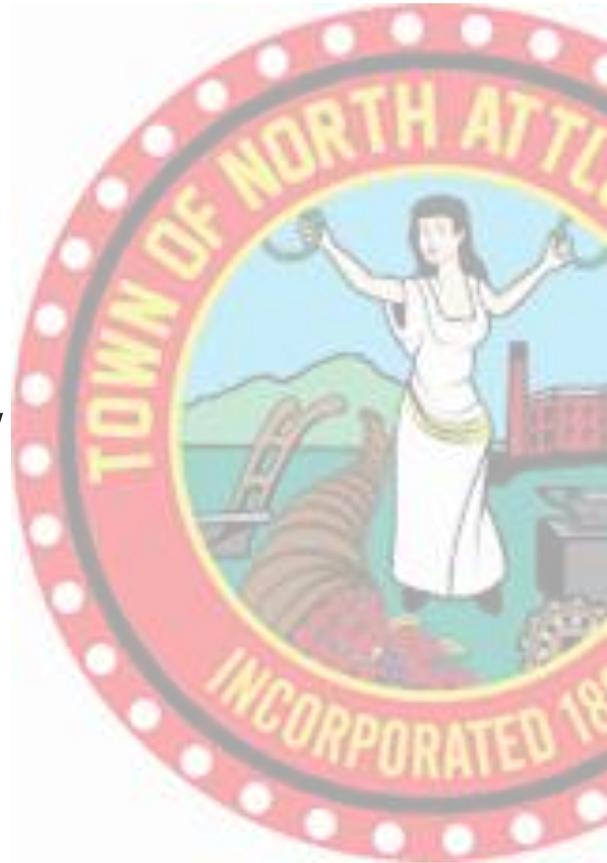


North Attleborough Financial Condition Review

Cathcart Conference Room
January 13, 2025

Mike Borg, Town Manager



Agenda

- Charter Requirement and Acknowledgments
- Notable Achievements
- Revenue and Expenditure Update
- Year-End Forecast
- Key Topics Impacting the FY26 Budget
- Capital Projects Preview
- Closing Remarks

Charter Requirement and Acknowledgements



Article VI – Financial Management, Section 6-2. Annual Budget Policy

The Council President shall call for a joint meeting of the Town Council, the School Committee, and the Town Manager, and any other person determined by the Town Council or Town Manager to be necessary to the process, to be held no later than January 15, to review the financial condition of the Town, revenue and expenditure forecasts and other relevant information in order to develop a coordinated budget.

- **Recognition of Town Departments:** The collective contributions, hard work, and dedication of all Town departments ensure the smooth and efficient operation of our town services and programs, making a positive impact on the entire community. Your teamwork and commitment do not go unnoticed.
- **Fiscal Discipline:** Recognizing the efforts employed to maintain fiscal discipline, supporting our commitment to responsible management of public funds and long-term financial health.
- **Boards, Committees, and Commissions:** The invaluable voluntary contributions and initiatives driven by our board, committee, and commission members, whose dedication and service greatly enhance the quality of life in our town.

Success Along the Way

- PFAS Mitigation Strategy
- Facilities Management Strategy
- 451 Elm Street Procurement & Upgrades
- AMVET & Roosevelt Playgrounds
- Downtown Improvements & Renovations
- Special Education Stabilization Fund
- Stretch Code Review & Discussions
- Bylaws
 - Outdoor Dining/Food Truck
 - MBTA Communities Act
 - Kennel Bylaw
 - Sober Home Bylaw
- William James Interface Referral Services
- Webster Mill Safety Project
- 10 Mile River Dredging Funding
- Route 152/106 Upgrades
- NAPD Staff Increase (SRO)
- Increased Senior Tax Exemptions & Work off Program
- School Projects
 - Beaupre Field Improvements
 - Martin Boiler
 - Roosevelt Roof Project
 - SPED Classroom Updates
- Fire Station HQ Feasibility Study
- Website / Social Media / Communications Strategy

Revenue and Expenditure Update for FY25

Current Financial Landscape Uncovered

- **Revenue Stream Overview:** The Town's current revenue track is on target. ARPA funding is coming to an end, interest rates appear to be calming, but this will impact the performance of the Opportunity Fund.
- **Expenditure Performance to Date:** At the FY25 midpoint, expenditures are aligning with budget projections. However, insurance premiums, particularly healthcare and property & liability, are exceeding forecasts. Medical inflation rates are projected to be around 8% and some estimates indicating global medical cost increases up to 10%. Rising pharmaceutical expenses are contributing to the potential for a budget deficit by fiscal year-end. We are forecasting a deficit in Healthcare to materialize in June 2025 of this year. Claims to premium is running at 106%.



FY25 Year-End Forecast

What We Are Watching



Anticipated Fiscal Year-End Position

As we approach year-end our focus remains on accountability and transparency. Current data indicates that we are on track for a balanced closeout, less healthcare. We are monitoring healthcare expenses along with external market factors such as medical inflation (estimated at 8-10%), this underscores the importance of strategic financial management and decision making.



Inflation's Effect on Budget

(1) Rising costs of goods and services, (2) Personnel Costs, (3) Contracts, (4) Utilities

Key Topics Impacting FY26 Budget

Laying Foundations for the Next Fiscal Year Budget

- **Rising Cost of Insurance (Health, Property, Liability):** Healthcare insurance will see an increase from 10 to 12.5% in FY26. Estimated \$50 on the low end for an employee (plan dependent) to \$1MM + for the Town. We will examine plan design options, an opt out program, and conduct an RFP for the service provider. We see increasing pressure on property and liability insurance.
- **Tri-County Regional Vocational High School:** Tri-County Regional Vocational School project underway and presents a significant financial obligation. The Town's projected cost, based on student attendance, is \$2.2 million for FY26, increasing to \$2.7 million in FY27.
- **New Growth Challenges:** Limited housing stock in North Attleborough today, further compounded by low housing construction and a lack of diversity in housing stock, exacerbating affordability issues.
- **Pension Obligation:** We are tracking an 8% increase in FY26, a \$500,000 increase from FY25.



Capital Projects Preview for FY26

Review and Prioritization

Available Funding:

- Approx. \$6M in funding (Free Cash, CIP Stabilization, Municipal Borrowing)
- Consistent borrowing strategy with a stable debt payments as we prepare for the NAHS debt exclusion vote.

Departmental Requests:

- General Government Requests: **\$11.8M**
- Enterprise Fund Projects: **\$5M**
- Total Requests: **\$16.8M**

Key Consideration:

- Not all submitted projects will be funded due to resource constraints.
- The focus will be on projects that align with strategic priorities and maintain fiscal responsibility.



Closing Remarks

Looking Ahead with Unity

Call to Action – Strength in Unity and Financial Stewardship:

Despite the financial challenges ahead, North Attleborough is in a strong position due to prudent fiscal management, a resilient local economy, and a commitment to transparency. By working together with a shared vision and a focus on responsible budgeting, we can navigate these pressures while continuing to support essential services and long-term community investments. Our collective efforts will ensure we meet our financial obligations and continue to strengthen our Town for future generations.

