Picture

- The School Department has balanced their budget with no layoffs. We have increased the School Appropriation by \$600,000 and the Governor's budget is proposing an additional \$39,420.
- Blackstone Vocational school had 16 fewer students attending and the cost decreased by \$282,666.
- We have anticipated 5 additional students attending Norfolk Agricultural school with the cost increasing by \$79,060.

Blackstone Valley Vocational warrant articles

- The BVT school committee has withdrawn the first article that would create a stabilization account. This would allow them to build the stabilization account to \$10 million address capital items without relying upon town's to vote those items.
- The second item is to request \$10 million in debt to pay for roof reconstruction and replacement of rooftop HVAC units. They will be applying to Massachusetts School Building Authority for funding. This would be a 20 year borrowing and a positive vote at town meeting would be contingent upon BVT receiving funding from Massachusetts School Building Authority.



FY 2025 Budget

American Rescue Plan Act

- \$2.8 Million in ARPA funding - the School wastewater treatment plant has been rehabbed and is good for another 15 to 20 years. Peter Amorello construction Inc. was awarded the bid for the town hall septic system upgrade for \$575,000. The septic system has been installed and we are waiting the spring to pave the road, pave the parking lots and install a grinder pump at the Rufus Putnam Museum/improve the grading around Rufus Putnam Museum.
- Wilkinsonville sewer project was awarded Ricciardi Brothers, Inc for \$4,089,526. We received a State one-stop grant for \$3.6 million and will utilize ARPA funds to finish the project.
- We will utilize \$50,000 ARPA funds to complete the Wilkinsonville extension on the fiber project.
- We have entered into contract with McClure engineering for \$5,000 to determine if we can decommission well 4 at the school and have plenty of water to serve the needs of the school department. That would clear the way to have a track and field at the school at some point. At that point, ARPA monies will be done.

Municipal Empowerment Act

- The Governor introduced pending legislation called the Municipal Empowerment act. This legislation will allow municipalities to increase the lodging tax from 6% to 7%. It would also allow for any increase in the local meals tax from .75% to 1%. Additionally, the legislation would create a local option for a 5% motor vehicle excise surcharge. This legislation still has to make its way through the legislative process at the state level prior to being considered at the town.
- We will be facing a challenging financial situation in FY 26 of \$500,000 and in FY 27, \$1 million, based upon our five-year forecast.



FY 2025 Budget

- The Police Chief will retire in August after 30 years of service to the town and 17.5 years as Chief of Police. We will be utilizing an outside group to conduct an assessment center for the replacement of the chief.
- Other issues resolved since preliminary budget:
 - We have a tentative agreement with the Police union and Teamsters union. The police union has agreed on a policy to wear body worn cameras.
 - We have increased the following line items reserve fund from \$25,000-\$30,000. Snow and ice from \$225,000-\$250,000. Central purchasing gas and diesel a \$10,000 increase.
 - Due to the new agreement with Constellation, we have increased our electricity line items in various accounts.



FY 2025 Budget – Health Care Big Picture

- The town's healthcare costs will increase 9.95% for FY 25. We are entering our fourth year with Massachusetts Interlocal Insurance Association. In year 1, our rate went down 6.1%. In year 2, our rate increase by 3.75%. In year 3, we received a 6.9% increase. Our healthcare costs have been trending slightly above average. Inflation is impacting healthcare costs with hospitals, medical staff and drug costs rising.
- All eligible employees transitioned to a Health Savings Account (HSA) and the town agreed to match the deductible. We believe it is better to be part of a larger pool, than as a stand alone entity with 300+ employees.



Revenues

Revenue	Total	Chg from FY24
Local Property Tax	\$29,527,268	3.37%
Total State Aid	\$6,608,721	1.41%
Local Receipts	\$2,359,581	0.34%
Total	\$38,900,655	2.72%



Expenditures

■ <u>Departments</u>	<u>Appropriation</u>	<u>\$ increase</u>	<u>% Inc</u>
■ General Govt	\$2.041mm	\$112,643	6.32%
■ Education	\$21.391mm	\$435,814	2.21%
■ Public Safety	\$3.420mm	\$160,181	5.12%
■ Public Works	\$1.168mm	\$60,092	5.38%
■ Health and HS	\$387,002	\$25,306	8.34%
■ <u>Culture & Rec</u>	<u>\$314,518</u>	<u>\$26,180</u>	<u>9.32%</u>
■ Benefits	\$6.268mm	\$335,059	5.47%



School Department

- Capital Plan \$408,500
- Appropriation Increase \$639,420
- The town will pick up \$75,000 in data processing costs for the School/Town.



Enterprise Funds

- Sewer – User fees remain the same.
- Transfer Station/Trash – No change in Transfer Station fees. Stickers will stay at \$50.



Capital Plan

Total Plan for FY2025 \$910,500

- School Dept. \$408,500
- Fire \$107,000
- Police \$188,000
- Highway \$130,000
- Assessors \$15,000
- Town \$62,000



Big Picture

- The wastewater treatment plant debt exclusion debt of \$600,000 borrowed in 2004 will be paid off in fiscal year 2025. If we had an override of \$600,000, there would be no net impact on taxpayers.
- The Town has a solid stabilization fund (\$2,700,000), other post employment benefits trust fund (\$5,064,000), SPED Stabilization fund of \$1,026,365, a health insurance stabilization fund of \$520,000 and a five year capital plan fund.



Questions?

