



Town of
Boxford
Massachusetts

FY25 Operating Budget

Town Administrator's Draft Proposal

Boxford Select Board

February 12, 2024



FY25 Budget Development Process to Date

In November, preliminary revenue and expenditure projections were prepared and presented to the Finance Committee. The projections forecasted estimated revenue and modeled three spending scenarios (low, medium, and high), which showed whether or not the budget would be balanced in each spending scenario. Using these projections, the Finance Committee set guidance for Town departments and both school districts to follow when creating their budget proposals. **The guidance set by the Finance Committee for FY25 was a total increase in spending of no more than 2.5%.**

The Town Administrator, with the assistance of the Finance Director, prepared and is now submitting, after consultation with all departments, the FY25 draft operating budget. In early December, the Finance Director distributed the Finance Committee's budget instructions to departments. Using that guidance all Department Heads prepared their budget requests for FY25 and submitted them to the Finance Director in December. During the months of December and January, the Town Administrator and Finance Director met with each department head to review and discuss their requests.



Estimated FY25 Revenues

Revenue Source	FY23 Actuals	FY24 Estimates	FY25 Forecast	\$ vs. FY24	% vs. FY24
Tax Levy	\$32,072,823	\$34,449,970	\$35,527,720	\$1,077,750	3.1%
Excluded Debt	\$746,533	\$555,867	\$573,420	\$17,553	3.2%
New Growth	\$166,484	\$211,220	\$500,000	\$288,780	136.7%
Unrestricted State Aid	\$563,118	\$581,138	\$598,572	\$17,434	3.0%
Other State Receipts	\$285,317	\$308,270	\$308,270	\$0	0.0%
Chapter 70 (State School Aid)	\$1,811,833	\$1,855,093	\$1,884,346	\$29,253	1.6%
Motor Vehicle Excise Tax	\$1,704,700	\$1,700,000	\$1,700,000	\$0	0.0%
Trash Sticker Revenue	\$337,193	\$425,000	\$425,000	\$0	0.0%
Other Local Receipts	\$1,209,929	\$790,000	\$850,000	\$60,000	7.6%
Other	\$223,509	\$0	\$0	\$0	N/A
Total Revenue Estimate	\$39,121,439	\$40,876,558	\$42,367,328	\$1,490,770	3.6%



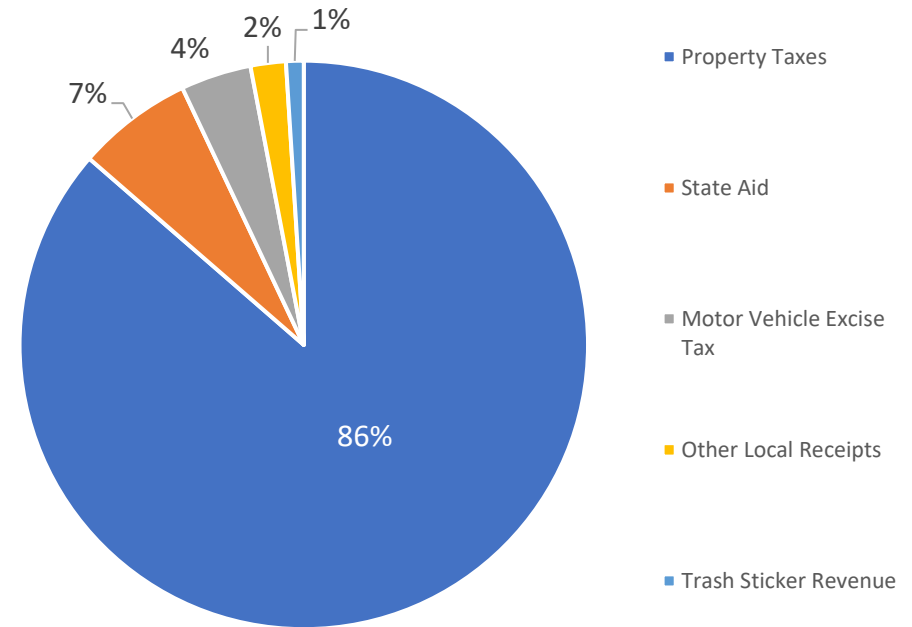
Key Takeaways from Revenue Estimates

- The FY25 tax levy is the standard +2.5% increase above the sum of FY24's tax levy and new growth
- New growth is projected to increase significantly, with \$365 K of the \$500 K estimate coming from new construction at The Willows
- State aid figures are from the Governor's FY25 proposed budget
 - Both the House and Senate need to submit their budgets before a final version is agreed upon this summer
- The estimate for local receipts, which increased significantly in FY23, is based on a five-year average



Breakdown of Revenue by Source

Revenue Source	%
Property Taxes	86%
State Aid	7%
Motor Vehicle Excise Tax	4%
Other Local Receipts	2%
Trash Sticker Revenue	1%





Adjustments to FY25 Revenues

Adjustments to Revenue	FY23 Actuals	FY24 Budget	FY25 Forecast	\$ vs. FY24	% vs. FY24
Prior Year Snow and Ice Deficit	\$200,000	\$240,428	\$350,000	\$109,572	45.6%
Funding Reserved for Abatements	\$143,534	\$150,000	\$150,000	\$0	0.0%
Funds to Replenish Free Cash	\$200,000	\$100,000	\$200,000	\$100,000	100.0%
Total Committed Expenses	\$543,534	\$490,428	\$700,000	\$209,572	42.7%

- Snow and Ice spending increased significantly in FY24
 - The amount shown would fully fund Snow and Ice, if spending in FY25 is level to FY24
- The amount of funding set aside for free cash was restored to FY23 levels



Proposed FY25 Expenses

	FY23 Budget	FY24 Budget	FY25 Proposed Budget	\$ vs. FY24	% vs. FY24
Education					
Boxford Elementary Schools	\$13,505,697	\$14,401,629	\$16,099,819	\$1,698,190	11.79%
Masconomet Regional Assessment	\$11,131,422	\$11,917,575	\$12,422,026	\$504,451	4.23%
Essex Technical High School Assessment	\$407,347	\$379,485	\$451,006	\$71,521	18.85%
Town Government	\$9,561,586	\$10,328,501	\$10,586,199	\$257,698	2.50%
Essex Regional Retirement Assessment	\$1,551,592	\$1,742,530	\$1,664,251	(\$78,279)	-4.49%
Debt Service					
Excluded	\$746,533	\$555,867	\$573,420	\$17,553	3.16%
Non-Excluded	\$593,585	\$623,372	\$894,375	\$271,003	43.47%
Other					
Other Post-Employment Benefits (OPEB)	\$300,000	\$250,000	\$300,000	\$50,000	20.00%
State Assessments and Charges	\$184,507	\$190,256	\$187,608	(\$2,648)	-1.39%
Total Budget	\$37,982,269	\$40,389,216	\$43,178,704	\$2,789,489	6.91%



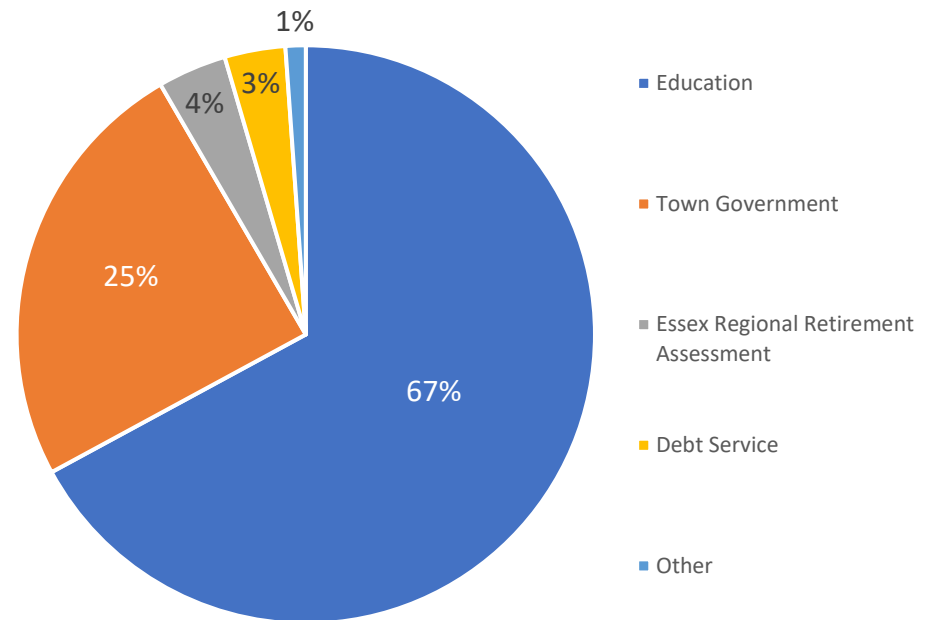
Key Takeaways from Proposed Spending (Non- Town Government, Masco, or Elementary Schools)

- Boxford's enrollment at Essex Tech increased from 22 to 25 students
- Non-excluded debt service is increasing to fund previously approved fire truck purchases, as well as the DPW Garage and Spofford School HVAC design costs (not yet approved)
- Annual OPEB contribution restored to \$300 K
- Savings on Essex Regional Retirement assessment



Breakdown of FY25 Spending

Spending Category	%
Education	67%
Town Government	25%
Essex Regional Retirement Assessment	4%
Debt Service	3%
Other	1%





FY25 Budget Balance

FY25 Estimated Revenue	\$42,367,328
(Less Adjustments)	(\$700,000)
FY25 Adjusted Revenue	\$41,667,328
Boxford Elementary Schools	\$16,099,819
Masconomet Regional Assessment	\$12,422,026
Essex Technical High School Assessment	\$451,006
Town Government	\$10,586,199
Essex Regional Retirement Assessment	\$1,664,251
Debt Service	\$1,467,795
Other	\$487,608
Total FY25 Proposed Spending	\$43,178,704
FY25 Budget Balance	(\$1,511,377)
Available Excess Levy Capacity	\$941,167



FY25 Budget Balance

(Town, Masco, and Elementary School Spending +2.5%)

FY25 Estimated Revenue	\$42,367,328
<i>(Less Adjustments)</i>	<i>(\$700,000)</i>
FY25 Adjusted Revenue	\$41,667,328
<hr/>	
<i>Boxford Elementary Schools (+2.5% vs. FY24)</i>	<i>\$14,761,670</i>
<i>Masconomet Regional Assessment (+2.5% vs. FY24)</i>	<i>\$12,215,515</i>
Essex Technical High School Assessment	\$451,006
Town Government	\$10,586,199
Essex Regional Retirement Assessment	\$1,664,251
Debt Service	\$1,467,795
Other	\$487,608
Total FY25 Spending	\$41,634,044
<hr/>	
FY25 Budget Balance	\$33,284



Potential Operational Override

	FY25 Budget Proposal	+2.5% vs. FY24	Difference
Boxford Elementary Schools	\$16,099,819	\$14,761,670	\$1,338,149
Masconomet Regional Assessment	\$12,422,026	\$12,215,515	\$206,511
TOTAL	\$28,521,845	\$26,977,185	\$1,544,660



FY25 Town Government Spending

	Actual Expended FY23	Approved Budget FY24	DRAFT Budget FY25	\$ vs. FY24	% vs. FY24
General Government	\$1,682,407	\$1,738,748	\$1,868,779	\$130,032	7.48%
Financial Administration	\$707,274	\$691,402	\$702,044	\$10,643	1.54%
Public Safety	\$2,999,117	\$3,262,137	\$3,371,377	\$109,240	3.35%
Public Works	\$2,382,987	\$2,393,450	\$2,283,416	(\$110,034)	-4.60%
Human Services	\$419,198	\$447,921	\$456,117	\$8,196	1.83%
Culture & Recreation	\$519,735	\$528,432	\$550,404	\$21,972	4.16%
Employee Benefits	\$981,583	\$1,266,412	\$1,354,061	\$87,650	6.92%
Total Town Government	\$9,692,300	\$10,328,501	\$10,586,199	\$257,698	2.50%



Town Government Budget Highlights

- Notable spending increases in FY25 include:
 - \$194 K for increased salary costs
 - Combination of FY24 non-union and FY24 CBA union salary increases (funded from Salary Reserve in FY24 budget), plus FY25 CBA union salary increases
 - FY25 cost-of-living and merit-based increases for non-union employees will be funded from Salary Reserve
 - \$132 K for an estimated increase in insurance costs
 - +\$80 K (+9% vs. FY24) for health insurance
 - +\$52 K (+12% vs. FY24) for liability insurance
 - \$42 K for increased building maintenance and utilities expenses
 - \$20 K in increased IT funding for Office 365/Microsoft Cloud migration
 - \$19 K for increased fuel costs
- Town will save \$155 K from switching to automated collection trash/recycling collection, with bi-weekly (every other week) recycling



Budget Review Meeting Schedule

Select Board

<u>Meeting Date</u>	<u>Departments</u>
February 12, 2024	Budget overview, TA Office, IT, Health Insurance
February 26, 2024	Police, Communications
March 11, 2024	DPW, Trash, Fire
March 18, 2024	Schools - Elementary, Masco, Essex Tech
April 1, 2024	If Necessary
<u>April 8, 2024</u>	<u>Community Preservation Committee, Close Warrant</u>

Finance Committee

<u>Meeting Date</u>	<u>Departments</u>
February 13, 2024	Budget and CIP Overview
February 27, 2024	Health/ Trash, Elementary Schools
March 12, 2024	DPW, Police, Communications, Fire
March 19, 2024	Masco, Essex Tech, Elementary Schools
March 26, 2024	Community Preservation Committee, Final Vote
<u>April 2, 2024</u>	<u>If Necessary</u>
