

Presentation of Revised FY 2025 “A” and “B” Budget and Capital Plan



February 26, 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 March 4, 2024
- 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

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 three months
- Placeholder for \$400k transfer at Annual Town Meeting

Health Insurance Working Group

- Collective bargaining process to move to a new plan effective:
 - July 1, 2024 for active employees
 - Jan 1, 2025 for retirees
- Include plan design changes, carrier changes, and increased contributions towards medical expenses
- Potential savings to FY25 budget approximately \$380k
- Need to continue paying for run out of claims and retiree expenses



FY 2025 Budget Presentations

| | |
|----------|---|
| 11/6/23 | Presentation of Preliminary Level Services Est. Capital Needs |
| 11/20/23 | Presentation of Facility Study and Preliminary Capital Plans |
| 12/4/23 | Presentation of FY 2025-2034 Capital Improvement Plan |
| 12/18/23 | Presentation of Town Manager FY 2025 Recommended Budget |
| 1/10/24 | Budget Workshop with Finance Committee and Select Board |
| 1/11/24 | |
| 1/22/24 | Presentation of Revised FY 2025 Recommended “A” Budget |
| 2/5/24 | Presentation of Revised “B” Budget |
| 2/26/24 | Presentation of Revised FY 2025 “A” and “B” Budgets |



Overview of Impacts of “A” & “B” Budgets

“A” Budget is \$1.8M reduction from level services:

- Reduces 7 positions in the Finance, Nursing, Town Manager, Operations, Departments, and Library.

“B” Budget is \$2.5M reduction from level services:

- Reduces additional staffing in Fire, Police, Library and Town Clerk.
- Cuts capital investments and special events.
- Eliminates funding for services and supplies that our departments use to deliver services.



Town Manager's 2/26/24

Revised Recommended Budget

| | FY25 Level Services Budget | FY25 A Budget | FY25 B Budget |
|--------------------------|----------------------------------|---------------------|---------------------|
| Muni Operations: | 40,511,997 | 38,993,663 | 38,618,024 |
| Offsets: | -300,000 | -350,000 | -350,000 |
| Subsidies: | 540,000 | 540,000 | 452,023 |
| Total Operations: | 40,751,997 | 39,183,663 | 38,720,047 |
| Capital Borrowing: | 540,499 | 564,138 | 448,527 |
| Capital Free Cash: | 1,210,000 | 1,025,000 | 760,000 |
| Total Capital: | 1,750,499 | 1,589,138 | 1,208,527 |
| Total Spending: | 42,502,496 | 40,772,801 | 39,928,574 |



Updates in the 2/26/2024 Recommended Budgets

- \$180k in savings anticipated from health insurance changes
- \$200k in savings from new debt management strategy
- \$50k offset for cemetery included in “A” budget
- \$100k necessary additional investment for SCBA replacement
- Borrowing costs adjustments for duration and interest rate



Updates in the 2/26/2024 Recommended Budgets

- **Restored to “A” Budget**
 - \$87,977 Fire Department subsidy
 - \$60,000 to Police Department funding for clinician
(both cuts remain in “B” Budget)
- **Restored to “B” Budget**
 - \$100k to subsidies
 - \$60k traffic calming and intersections
 - \$70k to cyclical data collection to complete in one year

Impact on Total Spending as Reflected in ALG Plan:

- Net reduction “A” Budget: \$228,919
- cost neutral “B” Budget



FY 2025 Capital Recommendations

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

| | | |
|-----------|---|---------------------------------|
| A. | DPW Facility Improvements – Fueling Station Replacement (30 yrs, 5%) | \$2,600,000 \$169,134 |
| B. | Replacement of 2009 Aerial Ladder Truck (15yrs, 5%) | \$2,100,000 \$202,319 |
| C. | Complete Streets -Prospect Intersection, Great Road, sidewalk (15yrs, 5%) | \$1,200,000 \$115,611 |
| D. | Stormwater Infrastructure Improvements Bridges/Culverts (15yrs, 5%) | \$800,000 \$77,074 |

Total Investment: **\$6,700,000**

Estimated FY25 Debt Service (5% rate): **\$564,138**

*Item C. would be eliminated in “B” Budget



FY 2025 Capital Recommendations

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

| | | "A" | "B" |
|----|---|--------------------|------------------|
| A. | Traffic calming & intersection improvements (and sidewalks) | \$200,000 | \$110,000 |
| B. | Self-Contained Breathing Apparatus Replacement – Fire Dept. | \$300,000 | \$300,000 |
| 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 | \$150,000 |
| F. | Celebration Event for July 4 th | \$35,000 | \$0 |
| | Total Investment | \$1,025,000 | \$760,000 |



FY 2025 Budget Milestones

| | |
|---------|---|
| 3/6/24 | Deadline for Select Board to transmit budget to Finance Committee (60 days before Town Meeting) |
| 3/26/24 | Deadline for Town Clerk to receive written notice of ballot question (35 days before election) |
| 3/28/24 | Deadline for printing of Annual Town Election ballot |
| 4/16/24 | Deadline for printing of Annual Town Meeting warrant |
| 4/30/24 | Annual Town Election |
| 5/6/24 | Annual Town Meeting |



Proposed Transmittal

“...move that the Select Board adopt the Recommended Fiscal Year 2025 Budget as shown on this slide and transmit the Budget to the Finance Committee”

| Fiscal Year 2025 | A Budget | B Budget |
|------------------------------|-------------------|-------------------|
| Muni Operations: | 38,993,663 | 38,618,024 |
| Offsets: | -350,000 | -350,000 |
| Subsidies: | 540,000 | 452,023 |
| Municipal Operations: | 39,183,663 | 38,720,047 |
| Capital Borrowing: | 564,138 | 448,527 |
| Capital Free Cash: | 1,025,000 | 760,000 |
| Total Capital: | 1,589,138 | 1,208,527 |
| Total Spending: | 40,772,801 | 39,928,574 |



Sample Ballot Question

DRAFT

Shall the Town of Acton be allowed to assess an additional 6.6 million dollars in real estate and personal property taxes for the purposes of funding the operating budget of the Public Schools and the Municipal Government for the fiscal year beginning July 1, 2024?

Yes

No

