



FY 2024 PUBLIC HEARING BUDGET PRESENTATION

Town Manager – Michael D. Borg
May 22, 2023

- **Projections Based on Current Knownns**

- New Growth Estimates
 - Tracking an increase in lodging receipts
 - Cannabis receipts coming in
 - Measure and List data is not available for this budget
- Housing market is cooling but prices remain high (calculations on the period ending 31 December 2022)
- Labor contracts in place for the next 2 years
- State aid continues to be flat, Chapter 90 funding returns less each year

- **Budget Unknownns**

- The Federal Reserve continues to raise interest rates affecting the future financial operations of the Town
- Impacts of Inflation and the rising cost of goods and services, logistics and shipping delays
- The exact amount of grant funding the Town will receive
- Final budget numbers from the Commonwealth, budget off to a late start with the new Governor

- **Perennial Objective**: Conservative revenue estimates paired with realistic expense estimates in support of Town goals and objectives.
- **Perennial Objective**: Retain and build the best, most professional workforce of any municipality in the Commonwealth.
- Fully fund Town departments to ensure the delivery of level services. Look for areas where we can expand or introduce new valued services to the Town.
- Position Town's finances, programs, plans, and initiatives to be able to weather unforeseen events, requirements, delays, or shortages. Leverage on hand cash and preserve capital borrowing capacity to the greatest extent.
- Move away from a brokered health insurance program to a direct purchase model in order to retain healthcare cost savings and minimize administrative costs. Simultaneously, support healthy program initiatives throughout the workforce and for our family members.
- Aggressively pursue economic growth, development, grant opportunities, and smart growth initiatives that secure future stability.
- Prioritize spending of external funding sources before spending Town funds. Exhaust American Rescue Plan Act (ARPA) funding opportunities prior to funding termination dates.

ESTIMATED REVENUES

FY24
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Source	FY2022	FY2023	FY2024	+/-	%Change
Total Tax Levy	\$65,551,409	\$67,885,896	\$69,927,240	\$2,041,344	3.01%
State Aid	\$24,526,323	\$24,840,862	\$25,234,458	\$393,596	1.58%
Local Receipts	\$6,438,009	\$6,622,145	\$7,574,575	\$952,430	14.38%
Enterprise Indirects	\$593,521	\$645,464	\$743,400	\$97,936	15.18%
Transfers & Withdrawals	\$1,691,315	\$1,730,024	\$2,036,474	\$306,450	17.71%
PILOT	\$363,600	\$381,553	\$340,341	(\$41,212)	(10.80%)
Totals	\$99,164,177	\$102,105,944	\$105,856,488	\$3,750,544	3.67%

NOTES:

1. Total Tax Levy built under Proposition 2 ½ includes a new growth estimate of \$600k for FY24.
2. State Aid number based on actual state aid received in FY23. FY24 numbers are based on the Governor’s Budget.
3. Cannabis receipts, Emerald Square Mall mitigation fees, gains in meals, beverages, and lodging receipts driving increases in local receipts.
4. PILOT payments are stable. The Opportunity Fund is generating additional investment income that will fall to Free Cash in the next FY.
5. Transfers and Withdrawals are driven by an increase in the number of ambulance runs year over year.
6. Enterprise Indirects are being driven by inflation.

FUND BALANCES

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FY23 FREE CASH / RETAINED EARNINGS BALANCES

DATE VOTED	MEASURE #	Item	GENERAL FUND	SEWER	WATER	SOLID WASTE	COMCAST	VERIZON
			\$8,047,944	\$407,999	\$593,942	\$2,198,615	\$186,830	\$40,135
07 NOV 22	2023-015	Capital Projects	\$(3,392,000)					
30 JAN 23	2023-032	Big Red Bus	(115,000)					
13 FEB 23	2023-030	NAHS Feasibility	(1,000,000)					
13 FEB 23	2023-034	Boulter Farm Imp	(30,000)					
TOTAL	AVAILABLE		\$3,510,944	\$407,999	\$593,942	\$2,198,615	\$186,830	\$40,135
General Fund Stabilization Balance:						\$7,184,867		
Capital Improvement Stabilization Fund Balance:						\$434,301		
American Rescue Plan Act (ARPA) Balance:						\$6,199,758		

GRANTS & EARMARKS

FY24
FINAL
BUDGET

Award Amount	Source	Match	Remarks/Notes
\$1,200,000	EPA Revolving Loan Fund	\$200,000	Revolving loan that the Town controls and issues
\$6,300,000	MassWorks	-	Downtown Revitalization Initiative
\$830,000	Mass DEP	-	Request for Webster site cleanup
\$2,300,000	MassWorks	-	Richards Memorial Library renovations
\$180,000	Mass DOE	-	Green Communities Initiative
\$5,000,000	Congressional Earmark	TBD	PFAS Mitigation
\$300,000	State Earmarks	TBD	Estimates only, budget process underway
\$16,110,000	Total		

NOTES:

1. The EPA Revolving Loan Fund provides the Town the ability to address contaminated properties, distribute funds, set rates and terms, and reuse as needed.
2. North Attleborough remains competitive for MassWorks grants. The RML request would provide relief to the Town’s expected borrowing request for renovations.
3. Our request for PFAS mitigation is through the initial stages and into the next phase of consideration. Congressman Auchincloss continues to advocate for healthy water initiatives.

LEADING REVENUE INDICATORS

FY24
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1. There is a trend increase in the meals, beverages, and lodging receipts over the past 3 quarters. Possible explanations are related to inflation and the increasing costs of goods and services that are producing higher receipts for the Town.
2. Cannabis receipts are consistent and the two remaining vendors with approved Host Community Agreements (HCA) are looking to open retail operations in the next 12 months.
3. The housing market in North Attleborough remains tight. Interest rates are high and continue to rise. The average sale price is \$564,605 and the average list price is \$545,217. These numbers combined with an overall decrease confirm a cooling of economic activity here in Town.
4. Through the actions of NAED and the Board of Electric Commissioners, the Town created the Opportunity Fund and invested \$10mm in Treasury bills. NAED and the Board of Electric Commissioners approved another \$4mm investment for the Town. All proceeds from the Opportunity Fund will fall to Free Cash in the following year, approximately \$400k.
5. Motor Vehicle Excise is forecast to be flat with only a minimal increase year over year for FY24. The vehicle market is impacted by pressures on supply lines, higher interest rates, rising costs, fuel prices, and lower costs in the used car market.
6. The new owners of Emerald Square Mall, Kohan Properties, have made their quarterly mitigation payments but are late on property tax payments. The Town will withhold all permits until this issue is brought current.
7. Ambulance runs continue to outpace the previous year resulting in an increase in ambulance revenue in FY24. The Town operates 3 ambulances and collects from insurance agencies and Medicare for service calls. The Ambulance Receipt Reserve fund pays for the salaries and expenses for 24 EMT/Paramedics.

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Town of North Attleboro
Revenue Projections Updated
FY2024
February 28, 2023

<u>Source</u>	Budget	Updated Budget	
	FY2024	FY2024	Delta
Tax Levy Computation			
Previous Year Levy Limit	\$ 67,636,332	\$ -	(67,636,332)
Prop 2 1/2 Increase	1,690,908	-	(1,690,908)
+ New Growth	\$ 600,000	\$ -	(600,000)
Override	-	-	-
Total Levy Under the Cap	\$ 69,927,240	\$ -	(69,927,240)
Debt Excl Levy	\$ -	\$ -	-
Maximum Allowable Levy	\$ 69,927,240	\$ -	(69,927,240)
Unused Levy Capacity			
Total Tax Levy	\$ 69,927,240	\$ -	(69,927,240)

State Aid (per Cherry Sheet)	Estimated (Governor's budget)		
Chapter 70 Aid	\$ 21,172,601	\$ -	(21,172,601)
Charter School Assistance	390,877	-	(390,877)
Total School Aid	\$ 21,563,478	\$ -	(21,563,478)
Lottery/Unrestricted Gen. Govt. Aid	\$ 3,399,355	\$ -	(3,399,355)
Veterans Benefits	\$ 182,203	\$ -	182,203
Exemptions Vet Blind Spouse	89,422	-	89,422
Total General Government	\$ 3,670,980	\$ -	(3,670,980)
Total State Aid	\$ 25,234,458	\$ -	(25,234,458)

Local Receipts			
Motor Vehicle	\$ 4,200,000	\$ -	(4,200,000)
Other Excise	1,475,000	-	(1,475,000)
Penalties & Interest on Taxes	302,000	-	(302,000)
In Lieu of Taxes	25,000	-	(25,000)
Fees	275,150	-	(275,150)
Dept Revenue - Schools	2,400	-	(2,400)
Dept Revenue - Library	1,800	-	(1,800)
Other Dept Revenue (Misc)	16,325	-	(16,325)

Licenses & Permits	483,050	-	(483,050)
Special Assessments	25,650	-	(25,650)
Fines & Forfeits	41,700	-	(41,700)
Investment Income	100,000	-	(100,000)
Medicaid Reimbursement	200,000	-	(200,000)
Misc. Recurring	412,000	-	(412,000)
Misc. Non-Recurring	14,500	-	(14,500)
Total Estimated Local Receipts	\$ 7,574,575	\$ -	(7,574,575)

Enterprise Indirects			
Sewer Enterprise	\$ 318,619	\$ -	(318,619)
Water Enterprise	\$ 339,334	\$ -	(339,334)
Solid Waste	\$ 85,447	\$ -	(85,447)
Total Enterprise Transfers	\$ 743,400	\$ -	(743,400)

Transfer from Available Funds			
Ambulance Reserve for Approp	\$ 2,006,474	\$ -	\$ (2,006,474)
Ambulance Debt Service	-	-	-
Total from Ambulance Fund	\$ 2,006,474	\$ -	\$ (2,006,474)
Total Trans from Available Funds	\$ 2,006,474	\$ -	\$ (2,006,474)

Debt Service Transfers			
SBAB Reimbursement			
SBAB Accounts	-	-	-
Total Debt Service	\$ -	\$ -	-

Withdrawals			
Betterment Stabilization Fund	30,000	\$ -	30,000
53rd Week - Payroll			
Total Withdrawals	\$ 30,000	\$ -	30,000

PILOT			
NAED	\$ 340,341	\$ -	(340,341)
Total PILOTS	\$ 340,341	\$ -	(340,341)

Grand Total Revenues	\$ 105,856,488	\$ -	(105,856,488)
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Town of North Attleboro
FY2024 Preliminary Expense Projection (Town Manager)
General Fund
May 18, 2023

Total Estimated Revenues		\$ 102,105,944	\$ 105,856,488	\$ 3,750,544	
DEPARTMENTAL BUDGETS	DEPT. #	Budget #1			%
		Final Budget FY2023	Preliminary FY2024	Delta	
Town Council	111	\$ 12,000	\$ 12,000	\$ -	0.00%
Town Manager	123	489,841	594,786	104,945	21.42%
Reserve Fund	132	150,000	150,000	0	0.00%
Town Accountant	135	287,282	312,046	24,764	8.62%
Auditing Services	136	58,000	64,000	6,000	10.34%
Assessors	141	251,435	271,233	19,798	7.87%
Treasurer	145	377,948	366,083	(11,865)	-3.14%
Collector	146	223,786	239,068	15,282	6.83%
Interest on Abatements	147	2,000	2,000	0	0.00%
Town Attorney	151	150,000	150,000	0	0.00%
Human Resources	152	312,543	378,496	65,953	21.10%
Information Technology	155	971,067	1,099,455	128,388	13.22%
Tax Title Foreclosure	158	30,000	30,000	0	0.00%
Town Clerk	161	104,358	110,297	5,939	5.69%
Elections	162	212,831	201,678	(11,153)	-5.24%
Licensing Board	165	-	-	0	#DIV/0!
Conservation	171	137,390	139,460	2,070	1.51%
Planning	175	110,099	138,582	28,483	25.87%
Zoning	176	14,033	15,651	1,618	11.53%
Public Buildings and Properties	192	218,150	394,678	176,528	80.92%
Police Department	210	6,444,115	7,387,764	943,649	14.64%
Fire	220	4,584,988	5,013,067	428,079	9.34%
Ambulance	231	1,685,667	2,006,474	320,807	19.03%
Building Inspector	241	294,783	305,782	10,999	3.73%
Weights & Measures	246	9,500	26,825	17,325	182.37%
Animal Control	292	186,907	256,070	69,163	37.00%
School Department	300	45,000,738	46,800,767	1,800,029	4.00%
Crossing Guards	300	95,000	100,000	5,000	5.26%
School Transportation	300	2,074,976	2,165,487	90,511	4.36%
Bristol County Assessment	300	105,560	107,500	1,940	1.84%
Tri County Regional Assess.	391	3,638,112	3,393,100	(245,012)	-6.73%
DPW Administration	421	299,841	432,760	132,919	44.33%
Highway, Forestry & Fleet	422	1,269,423	1,374,307	104,884	8.26%
Snow & Ice	423	250,000	250,000	0	0.00%
Street Lighting	424	150,000	150,000	0	0.00%
Health Department	511	354,879	366,615	11,736	3.31%
Council on Aging	541	245,166	262,197	17,031	6.95%
Veterans Services	543	526,650	476,574	(50,076)	-9.51%
Library	610	699,297	705,906	6,609	0.95%
Pool and Beaches	640	166,331	175,039	8,708	5.24%
Parks	650	587,821	643,419	55,598	9.46%
Historical Commission	691	3,000	3,000	0	0.00%
Long Term Debt	711	4,175,576	3,774,867	(400,709)	-9.60%
Interest on Short Term Debt	752	90,000	-	(90,000)	-100.00%
State Assessments	820	5,535,909	5,555,379	19,470	0.35%
County Assessments	830	450,619	440,962	(9,657)	-2.14%
Retirement & Pension	911	3,630,326	3,801,532	171,206	4.72%
Unemployment Compensation	913	150,000	175,000	25,000	16.67%
Health Insurance	914	11,060,959	11,235,345	174,386	1.58%
Life Insurance	915	23,472	24,671	1,199	5.11%
Medicare	916	825,000	825,000	0	0.00%
Liability Insurance	945	927,015	956,566	29,551	3.19%
Insurance Reserve	946	105,000	105,000	0	0.00%
Salary Reserve	949	1,286,551	350,000	(936,551)	-72.80%
Total Departmental Budgets		\$ 101,045,944	\$ 104,316,488	\$ 3,270,545	3.24%
Overlay		\$ 500,000	\$ 500,000	\$ -	0.00%
Quinquennial Reval - BOA		60,000	60,000	-	0.00%

OPEB	500,000	580,000	80,000	16.00%
Capital Improvement Stabilization	-	400,000	400,000	#DIV/0!
Total Other Expenses	1,060,000	\$ 1,540,000	480,000	45.28%
Total Operating Budget	102,105,944	\$ 105,856,488	3,750,545	3.67%
Surplus / (Deficit)	\$ 0	\$ (0)		

Munis General Fund Budget Total	\$ 98,320,147
+ State Assessments	5,555,379
+ County Assessments	440,962
Total Departmental Budgets	\$ 104,316,489

EXPENSE TRENDS & OBSERVATIONS

FY24
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HEARING

1. This budget proposes a self-imposed cap of \$4mm annually in debt service within the general fund. In general, the difference between the annual long-term debt service payment and the debt service cap would be allocated as a below the line item in the budget into the Capital Improvement Stabilization fund. This years proposed allocation into the Capital Stabilization fund is \$400k.
2. The overlay fund is stable and funded to meet all potential obligations and exemptions. The recent settlement of the Emerald Square Mall abatement provide relief to the overlay account.
3. Labor contract agreements will provide salary stabilization for the next 2 budget cycles.
4. Retired Teacher Health Insurance costs are outpacing Employee and Retired Employee health insurance savings.
5. MIIA offered the Town a 1% increase in premiums this year. The Town, after 2 plus years of a positive claims ratio, is now in position to switch to a direct purchase / self-insured model and enter into a Joint Purchase Agreement (JPA) with Plainville. Joining with Plainville boosts the group number above 1000 employees, opens up additional options not available to the Town that were taken directly by MIIA, and saves the Town approximately \$1mm in health insurance administrative costs annually. There is no change to the plan provider, Blue Cross Blue Shield, and no changes to the plans offered by the Town. A Health Trust will be created to administer all costs and programs associated with the Town health insurances needs.
6. A slight shift in TriCountry HS enrollment produced some savings but the TriCounty MSBA project in approaching.
7. The Town is in discussions with Plainville and Wrentham to regionalize animal control operations. With North Attleborough as the primary base of operations, we are exploring costing sharing for salaries, services, benefits, facilities, and capital projects. We are in the middle innings of these discussions and expect to have reach a decision before the budget process completes in June of this year.
8. Facilities costs are included and accounted for in the procurement of 451 Elm Street. Estimates for utilities and maintenance are covered. All other requirements are funded by the Town's ARPA allocation.
9. This budget propose to add 6 x FTE (4 x NAPD Police Officers, 1 x Residential Services Representative, and 1 x Joint Facilities Director) and 2 x PTE (1 x HR Assistant, 1 x Animal Control) to the budget this year.
- 10.Snow and Ice are under budget for FY23.

FY24	FY25	FY26	FY27	FY28
\$15,799,106	\$16,716,625	\$23,164,500	\$11,991,000	\$16,515,000

326 NEW PROJECTS OVER THE NEXT FIVE YEARS
PROPOSED 5-YEAR TOTAL FORECAST INVESTMENT

\$84,186,231

BUDGET SUMMARY

FY24
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- This will prove to be one of the busiest years in recent history. There are number of initiatives, projects, programs, and growth areas this budget provides North Attleborough.
- Even in the face of rising interest and inflation, the Town remains on extremely solid financial footing as we move into the coming fiscal year and retain flexibility in financial operations as projects on the horizon move closer.
- Enterprise Funds (Solid Waste, Sewer, Water) do not have a direct impact on the Town General Fund operating budget as these are rate payer funded. However, we continue to seek additional funding through grants and earmarks to provide rate payer relief. If the EPA implements a 4 PPT requirement, this will create additional pressure on the Water Enterprise Fund and the Town's rate payers.
- The Town's credit rating (AA+) Stable Outlook is a clear strength and allows the Town borrow for capital projects at lower interest rates.
- Available Free Cash (FY23) allows the Town to fund a number of projects in the Capital Improvement Program (CIP) with cash on hand. If all projects are approved, we are forecasting a balance of \$929,838 of FY23 Free Cash remaining.
- American Rescue Plan Act (ARPA) funding supports our efforts to procure and renovate the 451 Elm Street in lieu of 290 Allen Avenue. Initial estimates indicate that renovating 451 Elm Street will be more advantageous to the Town because of its location, facility layout, time to occupation, code compliance, the potential of revenue generation, and cost estimates for repairs with available ARPA funding at no burden to local taxpayers.
- Shifting to a self-insured health insurance model presents the Town an opportunity to take advantage of our low claims rate history. This will save the Town approximately \$1mm annually once the Health Trust is established.