

Fiscal Year (FY) 2026 North Attleborough Preliminary Budget Presentation

10 FEB 2025

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Town Manager

Projected Revenue Sources

- **Tax Levy:** New growth remains flat
- **State Aid:** Chapter 70 funding, local aid estimates
- **Local Receipts:** Minimal growth in motor vehicle excise tax, permits, fees, and other municipal revenues remain flat
- **Other Revenue:** Smaller reimbursement from Medicaid for the Ambulance account
- **Year-over-Year Changes:**
 - Chapter 70 increase from FY25
 - Impact of economic conditions on revenue projections

Source	Amount
Previous Year Levy Limit	\$72,117,804
Prop 2 ½	\$1,802,945
New Growth Estimate	\$500,000
Total Tax Levy	\$74,420,749
School Aid	\$22,170,514
Unrestricted General Govt Aid	\$3,620,464
Other Benefits & Exemptions	\$397,373
Total General Govt	\$26,188,351
Total Estimated Local Receipts	\$8,543,216
Total Enterprise Transfers	\$746,000
Transfer from Available Funds	\$2,137,035
PILOT Payments	\$339,067
Total Revenues	\$112,374,418

Departmental Requests

Expenses

- **Public Safety:** Police, Fire, EMS
- **Education:** North Attleborough Public Schools funding (Less Tri-County)
- **Public Works:** Infrastructure, roads, water/sewer projects
- **Administration:** Finance, legal expenses (Includes Tri-County)
- **Community Services:** Parks, library, senior services
- **Other Requirements:** Overlay, BOA Reval

Office	Amount
Public Safety	\$15,668,141
Education	\$56,156,836
Public Works	\$2,254,855
Administration	\$37,870,982
Community Services	\$3,788,611
Other	\$1,260,000
Total	\$116,999,425
Delta	(\$4,625,007)

Major Cost Considerations

- **Health insurance and pension obligations**

- Health care costs projected to increase 15%, with current premium-to-claims experience at 108%, leading to a forecasted deficit of approximately \$1.3MM by June 2025. Administrative Services Only (ASO) contracts currently out to bid.
- Retirement Board has approved an 8% increase in pension obligation payments, with the pension fully funded target set for 2034.

- **Personnel Costs**

- **Collective Bargaining & Wage Adjustments:** Seven Town and three School bargaining negotiations scheduled this year.
- **Cost of Living Adjustments (COLA):** Looking to fund 1.5% to 2% COLA increase.
- **Staffing Considerations:** Initial budget guidance includes no new full-time employee (FTEs) positions, though possible conversion of part-time employee (PTE) positions to FTE may be considered.

Major Cost Considerations

- **Capital Needs & Infrastructure**

- **Funding Sources:** Utilize Free Cash and Capital Stabilization funds, targeting approximately \$2.5M, with no borrowing planned except for Enterprise-funded projects.
- **Project Prioritization:** Emphasis on maintenance and facility improvements to address critical infrastructure needs and ensure long-term asset sustainability.

- **Free Cash Strategy**

- Serve as a bridge to offset costs until new growth revenue materializes, including funding the Tri-County School MSBA project \$2.2MM as a capital expense.
- Cover the forecasted \$1.3MM health care deficit by June 2025.
- Allocate \$1.3MM to meet the Other Post-Employment Benefits (OPEB) funding target by June 2025.

Major Cost Considerations

- **Economic and Inflationary Pressures**

- **Healthcare Costs:** Medical inflation is running at 8% to 10%, with significant increases in pharmaceutical costs, particularly GLP-1 drugs.
- **Property Liability Coverage:** Premiums are increasing by 10%, driven by national market factors and restricted coverage availability. Local claims experience is contributing to higher premiums, reflecting broader industry trends and risk assessments.
- **Rising Borrowing Costs:** Municipal borrowing rates have risen to approximately 4%, reflecting higher interest rates in similar municipalities.
- **Inflation in Construction and Goods:** Persistent inflationary pressures continue to affect construction materials, goods, and services.
- **Utilities and Fuel:** Prices remain relatively stable, with only marginal increases, offering a modest relief amid broader economic challenges.

Budget Process & Future Considerations

- **Budget Timeline & Review Process:**

- Departmental Coordination-Deliberation-Reconciliation 11 FEB 2025 thru 14 APR 2025
- 15 APR 2025 Final Budget Presentation
- Finance Subcommittee Deliberation 16 APR 2025 thru 05 JUN 2025
- Budget Public Hearing 12 MAY 2025
- Town Council Budget Vote 09 JUN 2025

- **Balancing the Budget:**

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

- **Closing Remarks & Questions**