

FINANCE COMMITTEE MEMBERS

Kevin Hanks, Chair

Todd Schneider, Vice Chair

Kevin Corridan

Xiomara Albán DeLobato

Marc Ducey

Jeff Farnsworth

Patrick Kiernan

Joseph Lawless

Mike Mazzuca

FINANCE COMMITTEE'S ROLE

Section 504d of the Town's bylaws states, "It shall be the duty of this committee to investigate the needs of the Town, particularly the financial requirements of the several departments, and to ascertain and recommend the amount required to carry out the work of the Town for the ensuing year."

BUDGET CALENDAR

- **November**

- Town Administrator sets guidelines for Department Heads
- This year, 0% increase (expense) proposal requested of Dept. Heads

- **December**

- Liaisons begin scheduling meetings with Dept Heads

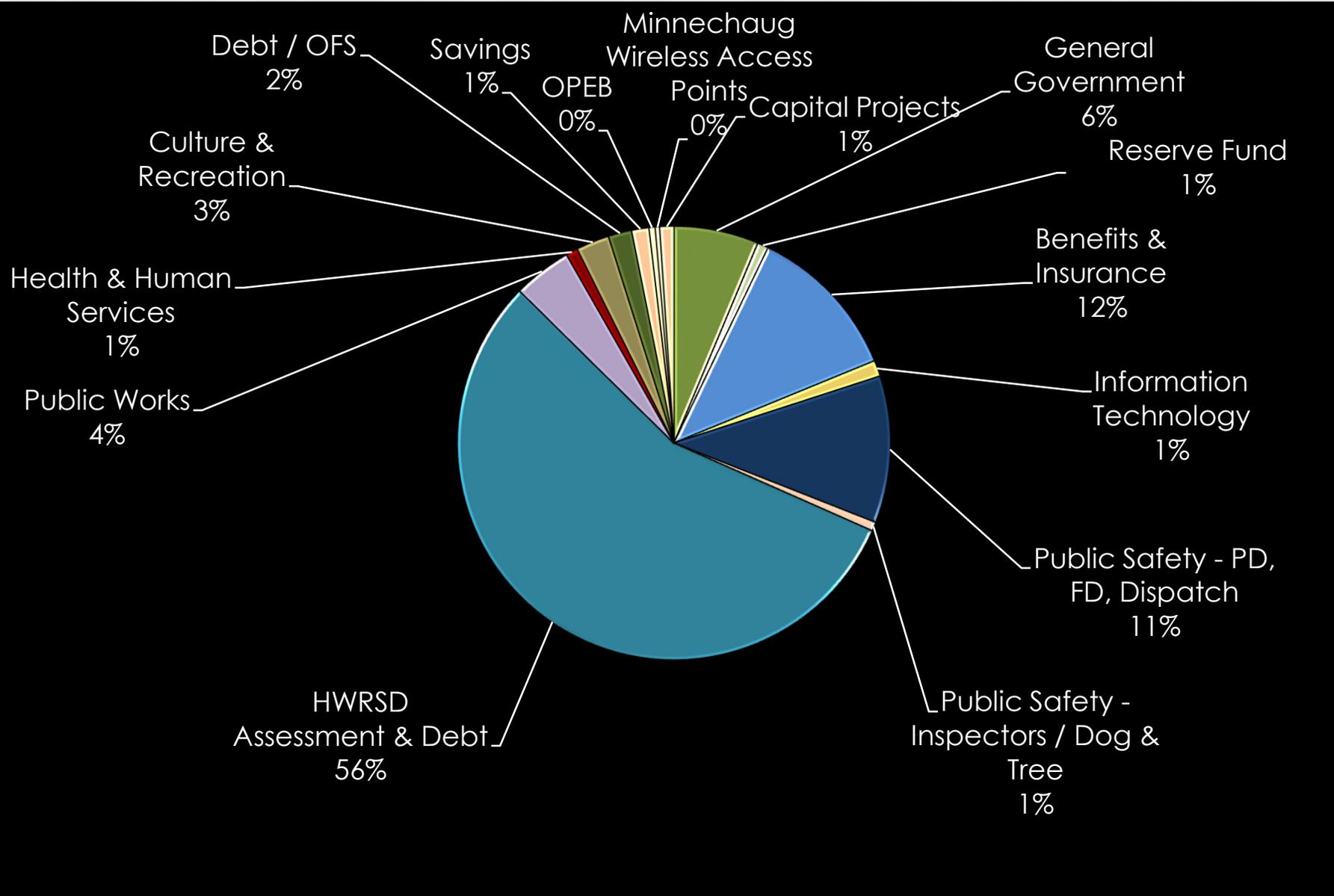
BUDGET CALENDAR

- **January**

- Liaisons meet with Dept. Heads
- Finance Committee begins Budget review and meets weekly
- Finance meets with all the major depts and any dept that wants to meet with us.
- Town Administrator begins preparation of proposed budget and submits recommendation to the Select Board

BUDGET CALENDAR

- **February**
 - Select Board makes their budget recommendation to Finance Committee
 - Finance Committee continues Budget review
- **March-April**
 - Finance Committee completes the budget
 - Final preparations for Town Meeting
- **May**
 - Budget Hearing mid-May
- **June**
 - Budget is presented for approval by the voters at Town Meeting
- **April-November**
 - Reserve-Fund Transfers, as otherwise necessary



REVENUE AND BUDGET-FY25

- **\$47,290,728** including 2 ½% allowable increase to the tax levy, MRHS debt exclusion and **\$500,000** new growth.
- **\$1,918,206** estimated state receipts
- **\$7,480,376** local and enterprise fund receipts
- **\$2,861,585** Free Cash
- **\$58,685,075** total revenue and available funds
- For **FY24** and **FY25**, the increased tax and new growth revenues were **\$1,532,351** and **\$1,622,317**, respectively

HIGHLIGHTS

- Town is in a **strong financial position**
- Continued the precedent of **NOT spending to the levy limit**. The result of this is we are approximately **\$1MM under** the levy limit. (\$552 less)
- Recommending **adding \$700K into Stabilization Funds to prepare to pay for 1MM Fire Truck**
- Recommending **\$250K to OPEB account**
- OPEB **liability decreased** significantly due to favorable discount rate that is used as a result of investing the OPEB funds.

HIGHLIGHTS (MORE)

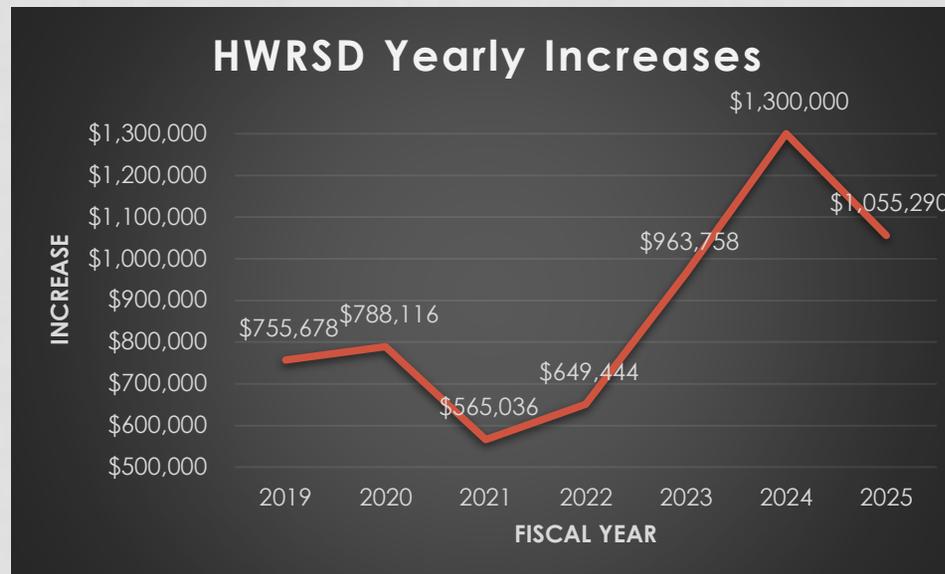
- **Free Cash –**
 - Started this FY with \$2.86MM. Minimizes and in many cases eliminates interest
 - \$2MM of these funds were used for one-time town-wide expenses in this budget: Highway trucks, Rec Truck, Mower, MRHS Wireless Access Points,
 - \$168K of these funds were used for Fall FY24 STM; Minnechaug Capital Improvements

FY25 CHALLENGES

- Electric and Heating Fuel across all departments
- Facilities and Council on Aging
 - \$40,000 for Memorial School nominal upgrades
 - Two Employees for Janitorial services for new Senior Center
- Library
 - Started \$12,000 over the state mandated Municipal Appropriation Requirement (MAR)
- Memorial School / Parks and Recreation
 - Request for Memorial School Investment over next 4-5 years (approx. \$5MM Total)
 - \$250,000 appropriations (budget)
 - \$250,000 CPC funds (CPA line on our tax bill)
 - \$250,000 Friends of Recreation
 - ~\$250,000 from Green Communities (estimate)
 - FINCOM letter to Select Board asking for formal proposal to town meeting of the total project costs to seek taxpayer approval; until such time, Finance does not recommend further investment into renovations

FY25 AND SCHOOLS

- 2019-2022 Average Increase for HWRSD: \$689,000
- 2023-2025 Average Increase for HWRSD: \$1,106,000



- School Budget represents 54.83% of the total budget; they are receiving 58% of the total increase for FY25.

DEPT. INCREASES (7 YEARS)

We have 45 budgets in town; here are a few figures showing some increases over the prior seven years:

- Insurance: 69%
- Council on Aging: 66.65%
- Fire Department: 30.77%
- Pensions: 56%
- Police Department: 18%
- Technology: 27.69%

ANTICIPATED IMPACTS TO FY26

\$365,000- New Senior Center Debt hitting the budget

\$300,000- Roads and Sidewalks

\$200,000- Group Insurance

\$300,000- Rest of Fire Engine purchase or debt

\$100,000- IT Subscriptions

**\$1,265,000-Major impacts to budget before salaries,
Capital and Schools**

LOOKING AHEAD TO FY26:

Challenges:

- Schools: Increases requested, Capital requests, union contract negotiations
- Facilities and Council on Aging- \$65,000 for two janitorial positions
- Memorial School-Waiting on Presentation from Parks and Recreation on total project costs

Potential Revenue Streams:

- Central Dispatch when Belchertown is added:
\$250,000-\$400,000

ACKNOWLEDGMENTS

- Select Board
 - Nick Breault, Town Administrator
 - Derek Geser, Town Accountant
- Krystine Viess-Assistant Town Accountant
- Barbara Hancock, Asst. Town Administrator for Budget & Finance
 - Department Heads and their Teams