

**Fiscal Year (FY) 2027
North Attleborough
Preliminary Budget Presentation**

09 FEB 2026

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Town Manager

Balancing structural cost pressures while maintaining core services

Projected Revenue Sources

- The FY27 levy increase provides \$2,661,839 in new property tax capacity.
- State aid is flat
- Local receipts are growing modestly (meals, lodging, excise).
- The budget reflects the first tranche of borrowing for the High School debt exclusion, totaling \$4,178,160, with the first payment appearing on the January 2027 tax bills.

Property Tax Driven	Amount
Previous Levy Limit	\$74,473,555
Prop 2 ½	\$1,861,839
New Growth	\$800,000
Debt Exclusion	\$4,178,760
State Aid	Amount
School Aid	\$22,645,677
UGGA	\$3,670,823
Other Benefits	\$354,551
Local Receipts / Other	Amount
Local Receipts	\$9,577,991
Enterprise Transfers	\$851,219
Ambulance Appropriation	\$2,400,000
FY 2027 Total	\$120,814,415

Revenue growth is primarily driven by the levy, while state aid remains flat.

Departmental Requests

- Education and fixed costs dominate and are largely non-discretionary.
- Public Safety is the largest municipal service area, prioritizing life safety and emergency response.
- Administrative functions remain lean and are not a major cost driver.
- Public Works funding supports maintenance and asset sustainability, not service expansion.
- Health, human services, and community services support quality of life across the Town.

Current requests are not sustainable without adjustments.

Category	Amount
Education	\$62,185,704
Non-Departmental	\$37,369,635
Public Safety	\$16,738,218
General Government	\$3,465,577
Public Works & Infrastructure	\$2,360,282
Health & Human Services	\$1,744,296
Community Services	\$1,549,415
Finance	\$1,347,801
Community Development	\$662,296
FY27 Preliminary Request	\$127,423,224
Funding Gap	\$6,608,809

Major Cost Considerations

Health Insurance

- Premiums projected to increase 10–15%
- Current premium-to-claims ratio: 109%
- Projected funding gap: \$2.2M
- Affects every department
- **Structural cost — not discretionary**

Pension (Retirement) Assessment

- Scheduled increase under long-term funding plan
- Externally determined obligation
- Linked to past and current employment commitments
- **Reduces ability to expand services**

Health insurance and pension costs are the primary drivers of budget pressure.

Major Cost Considerations

Personnel Costs

- COLA planning assumption: 2% (subject to bargaining)
- No new full-time positions without sustainable funding
- Vacant positions held until start of fiscal year
- Multi-year agreements aimed at cost stability

Capital Needs & Infrastructure

- Capital priorities **focus on maintenance, facilities, and long-term sustainability**, not expansion.

<u>Item</u>	<u>Amount</u>
Department Requests	\$4.7M
Planned Funding	\$4.3M
Gap	\$400K

The Town is actively controlling discretionary cost drivers.”

Major Cost Considerations

Free Cash Strategy

- Cover \$2.2M health insurance funding gap
- Address FY26 snow and ice deficit
- Contribute toward OPEB liability
- **Free Cash is a bridge — not an ongoing revenue source.**

Structural Budget Pressure

- Health insurance and pension costs are fixed obligations
- Costs rise regardless of service expansion
- Growing share of operating budget consumed by benefits
- Limits flexibility for new initiatives
- Requires long-term financial planning and cost control

Short-term tools are being used to manage long-term structural pressures.

Budget Process & Future Considerations

Budget Timeline & Review process:

- Departmental Coordination-Deliberation-Reconciliation 10 FEB 2026 through 12 APR 2026
- 13 April 2026 Final Budget Presentation
- Finance Subcommittee Deliberations 15 APR thru 04 JUN 2025
- Budget Public Hearing 11 MAY 2025
- Town Council Budget Vote 08 JUN 2025

Balancing the Budget

- Final adjustment for revenue and expenses with each department
- Deep-dive into grant opportunities and potential cost saving measures