

Presentation of Alternative FY 2025 Budget and Capital Plan ("B" Budget)



February 5, 2024 – Town Manager John S. Mangiaratti

Acton Leadership Group Process

The Acton Leadership Group (ALG):

- includes representatives from Select Board, Finance Committee, AB School Committee
- next meeting February 12th
- through consensus has decided to consider an operational override for FY25 and to develop “A” and “B” versions of ALG Plan
 - “A Plan”: \$6.6M in additional revenue from override
 - “B Plan”: No additional revenue (no override)



Health Insurance Update

Health Insurance

- HIT Assessment and 22.8% increase
 - Implemented hiring freeze and cost control measures to ensure funding available in FY24
 - Employee portion of increase covered for first two months and to be considered further

Health Insurance Working Group

- Meeting on February 6th
- Discussing plan design changes
- Considering alternative structures, new shared collaboratives
- Goal to have changes in place for FY2025



FY2025 Budget Presentations

- Tonight is the 7th budget presentation since departments submitted level services operational requests
- Feedback incorporated from each presentation
- Several budget reductions presented (including tonight)

11/6/2023	Presentation of Preliminary Level Services Est. Capital Needs
11/20/2023	Presentation of Facility Study and Preliminary Capital Plans
12/4/2023	Presentation of FY2025-2034 Capital Improvement Plan (CIP)
12/18/2023	Presentation of Town Manager FY2025 Recommended Budget
1/10/2024	Budget Workshop with Finance Committee and Select Board
1/11/2024	
1/22/2024	Presentation of Revised FY2025 Recommended “A” Budget



Summary of Operating Budget Reductions

(including subsidies and offsets)

Oct. 2023	Operating Requests from Departments for FY2025	\$41,498,889
12/18/23	Town Manager's Recommended Level Services Budget	\$40,751,997
1/22/24	Current "A" Budget Proposal	\$39,465,686
2/5/24	Current "B" Budget Proposal	\$39,000,027

- Current "B" Budget Proposed Spending on Operations
 - \$2.5M reduction from Department Operating requests
 - \$1.75M reduction from Town Manager's Recommended Level Services



Overview of FY2025 “A” & “B” Budgets

- The “A” budget would be presented to Annual Town Meeting if an override vote passes by majority during the Annual Town Election
- The “B” budget would be presented if there is not an override
- The following cost reduction measures are included in the current “A” and “B” budgets:
 - Subsidy reductions
 - Staffing reductions
 - Expense reductions
 - Reallocations to other funding sources
 - Potential new offsets (OPEB & Cemetery Funds)
 - Reductions to Capital Budget
 - Alternative revenue proposals



Subsidy Reductions

Department	Level Services FY2025	Subsidy Description - Level Services
Fire Department	\$390,000	Ambulance staffing including two impact shift positions and benefits
Transportation	\$150,000	Funding for the four transportation programs and dispatching services
TOTAL	\$540,000	

- **Current “A” Budget Proposed Subsidy**
 - Reduces one impact shift position (-\$87,977 from Level Services)
- **Current “B” Budget Proposed Subsidy:**
 - Requires additional reduction of \$100,000 from “A” Budget
 - Cut \$100,000 from Transportation Subsidy?
or
 - Cut another \$100,000 from Fire, including 2nd impact shift position?



Review of Staffing Reductions

- Town Manager's Level Services Budget did not include requested new positions such as:
 - Fire Prevention Officer and ambulance staffing for Fire Department
 - Administrative Lieutenant for the Police Department
 - Assistant Recreation Director for Recreation
 - Office Manager for the Operations Department



Review of Staffing Reductions

- “A” Budget reduces staffing resources in several departments:
 - Finance
 - Fire
 - Libraries
 - Nursing
 - Operations (Technology)
 - Police
 - Public Works
 - Town Manager
- “B” Budget further reduces staffing in these departments



Staff Reductions - “B” Budget

Finance Department	-\$191,814	Cut finance director position and part time accounting staff
Town Manager	-\$198,000	Cut project manager position, comp reserve
Fire	-\$87,977	Reduce subsidy towards impact shift position
Libraries	-\$55,000	Reduce staffing hours at both libraries
Police	-\$60,000	Reduce clinician from full time to part time
Public Works	-\$56,000	Moved DPW crew member to Transfer Station ent.
Police/Fire	-\$30,000	Cut overtime to support town events (4 th July, etc)
Nursing	-\$26,516	Cut three part time positions
Technology	-\$20,984	Cut part time position
Town Clerk	-\$10,000	Reduced funding for election workers



Expense Reductions - “B” Budget

Finance	-\$238,115	banking services, professional development, overtime, retiree health insurance
Police	-\$182,000	vehicles, professional development (add'l 120k moved to capital)
Facilities	-\$133,584	building improvements, and utilities (30k moved to capital)
Technology	-\$70,000	contracted services and GIS
Public Works	-\$55,000	Engineering services, special projects, and paving
Town Manager	-\$40,000	Contracted and legal services, professional development
Celebrations	-\$35,000	cut funding for fireworks
Sustainability	-\$25,000	programs and services



Expense Reductions - “B” Budget (continued)

Building and Health	-\$25,000	Supplies and support for Haz. Waste Day
Human Resources	-\$15,460	Senior work hours, advertising, workers comp
Council on Aging	-\$10,000	Newsletter, outreach expenses
Emergency Mgmt.	-\$10,000	preparedness supplies
Nursing	-\$9,000	medical supplies (flu vaccines)
Historic Commission	-\$7,500	archaeological reviews
Planning	-\$5,000	professional services
Conservation	-\$5,000	Contracted maintenance (arboretum)



Reallocations to Other Funding Sources – “B” Budget

Move portion of Police vehicle replacements to Free Cash	\$120,000
Move portion of building improvements to Free Cash	\$30,000
Move new DPW crew position to Transfer Station Enterprise	\$56,000



Potential New Offsets – “B” Budget

Proposed Offset	FY25 Impact	Status
Proposed revenue from Other Post-Employment Benefits (OPEB) Trust to offset a portion of the \$1.1M in retiree health insurance benefits	\$300,000	Proposed
Potential revenue from Cemetery Trust to offset Cemetery operations	\$50,000	Proposed
Potential revenue from wetlands filing fees to offset Conservation operations	\$15,000	To be proposed



Town Manager's Recommended “B” Budget - Operations

FY24 Approved Budget \$	FY25 Level Services Budget \$	FY25 A Budget \$	FY25 B Budget \$	B Budget Change from FY24
Muni Operations: 37,382,147	40,511,997	39,313,663	38,998,024	
Offsets:	-300,000	-300,000	-350,000	
Subsidies:	477,928	540,000	452,023	352,023
Total Operations:	37,860,075	40,751,997	39,465,686	39,000,047 3.0%



Summary of Capital Reductions

Presentation		Projects	Investment	FY25 General Fund Cost
12/4/23	FY2025 Capital Improvement Plan (CIP)	31	17M	\$4.8M
12/18/23	TM Recommended Budget and Capital Plan	9	7.7M	1.75M
1/22/24	Proposed “A” Budget	10	7.6M	\$1.53M
2/5/24	Proposed “B” Budget	8	6.03M	\$.96M

Will seek external funding and grants to advance projects removed from capital plan



FY2025 Capital Recommendations

The FY25 Town Manager's "B" Budget Recommended capital investments in General Fund Borrowing:

A.	DPW Facility Improvements – Fueling Station Replacement	\$2,600,000 \$188,887
B.	Replacement of 2009 Aerial Ladder Truck	\$2,100,000 \$216,222
C.	Complete Streets – Prospect Intersection, Great Road, sidewalk	\$1,200,000 \$123,555
D.	Stormwater Infrastructure Improvements Bridges/Culverts	\$800,000 \$82,370

Total Investment: \$5,500,000

Estimated FY25 Debt Service (6% rate): \$436,479



FY2025 Capital Recommendations

The FY25 Town Manager's "A" and "B" Budget Recommended capital investments in Free Cash are shown below:

		"A"	"B"
A.	Traffic calming & intersection improvements (and sidewalks)	\$200,000	\$50,000
B.	Self-Contained Breathing Apparatus Replacement - Fire Dept.	\$200,000	\$200,000
C.	Fleet Replacement Program - Police	\$180,000	\$120,000
D.	Facility Study Priorities	\$160,000	\$80,000
E.	Cyclical Data Collection- Real Property	\$150,000	\$80,000
F.	Celebration Event for July 4 th	\$35,000	\$0
	Total Investment	\$865,000	\$530,000



Town Manager's Recommended “B” Budget - Capital

	FY24 Approved Budget \$	FY25 Level Services Budget \$	FY25 A Budget \$	FY25 B Budget \$	B Budget Change from FY24
CIP Borrowing:	303,176	540,499	611,034	436,479	
CIP Free Cash:	375,000	1,210,000	925,000	530,000	
Total CIP (Capital):	678,176	1,750,499	1,536,034	966,479	43%



Alternative Revenue Proposals

	Amount	Status
Reduce the borrowing cost of capital by \$500k by appropriating funds from capital stabilization	~\$50,000	to be proposed
Fund \$839k in critical public safety needs from capital plan using mitigation funds from the Avalon Acton project	\$839,000	Approved
Update ambulance fees to increase enterprise revenue	TBD	Approved
Use energy efficiency revenue from PILOTS from solar projects to purchase energy efficient equipment and related measures such as the electrification of Town Hall	TBD	to be proposed
Increase stormwater fees for commercial and consider adding for residential	TBD	to be proposed
Cost sharing with AB Regional School District and CASE Collaborative Transportation for fuel depot	TBD	proposed



Town Manager's Recommended “B” Budget

	FY24 Approved Budget \$	FY25 Level Services Budget \$	FY25 A Budget \$	FY25 B Budget \$	B Budget Change from FY24
Muni Operations:	37,382,147	40,511,997	39,313,663	38,998,024	
Offsets*:		-300,000	-300,000	-350,000	
Subsidies:	477,928	540,000	452,023	352,023	
Total Operations:	37,860,075	40,751,997	39,465,686	39,000,047	3.0%
CIP Borrowing:	303,176	540,499	611,034	436,479	
CIP Free Cash:	375,000	1,210,000	925,000	530,000	
Total CIP (Capital):	678,176	1,750,499	1,536,034	966,479	43%
Total Spending:	38,538,251	42,502,496	41,001,720	39,966,526	3.7%



Next Steps in FY2025 Budget

- Finalize subsidy reductions
- Finalize plans for cost sharing of DPW fueling facility capital project
- Update recommended capital spending to reflect ALG discussions and reserve use
- Incorporate feedback and prepare final recommended A & B budgets for the Select Board to consider adopting and transmitting to Finance Committee (prior to 3/6/24)
- Finalize override ballot question and Town Meeting articles



FY2025 Budget Milestones

2/5/2024	Select Board meeting
2/12/2024	ALG Meeting
2/26/2024	Last scheduled Select Board Meeting for vote to adopt and transmit budget
3/6/2024	Deadline for Select Board to transmit budget to Finance Committee (60 days before Town Meeting)
3/28/2024	Deadline for printing of Annual Town Election ballot
4/16/2024	Deadline for printing of Annual Town Meeting warrant
4/30/2024	Annual Town Election
5/6/2024	Annual Town Meeting

