



Fiscal Year 2025 Budget Presentation

February 13, 2024

Status of FY24 Revenues

- Local receipts are \$500K or 6.3% higher than at this time last year
- Overall general fund collections are \$3.6 million or 6.8% higher than at this time last year
- Property tax and state aid revenues remain strong
- Revenues such as motor vehicle excise will be collected in March/April (\$2.5 million commitment going out soon)

| Revenue Source | Budgeted Estimate | Total Collected | % Collected |
|---------------------------|---------------------|---------------------|--------------|
| Property Taxes | \$60,565,674 | \$45,230,389 | 74.7% |
| Local Receipts | \$11,300,000 | \$8,370,788 | 74.1% |
| State Aid | \$12,067,484 | \$6,892,876 | 57.1% |
| Total General Fund | \$83,933,158 | \$60,494,052 | 72.1% |

Status of FY24 Expenditures

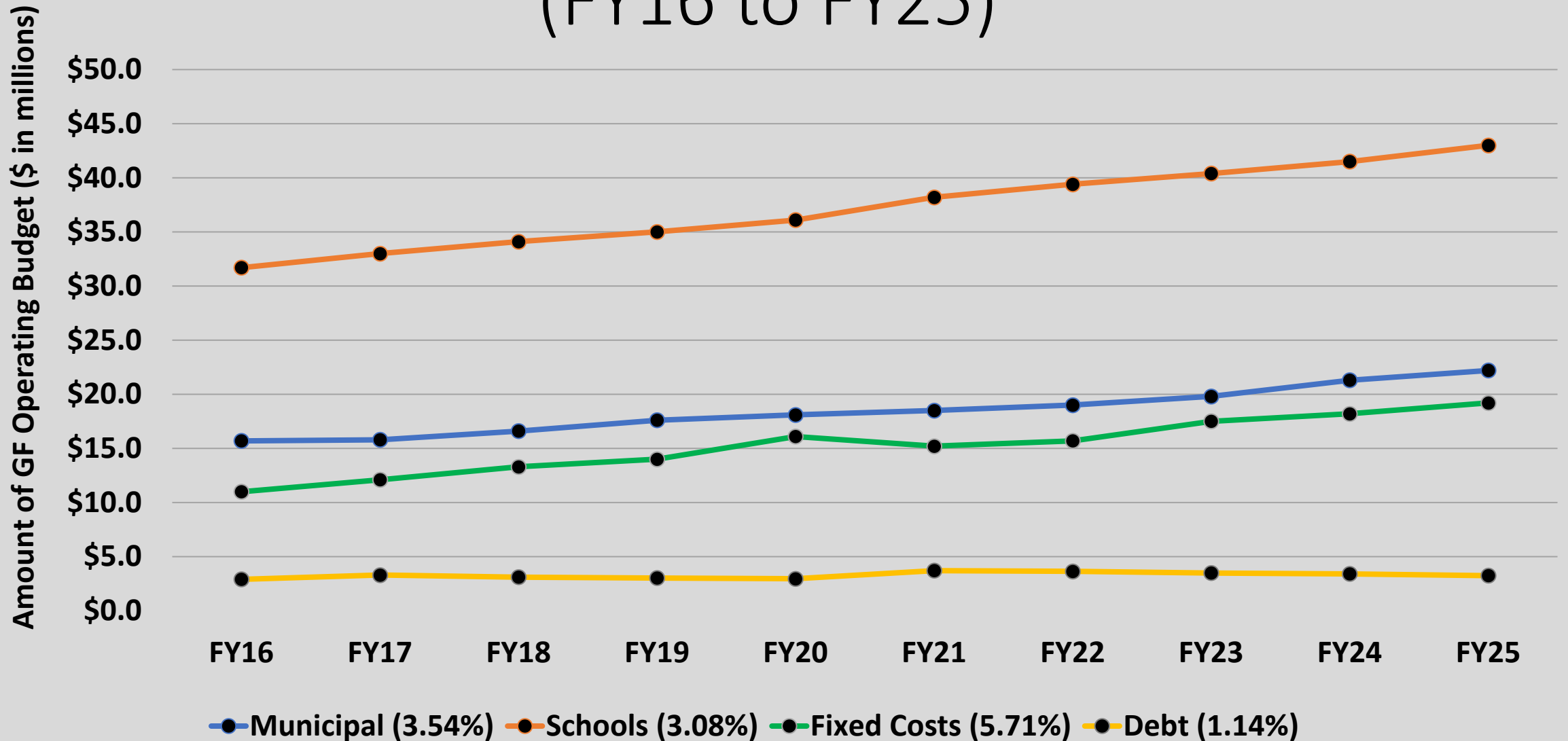
- Departments continue to stay within their budgets and take advantage of grants to offset expenses
- Certain expenditures are time sensitive and occur at different times of the year (debt service, insurance, retirement, annual audit, projects, and monthly/annual service payments)

| Function | Budget | Total Expended | % of Total |
|----------------------|---------------------|---------------------|---------------|
| General Government | \$4,705,902 | \$2,398,604 | 50.97% |
| Public Safety | \$11,461,732 | \$6,414,767 | 55.97% |
| Education | \$41,539,541 | \$18,494,579 | 44.52% |
| Public Works | \$2,695,991 | \$1,430,417 | 53.06% |
| Human Services | \$1,344,544 | \$656,134 | 48.80% |
| Culture & Recreation | \$1,240,711 | \$685,022 | 55.21% |
| Debt Service | \$3,411,069 | \$1,788,881 | 52.44% |
| Insurance & Other | \$18,035,931 | \$12,808,257 | 71.02% |
| Totals | \$84,435,421 | \$44,676,660 | 52.91% |

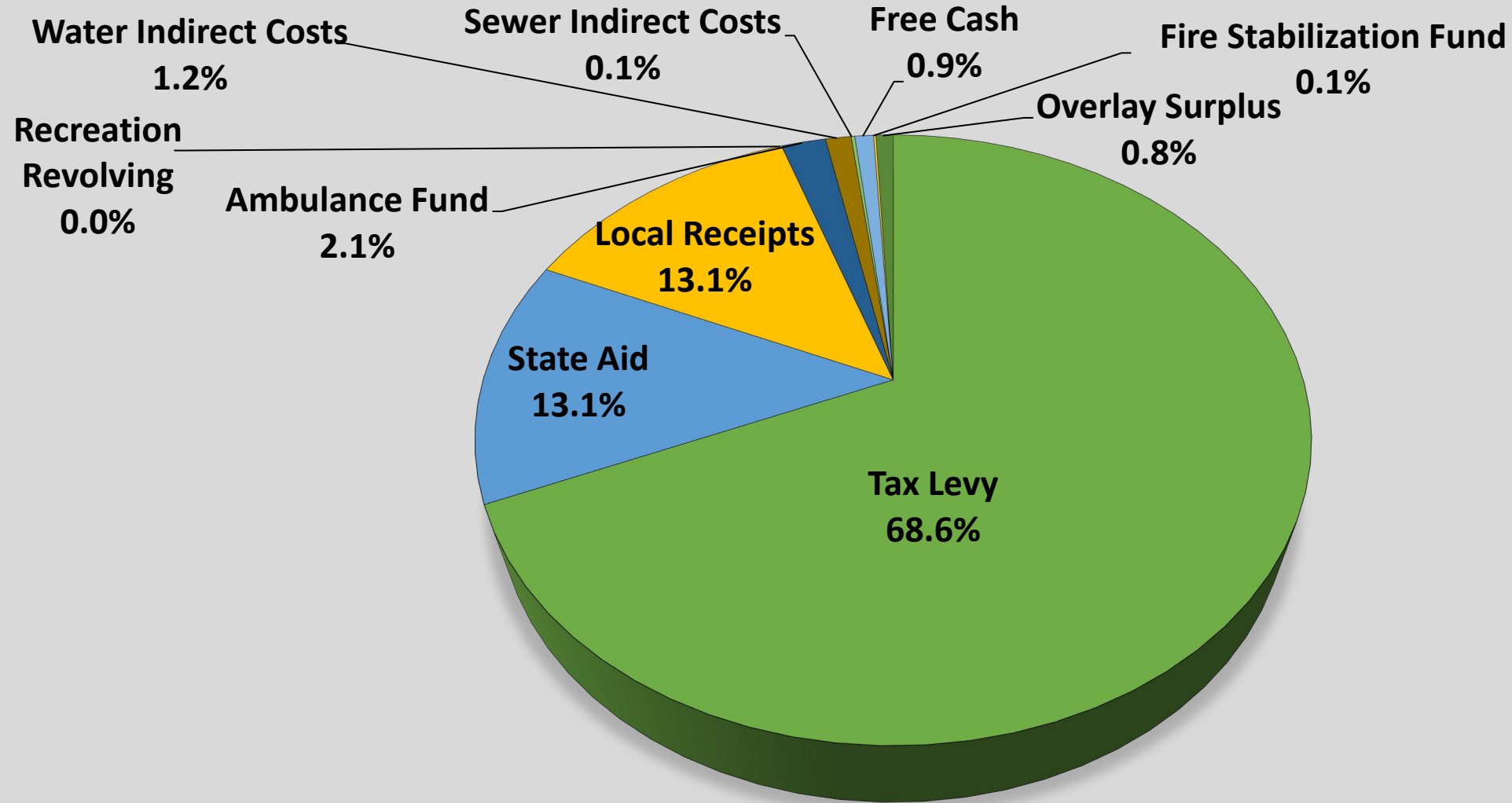
Summary of the FY25 Budget Overall

| | FY24 | FY25 | \$ Increase | % Increase |
|-------------------------------|---------------------|---------------------|--------------------|--------------|
| General Fund | \$84,435,421 | \$87,566,646 | \$3,131,225 | 3.71% |
| Water Enterprise Fund | \$7,208,518 | \$7,280,213 | \$71,695 | 0.99% |
| Sewer Enterprise Fund | <u>\$1,769,150</u> | <u>\$1,835,641</u> | <u>\$66,491</u> | <u>3.76%</u> |
| Total Operating Budget | \$93,413,089 | \$96,682,500 | \$3,269,411 | 3.50% |

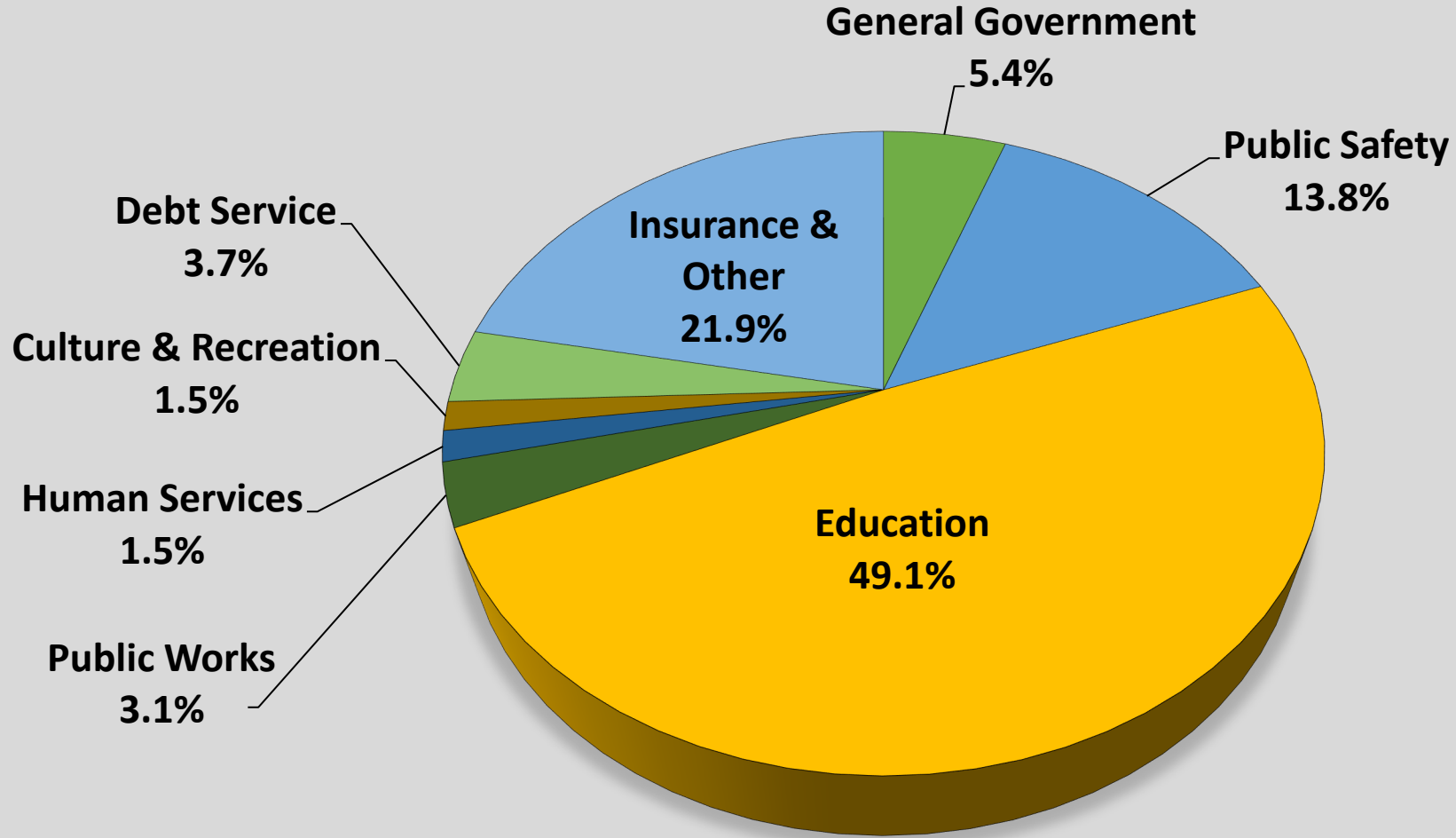
General Fund Operating Budget History (FY16 to FY25)



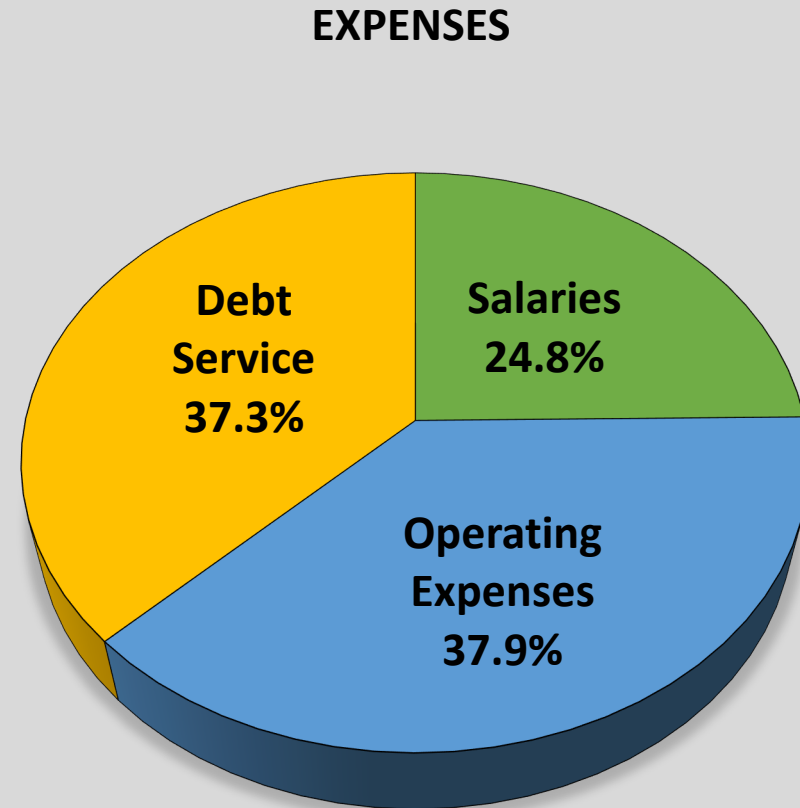
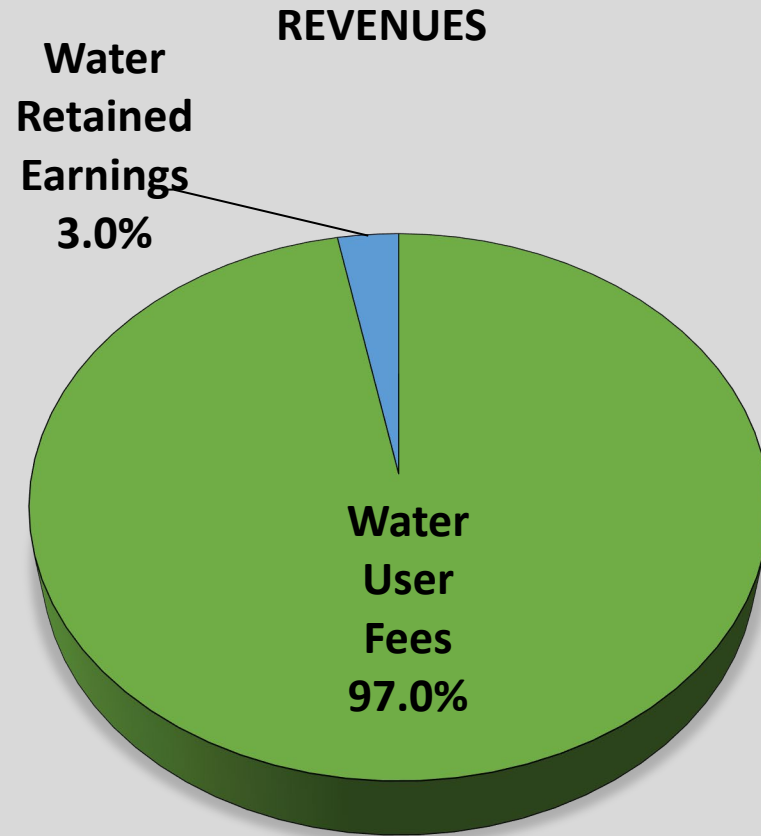
Summary of FY25 General Fund Revenues



Summary of FY25 General Fund Budgets by Function

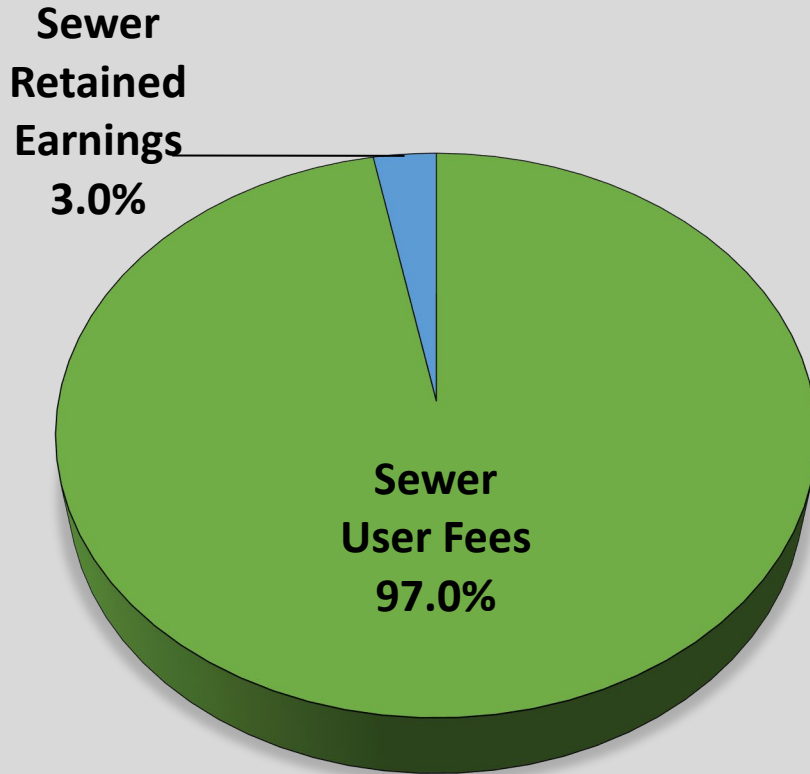


FY25 Water Fund Budget Overview

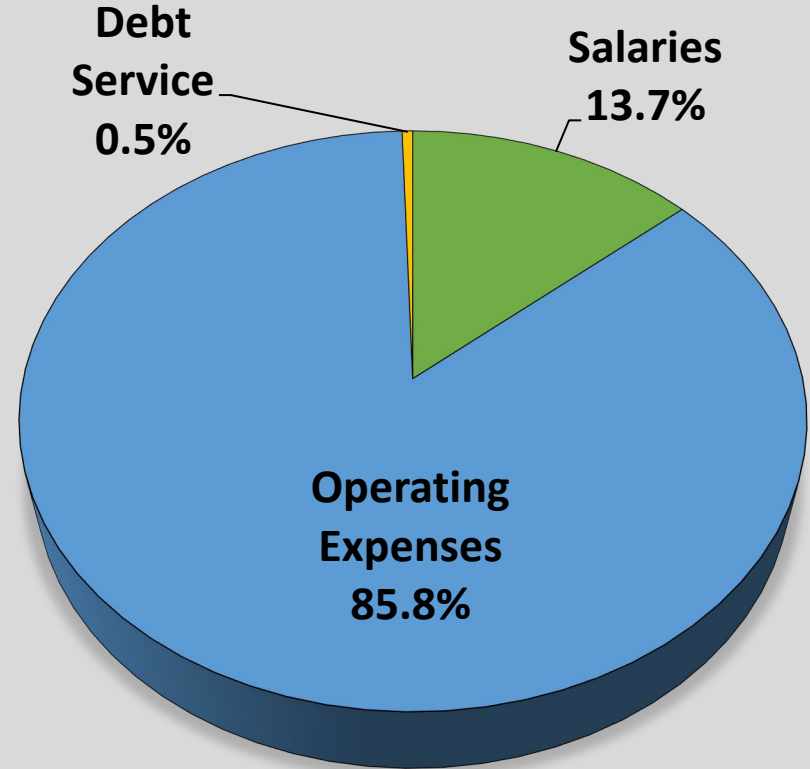


FY25 Sewer Fund Budget Overview

REVENUES



EXPENSES



Proposed FY25 Budget Increases by Function

Total Operating Budget Increase

| | | |
|--------------------|---------------------|--------------|
| General Government | \$ 44,927 | 0.95% |
| Public Safety | \$ 583,542 | 5.09% |
| Education | \$ 1,448,201 | 3.49% |
| Public Works | \$ 59,646 | 2.21% |
| Human Services | \$ (5,336) | -0.40% |
| Library | \$ 32,003 | 2.58% |
| Debt Service | \$ (156,308) | -4.58% |
| Insurance & Other | \$ 1,124,550 | 6.24% |
| Enterprise Funds | \$ 138,186 | 1.54% |
| Total | \$ 3,269,411 | 3.50% |

Enterprise Funds Breakdown

| | | |
|--------------|-------------------|--------------|
| Water Fund | \$ 71,695 | 0.99% |
| Sewer Fund | \$ 66,491 | 3.76% |
| Total | \$ 138,186 | 1.54% |

Budgets as %'s

Budget Increases as % of Overall Increase

| | | |
|--------------------|---------------------|----------------|
| General Government | \$ 44,927 | 1.37% |
| Public Safety | \$ 583,542 | 17.85% |
| Education | \$ 1,448,201 | 44.30% |
| Public Works | \$ 59,646 | 1.82% |
| Human Services | \$ (5,336) | -0.16% |
| Library | \$ 32,003 | 0.98% |
| Debt Service | \$ (156,308) | -4.78% |
| Insurance & Other | \$ 1,124,550 | 34.40% |
| Enterprise Funds | \$ 138,186 | 4.23% |
| Total | \$ 3,269,411 | 100.00% |

Budget Totals as % of Overall Budget

| | | |
|--------------------|----------------------|----------------|
| General Government | \$ 4,750,829 | 4.91% |
| Public Safety | \$ 12,045,274 | 12.46% |
| Education | \$ 42,987,742 | 44.46% |
| Public Works | \$ 2,755,637 | 2.85% |
| Human Services | \$ 1,339,208 | 1.39% |
| Library | \$ 1,272,714 | 1.32% |
| Debt Service | \$ 3,254,761 | 3.37% |
| Insurance & Other | \$ 19,160,481 | 19.82% |
| Enterprise Funds | \$ 9,115,854 | 9.43% |
| Total | \$ 96,682,500 | 100.00% |

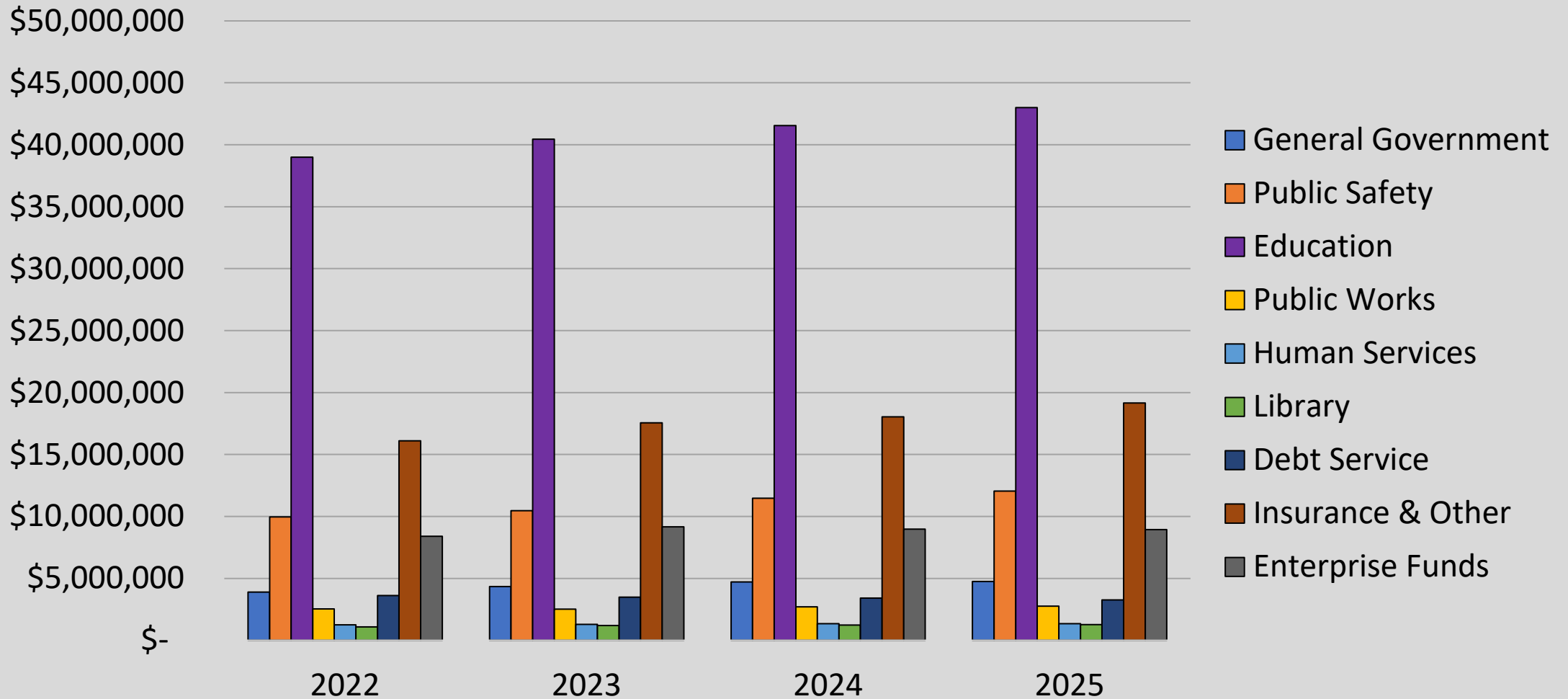
Summary

- **General Government** – Includes contractual obligations, increases in fuel, utilities, building maintenance, annual software renewals, and overall increases to supplies and other operating costs due to inflation. Overall 0.95% increase.
- **Public Safety** – Funding needed to cover increases from Police and Fire union contracts. Overall increases to the costs of police cruisers and maintenance/supplies. SEMRECC assessment is up \$150K from last year. Overall 5.09% increase.
- **Education** – FPS budget increasing 3.25% due to contractual salary obligations. Southeastern Regional assessment is increasing by 11% and Norfolk Aggie is estimated to increase by 5%. Overall 3.49% increase.
- **Public Works** – Increases in day-to-day operating expenses (supplies, equipment, and maintenance). Funds needed for stormwater management, engineering services, and roadway maintenance. Overall 2.21% increase.
- **Human Services** – Reductions in requests for permitting software and veterans benefits. Overall (0.40%) decrease.

Summary

- **Library** – Library budget increasing by 2.58% to comply with minimum spending requirements set by the State.
- **Debt Service** – Overall budget decreasing due to declining debt service payments for previous bond issuances (4.58% decrease). These are mainly projects funded by debt exclusions.
- **Insurance & Other** – Pension assessment is increasing by 5.44% per NCRS. OPEB funding is flat at \$985,135(GF). Group Insurance is estimated to increase 10%, and Property/Liability is estimated to increase 10%. Overall 6.24% increase. Final numbers are still pending for Group Insurance and Property/Liability Insurance.
- **Enterprise Funds** – Overall increase of 1.54%. Includes DPW Engineer funded in full by Water/Sewer (40/60 split). Water Enterprise budget is increasing by 0.99%. Sewer Enterprise is increasing by 3.76% largely due to additional funding for the new position. Includes enterprise funds share of OPEB annual funding.

Operations Budget History (FY)

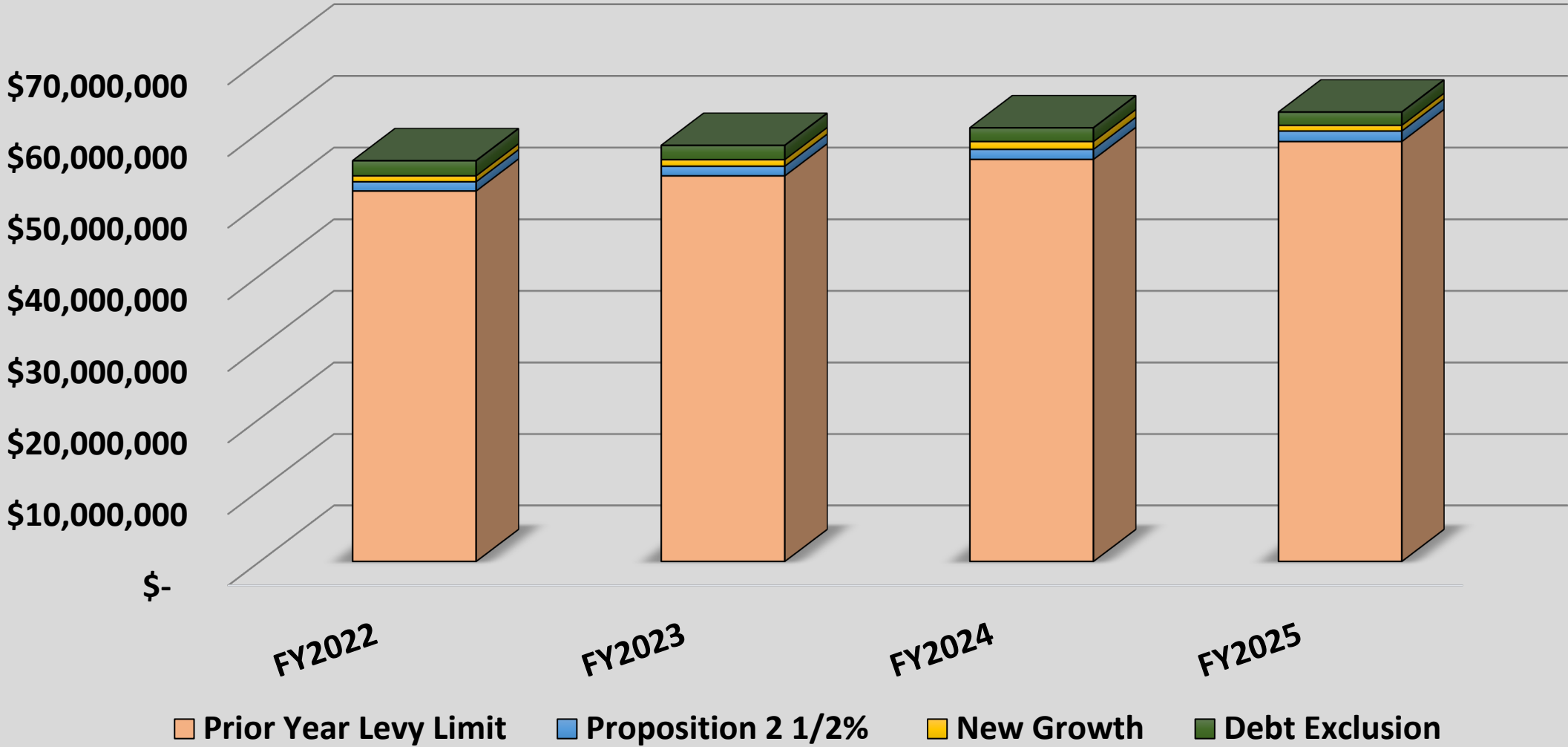


Note: The graph above shows the operating budget history by function. FY2022 and FY2023 are based on actuals while FY2024 and FY2025 are budgets.

FY25 Rev/Exp Operating Budget Summary

| Budget Overview | | | | |
|---|---------------------|----------------------|--------------------|--------------|
| | FY2024 Budget | FY2025 Preliminary | 2025 vs. 2024 | |
| Tax Levy | 60,579,276 | 62,778,315 | 2,199,039 | 3.63% |
| State Aid | 12,067,484 | 11,954,464 | (113,020) | (0.94%) |
| Local Receipts | 11,300,000 | 12,000,000 | 700,000 | 6.19% |
| Available/Other* | 4,578,882 | 4,798,424 | 219,542 | 4.79% |
| Enterprise Funds | 8,977,668 | 9,115,854 | 138,186 | 1.54% |
| Revenue Total | \$97,503,310 | \$100,647,057 | \$3,143,747 | 3.22% |
| Town Government | 21,448,880 | 22,163,662 | 714,782 | 3.33% |
| Education | 41,539,541 | 42,987,742 | 1,448,201 | 3.49% |
| Shared Expenses (Debt, Insurance, Pensions) | 21,447,000 | 22,415,242 | 968,242 | 4.51% |
| Enterprise Funds | 8,977,668 | 9,115,854 | 138,186 | 1.54% |
| Other (Assessments, Snow & Ice, Overlay)** | 4,076,619 | 3,964,557 | (112,061) | (2.75%) |
| Expense Total | \$97,489,708 | \$100,647,057 | \$3,157,350 | 3.24% |
| Net Excess/ (Deficit) | \$13,602 | \$0 | | |

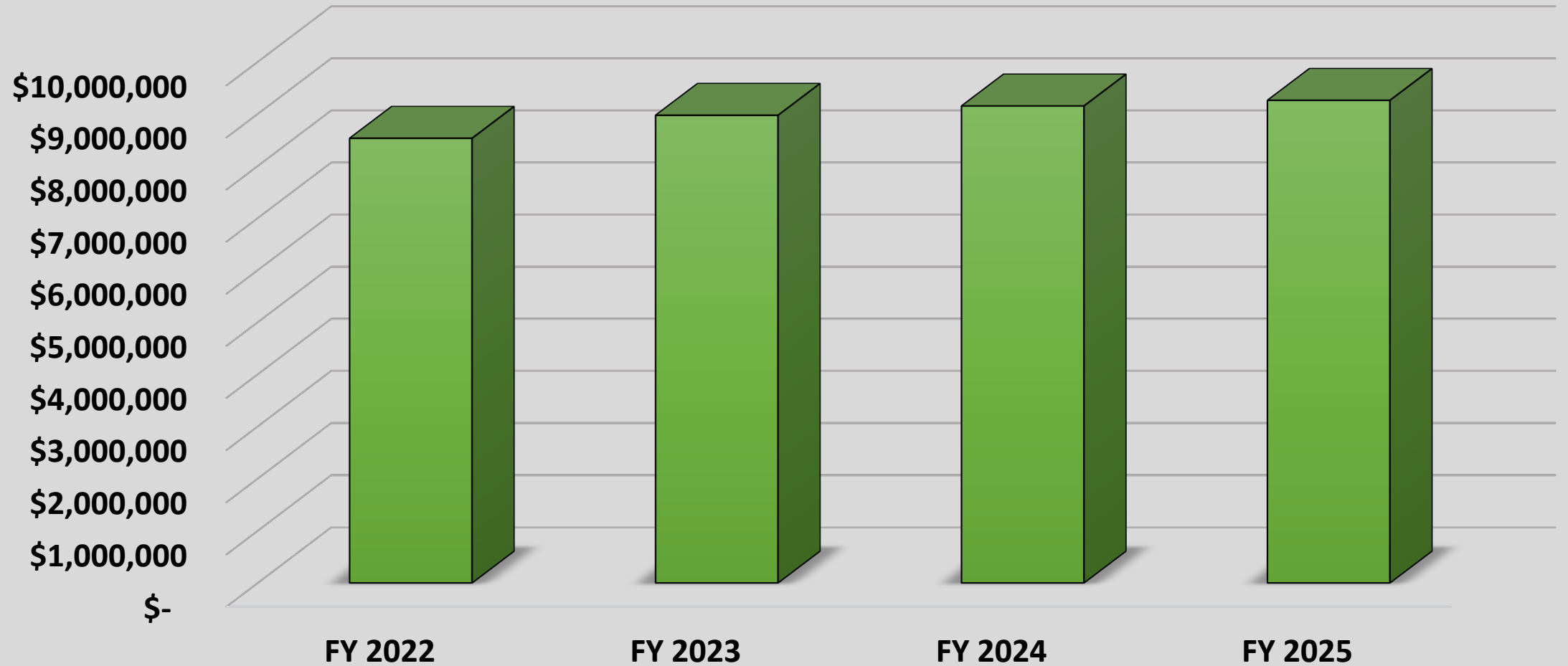
Tax Levy History



Tax Levy History

| Components | Fiscal Year 2022 Levy Recap | Fiscal Year 2023 Levy Recap | Fiscal Year 2024 Levy Budget | Fiscal Year 2025 Levy Preliminary | 2024 vs. 2025 | |
|----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|---|---------------------|-------------------|
| | | | | | \$ (+/-) Change | % (+/-) Change |
| Prior Year Levy Limit | 51,761,247 | 53,876,279 | \$ 56,172,396 | \$ 58,664,943 | \$ 2,492,547 | 4.44% |
| Proposition 2 1/2% Levy Increase | \$ 1,294,031 | \$ 1,346,907 | \$ 1,404,310 | \$ 1,466,624 | \$ 62,314 | 4.44% |
| New Growth | \$ 821,001 | \$ 923,525 | \$ 1,088,237 | \$ 800,000 | \$ (288,237) | -26.49% |
| Net Levy Increase | \$ 2,115,032 | \$ 2,270,432 | \$ 2,492,547 | \$ 2,266,624 | \$ (225,923) | -9.06% |
| <i>Levy Limit</i> | \$ 53,876,279 | \$ 56,146,711 | \$ 58,664,943 | \$ 60,931,566 | \$ 2,266,624 | 3.86% |
| Debt Exclusion Levy* | \$ 2,111,780 | \$ 1,982,704 | \$ 1,914,333 | \$ 1,846,749 | \$ (67,584) | -3.53% |
| Total Tax Levy | \$ 55,988,059 | \$ 58,129,415 | \$ 60,579,276 | \$ 62,778,315 | \$ 2,199,040 | 3.63% |

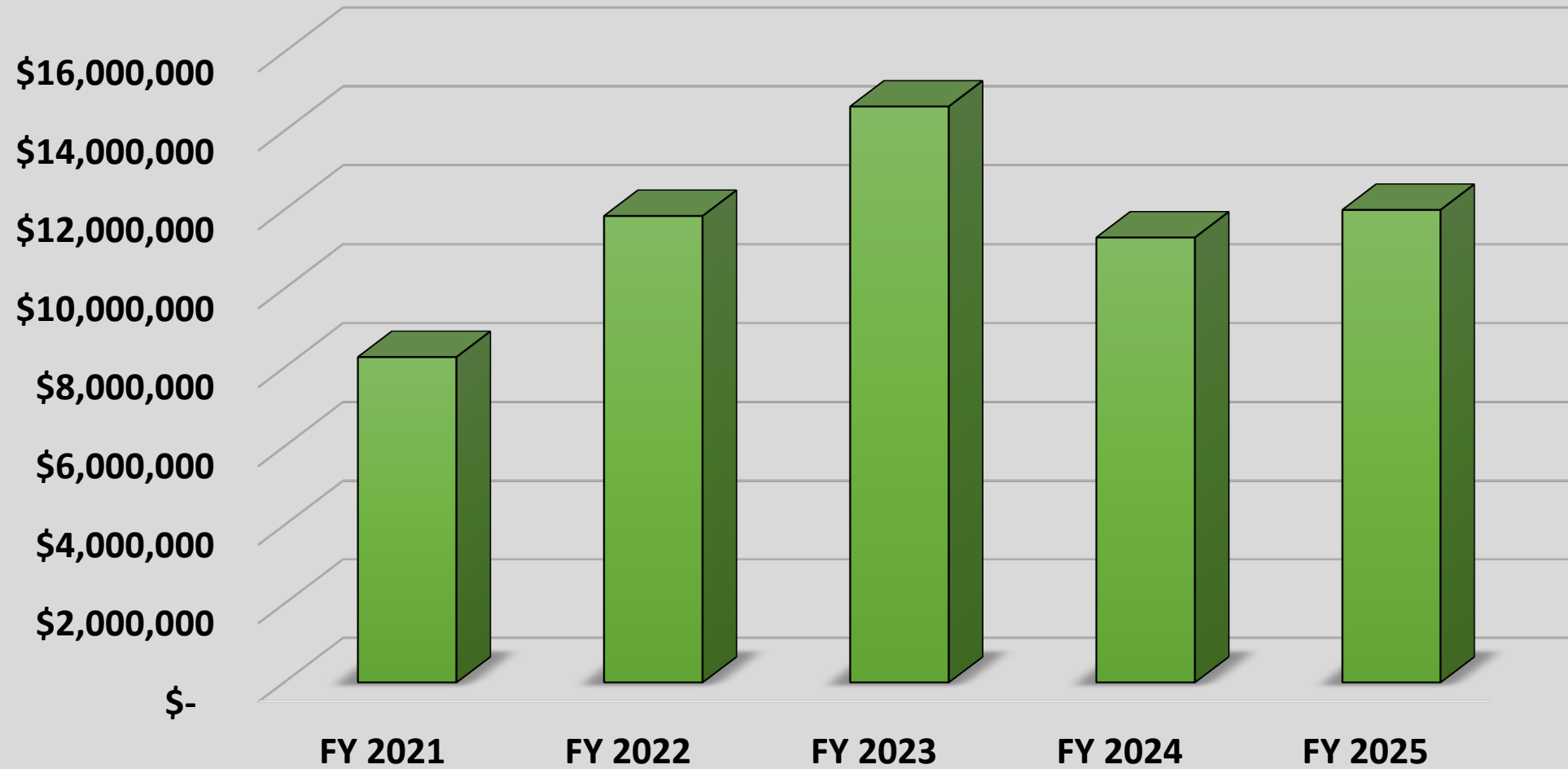
State Aid History



State Aid History

| State Aid | Cherry Sheet FY 2022 | Cherry Sheet FY 2023 | Budget FY 2024 | Preliminary FY 2025 | 2024 vs. 2025 | |
|---|-------------------------|-------------------------|----------------------|------------------------|---------------------|-------------------|
| | | | | | \$ (+/-) Change | % (+/-) Change |
| A. EDUCATION | | | | | | |
| Chapter 70 | \$ 9,123,240 | \$ 9,275,820 | \$ 9,428,040 | \$ 9,505,230 | \$ 77,190 | 0.82% |
| Charter School Tuition Reimbursement | \$ 246,039 | \$ 434,698 | \$ 399,127 | \$ 197,309 | \$ (201,818) | -50.56% |
| Sub-Total, All Education Items | \$ 9,369,279 | \$ 9,710,518 | \$ 9,827,167 | \$ 9,702,539 | \$ (124,628) | -1.27% |
| B. GENERAL GOVERNMENT | | | | | | |
| Unrestricted General Government Aid | \$ 1,637,028 | \$ 1,725,428 | \$ 1,780,641 | \$ 1,834,061 | \$ 53,420 | 3.00% |
| Veterans Benefits | \$ 124,688 | \$ 164,600 | \$ 157,213 | \$ 113,576 | \$ (43,637) | -27.76% |
| Exemptions: Vets, Blind & Surviving Spouse | \$ 40,837 | \$ 63,935 | \$ 62,983 | \$ 63,992 | \$ 1,009 | 1.60% |
| State Owned Land | \$ 140,074 | \$ 179,797 | \$ 194,020 | \$ 194,944 | \$ 924 | 0.48% |
| Off-Set: Public Libraries | \$ 33,967 | \$ 43,043 | \$ 45,460 | \$ 45,352 | \$ (108) | -0.24% |
| Sub-Total, All General Government | \$ 1,976,594 | \$ 2,176,803 | \$ 2,240,317 | \$ 2,251,925 | \$ 11,608 | 0.52% |
| C. TOTAL ESTIMATED RECEIPTS FOR FISCAL YEAR | \$ 11,345,873 | \$ 11,887,321 | \$ 12,067,484 | \$ 11,954,464 | \$ (113,020) | -0.94% |
| Dollar Change From Previous Year | \$ 229,654 | \$ 541,448 | \$ 180,163 | \$ (113,020) | | |
| Percentage Change | 2.07% | 4.77% | 1.52% | -0.94% | | |
| Assessments & Charges & Offset Items | \$ 2,815,768 | \$ 2,915,727 | \$ 2,917,353 | \$ 2,696,042 | | |
| Total State Aid | \$ 8,530,105 | \$ 8,971,594 | \$ 9,150,131 | \$ 9,258,422 | \$ 108,291 | 1.18% |

Local Receipts History



Local Receipts History

| Receipt | Actual | Actual | Actual | Budget | Preliminary |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025</u> |
| Motor Vehicle | \$ 3,082,969 | \$ 3,022,227 | \$ 3,119,525 | \$ 3,020,000 | \$ 3,065,300 |
| Hotel/ Motel Excise Tax | \$ 612,568 | \$ 1,553,098 | \$ 1,928,644 | \$ 1,553,098 | \$ 1,803,098 |
| Meals Tax | \$ 494,915 | \$ 1,061,303 | \$ 1,200,198 | \$ 1,071,562 | \$ 1,171,562 |
| Penalties & Interest Taxes/Excise | \$ 263,513 | \$ 168,318 | \$ 204,730 | \$ 204,730 | \$ 204,730 |
| Payment in Lieu of Taxes | \$ 1,332,832 | \$ 2,145,984 | \$ 3,497,752 | \$ 2,550,678 | \$ 2,700,679 |
| Other Charges for Services | | | | | |
| Fees | \$ 330,550 | \$ 600,311 | \$ 736,930 | \$ 607,311 | \$ 626,000 |
| Other Departmental Revenue | | | | | |
| Other Departmental Revenue - Libraries | \$ 1,450 | \$ 2,419 | \$ 2,174 | \$ 2,173 | \$ 2,173 |
| Licenses/Permits | \$ 1,114,394 | \$ 2,432,255 | \$ 2,305,975 | \$ 1,538,484 | \$ 1,569,254 |
| Fines/Forfeits | \$ 38,905 | \$ 52,265 | \$ 77,813 | \$ 67,000 | \$ 67,000 |
| Investment Income | \$ 87,885 | \$ 59,821 | \$ 774,537 | \$ 85,000 | \$ 97,240 |
| Medicare Reimbursement | \$ 77,110 | \$ 222,032 | \$ 102,797 | \$ 100,000 | \$ 100,000 |
| Miscellaneous Recurring | | | | | |
| Mitigation - NPS & Police Officer | \$ 260,336 | \$ 279,867 | \$ 295,964 | \$ 247,964 | \$ 292,964 |
| Miscellaneous Non-Recurring | | | | | |
| Other | \$ 572,009 | \$ 246,348 | \$ 374,695 | \$ 252,000 | \$ 300,000 |
| Total Estimated Receipts | \$ 8,269,435 | \$ 11,846,247 | \$ 14,621,734 | \$ 11,300,000 | \$ 12,000,000 |
| | -24.69% | 43.25% | 23.43% | -22.72% | 6.19% |

Available Funds History

| <u>Item</u> | Actual | Actual | Budget | Preliminary |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025</u> |
| Overlay Surplus | \$ 792,749 | \$ 800,000 | \$ 740,000 | \$ 740,000 |
| Free Cash | \$ 900,000 | \$ 1,000,000 | \$ 800,000 | \$ 800,000 |
| Fire Stabilization Fund | \$ - | \$ 50,000 | \$ - | \$ 100,000 |
| Ambulance Fund - Receipts Reserved | \$ 1,600,000 | \$ 1,600,000 | \$ 1,800,000 | \$ 1,900,000 |
| Recreation Revolving | \$ 59,118 | \$ 11,700 | \$ 2,611 | \$ 2,611 |
| Road Opening Surplus Account | | | | |
| Mitigation Fund | | | | |
| Health Insurance Fund Closeout | | | | |
| Total Available Funds | \$ 3,351,867 | \$ 3,461,700 | \$ 3,342,611 | \$ 3,542,611 |

| Stabilization Fund Balances (YTD) | |
|--|-----------------|
| General Stabilization Fund | \$ 4,566,789.13 |
| Capital Stabilization Fund | \$ 300,339.83 |

Indirect Costs

| | | Recap | Recap | Budget | Preliminary |
|-----------------------------------|--|--------------------|--------------------|--------------------|--------------------|
| <u>Item</u> | | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025</u> |
| Indirects (Water Enterprise Fund) | | \$1,090,249 | \$1,063,798 | \$1,078,803 | \$1,099,430 |
| Indirects (Sewer Enterprise Fund) | | \$ 151,519 | \$ 149,212 | \$ 157,468 | \$ 156,383 |
| Total Indirects | | \$1,241,768 | \$1,213,011 | \$1,236,271 | \$1,255,813 |

Other Budget Items to Consider

- Town Manager recommended budget does not include new General Fund positions
- Projected revenues are not enough to cover these new positions/additional salary requests:
 - Police - \$95,805 (requested 1 additional patrol officer; one was already hired in FY24 with funding split between FPS and Charter School)
 - Fire - \$174,066 (requested 2 additional firefighter/EMT's as well as additional funding for provisional FF's)
 - Library - \$24,000 (requested additional hours to bring their Teen Librarian to FT)
 - DPW - \$63,526 (requested DPW Engineer to be split between General Fund and Enterprise Funds and to keep some additional funding for Dept Coordinator)
- Reducing reliance on Free Cash and Overlay Surplus, if possible (structural deficit)
- Looking for opportunities for New Growth (critical)
- Upcoming contract negotiations for all 7 union contracts for FY26-FY28

Next Steps

- Select Board recommended budget
- Advisory Committee budget review meetings began on February 7 and will run through March
- Obtain final numbers for Group Insurance and Property, Liability & Workers Compensation
- Monitor Commonwealth budget process for state aid numbers
- Monitor construction and permitting activity for potential increase in New Growth
- Work on updating the financial policies to be effective July 1

Questions?