



April 1, 2024

FY25 Select Board Recommended Budget (Level 3)

On Monday, April 1, 2024, the Select Board deliberated on its recommended budget (Level 3) by reviewing the [Town Administrator's budget \(link\)](#), also known as the Level 2 Budget. Further, the Board reviewed updated budget information, article requests from the School Committee (also presented on April 1), and the Select Board priorities.

The Select Board is dedicated to balancing a budget in a challenging environment while maintaining the expected quality of life for Holliston's residents. The recommended budget was approved unanimously by the Board (3-0).

There are two main categories of decisions made in the Level 3 Budget (Select Board) which would change the Level 2 Budget (Town Administrator) as printed on March 4, 2024:

1. Warrant Article(s) in Support of Bridging the Gap for Special Education Costs

The Town Administrator's FY25 Recommended Budget includes an assumed 3.25% increase for the Holliston Public Schools Budget (\$41,847,157, or an increase from FY24 to FY25 of \$1,317,223), as well as a 19.34% increase for the Keefe Regional Technical School assessment based on enrollment increases (\$1,824,872, or an increase from FY24 to FY25 of \$295,683). Overall, the increased education costs in the Town Administrator's FY25 Recommended Budget represent \$1,612,906, or a 3.83% increase from prior year.

The current gap between the Town Administrator's FY25 Recommended Budget and the School Committee Budget Request (voted March 27) is \$1,128,404, though a significant portion of the budget request from the School Committee may be reasonably tied to "one time" cost increases related to Special Education (SPED).

On April 1, the School Committee presented the Select Board with a request to create a SPED Stabilization Fund, to support costs "up to" \$922,314 that are projected to increase for SPED in FY25, but will ultimately be offset (at least partially) by an increase in Circuit Breaker in FY26.

The Select Board indicated support at the April 1st meeting for the use of "one-time-monies" to help bridge the gap for SPED costs in FY25. Specifically, the Board indicated a willingness to use "up to" \$750,000 from General Stabilization and/or Free Cash to cover the FY25 SPED costs before the projected increase to Circuit Breaker in FY26; this scenario would reduce the current \$1.128 million gap to approximately \$375,000 for which the School Committee would need to find further solutions outside of the Tax Levy.

2. Recommended Changes from Level 2 to Level 3 for the FY25 Operating Budget

The Select Board has also recommended three (3) main areas of changes from the Level 2 to Level 3 Budgets:

- **Pension Stabilization Contribution (01914-51791) – reduce by \$130,000**

The Town's Financial Policies are still in the process of the joint bi-annual update of the Finance Committee and Select Board; in the most recent draft of the Financial Policies as voted by the Select Board, the recommendation is to reduce the assumed aggregate contribution to OPEB/Pension to \$1.25 million from the FY25 budget, directing all \$1.25 million to the OPEB Trust Fund and then funding the \$250,000 contribution to the Pension Stabilization fund from Free Cash in October 2024, thus reducing the budget by \$130,000 from Level 2 to 3.

Note that additional changes between the 01914 budget and the 01911 budget are made in Level 3 with zero net impact to the bottom line at the recommendation of the Town Administrator based on new information since March 4.

- **Ambulance Personnel Costs (01231-51000 range) – increase by \$80,000** (*restoring 38% of Town Administrator cut in Level 2*)

In the Town's effort to achieve Advanced Life Support (ALS) licensure for the ambulance service within FY25, the Town has made significant investment in this operating budget. The budget request for FY25 from the Fire Chief and Assistant Chief was a 54.4% increase (\$493,011). The Town Administrator's FY25 Recommended Budget reduced that request by \$212,274 to balance the bottom line.

The Select Board is recommending restoring \$80,000 from the Town Administrator's proposed cuts to the budget request, bringing the overall Level 3 recommended budget for Ambulance (01231) to \$1,267,239, a 39.8% increase from FY24 to FY25.

The FY25 budget does not include any anticipated increase in revenue, though the Level 2 and Level 3 budgets each assume the use of \$250,000 from the Programmatic Stabilization Fund to offset the increase for the Ambulance budget in FY25, with the determination that revenues will increase based on revenue models (internal and external, from MRI) for an ALS ambulance service as compared to the current/previous BLS ambulance service billing rates and use.

- **DPW Highway Road Rehabilitation (01420-58601) – increase by \$50,000** (*restoring half of Town Administrator cut in Level 2*)

The Town supports its annual Chapter 90 (State) funding, which has been stagnant at approximately \$500,000 per year for over a decade, with the capital outlay line in the DPW Highway budget (also known as Road Rehabilitation). While Chapter 90 has been flat, in the past two years the State has bolstered road repair funding with WRAP in FY23 (\$250,000) and Fair Share in FY24 (\$275,000).

Chapter 90 and Road Rehabilitation are necessary for maintaining the 90+ miles of Town-owned roadway (summary table below from the [2023 Pavement Management Program](#)). Additional use of these funds can include, but is not limited to, infrastructure improvements such as roadway drainage and culverts. With increased severity of rain events, the impacts to roadways and drainage have never been more impactful to our residents.

Holliston, MA

Estimated Roadway Improvement Costs - Accepted

Repair Method	Length (Miles)	Square Yards	Percent Repair	Estimated Cost
Major Rehabilitation	3.94	54,159.18	4.29%	\$2,599,640.77
Minor Rehabilitation	21.15	333,741.90	23.04%	\$6,007,354.14
Preventative Maintenance	33.29	488,123.04	36.27%	\$4,637,168.93
Routine Maintenance	23.53	332,322.95	25.63%	\$332,322.95
No Maintenance Required	9.88	135,024.54	10.76%	\$0.00

Total:	91.78	1,343,371.61	100.00%	\$13,576,486.78
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Average RSR By Segment:	74.06
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Conclusion & Recap

The Holliston Select Board appreciates the work to-date by Town and School finance staff towards presenting Town Meeting with a comprehensive FY25 Operating Budget. The process begins in the fall after setting the Tax Rate in November, with budget documents going to departments in November/December. Departmental requests are submitted in January (February for School Superintendent) and these requests are considered "Level 1."

On March 4, 2024, the Town Administrator released his recommended budget (Level 2). This report is detailed and explains the various budget and revenue drivers, as well as the financial challenges facing the Town and the region. The Select Board's FY25 Recommended Budget (Level 3) is now provided to the Finance Committee for their further recommendations and ultimately all 4 levels of the budget process will be available for Town Meeting to act upon on Monday, May 13, 2024, as the Town Meeting approved operating budget becomes the legally obligated fiscal plan for the Town in FY25.

FY2025 Expenditures/Budget Tracking
May 2024 - Annual Town Meeting

FY2025 Expenditures/Budget Tracking May 2024 - Annual Town Meeting								Level 1			FY24-25 +/-		Level 2		Level 3		
			1	2	3	4	5	Budget	Dept Req	Chg.	Chg.	TA Rec.	Chg.	BOS Req.	Chg.	Level 3	
			Actual	Actual	Actual	Actual	Actual	Fiscal Year	Fiscal Year	FY2024 to	FY2023 to	Fiscal Year	Dept. Req.	Fiscal Year	TA Rec.	Chg (%)	
			Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	2024	2025	FY2025 (\$)	FY2024 (%)	2025	to TA Rec.	2025	to BOS Rec.	From FY24	
			2019	2020	2021	2022	2023										
GG	01122	SELECT BOARD (01122)	332,040	362,272	430,164	388,796	401,288	426,726	442,667	15,941	3.74%	441,367	(1,300)	441,367	-	3.4%	
GG	01152	HUMAN RESOURCES (01152)	-	-	-	101,606	134,125	151,186	166,499	15,313	10.13%	162,699	(3,800)	162,699	-	7.6%	
GG	01131	FINANCE COMMITTEE (01131)	1,632	210	210	2,406	1,604	4,210	4,210	-	0.00%	4,210	-	4,210	-	0.0%	
GG	01132	RESERVE FUND (01132)	144,213	56,575	195,112	125,316	96,747	325,000	325,000	-	0.00%	325,000	-	325,000	-	0.0%	
GG	01135	TOWN ACCOUNTANT (01135)	141,208	164,786	174,577	179,935	180,469	200,661	212,755	12,094	6.03%	208,755	(4,000)	208,755	-	4.0%	
GG	01141	BOARD OF ASSESSORS (01141)	206,409	231,201	219,533	241,551	244,947	295,141	293,116	(2,025)	-0.69%	293,116	-	293,116	-	-0.7%	
GG	01145	TREASURERY/COLLECTOR (01145)	310,703	363,258	361,901	336,598	368,682	386,814	406,992	20,178	5.22%	404,592	(2,400)	404,592	-	4.6%	
GG	01155	TECHNOLOGY (01155)	259,274	264,176	254,452	247,743	297,311	323,333	346,673	23,340	7.22%	344,749	(1,924)	344,749	-	6.6%	
GG	01161	TOWN CLERK (01161)	151,407	154,593	152,009	161,220	159,158	180,053	186,907	6,854	3.81%	186,907	-	186,907	-	3.8%	
GG	01162	ELECTIONS (01162)	22,830	17,166	35,938	9,541	32,179	41,789	68,236	26,447	63.29%	67,436	(800)	67,436	-	61.4%	
LU	01171	CONSERVATION COMMISSION (01171)	49,950	53,001	54,436	53,360	61,873	66,246	68,869	2,623	3.96%	67,969	(900)	67,969	-	2.6%	
LU	01175	PLANNING BOARD	83,858	94,254	100,080	105,330	107,153	114,747	117,845	3,098	2.70%	117,845	-	117,845	-	2.7%	
LU	01176	ZONING BOARD OF APPEALS (01176)	8,339	9,229	8,478	9,678	8,703	11,088	11,391	303	2.73%	10,391	(1,000)	10,391	-	-6.3%	
LU	01182	ECONOMIC DEVELOPMENT (01182)	9,310	11,366	788	4,056	1,070	51,000	51,824	824	1.62%	51,824	-	51,824	-	1.6%	
GG	01192	PUBLIC BUILDINGS (01192)	272,551	273,520	332,600	-	-	-	-	-	0.00%	-	-	-	-	0.0%	
GG	01199	SUSTAINABILITY COORDINATOR (01199)	-	-	47,738	47,520	47,205	51,500	51,500	-	0.00%	51,500	-	51,500	-	0.0%	
PS	01210	POLICE (01210)	2,648,623	2,823,591	2,931,610	3,080,716	3,256,632	3,577,172	3,658,487	81,315	2.27%	3,586,771	(71,716)	3,586,771	-	0.3%	
PS	01211	AUXILIARY POLICE (01211)	13,096	13,764	13,517	3,534	7,359	16,002	-	(16,002)	-100.00%	-	-	-	-	-100.0%	
PS	01220	FIRE (01220)	729,181	797,851	799,340	878,362	1,028,483	1,023,535	1,141,455	117,920	11.52%	1,059,349	(82,106)	1,059,349	-	3.5%	
PS	01231	AMBULANCE (01231)	411,406	390,260	394,805	482,953	782,442	906,502	1,399,513	493,011	54.39%	1,187,239	(212,274)	1,267,239	80,000	39.8%	
LU	01241	BUILDING INSPECTION (01241)	142,880	163,601	144,289	162,844	192,925	233,389	237,935	4,546	1.95%	237,435	(500)	237,435	-	1.7%	
PS	01291	EMERGENCY MANAGEMENT (01291)	7,463	7,743	11,276	16,453	16,085	22,061	22,061	-	0.00%	21,811	(250)	21,811	-	-1.1%	
PS	01292	ANIMAL CONTROL OFFICER (01292)	38,000	38,000	38,000	38,000	38,250	38,000	38,000	-	0.00%	38,000	-	38,000	-	0.0%	
PW	01420	DPW - HIGHWAY (01420)	1,166,515	1,207,560	1,291,983	1,358,778	1,526,145	1,715,636	1,768,592	52,956	3.09%	1,668,592	(100,000)	1,718,592	50,000	0.2%	
FAC	01422	FACILITIES MAINTENANCE (01422)	140,522	164,684	215,726	270,261	290,140	319,297	331,141	11,844	3.71%	329,371	(1,770)	329,371	-	3.2%	
PW	01423	SNOW AND ICE REMOVAL (01423)	332,786	240,064	395,814	421,035	251,395	250,000	250,000	-	0.00%	250,000	-	250,000	-	0.0%	
PW	01424	STREET LIGHTING (01424)	68,821	74,387	67,112	76,553	87,166	99,820	81,982	(17,838)	-17.87%	75,782	(6,200)	75,782	-	-24.1%	
SW	01433	SOLID WASTE (01433)	1,027,896	1,262,685	1,274,518	1,234,435	1,321,133	1,474,188	1,549,683	75,495	5.12%	1,549,683	-	1,549,683	-	5.1%	
PW	01440	WASTEWATER TREATMENT (01440)	86,007	78,307	85,302	100,853	100,630	106,275	158,891	52,616	49.51%	134,891	(24,000)	134,891	-	26.9%	
PW	01499	MOTOR VEHICLE FUELS (01499)	85,113	71,839	80,181	109,299	140,321	176,500	176,500	-	0.00%	165,000	(11,500)	165,000	-	-6.5%	
HS	01512	BOARD OF HEALTH (01512)	137,404	147,658	158,273	166,749	167,683	173,541	174,018	477	0.27%	174,018	-	174,018	-	0.3%	
HS	01541	COUNCIL ON AGING (01541)	208,094	216,635	236,057	251,740	238,686	285,061	313,638	28,578	10.03%	305,728	(7,910)	305,728	-	7.3%	
HS	01542	YOUTH SERVICES (01542)	91,853	141,562	158,815	160,869	165,857	173,493	211,553	38,060	21.94%	211,553	-	211,553	-	21.9%	
HS	01543	VETERANS' SERVICES (01543)	54,170	94,913	88,973	91,048	87,640	97,207	100,183	2,976	3.06%	100,183	-	100,183	-	3.1%	
	01610	LIBRARY (01610)	498,627	509,852	514,201	529,670	550,778	624,769	638,883	14,114	2.26%	638,883	-	638,883	-	2.3%	
	01650	PARKS & RECREATION (01650)	115,944	128,950	125,993	141,880	135,193	153,948	169,242	15,294	9.93%	169,242	-	169,242	-	9.9%	
GG	01660	RAIL TRAIL (01660)	-	-	1,000	293	3,542	5,000	5,000	-	0.00%	5,000	-	5,000	-	0.0%	
GG	01692	CELEBRATIONS (01692)	1,954	756	2,000	2,000	2,300	2,500	2,500	-	0.00%	2,500	-	2,500	-	0.0%	
	01710	DEBT SERVICE (01710)	5,385,553	5,292,868	3,012,553	2,400,638	623,073	377,650	362,650	(15,000)	-3.97%	362,650	-	362,650	-	-4.0%	
	01911	COUNTY RETIREMENT (01911)	1,961,571	2,010,385	2,144,455	2,375,731	2,607,227	2,611,009	2,550,093	(60,916)	-2.33%	2,550,093	-	2,617,865	67,772	0.3%	
INS	01912	WORKERS' COMPENSATION (01912)	243,607	271,450	283,171	302,068	348,377	380,969	377,630	(3,339)	-0.88%	377,630	-	377,630	-	-0.9%	
INS	01913	UNEMPLOYMENT (01913)	7,717	9,262	41,438	41,662	48,138	50,000	50,000	-	0.00%	50,000	-	50,000	-	0.0%	
INS	01914	EMPLOYEE BENEFITS (01914)	6,850,735	6,791,672	7,274,235	7,426,875	7,176,730	8,364,143	8,718,076	353,933	4.23%	8,598,076	(120,000)	8,400,304	(197,772)	0.4%	
INS	01945	LIABILITY INSURANCE (01945)	188,974	244,963	245,831	365,486	364,519	391,710	401,503	9,793	2.50%	401,503	-	401,503	-	2.5%	
	01990	TRANSFERS - TAX SUPPORTED (01990)**	1,300,000	1,761,000	2,243,740	1,988,500	1,875,000	2,350,000	2,139,260	(210,740)	-8.97%	1,650,000	(489,260)	1,650,000	-	-29.8%	
Subtotal GF, Less School			25,938,236	27,011,869	26,642,224	26,493,941	25,576,363	28,628,871	29,782,953	1,154,083	4.03%	28,639,343	(1,143,610)	28,639,343	-	0.0%	
ED	01300	SCHOOLS	33,110,115	34,947,263	35,139,715	37,098,523	38,845,279	40,529,934	43,517,951	2,988,017	7.37%	41,847,157	(1,670,794)	41,847,157	-	3.2%	
ED	01371	KEEFE TECH. VOCATIONAL	1,204,273	1,252,946	1,214,357	1,421,995	1,471,091	1,529,189	1,824,872	295,683	19.34%	1,824,872	-	1,824,872	-	19.3%	
TOTAL			60,252,624	63,212,078	62,996,296	65,014,459	65,892,733	70,687,994	75,125,776	4,437,783	6.28%	72,311,372	(2,814,405)	72,311,372	-	2.3%	
**Tax supported articles are not part of Omnibus Budget, but must balance within Tax Levy; this includes the "set aside" for the Capital Expenditure fund																	
61450	WATER ENTERPRISE*		2,241,087	2,296,197	2,312,475	2,504,266	3,167,697	3,399,681	3,304,799	(94,882)	-2.79%	3,304,799	-	3,304,799	-	-2.8%	