

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%)

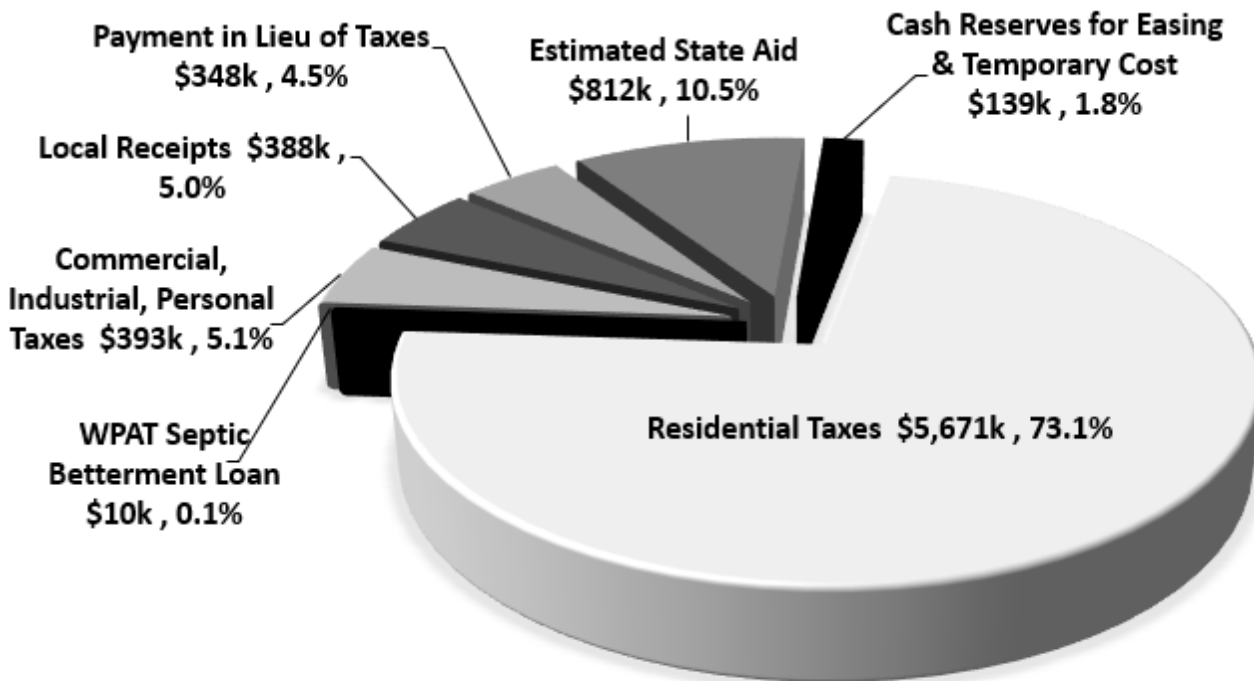
Revenue Sources

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)
Total Revenues	\$7,761K

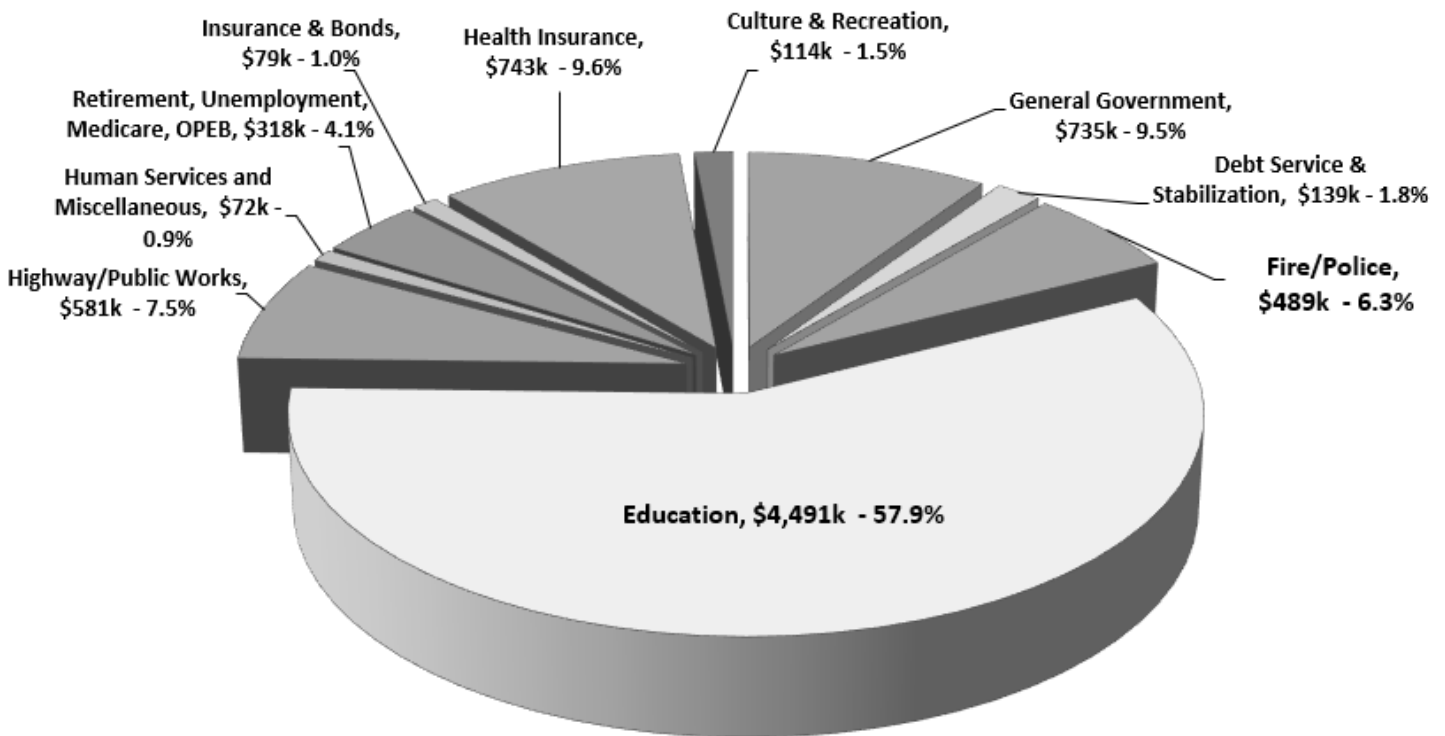
* Estimated FY26 Tax rate:
 Total levy / assessed valuation * 1000
 $\$6,064K / \$362,259K = \$16.85$
 (Change since ATM = + \$0.19)
 FY25 rate \$15.80

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 & 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