

Proposed Operating and Capital Budgets

Fiscal Year 2025



FY 25 Budget Goals

At the start of the budget season, both the Select Board and Finance Committee expressed a strong commitment to prioritize increases to employee compensation for both part time and full time employees.

An earlier compensation study completed by a Human Resource consultant showed most New Marlborough wages were well below comparable towns in our geographical area.

The FY 25 decrease in New Marlborough's school assessment provides an opportunity for the Town to significantly increase the wages of the most underpaid employees, without burdening taxpayers.

FY 2025 Proposed Operating Budget

Total Budget -- \$6,767,159 including
School Assessment

Increase \$289,359 (4.5% from FY 24)

- Employee related net increase = \$ 199,413
- Non-employee related net increase = \$ 91,225
- Contribution to Stabilization increase = \$50,000
- School assessment **decrease = \$46,567**
- Debt Service **decrease = \$ 4,712**

Estimated Tax Capacity for FY 2025

Prop 2 ½ Allowable Tax increase	\$151,196
Estimated New Growth	<u>\$ 67,318</u>
TOTAL increase to levy limit	\$ 218,514

Proposed Budget Increase	\$ 289,359
Offsets: Increased Ambulance User Fees	- \$17,165
Additional Solar PILOT	<u>- \$35,000</u>
	\$237,194

Remainder of ~\$18,680 may be offset by additional local receipts or will be drawn against excess capacity balance of \$568,353

Town budget vs. School budget

School Side

50% of allowable increase	\$109,257
FY 25 School decrease	\$ 46,567

Town Side

50% of allowable increase	\$ 109,257
FY 25 Town Operating increase	\$ 335,926

Ideally, increases should not exceed the allowable increase. To fund the operating budget, we shifted \$155,824 from the school side allowable increase plus the actual decrease to the operating budget. The remainder will be offset by user fees, local receipts, and raised in taxes using excess capacity.

Proposed Budget Breakdown

Town vs. School district

	\$	% vs. FY 2024
TOTAL BUDGET	\$ 6,767,159	+ 4.5 %
Town Operating	\$ 3,792,101	+8.2 %
Stabilization/Capital	\$ 200,000	+ 33.3 %
School Assessment	\$ 2,775,058	- 1.7%

Shift in use of current tax levy from School to Town Operating budget and contribution to the Stabilization fund.

Proposed Budget Comparison to Prior Year

Town Operating Budget

Increases in line items (includes Stabilization)	\$ 371,057
Decreases in line items	\$ <u>(35,131)</u>
<i>Net Town Operating Budget Increase/Decrease</i>	\$ 335,926

<u>School Budget Decrease</u>	\$ (46,567)
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<i>Net Total Budget Increase/Decrease</i>	\$ 289,359
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(\$17,165 net increase will be offset by transfer of Rescue Enterprise funds; any increase in local receipts and \$35,000 Solar Pilot will also offset the increase)

Expense Highlights: Employee-Related

- Unions: Highway and Police Union contracts in negotiations
- Fire/Rescue Department
 - Firefighter/EMT paid day shift—replace current part time shift coverage (7 days/week) with one full time benefitted Firefighter/EMT (Mon-Fri); On call EMTs will continue to cover weekend days and all nights—increased cost to Town in FY 25 ≈ \$11,500 wages (+ retirement assessment beginning in FY 26)
 - Fire Department—increase pay per call and training – increase ≈ \$22,500
 - Rescue (Ambulance)—increase on call and pay per call – increase ≈ \$12,000 (paid for by ambulance user fees)
- Town Hourly and Salary Employees—Non Union
 - Reclassify Police Administrative Clerical and Library Assistant positions to higher grades— increase to budget ≈ \$8,000
 - FY 25 COLA: 3.5%--budget increase ≈ \$23,000
 - Additional increase for employees who were under the 50% percentile in compensation ranges to bring them to the 50% mark—increase to budget ≈ \$33,000
 - Minimum wage increased to \$20.00 for all regular employees ≈ \$3,750
 - Contracts: Police Chief 4.5%-increase ≈ \$3,950

Expense Highlights: Employee-Related

• Benefits

- Longevity— Replace existing policy (\$500 stipend after 10 years) with new policy which gives full and part time employees an additional \$0.25 in hourly wage every three years \approx + \$5,000
- Retirement—increase to assessment + \$2,406
- Health Insurance Rate increase
 - One additional position eligible + \$21,348
 - Rate increase 7% and personnel changes \approx 13,449

Expense Increase Highlights*: Non-employee Related

Assessors' Contracts (Revaluation)	\$ 13,270
Fire Company Lease (Police relocation)	\$ 12,000
Highway Dept Expenses	\$ 9,000
Tree Work	\$ 9,000
Council On Aging (Transportation)	\$ 7,975
Fire Protection	\$ 6,900
Police Department Expenses	\$ 6,483
Town Hall Expenses (IT)	\$ 6,200
Select Board Expenses (Online Permitting)	\$ 4,500
Rescue Department Exp (paid by user fees)	\$ 5,050
Library Expenses	\$ 3,587
Transfer Station Expenses	\$ 3,500
Town Insurance (includes Workers' Comp)	\$ 2,500

*line item increases over \$2,000

Proposed Capital and One Time Spending

Stabilization	\$586,962
Certified Free Cash	\$744,303
Total Reserves	\$1,331,265
Reserve @ 10% of Town Revenues	\$730,000
Available for Use	\$601,265
Proposed FY 25 Spending	\$403,457
Balance available for Use	\$197,808

Breakdown of Stabilization and Free Cash

Stabilization (current)	\$ 586,962
Proposed Expenditures	\$ 180,000
Proposed Additions	\$ 200,000
Post ATM Balance	\$ 606,962

Free Cash (current)	\$744,303
Proposed Expenditures	\$223,457
Post ATM Balance	\$520,846

FY 2025 Proposed Free Cash Expenditures

One Ton Highway Superintendent Truck	\$ 85,000
Transfer Station Capital Improvements	\$ 72,000
Roadside Mower head	\$ 25,000
Cemetery Projects	\$ 20,000
Police Department Relocation Costs	\$ 10,000
Umpachene Falls Erosion Project	\$ 5,000
Southfield Historic District Consultant	\$ 5,000
South County Recovery Center (Opioid settlement)	<u>\$ 1,457</u>
	\$ 223,457
 Balance Free Cash after ATM expenditures	 \$ 520,846

Proposed Stabilization Expenditures and Additions

Current Balance	\$ 586,962
20,000 GVW Truck	\$ (180,000)
Raise and Appropriate	<u>\$ 200,000</u>
New Balance	\$ 606,962

Debt Service Schedule

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Hatchery Road (2026)	42,592	41,728	40,864		
Fire Truck (2026)	61,600	59,400	57,200		
Grader (2029)	40,300	39,000	37,700	36,400	35,100
Capital Road Projects (2038)	55,834	55,486	55,486*	55,486*	55,486*
School Roof/Boiler* (2032)	61,562	57,409	57,409*	57,409*	57,409*
TOTAL	261,888	253,023	248,659	149,295	147,995

*estimated

Outlook for the Future

Capital Expenses:

- Roads/Culverts – 5 year road plan updated by Highway Planning Working Group, to be reviewed by outside highways consultants
- Town Hall – current Town Hall is not accessible. Town exploring options
- Other Capital – Equipment purchases for highways, fire and emergency services, transfer station, and cemeteries
- Broadband – \$62,500 per year for 15 years, to be offset by solar PILOT payments (FY 25 is year three)

The Capital Planning Committee projects that there is not enough reserve funding to fund proposed capital expenses beginning in FY 26.

Supporting Documents

Spending by budget category-- 2021-2025

category		FY 21	FY 22	FY 23	FY 24	FY 25
General Government		6.4%	6.8%	6.7%	6.7%	7.5%
Highway		18.0%	17.3%	18.3%	18.1%	18.3%
Schools		50.7%	46.3%	43.8%	43.6%	41.0%
Culture and Recreation		2.1%	2.1%	2.2%	2.3%	2.5%
Protection, Persons & Property		8.3%	8.6%	10.5%	10.6%	11.5%
Health & Human Services		2.4%	2.6%	2.7%	3.2%	3.3%
Debt/Stabilization/Capital		3.2%	6.9%	5.6%	5.4%	5.8%
Unclassified		9.1%	9.4%	10.2%	10.1%	10.1%
TOTAL BUDGET		\$5,863,597	\$6,069,917	\$6,205,583	\$6,477,800	\$6,767,159
Increase v. Prior Year		0.5%	3.5%	2.2%	4.4%	4.5%
Tax Rate (per\$1000/assessed valuation)		\$9.94	\$9.30	\$8.37	\$7.46	TBD
Increase/Decrease v. Prior Year		(3.5%)	(6.4%)	(10%)	(10.9%)	

School Budget: Historical Share and % of Total Town Budget

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
NM % of School Budget	20.8	19.6	18.3	18.4	17.7
NM Assessment	2,963,602	2,785,867	2,708,400	2,812,825	2,766,258
% of Town Budget	50.7	45.9	43.7	43.4	41.0

School District Budget: Total and Town Share

Total five town school assessment

Operating and Transportation	\$ 14,953,611
Capital	<u>\$ 332,000</u>
Subtotal	\$ 15,285,611
Roof/Boiler Bond	<u>\$ 323,951</u>
	\$ 15,609,562

New Marlborough's share of the assessment is 17.7%

Southern Berkshire Regional School District Assessments

annual change in assessments by Town

	<u>FY21</u>	<u>FY22</u>	<u>Inc/Dec</u>	<u>FY23</u>	<u>Inc/Dec</u>	<u>FY24</u>	<u>Inc/Dec</u>	<u>FY25</u>	<u>Inc/Dec</u>
ALFORD	\$464,133	\$448,538	-\$15,595	\$449,604	\$1,066	\$476,808	\$ 27,204	\$479,119	\$ 2,311
EGREMONT	\$1,704,530	\$1,757,965	\$ 53,435	\$1,950,932	\$192,967	\$2,096,264	\$145,332	\$2,125,213	\$28,949
MONTEREY	\$1,650,731	\$1,678,894	\$ 28,163	\$1,854,451	\$175,557	\$1,830,529	\$ 23,922	\$1,997,791	\$ 167,263
NEW MARLBOROUGH	\$2,963,602	\$2,785,867	-\$177,735	\$2,708,400	-\$77,467	\$2,812,825	\$104,425	\$2,766,257	\$46,568
SHEFFIELD	\$7,456,312	\$7,568,836	\$ 112,524	\$7,803,226	\$234,390	\$8,060,230	\$257,004	\$8,241,181	\$180,949
TOTAL	\$14,239,308	\$14,240,100	792	\$14,766,613	\$526,513	\$15,276,656	\$510,043	\$15,609,561	\$332,905

Fiscal Year 2025 Presentation

Questions? Email Mari Enoch, Town Administrator at
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