

FY 2025

BUDGET OVERVIEW

Open Hearing

March 18, 2024



FY25 CHALLENGES



- Inflationary pressure – energy, health care & labor costs
- New positions added for Community Center and town operations (\$375K)
- Increase in debt service for Community Center \$6.774M & capital (\$657K)
- Repairs and replacement of aging infrastructure (\$1.9M in capital)
- Dover-Sherborn Regional School Increase (\$313K)
- Chickering School Increase (\$524K):
 - Out of District Placement
 - New math curriculum
 - Additional .5 FTE
- Goal: Responsible use of reserves, moderate predictable increase in property taxes, maintain AAA rating and fiscal health of the Town

Notable Budget Reductions

As of March 18, 2024



Reduced FTE Requests for Project Manager, IT Analyst, and Payroll/Benefits Coordinator



Reduce financial consultant support by 50K



Used 305K in state funding for repairing culverts as a result of storm damage



Used 319K in excess free cash to fund the town's long-term OPEB liability



Used 1.1 million in ARPA funds to reduce capital for stormwater and DPW 6-wheel dump truck

FY 2025

**FUNDING REQUIREMENTS/ USE
OF RESERVES**

	Approved FY24	Requested FY25	Variance FY 24 vs FY 25		Composition of Variance			
			\$	%	Standard	New	Offsets	One-time
<i>(\$ in Thousands)</i>								
OPERATING EXPENSES								
General Town Operations (BOS)	\$3,372	\$3,793	\$421	12.5%	\$234	\$407	(\$230)	\$10
Protective Agencies (Police & Fire)	3,898	4,063	166	4.2%	131	35	-	-
Public Works	2,617	2,759	142	5.4%	83	128	(69)	-
Health & Human Services	538	562	25	4.6%	25	-	-	-
Culture & Recreation	1,401	1,513	111	7.9%	69	42	-	-
Total Municipal Budget	11,826	12,691	865	7.3%	541	612	(299)	10
Education (Chickering, Region & Minuteman)	24,007	24,865	858	3.6%	858	-	-	-
Debt & Interest	1,862	2,519	657	35.3%	-	657	-	-
Insurance & Pensions	5,129	5,549	419	8.2%	419	-	-	-
Total Fixed Costs	6,992	8,068	1,076	15.4%	419	657	-	-
Total Town Operating Expenses (Article 4)	\$42,825	\$45,624	\$2,799	6.5%	\$1,819	\$1,268	(\$299)	\$10
Less: Impact of Excluded Debt Service	\$ 1,633	\$ 2,189	\$ 556					
Total Town Operating Expenses: Net of Excluded Debt Service	\$ 41,192	\$ 43,435	\$ 2,243	5.4%				
CAPITAL EXPENSES								
General Town Operations (BOS)	\$242	\$511	\$269	111.2%	\$511	\$0	\$0	\$0
Protective Agencies (Police & Fire)	1,234	313	(920)	-74.6%	313	-	-	-
Public Works	1,750	1,012	(738)	-42.2%	355	657	-	-
Health & Human Services	-	-	-	N/A	-	-	-	-
Culture & Recreation	34	150	116	339.1%	-	150	-	-
Total Municipal Capital	3,260	1,987	(1,273)	-39.1%	1,179	807	-	-
Education (Chickering, Region & Minuteman)	822	140	(682)	-83.0%	140	-		
Total Town Capital (Article 5)	\$4,082	\$2,127	(\$1,956)	-47.9%	\$1,319	\$807	\$0	\$0
Funded by Debt-Public Works	2,490	657	(1,833)	-73.6%	\$0	\$657		
Net Capital Funding	\$1,592	\$1,469	(\$123)	-7.7%	\$1,319	\$150		
Special Articles	1,016	1,040	24	2.3%				
Total Funding Requirements	45,486	48,203	2,717	6.0%	\$3,138	\$2,076	(\$299)	\$10
USE OF RESERVES FOR:			-					
Operating Budg. (Includes DCC Tax Relief)	\$ (690)	\$ (949)	\$ (259)	37.5%	\$0	\$0	\$0	\$0
Reducing Tax Rate	(1,200)	(800)	400	-33.3%				
Capital Expenditures	(1,070)	(714)	356	-33.3%	-	-	-	-
Unpaid bills	(8)	(10)	(2)	31.7%	-	-	-	-
Prior Year Articles		(135)						
Special Articles	(1,016)	(1,040)	(24)	2.3%	-	-	-	-
Overlay Surplus for Reserve Fund	(100)	(150)	(50)	50.0%				
Total Use of Reserves	(\$4,084)	(3,798)	\$286	-7.0%	\$0	\$0	\$0	\$0
Net Funding Requirements	\$41,402	\$44,405	\$3,004	7.3%	\$3,138	\$2,076	(\$299)	\$10

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MAJOR FY 2025 COST DRIVERS

[illegible]

FY 2025 FUNDING SOURCES

	Approved FY24	Requested FY25	Variance FY 24 vs FY 25		Composition of Variance			
			\$	%	Standard	New	Offsets	One-time
(\$ in Thousands)								
REVENUE SOURCES								
Tax Levy	38,003	40,845	\$2,841	7.5%				
Local Receipts	2,657	2,700	43	1.6%				
State Aid	1,386	1,416	31	2.2%				
Cherry Sheet Assessments	(645)	(556)	89	-13.7%				
Total Revenue Sources	\$41,402	\$44,405	\$3,004	7.3%				
Surplus/(Deficit)		0						
CASH RESERVES		FY 25						
General Stabilization Fund		1,317						
Capital Reserve Fund		900						
OPEB Reserve - Region		1,819						
Cash Reserves for AAA rating (10% of Revenue), net of Stabilization Fund		3,124						
Total Cash Reserves: Allocated for Specific Purposes		\$7,160						
Estimated Cash Reserves @ Town Meeting		\$10,519						
Used at Town Meeting		(3,798)						
Cash Reserves for AAA rating (10% of Revenue), net of Stabilization Fund		(3,124)						
Estimated Unallocated Cash Reserves after Town Meeting		\$3,597						

Considerations

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Further Cost

Reductions

- Discuss with Parks and Recreation creative solutions for the management of the Community Center.

- Phase hiring/ reduce the number of custodian positions for the Community Center.

- Consider a combined Finance Director/Treasurer-Collector Position.

- Eliminate 50K request for additional paving of roads.

