

# Shutesbury Finance Committee Fiscal Year 26 Budget Report

## As Presented at the Special Town Meeting of September 30, 2025

### Shutesbury FY26 Estimated Budget Expenses and Revenue Sources (\$ in thousands)

[Note: Changes since ATM version of this report are indicated in red font.]

#### Expenses

Total budget expenses:	\$7,761K (Change since ATM = + \$82K)
Budget increase from FY25	\$507K
Increase over FY25	7.0% (Change since ATM = + 1.13%)

#### Revenue Sources

Residential taxes *	\$5,671K (+\$66K)
Comm.,+Indust.,+ Pers. Prop Taxes	\$393K (+\$3K)
Estimated Net State aid	\$812K
PILOT (Payment In Lieu of Taxes)	\$348K
Local Receipts (Excise tax, court fees, etc.)	\$388K
WPAT Septic Betterment Loan	\$10K
Cash Reserves for Easing and Temporary Costs	\$139K (+\$12.5K)
<b>Total Revenues</b>	<b>\$7,761K</b>

\* Estimated FY26 Tax rate:

Total levy / assessed valuation \* 1000

$\$6,064K / \$362,259K = \$16.85$

(Change since ATM = + \$0.19)

FY25 rate \$15.80

Estimated FY26 Average Single Tax Bill:

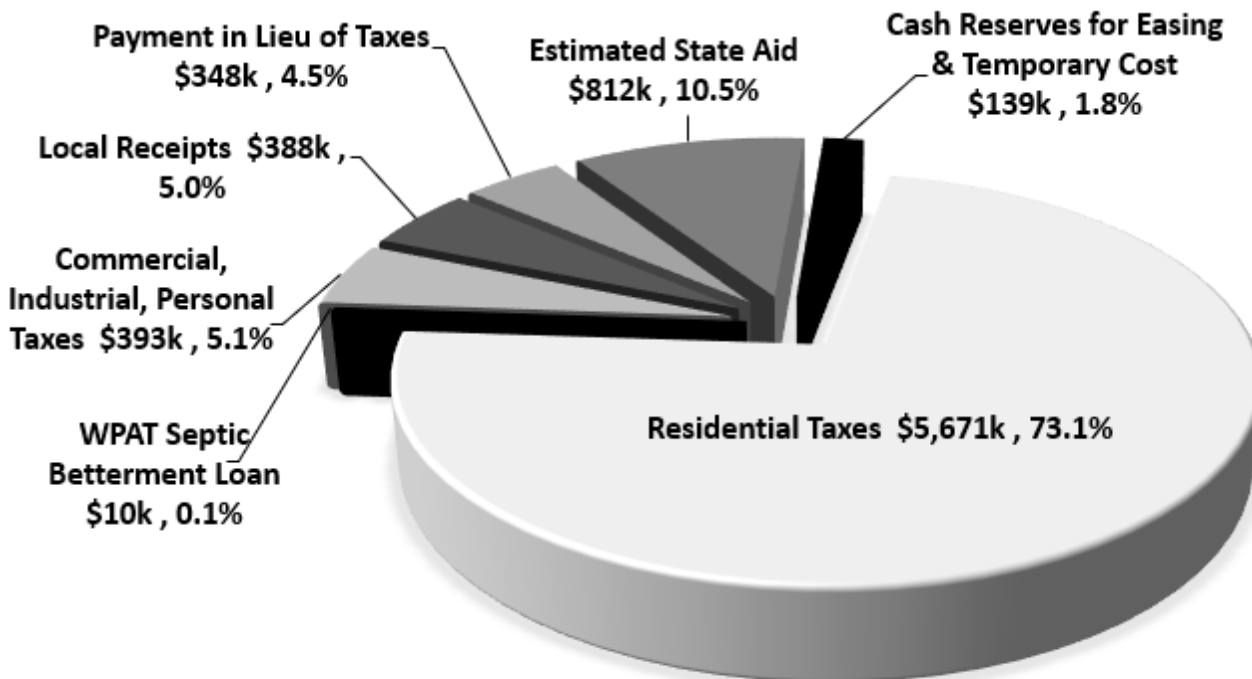
$\$16.85 \times \$395,588 = \$6,666$

(Change since ATM = + \$77)

FY25 Average = \$6,250

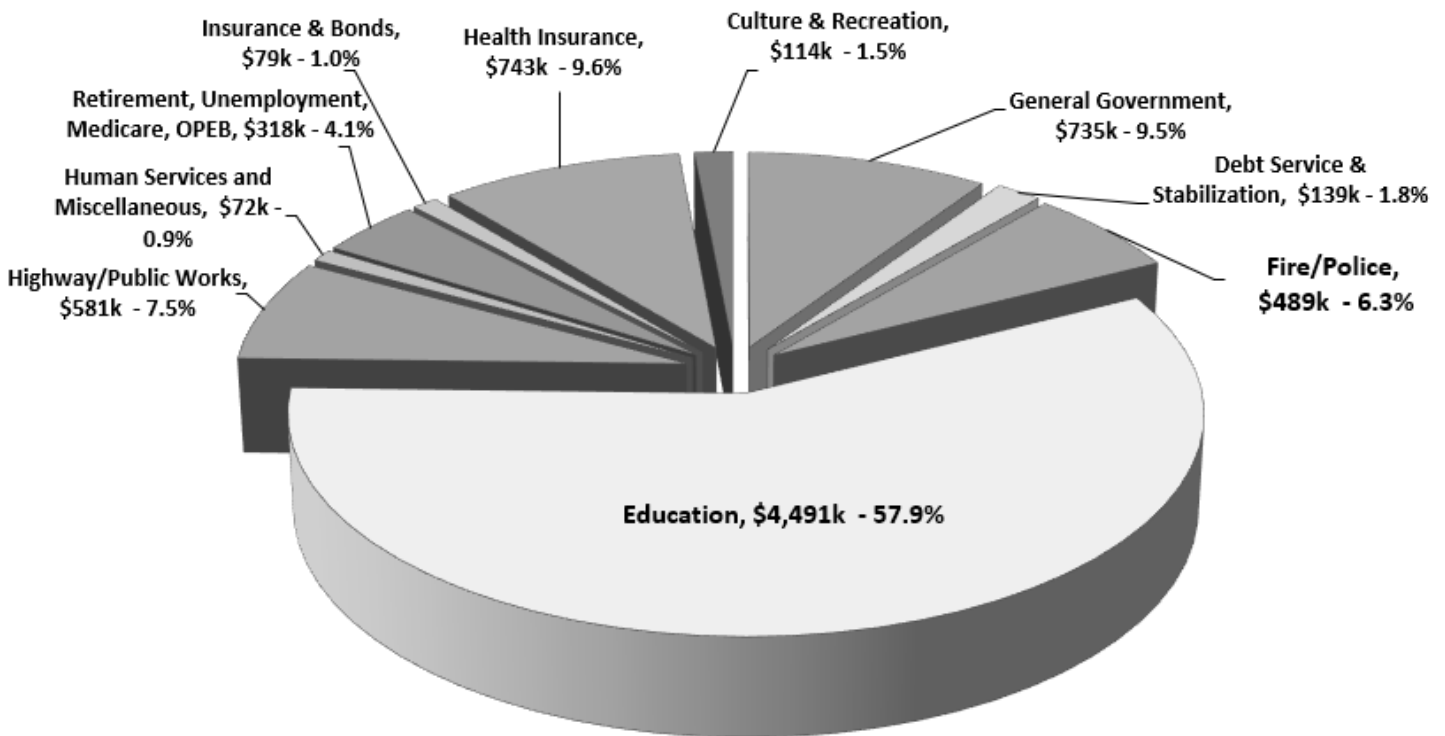
### FY26 REVENUE TO FUND THE OPERATING BUDGET, BY CATEGORY

TOTAL IS \$7,760,515



## FY26 Operating Budget By Category

**Total is \$7,760,515**



**We have prepared a balanced budget for FY26**

### **1. Significant Operating Increases and Decreases Compared to the FY25 Budget:**

- A. Total Budget: \$507K increase (7.0%, STM impact = + 1.1%)**
- B. Health Insurance: \$223K increase (43.0%, STM impact = + 24%)**
- C. Regional School: \$127K increase (7.7%)
- D. Elementary School: \$124K increase (5.0%)
- E. Police Wages: \$40K increase (18.8%)
- F. Town Employees' Salary increases (excluding contracted & unions): \$29K (STM impact = + \$1K)**
  - 1. Cost of Living Adjustment (COLA): \$18K (3.32%)
  - 2. Salary Market Alignments: \$11K (STM impact = + \$1K)
- G. Administrative Assistant Hours Increase \$15K (49.7%)
- H. OPEB Trust Fund: \$50k temporary decrease**
- I. Town Building Repairs/Maint. Fund \$40K decrease
- J. Retirement County: \$10K decrease
- K. WPAT Septic Repair: \$10K decrease
- L. All other net expense increases: \$59K (STM impact = + \$7K)**

**2. Notable Projected Revenue Increases/Decreases:**

- A. **Total Tax Levy Increase in FY26 Budget: \$424K (STM impact = + \$69K)**
1. Tax Levy Available: 2.5% increase is \$163K
  2. **Excess Levy Capacity needed to balance budget \$218K (STM impact = + \$69K)**
  3. New Growth: \$45K
  4. Debt Exclusions Decrease: \$2K
- B. Estimated State Aid increase by \$57K

**3. Cash Reserves Summary, beginning balances (after January Special town meeting):**

A. Free Cash as of 7/1/2024	\$1,067K
<u>Less: Special Town Meeting (1)</u>	<u>-\$73K</u>
Free Cash as of 4/26/25	\$994K
B. Capital Stabilization as of 6/30/25	\$225K
C. <u>Stabilization</u>	<u>\$313K</u>
Total Cash Reserves as of 6/30/25	\$1,532K

(1) Appropriated for FY25 budget items, the Police Private Duty Detail Acct and prior years' bill

**4. Capital expenditures and funding for FY26 warrant articles:**

- A. Capital Budget – all from Free Cash
1. Highway Grader Repairs \$17K
  2. Zero Turn Lawn Mower \$11K
  3. Town Hall Meeting Room Repairs \$10K
  4. Town Fire Alarm System \$9K
  5. \$80k Rural Dev Grant Match – L Wyola \$8K
- B. Operating budget – all from Free cash
1. Health Insurance \$50K
  2. Elementary School \$34K
  3. Amh Regional Public School \$34K
  4. Veteran's Benefits 8K
- C. Funding PFAS Mitigation \$150K
1. \$50k from Free Cash
  2. \$100K from Stabilization
- D. Legal – Solar Bylaw – from Free Cash \$30K
- E. Prior Year's Bills – from Free Cash \$1K
- F. **FY25 Bills – from Stabilization - STM \$21K**

**5. Cash Reserves if all warrant articles pass (Section 3 and 4 above):**

A. Free Cash – DOR Certified for FY26	\$1,044K
B. Capital Stabilization – Start of FY26	\$225K
C. <u>Stabilization – if articles 4,5,6 &amp; 7 pass</u>	<u>\$192K (STM impact = - \$21K)</u>
Total cash reserves	\$1,461K

(1) Free Cash was not certified in time for the FY26 Special Town Meeting posting

(2) No funds will be transferred into Capital Stabilization in FY26

## **6. Approved Capital Projects Impacting FY27 Budget**

- A. New library building
- B. Regional school track and field

## **7. Upcoming Potential Capital Projects:**

- A. Replace fire truck
- B. Parking Lot Repaving:
  - 1. Elementary School
  - 2. Highway Department
  - 3. Town Hall
- D. Lake Wyola Dam Repairs
- E. Regional School Roof
- F. Building Repairs – currently being analyzed
- G. Gravel road upgrades
- H. PFAS mitigation

## **7. Risk and Opportunities:**

### **A. Risks:**

- 1. Ongoing loss of state/federal grants
- 2. Inflationary factors limiting our ability to maintain level services
- 3. Health insurance costs for elementary school and town employees
- 4. Unpaved roads/infrastructure (dirt roads, culverts, bridges, etc.)
- 5. School costs:
  - a. Ongoing loss of grant funds
  - b. The Regional school OPEB and employee health insurance costs
  - c. Regional school buildings maintenance and capital costs
  - d. Regional school operating budget
  - e. Chapter 70 funding policies are not benefiting our local schools and are no longer keeping pace with our school costs
  - f. Charter school costs to local taxpayers
- 6. Continued maintenance to 40+ year old Shutesbury school building
- 7. Updating the long-range capital plan (new items, timing of items...)
- 8. Rising legal expenses due to pending litigation
- 9. PFAS testing and mitigation
- 10. Gas contamination at the fire station
- 11. Storage of public records/need for additional space
- 12. 94% of Shutesbury's tax levy is from residential taxes. The average town in Massachusetts relies on 83% residential taxes.

### **B. Opportunities:**

- 1. Potential increase in rural aid and Chapter 90 funding for rural equity
- 2. Quabbin Reservoir/MWRA Payment in Lieu of Taxes increase
- 3. DCR state land Payment in Lieu of Taxes increase
- 4. Potential Chapter 70 funding reform
- 5. Participation in the regional school long range fiscal planning committee
- 6. Invest in projects that reduce operating costs (i.e. municipal solar photovoltaic systems)
- 7. Collaborate with other towns to share resources