



# TOWN OF HUDSON FY2025 BUDGET PRESENTATION

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FINANCE COMMITTEE

MARCH 7, 2024

# FY2025 BUDGET - ASSUMPTIONS

- Level municipal services
- 2.0% general wage adjustment for non-union employees
- No new municipal positions
- Minimal increase in state aid (unknown numbers)
- Projecting no additional borrowing authorizations
- 2.25% increase to HPS appropriation
- Potential use of Overlay Surplus to balance budget

# FY2025 BUDGET - CHALLENGES

- Early budget cycle
- Prop 2 ½ limitations / new growth trending lower
- Impact of enterprise funds on local receipts
- 10-15% increases projected for P&C / workers comp premiums
- Anticipating the increasing costs for goods / services
- Department operating expenses reduced
- Health insurance – budget capacity for FY2025 but FY2026?

<b>General Fund Revenue</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Levy	\$64,288,336	\$66,866,510	\$2,578,174	4.01%
State Aid				
General Government	\$2,553,264	\$2,698,653	\$145,388	5.69%
Education	\$14,860,338	\$15,141,208	\$280,870	1.89%
Local Receipts	\$7,499,000	\$7,536,857	\$37,857	0.50%
Indirect Cost Reimbursements	\$1,929,170	\$1,929,170	\$0	0.00%
Available Funds				
L&P Surplus	\$225,000	\$225,000	\$0	0.00%
Free Cash (Operating)	\$0	\$0	\$0	0.00%
Overlay Surplus	\$0	\$300,160	\$300,160	
<b>Total Operating Revenue:</b>	<b>\$91,355,109</b>	<b>\$94,697,558</b>	<b>\$3,342,449</b>	<b>3.66%</b>



General Fund Expenses	FY2024	FY2025	Increase / (Decrease)	% Change
Education				
Hudson Public Schools	\$43,305,340	\$44,279,710	\$974,370	2.25%
Assabet Assessment	\$2,931,411	\$2,973,072	\$41,661	1.42%
General Government				
Departments	\$17,875,113	\$18,935,364	\$1,060,251	5.93%
Health & Life Insurance	\$5,425,000	\$5,525,000	\$100,000	1.84%
Medicare	\$795,600	\$811,512	\$15,912	2.00%
General Insurance	\$473,337	\$594,457	\$121,120	25.59%
Pension Assessment	\$7,443,000	\$7,920,764	\$477,764	6.42%
Debt Service				
Principal	\$3,496,000	\$3,521,000	\$25,000	0.72%
Interest	\$1,234,142	\$1,190,906	(\$43,236)	-3.50%
Other Debt Service (Assabet)	\$369,827	\$358,607	(\$11,220)	-3.03%
Town Meeting				
Articles	\$150,000	\$325,160	\$175,160	116.77%
Stabilization	\$100,000	\$0	(\$100,000)	-100%
Reserve Fund	\$100,000	\$100,000	\$0	0.00%
Charges				
Tax Title	\$25,000	\$25,000	\$0	0.00%
Cherry Sheet Offsets	\$1,072,310	\$1,353,770	\$281,460	26.25%
Cherry Sheet Assessments	\$5,812,500	\$6,179,874	\$367,374	6.32%
Overlay	\$746,529	\$603,362	(\$143,166)	-19.18%
<b>Total Operating Expenses:</b>	<b>\$91,355,109</b>	<b>\$94,697,558</b>	<b>\$3,342,449</b>	<b>3.66%</b>

Levy Calculation	FY2021	FY2022	FY2023	FY2024	FY2025
Prior Year Levy Limit	\$51,902,188	\$54,221,196	\$56,642,572	\$58,708,010	\$61,018,787
2.5% Increase	\$1,288,277	\$1,355,530	\$1,416,064	\$1,467,700	\$1,525,470
New Growth	\$1,030,731	\$1,065,846	\$649,374	\$843,077	\$675,000
Current Year Levy Limit	\$54,221,196	\$56,642,572	\$58,708,010	\$61,018,787	\$63,219,257
Debt Exclusion Tax Yield	\$3,972,641	\$3,903,340	\$3,851,726	\$3,777,301	\$3,747,253
Maximum Allowable Levy	\$58,193,837	\$60,545,912	\$62,559,736	\$64,796,088	\$66,966,510
Tax	\$57,441,901	\$59,464,138	\$61,124,540	\$63,996,088	\$66,866,510
Excess Levy Capacity	\$751,936	\$1,081,774	\$1,435,196	\$800,000	\$100,000

<b>Cherry Sheet</b>	<b>FY2021 Actual</b>	<b>FY2022 Actual</b>	<b>FY2023 Actual</b>	<b>FY2024 Actual</b>	<b>FY2025 Budget (H2)</b>
Receipts					
Chapter 70	\$12,020,446	\$12,095,806	\$12,241,726	\$12,997,947	\$13,070,157
Charter School Tuition Reimbursement	\$971,354	\$819,317	\$1,382,548	\$963,720	\$767,318
Unrestricted General Gov't Aid	\$2,117,490	\$2,191,602	\$2,309,948	\$2,383,867	\$2,455,382
Charges					
Retired Teachers Health Insurance	\$1,391,872	\$1,426,658	\$1,532,321	\$1,539,597	\$1,609,700
Charter School Tuition Assessment	\$2,974,160	\$3,468,218	\$3,994,682	\$4,158,893	\$4,231,776
Net Aid – Percentage Change	1.22%	-4.21%	4.14%	2.03%	0.09%

<b>Local Receipts</b>	<b>FY2021 Actual</b>	<b>FY2022 Actual</b>	<b>FY2023 Actual</b>	<b>FY2024 Budget</b>	<b>FY2025 Budget</b>
Motor Vehicle Excise	\$3,041,228	\$2,949,955	\$2,986,477	\$3,000,000	\$3,000,000
Other Excise	\$621,859	\$913,533	\$735,051	\$765,000	\$725,000
Penalties & Interest on Taxes	\$367,487	\$470,152	\$278,988	\$370,000	\$250,000
Payment in Lieu of Taxes	\$99,821	\$69,488	\$71,999	\$65,000	\$65,000
Water Charges	\$3,165,320	\$3,968,668	\$4,669,145	\$0	\$0
Precision Settlement	\$182,112	\$139,225	\$114,224	\$0	\$0
Sewer Charges	\$3,290,320	\$4,453,882	\$4,799,704	\$0	\$0
Fees	\$284,758	\$269,795	\$346,061	\$270,000	\$300,000
Licenses & Permits	\$478,191	\$524,212	\$493,105	\$400,000	\$450,000
Cell Tower Lease Revenue	\$319,297	\$366,395	\$355,442	\$325,000	\$325,000
Investment Income	\$59,412	\$39,574	\$424,909	\$65,000	\$350,000
L&P Reimbursements	\$1,819,897	\$1,816,519	\$1,681,857	\$1,815,000	\$1,681,857
Remaining Revenue Sources	\$1,166,489	\$1,522,025	\$1,185,814	\$424,000	\$385,000
<b>TOTAL:</b>	<b>\$14,896,191</b>	<b>\$17,503,423</b>	<b>\$18,085,664</b>	<b>\$7,499,000</b>	<b>\$7,536,857</b>



## FY2023 Free Cash – Projection for FY2025 Appropriations

A	\$6,811,747	Free Cash Certification for FY2022
B	\$3,013,154	Appropriations from Free Cash at 2023 ATM
C	\$3,798,593	Undesignated Fund Balance [A-B]
D	\$2,150,000	Estimated FY2023 Turnbacks + Surplus Revenue
E	\$5,948,593	Estimated Free Cash Certification for FY2023 [C+D]
F	\$2,166,500	Estimated FY2025 Capital Program
G	\$400,000	Estimated Year-End Transfers for FY2024
H	\$975,950	Fire Engine Appropriation (and Borrowing Rescission)
I	\$605,000	Transfer to Stabilization Fund (MUNIS Acquisition)
J	\$0	Transfer to OPEB Trust Fund (TBD)
K	\$20,000	Addiction Referral Petitioned Article
L	\$15,646	Lake Boon Weed Control
M	\$3,000	OARS
N	\$0	Free Cash Operating Supplement
O	\$4,186,096	Total Free Cash Appropriations at 2024 ATM [SUM F:N]
P	\$1,762,497	Ending Balance [E-O]



# THANK YOU

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