



TOWN OF NORTON

MUNICIPAL CENTER

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Michael D. Yunits
Town Manager

TO: SELECT BOARD AND FINANCE COMMITTEE

FROM: MICHAEL D. YUNITS, TOWN MANAGER

DATE: APRIL 1, 2024

RE: FY25 BUDGET

I present to you the FY25 Budget.

The budget process began in December with a directive to all departments to present level service budgets. Level service budgets are budgets needed to continue the operation of departments in the same manner as was done in FY24. The only exceptions in the General Government departmental budgets are the inclusion of a DPW Director as approved by Norton voters and the addition of staff to provide services to our residents through the Council on Aging.

The budgets as presented by departments resulted in a 7.75% increase over FY24 (or \$1,199,785) for General Government budgets and a 12.01% increase over FY24 (or \$4,166,988) for the Norton Public Schools Department budget.

Funding for the budget relies on increases in four main sources of revenue that are listed below with the current estimates for FY25:

\$1,141,693	2½ Increment
\$ 700,000	New Growth (a reduction of \$48,786 from FY24)
\$ 225,437	Local Aid Net Increase
<u>\$ 337,424</u>	Local Receipts Increase
\$2,404,554	Total

I am concerned about the condition of the State budget and the impact it may have on local aid. The State has missed its revenue projections for eight months in a row. The Governor was forced to make cuts in funds earmarked for projects in communities. The last time we saw impacts comparable to this was in 2008 when the State made 9C (mid-year) cuts to local aid. The overall amount of Unrestricted Aid distributed to communities has not yet reached the dollar amount it was in 2008.

New Growth has seen a steady increase over the last several years that has aided in funding the budget. From a low of \$180,000 in FY2014 to a high of \$1,204,086 in FY19. This year we see a decrease in New Growth, and this decline is expected to continue as the amount of land available for commercial development decreases.

Prior to funding operating budgets, there are commitments that must be funded. We have been fortunate over the last few years with small increases in our health insurance. This year, however, the cost of health insurance increased 5.7% totaling \$322,000. The increase in the Bristol County Retirement is \$229,038. The assessment for regional dispatch increased \$150,000. Insurance (including vehicle, property, liability, and workers compensation insurance) is estimated to increase \$78,520 in FY25. This total of \$779,558 must be funded before our Municipal Budgets.

In FY24, the Town utilized \$1,935,536 of Free Cash and \$707,500 from the Stabilization Fund to balance the budget. The members of the Finance Committee have indicated that for FY25, they will not support the use of Stabilization Funds and want to see a reduction in the amount of Free Cash funding the budget. The budgets as presented resulted in a total expense of \$78,570,186. To meet the increases in assessments and in Fixed and Shared expenses, as well as the loss of the \$707,500 Stabilization Account funding and \$100,000 in Overlay Surplus funding available in FY24, the Town will be in a position to provide a 1% increase to the Norton Public Schools (\$347,064 over FY24) and to the General Government budgets (\$154,780 over FY24) only with the use of \$1,200,000 in Free Cash (a decrease of \$735,536 from FY24), \$1,000,000 in ambulance receipts (an increase of \$150,000 over FY24), and \$20,000 from the dog fund (an increase of \$1,795). The budget as presented does not rely on the use of any funds from the Stabilization Account.

The following chart illustrates the resulting \$5,211,859 reductions in FY25 departmental requests:

BUDGET SUMMARY BY CLASSIFICATION	FY24	FY25	
		DEPARTMENT	TOWN MANAGER
		REQUESTS	1%
Fixed and Shared Expenses	\$19,424,024.73	\$ 21,177,632.00	\$ 20,830,701.00
General Government:			
Balance of General Gov't Accounts	\$15,012,071.00	\$ 16,228,410.32	\$ 15,231,788.00
Fixed General Gov't Expenses	\$ 459,553.00	\$ 442,693.00	\$ 396,311.00
Miscellaneous Town Officers and Boards	\$ 6,315.00	\$ 6,620.00	\$ 4,620.00
	\$15,477,939.00	\$ 16,677,723.32	\$ 15,632,719.00
Education:			
Norton Public Schools	\$34,706,443.00	\$ 38,873,430.92	\$ 35,053,507.00
Southeastern Regional Voc-Tech School	\$ 1,717,885.00	\$ 1,692,899.00	\$ 1,692,899.00
Bristol County Agricultural High School	\$ 124,757.00	\$ 148,500.00	\$ 148,500.00
	\$36,549,085.00	\$ 40,714,829.92	\$ 36,894,906.00
Total	\$71,451,048.73	\$ 78,570,185.24	\$ 73,358,326.00

The FY25 budget of \$73,358,326 is drastically lower than necessary for level services and will result in a reduction of services to the residents of Norton.