

DRAFT FY26
OPERATING BUDGET

ADVISORY MEETING
JANUARY 8, 2025



DRAFT FY26 Operating Budget - Background

MGL - Select Board

- Chief Elected Officials and Executive Officers
- General Direction and management of the property and affairs of Town

Town Bylaws

- Town Administrator
 - Management of the office of the Select Board
 - Supervision of Department Heads
 - Effective relationships with town boards, departments, commissions, and committees
 - Maintenance/repair of Town buildings, facilities, and property
- Finance Director/Accountant
 - Manage cash flow of the town, record reconciliation
 - Analysis and forecasting of revenue, expenditures, and employee benefits
 - Coordinate financial information
- Advisory Committee
 - Annually receives expenditure estimates from Town Boards, Officers, and Committees (also Schools)
 - Advisory Public Hearing – any Warrant for a Town Meeting
 - Advisory Report to Town Meeting - expenditure recommendations

Town Fiscal Guidance Policies

Adopted by Select Board and Advisory Committee 2021

DRAFT FY26 Operating Budget - Background

Guiding Principles and Goals (Fiscal Policies)

- Administer a revenue system that ensures reliable, equitable, diversified, and sufficient support of Town services
- Identify priority services, appropriate service levels, and administer the expenditure of resources to assure fiscal stability and efficient delivery of services
- Budget planning and control is a continuous activity
- Review and monitor the state of the Town's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources
- Maintain reserves, contingencies, and fund balances at levels sufficient to protect the Town's credit as well as its financial position from emergencies

Advisory Committee Guidance Letter

- 2.5% COLA Municipal Employees, Level Service for Expenses (goal to level fund)

DRAFT FY26 Operating Budget - Expenses

	<i>Approved</i> <i>FY25 Budget</i>	<i>Draft</i> <i>FY26 Budget</i>	<i>\$ Change</i> <i>FY25 to FY26</i>	<i>% Change</i> <i>FY25 to FY26</i>
Education				
Elementary School	8,241,810	8,442,085	200,275	2.79%
Dover-Sherborn Regional Assessment	11,613,962	11,938,551	324,589	2.43%
Tri-County / Norfolk Ag / Minuteman	133,300	182,632	49,332	34.6%
Town Government	8,364,326	8,754,172	389,846	4.66%
Undistributed Expenses				
Health Insurance	1,761,315	1,870,609	109,294	6.21%
Middlesex County Retirement	1,313,434	1,452,395	138,961	10.58%
Debt Service	1,881,241	1,944,703	63,462	3.37%
Other	914,269	914,264	0	0%
TOTAL BUDGET	34,223,653	35,499,611	1,275,958	3.73%

DRAFT FY26 Operating Budget - Revenue

Sources of Revenue

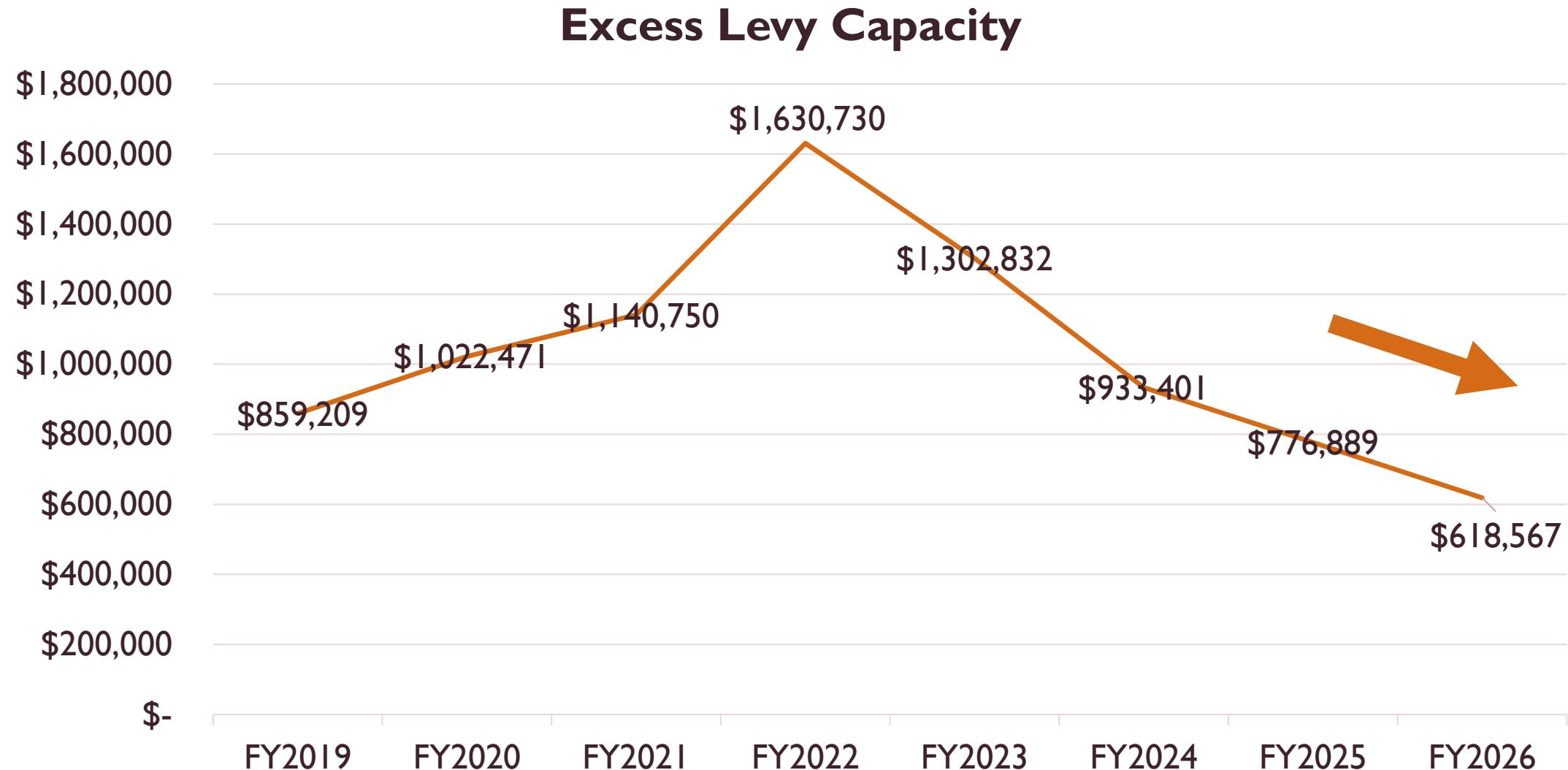
	<i>Approved FY25 Budget</i>	<i>Draft FY26 Budget</i>	<i>\$ Change FY25 to FY26</i>	<i>% Change FY25 to FY26</i>	
Property Tax Levy	31,164,704	32,310,085	1,145,381	3.68%	←
Local Receipts	1,835,067	1,985,393	150,326	8.19%	
State Aid	1,191,308	1,215,440	23,832	2.00%	
TOTAL	34,191,079	35,510,918	1,319,539		

DRAFT FY26 Operating Budget - Levy Limit

Proposition 2 ½ - How does it work?

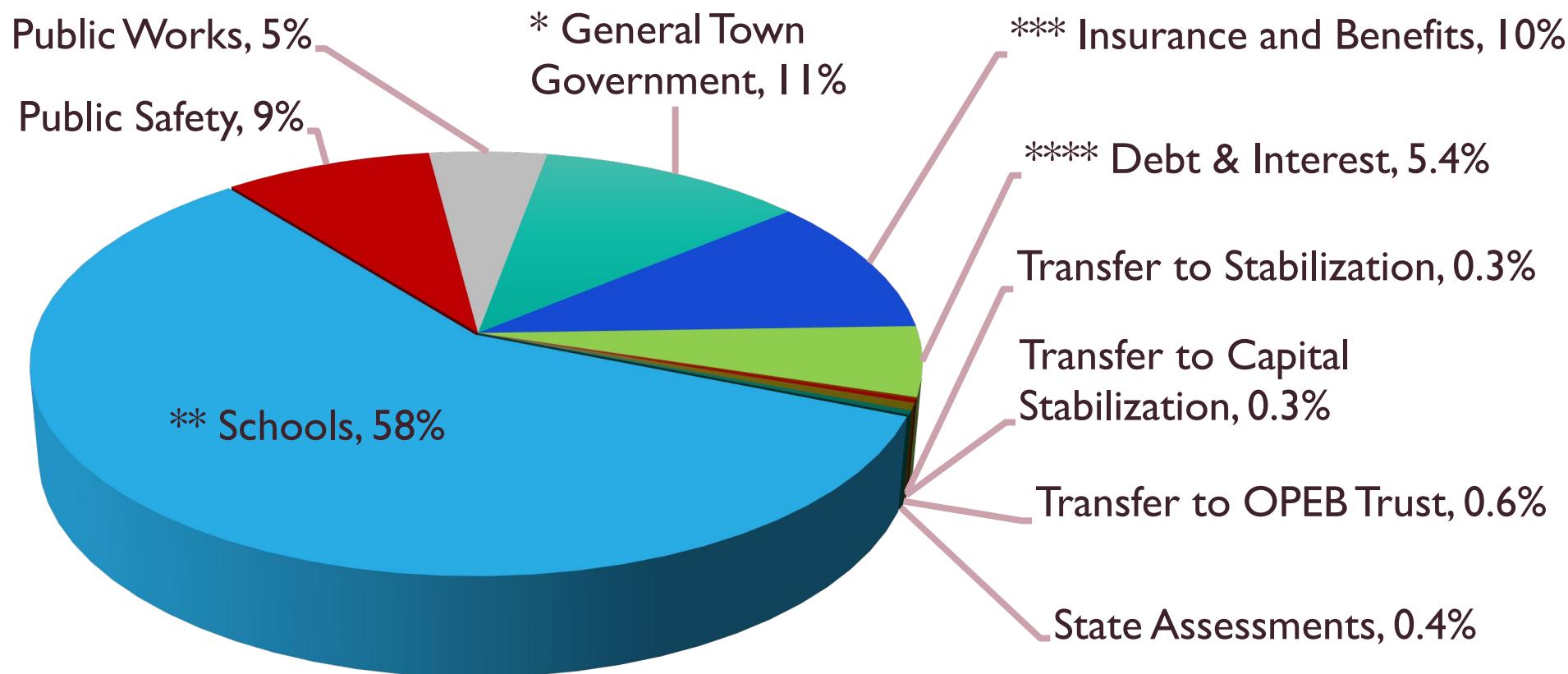
Start with last year's Levy Limit (FY25)	29,882,357
Add 2.5% increase	+ 747,059
Add "new growth"	<u>+ 240,000</u>
<i>Levy Limit</i>	<i>30,869,416</i>
Add Debt Exclusions	<u>+ 2,059,236</u>
<i>Maximum Allowable Levy</i>	<i>32,928,652</i>
Actual Property Tax Levy (Draft FY26)	<u>- 32,310,085</u>
Excess Levy Capacity	618,567

DRAFT FY26 Operating Budget - Excess Capacity



DRAFT FY26 Operating Budget - Expenses

Draft FY26 Expenditures – Total Budget Share



- Includes Reserve Fund appropriation

- ** Includes Sherborn K – 6, Dover/Sherborn Regional, Tri-County Technical, Norfolk Ag/Minuteman

- *** Approx. allocation 45% Schools and 55% Town

- **** Approx. allocation 25% Schools and 75% Town

DRAFT FY26 Operating Budget - Expenses

Expense Summary

Education	+\$574,396	+2.87%
Town Government	+\$389,846	+4.66% *
Salaries	+264,668	
Expenses	+125,177	
Undistributed Expenses	+\$311,717	+5.31%
Health Insurance	+109,294	+6.21%
MCRS Assessment	+138,961	+10.58%
Debt Service	+63,462	+3.37%

* Includes \$81,000 attributed to Emergency Communications and \$10,000 attributed to Veterans Services Officer. Town Government increase is 3.57% if those expenses are not considered.

DRAFT FY25 Operating Budget

Budget Drivers - Town Government Salaries

2.5% Salary Adjustment (COLA) non-union employees

Treasurer/Collector Offices Combined

Funds Conservation Agent and Town Planner positions

Reduction Sustainability 'Department'

Funds obligations of Police Officer Public Works Union Contracts

Additional Call Firefighter support and additional EMT coverage

Veterans Service Officer IMA with Walpole and Medfield

Adds Children's Library Assistant position, additional hours for Technical Services Librarian and additional hours for Circulation Supervisor

DRAFT FY26 Operating Budget

Budget Drivers - Town Government Expenses

Information Technology cybersecurity and software licensing

Town Clerk General Code bylaw updates and eCode licensing

Reduction in electricity costs for Fire Station 1 (roof top solar)

Town building maintenance costs (TH building and septic, HVAC systems, fire alarm servicing, and EV chargers)

Ambulance quality assurance by consultant

Fire Department vehicles/equipment, training, and protective clothing

Funding for first year of Regional Dispatch services (full cost phased in over three years)

DRAFT FY26 Operating Budget

Monetary Articles – Uses of Free Cash

	<i>DRAFT FY26 Contribution</i>	<i>Fund Balances 12/15/24</i>
OPEB Trust	\$100,000 *	\$3,490,492
General Stabilization	\$50,000	\$1,077,348
Capital Stabilization	\$100,000	\$437,616
Capital Budget	\$387,735	

* Additional \$100,000 funded within the Operating Budget