



Town of
Acton *Massachusetts*

Finance Committee FY25 Override Educational

FINAL

March 2024

Community Outreach

Revenue Sources

Budget A & B

Budget Drivers

Budget Impact

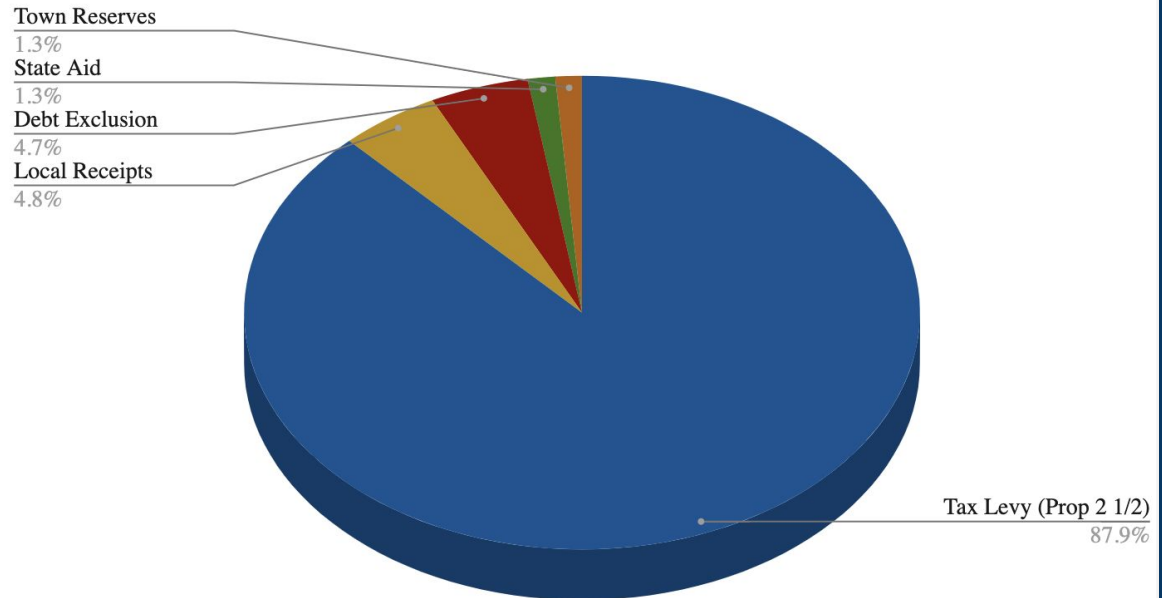
Operational Override

Property Tax Impact

Appendix: Tax Bill Breakdown, Free Cash, Minuteman Budget

Revenue or How the Bills are Paid

1. Tax Levy
2. Local Receipts
3. Excluded Debt
4. State Aid
5. Town Reserves
6. CPA (included here in tax levy)



Municipal Sources:	FY25
Tax Levy (Prop 2 1/2)	\$ 103,899,899
Local Receipts	\$ 5,663,994
Debt Exclusion	\$ 5,577,183
State Aid	\$ 1,553,179
Town Reserves	\$ 1,500,000
Total Sources	\$ 118,194,255

Revenue: Used for Operating Budget

- Tax Levy (FY25 Projections) **\$103,899,899**
- State Aid (FY25 Projections) **\$ 1,553,179**
- Local Receipts (FY25 Projections) **\$ 5,663,994**
- Town Reserves (FY25 Projections) **\$ 1,500,000**

State Aid:

Unrestricted Government Aid,
Veterans Benefits,
Elderly Exemptions,
State Owned Land,
Public Libraries (offsets).

Local Receipts:

Excise Taxes,
Permits and Fees,
Investment Income.

Revenue: NOT Used in Operating Budget

- Excluded Debt (FY25 Projections) \$ 5,577,183
- CPA (current available balance) \$ 1,674,971

Excluded Debt:

Debt payments.

CPA:

Community Housing,
Historic Preservation,
Open Space,
Outdoor Recreation.

Budgets A & B: Town

FY24 Town's Operating Budget **\$36,746,272**

FY25 Budget A **\$38,536,688**

- Projected reduction in services of \$1.8M
- Increase of 3.92%

FY25 Budget B **\$38,263,072**

- Projected reduction in services of \$2.5M
- Increase of 3.18%

Budgets A & B: ABRSD

FY24 Acton's Operating Budget Assessment **\$67,293,418**

FY25 Budget A **\$74,610,290**

- Projected reduction in services of \$3.14M
- Increased assessment of 10.87%
- Uses \$650k more in free cash

FY25 Budget B **\$69,357,827**

- Projected reduction in services of \$9.3M
- Increased assessment of 3.07%

Budget Drivers: As Stated by Town & Schools

Town

- | | | |
|------------------------------------|-------|---------|
| • Health Insurance costs increased | 23.5% | \$.85M |
| • Pension assessment increased | 6.5% | \$.35M |
| • Minuteman assessment increased | 9.6% | \$.32M |

ABRSD

- | | | |
|-----------------------------------------|-------|---------|
| • Personnel Costs | 5.8% | \$4.1M |
| • Healthcare Insurance costs increased | 19.4% | \$3.4M |
| • Special Ed tuition increased | 44% | \$1.5M |
| • Utility & maintenance costs increased | 16.5% | \$1.0M |
| • Special Ed transportation increased | 134% | \$.64M |

Budget Impact: As Stated by Town

Budget A

- Reduce 7 currently open positions in the Finance, Nursing, Town Manager, Operations Departments, and Library.

Budget B

- Reduce additional staffing in Fire, Police, Library and Town Clerk.
- Cut capital investments and special events, including 4th of July Celebration.
- Eliminate funding for services and supplies that departments use to deliver services.

Budget Impact: As Stated by School District

Budget A

- Reduce 25.1 FTEs (full time employees)
 - 2 office, 11.7 elementary, 5.8 jr high, 5.4 high school
- Increase all-day kindergarten tuition, athletic, activity, & parking fees

Budget B

- Reduce 86.1 FTEs
 - 1.6 office, 40.7 elementary, 15 jr high, 31.9 high school
- Shift of 180-220 elementary students to consolidate with other schools
- Further increase all-day kindergarten tuition, athletic, activity, & parking fees

Operational Override: What is it?

- A vote to allow the town to raise the tax levy by a dollar amount that exceeds the $2\frac{1}{2}\%$ + new growth permitted without a ballot vote
 - intended to raise extra funds for annual operating and other recurring costs
 - next year's increase starts from that new base
- This is an authorization, not an appropriation

Example: The tax levy for this year is \$100 million. Voters approve an override of \$5 million. The community can now levy \$105 million dollars this year. In addition, the base for calculating next year's tax levy becomes \$105 million, rather than \$100 million.

Operational Override: The Process

1. Acton Town Election
 - a. Tuesday April 30, 2024
 - b. Ballot vote on Override requires simple majority
2. Acton Town Meeting
 - a. May 6, 2024
 - b. Vote on a budget requires simple majority
3. Boxborough Town Meeting
 - a. May 13, 2024
 - b. Vote on a budget requires simple majority

Property Tax Impact

Budget A

- Requires an operational override vote allowing the town to tax up to \$6.6 million.
 - “Budget A” uses \$5.4M of the \$6.6M in FY25
 - Average tax bill increase for FY25 \$1,201, or 8.77%

Budget B

- Represents a typical 2 ½% + new growth increase, and would net roughly \$2.5 million.
 - Average tax bill increase for FY25 \$462, or 3.49%

Thank you for your time.
Any questions?

Appendix

My Tax Bill

The four buckets that (may) make up your tax bill:

Tax Levy

Debt Service

CPA

Sewer Betterment

Appendix

My Tax Bill: Tax Levy

- The money (revenue) a community raises through real estate and personal property taxes
- Proposition 2 ½
 - voted into law in 1980
 - limits town levy increases to no more than 2 ½% + new growth = roughly 3% per year
 - new growth refers to new homes or significant renovations, not reassessments

Appendix

My Tax Bill: Debt Service

(Also known as Excluded Debt)

- Capital Projects voted at town meeting to be paid for outside of the regular tax levy
- Payments to this debt are added onto our regular tax bill, on top of the tax levy assessment
- Once these projects are fully paid for, the payments for the debt are removed from our tax bill
 - current debt exclusions are:
 - Minuteman
 - North Acton Fire Station
 - Boardwalk Campus
 - Jr High/Sr High Update

Appendix

My Tax Bill: CPA

- The **Community Preservation Act**
 - Communities can opt to add a surcharge of up to 3% to property taxes for use towards: *Community Housing, Historic Preservation, Open Space, Outdoor Recreation*
- Acton's surcharge is 1.5%
 - The first \$100,000 of your home value is exempt
- State match
 - The state matches a percentage of our funds

Appendix

My Tax Bill: Sewer Betterment

Only paid by the people who live in the Sewer District

- A betterment is a lien against a property charged for a direct infrastructure service or improvement, in this case sewers
- Like Excluded Debt, the town borrows money for a specific sewer project and the payments for the debt are added to our taxes on top of the tax levy assessment

Appendix

Town Reserves: Free Cash

- Free Cash current value \$ 5,909,730
 - made up of two sources
 1. money that was in a previous budget that didn't get spent
 2. revenue that came in higher than we projected
 - used for one time capital expenses, not ongoing operating expenses

It is a Department of Revenue guideline for fiscal responsibility for the town to have a Free Cash reserve between 3% and 5% of the total Operating Budget.

Appendix

Budget: Minuteman

FY24 Operating Budget Assessment	\$2,693,618
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FY25 Proposed Operating Budget Assessment	\$2,941,080
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- Increase of 9.19%