

TOWN OF NORTH READING FISCAL YEAR 2025 AND BEYOND BUDGET PROJECTION / SCENARIOS

Webinar Presentation to the Public

April 24, 2024 at 8:00 PM

About Tonight's Webinar...

- This webinar is a follow-up to a meeting of the Select Board, School Committee, Finance Committee, and Capital Improvement Planning Committee on April 10th
- This webinar is being conducted by Town personnel and is not a “public meeting” under the Open Meeting Law. Presenters are:
 - Michael Gilleberto, Town Administrator
 - Laurianne Galvin, Finance Director
 - Dr. Patrick Daly, Superintendent of Schools
 - Michael Connelly, Assistant Superintendent of Schools
- There may be multiple members of elected or appointed boards/committees in attendance. Under the Open Meeting Law this is permitted so long as they do not deliberate amongst themselves
- There will be an opportunity at the end to submit questions to the presenters via chat.
- Information is available online at www.northreadingma.gov under “FY 2025 Budget Central”

About Tonight's Webinar...

AGENDA

- Briefly Review North Reading Budget Process
- Present Budget History and Challenges
- Present Scenarios with and without an Override
- Present Tax Implications with an Override
- Questions and Answers

Town Budget Process

- Collaboration between Municipal and School leaders through the Financial Planning Team
 - Select Board representatives (2)
 - Town Administrator
 - Finance Director
 - School Committee representatives (2)
 - Superintendent of Schools
 - Finance Committee representatives (2)
- Develop and agree upon a strategy for allocating revenue
- Work together to address budget shortfalls
- Recommend a budget to the Select Board, School Committee, and Finance Committee, to be forwarded to Town Meeting for approval each June.

The budget process evolves over multiple months...

- There are many revenue and expense components of the Town's budget.
- Some of these components are known in advance, some become known at different points leading up to Town Meeting, and some are not known until policy decisions are made by boards such as the Select Board and School Committee.
- You may note slight variance in some figures during tonight's discussion; this is a reflection of the evolving nature of the budget itself.
- Attendees at Town Meeting have the final say...all of the work done in advance of Town Meeting is intended to provide voters a plan that they may choose to approve or disapprove, however a budget must be in place by July 1st each year for the Town's departments, including the School Department, to operate.

Budget Challenges

- Property Taxes account for \$56.2 million in revenue out of a total of \$72.3 million in General Fund expenditures for FY 2024. The rest is state aid, departmental revenue, excise tax, investment income, transfers from other funds, etc.
- Property Taxes for existing buildings and developed land represent the Town's only source of revenue that is predictable over the long-term. New Growth (new buildings/renovations and development of land) increases property taxes each year but is not necessarily predictable over the long-term.
- Over a 20 year period, average cost increases exceeded revenues:
 - Fixed costs (health insurance, assessments, debt) increased 5% on average.
 - Municipal department (Police/Fire/DPW, Town Hall, etc.) salaries and expenses increase 3.3% on average.
 - School Department salaries and expenses increased 4.1% on average

Budget Challenges

- New Growth has been a stabilizing force in our budgets, going back to the development of subdivisions with larger homes on larger house lots in the 1990's, the construction of Edgewood Apartments at the former JT Berry property on Lowell Road in the 2000's, and now the construction of Martin's Landing condominiums at the JT Berry property from the 2010's to 2020's that is now concluding.
- More recently, conservative budgeting has allowed the Town to generate Free Cash that is left over from one year's budget and used to fund certain costs in the next year's budget.
- Our ability to present a balanced budget using funds left over from previous years is coming to an end as we are forced to decrease the amount of money in department budgets, and increase amount of the Town's revenue being spent. Both of these actions will result in reduced money for services in upcoming fiscal years.

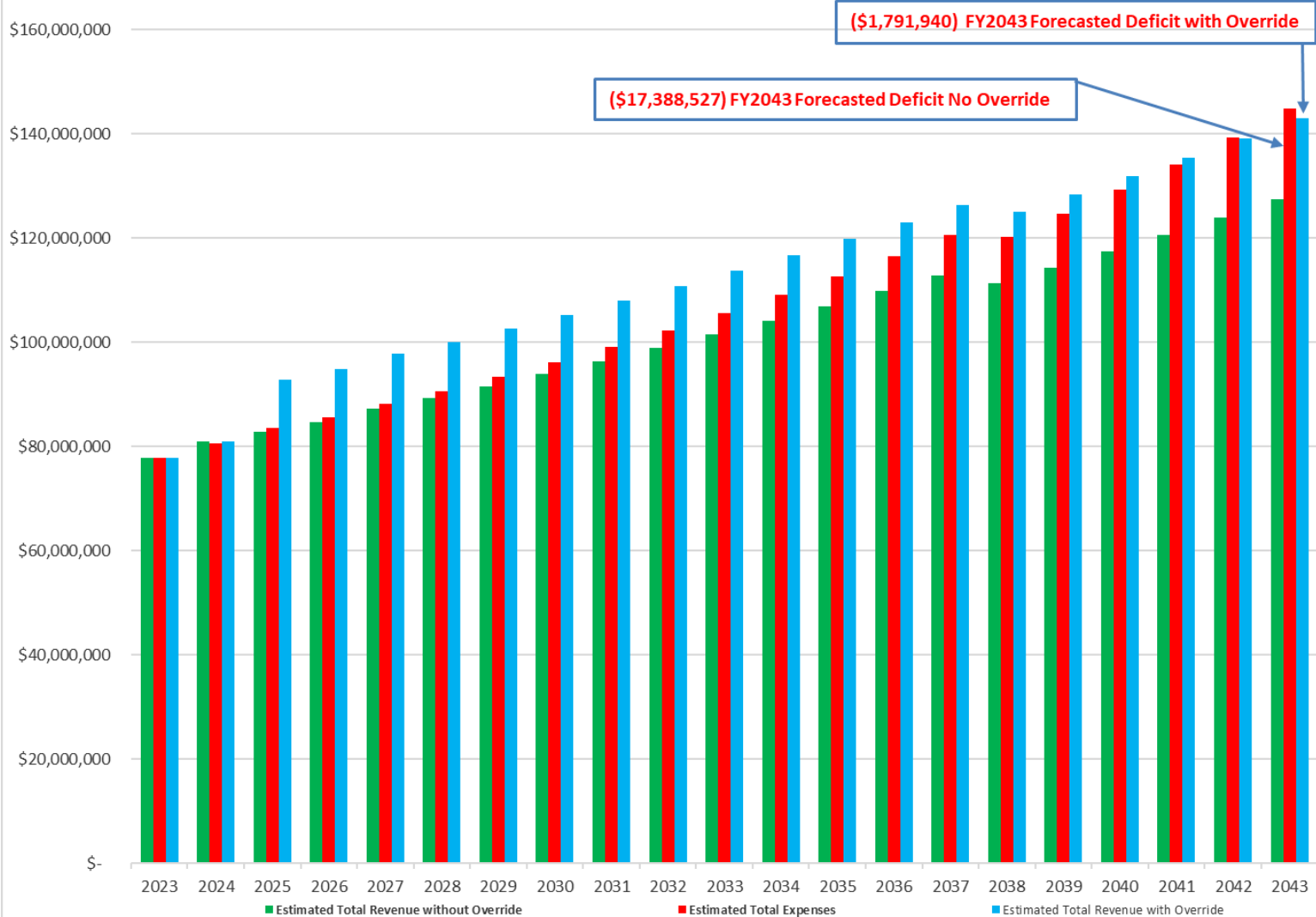
Future Projection of Revenue vs. Expense:

	FY24 Actual Budget	FY25 Projected Budget	FY26 Projected Budget	FY27 Projected Budget
Total General Fund Revenue	78,310,652	81,479,265	81,309,055	83,152,111
Town Fixed Costs	10,974,865	11,240,062	12,024,847	12,220,697
Amount Available for Municipal and School Operating	67,335,787	70,239,204	69,284,209	70,931,414
Total Municipal Allocation	22,190,062	23,257,926	22,941,704	23,487,134
Total Municipal Fixed Costs	5,376,096	5,822,663	6,228,413	6,663,870
Total Municipal Revenue Offset	2,526,550	2,588,597	2,602,031	2,609,801
Total Municipal Revenue Available	19,340,516	20,023,859	19,315,322	19,433,065
Transfer available municipal revenue to schools	(28,961)			
Free Cash	207,731			
Total Municipal Operating Budget Revenue Available	19,519,286	20,023,859	19,315,322	19,433,065
LEVEL Service Department Requests	19,519,286	20,269,048	21,079,810	21,923,002
Surplus/Deficit	0	(245,189)	(1,764,488)	(2,489,937)
Modified Level Services Department Requests		20,398,574	21,456,780	22,597,469
Surplus/Deficit		(374,715)	(2,141,458)	(3,164,404)
Additional Needs		232,945	271,556	676,011
Total Department Requests		20,631,519	21,728,336	23,273,480
Surplus/Deficit		(607,660)	(2,413,014)	(3,840,415)
Total School Allocation	44,824,181	46,981,278	46,342,505	47,444,280
Total School Fixed Costs	8,033,547	8,209,150	8,826,986	9,492,966
Total School Revenue Available	36,790,634	38,772,128	37,515,519	37,951,314
Transfer available municipal revenue to schools	28,961			
Free Cash	500,000			
Total School Operating Budget Revenue Available	37,319,595			
LEVEL SERVICE Department Requests	37,319,595	39,972,635	42,350,474	44,515,714
Surplus/Deficit	-	(1,200,507)	(4,834,955)	(6,564,400)
Modified Level Services Department Requests		39,972,635	42,350,474	44,515,714
Surplus/Deficit		(1,200,507)	(4,834,955)	(6,564,400)
Additional Needs		235,811	200,000	200,000
Additional Employee Benefits for new hires		41,250	32,582	34,657
Total Department Requests		40,249,696	42,583,056	44,750,371
Surplus/Deficit		(1,477,568)	(5,067,537)	(6,799,057)

Town's Financial 20 Year Projections

(based on **Prop 2 ½ expenditure limits**, current service levels)
 (fixed costs growth rate: **4.5%**, municipal: **2.5%**, schools, **2.5%**)

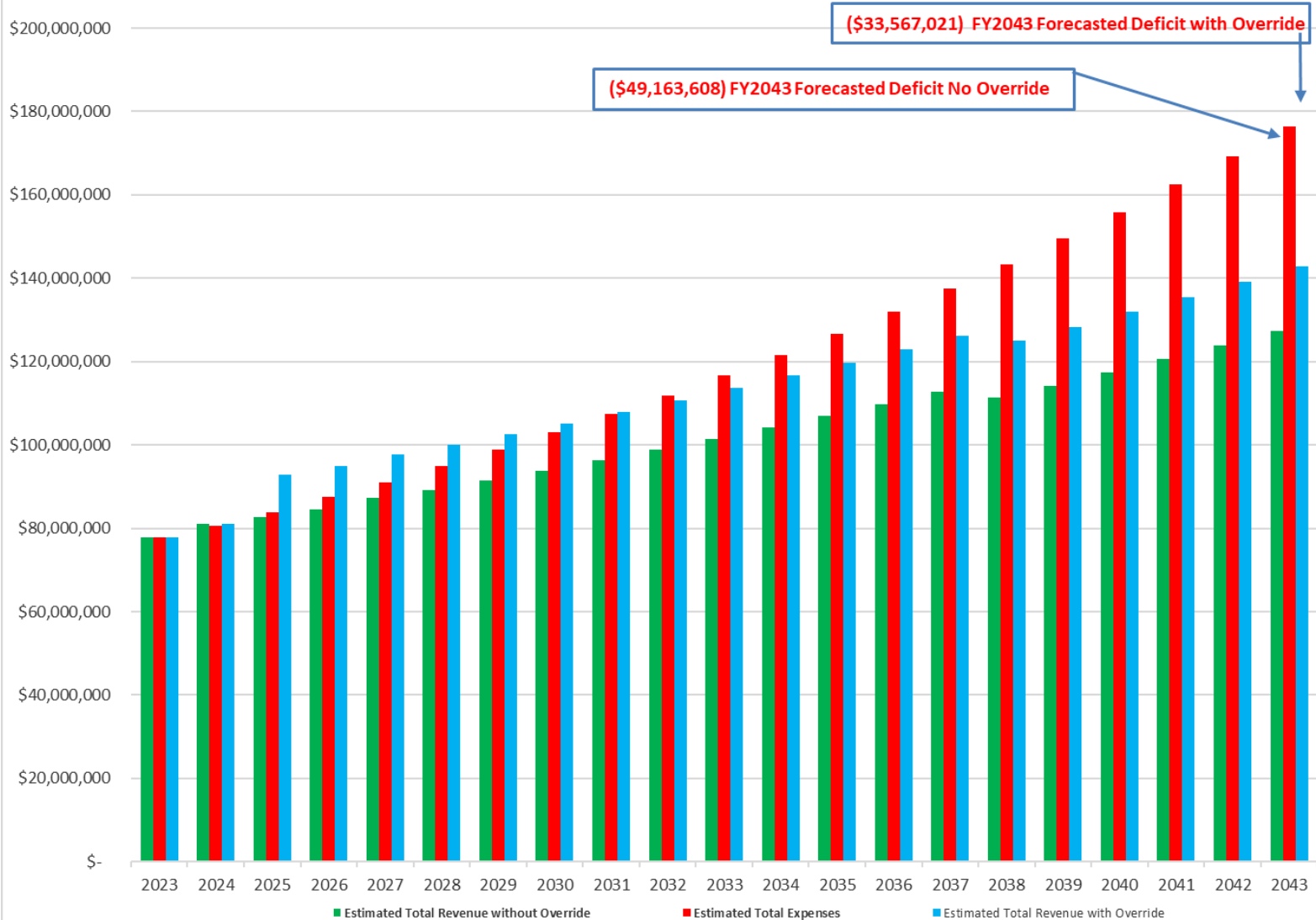
Projection: Budgeted Revenues vs. Budgeted Expenses



Town's Financial 20 Year Projections

(based on **20 year historical growth**, current service levels)
 (fixed costs growth rate: **5%**, municipal: **3.3%**, schools, **4.1%**)

Projection: Budgeted Revenues vs. Budgeted Expenses



A Reminder from June 12, 2023 Annual Town Meeting:

Looking to next year (FY 2025)...

- Ability to carry FY 2023 budget into FY 2024 was strained.
- Many municipal and school requests were not able to be funded
- Arriving at a balanced budget for FY 2024 was a difficult process for the Financial Planning Team
- FY 2024 required significant reliance on one-time funds for one-time costs that would ideally be funded from raise and appropriate (taxes/local receipts/state aid)
- While high amounts of Free Cash have allowed the Town to balance its budget in recent fiscal years, economic and other factors are likely to reduce the amount available in future years.

FY 2025 will be even more difficult. The community will face difficult discussions about its priorities, including what it can and cannot afford to do within the limits of Proposition 2 ½ and our other revenue streams.

NORTH READING PUBLIC SCHOOLS BUDGET

FY'25 School Budget Proposals

Category	School Committee Voted Non-Override Budget	School Committee Voted Override Budget
Salary	\$32,105,216	\$33,262,727
Expenses	\$6,666,912	\$6,945,719
TOTAL	\$38,772,128	\$40,208,446
% Over FY'24	+3.9%	+7.7%
GAP	0	\$1,436,318
Impact:	Reduces 15.2 FTE	Adds: 4.0 FTE
Details:	List of the potential reductions and impact to services are included on following slides	<ul style="list-style-type: none"> • Preserves 15.2 FTE level services budget \$1,200,507 of reductions Adds: \$235,811 • 0.6 FTE School Adjustment Counselor • 1.0 FTE Academic Interventionist • Includes a plan to continue to reduce the full day kindergarten tuition from \$2,500 to \$1,500 in FY'25.

FY' 25 School Budget Implications

Non-Override Budget

- Meets all contractual salary and operational expense obligations;
- Elimination of **15.2** positions;
- Higher class sizes and student/teacher caseload at all levels;
- Less breadth and depth of curriculum at secondary level;
- Reduced ability to address student health issues and nursing coverage;
- Less digital learning and technology staff for instruction and tech support;
- Less ability to address students in need of academic support;
- Less funding for classroom supplies and technology
- Less Custodial staff for cleaning services and coverage needs;
- Higher coach to student athlete ratio's
- Higher risk for budget overages and increased reliance on special revenue accounts (i.e. food service account);
- Increased user fees to families for the busing program.

Override Budget

- Meets all contractual salary and operational expense obligations;
- No reduction to current staffing levels;
- Maintains level services including current class size guidelines and student/teacher case loads at all levels;
- Maintains current nursing, technology, and custodial staffing levels;
- No reductions to athletic coaching positions;
- Maintains and enhances ability for district to address mental health concerns and issues for students at all levels;
- Maintains and enhances ability for the district to address students needs for academic support in Math and ELA;
- Reduction of the Full Day Kindergarten tuition from \$2,500 to \$1,500, continued phase-in plan to move to free FDK in the future.

FY' 25 School Budget Implications

Description	FTE	Amount	Impact Statement
Reduction of Elementary Classroom Teachers	3.0	240,000	Class Size Increase above Optimum levels for student learning
Reduction of MS/HS Classroom & Special Ed. Teachers / Educators	6.0	480,000	Class Size Increase above Optimum levels for student learning / increased caseloads
Reduction of District School Nursing Services	0.5	40,000	Reduced ability to address student health issues & coverage
Reduction of Technology Staffing & Support	0.5	32,500	Less digital learning & technology staffing available for tech support
Reduction of Academic Support Tutors Elementary Level	1.2	56,800	Reduced ability to address early intervention strategies in the areas of math and literacy
Reduction of Custodial Cleaning Staff	1.0	51,000	Less ability to address need for coverage and increased cleaning ratios
Reduction of Athletic Coaching Staff		20,000	Increased Coach/Student Athlete ratios less support and supervision in specific sports
Reduction of General Classroom Kindergarten Support	3.0	105,000	Less General Classroom paraprofessional support at Kindergarten level
Reduction of School & District Expense Budgets		35,207	Less funding for classroom supplies, materials, and technology
Reduction of Special Education / Transportation Increases		40,000	Increase risk for budget overages and underfunded line items
Shift Costs: Utilities, Custodial Cleaning Costs to Food Service Revolving (FSA) Account		60,000	Higher risk to budget if free lunch funding does not continue by the State
Increased User Fees to Families: Busing Program (\$500/\$800)		40,000	Increase user fee families and potential for less students participating in the busing program
Total Administration Proposed Reductions	15.2	1,200,507	

FY'26 & FY'27 School Budget Implications

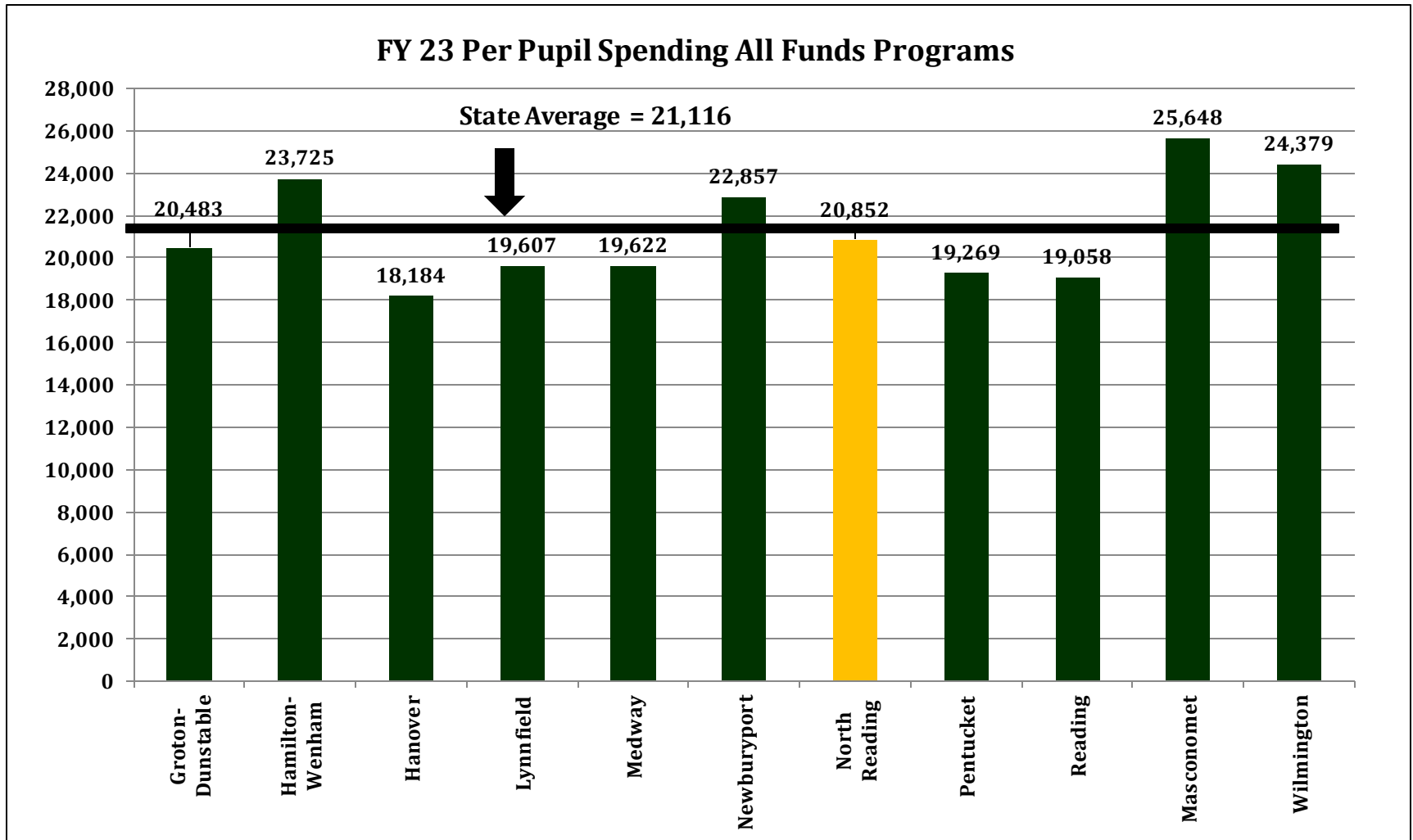
FY'26 & FY'27 Potential Reductions

- Elementary & Secondary Classroom Teachers
- Elementary & Secondary Special Ed. Teachers & Programs
- School Adjustment Counselors
- Administrative Coordinator Positions
- World Language Program
- Computer Science Program
- Tech/Engineering Program
- Art/Band & Chorus Program
- Digital Learning Program
- Athletic Program
- Performing Arts Program
- Busing/Transportation services reduced # of buses and ridership availability
- Custodial Services

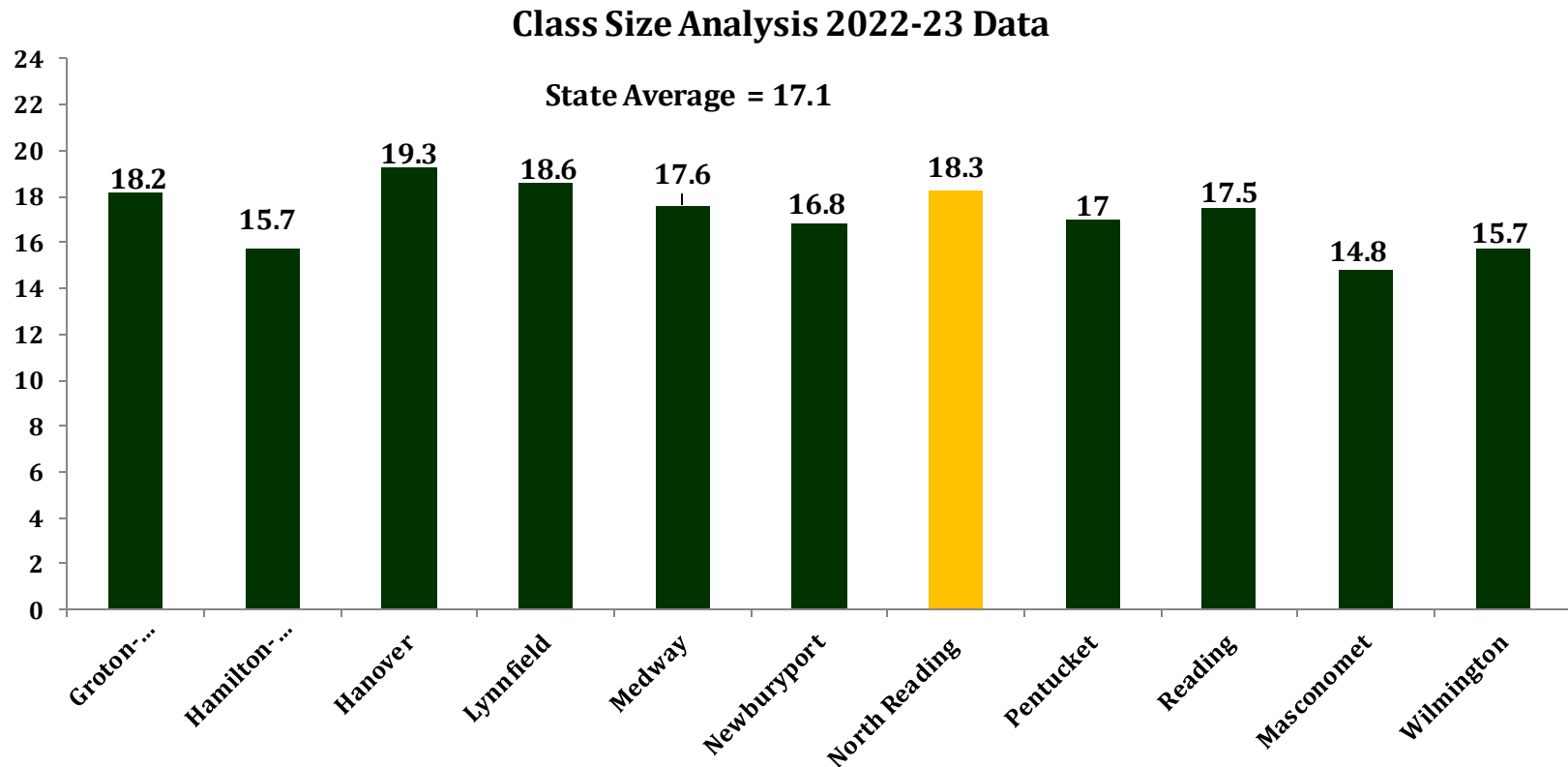
FY'26 & FY'27 Override Budget

- Meets all contractual salary and operational expense obligations;
- No reduction to current staffing levels;
- Maintains level services including current class size guidelines and student/teacher case loads at all levels;
- Maintains current Nursing, technology, and custodial staffing levels;
- No reductions to athletic coaching positions or performing arts programs;
- Maintains and enhances ability for district to address mental health concerns and issues for students at all levels;
- Maintains and enhances ability for the district to address students needs for academic support in Math and ELA;
- Enhances Curriculum Leadership and support;
- Full Day Kindergarten tuition from \$1,500 to \$750 (FY'26) then from \$750 to \$0 (FY'27).

FY' 23 Per Pupil Expenditures

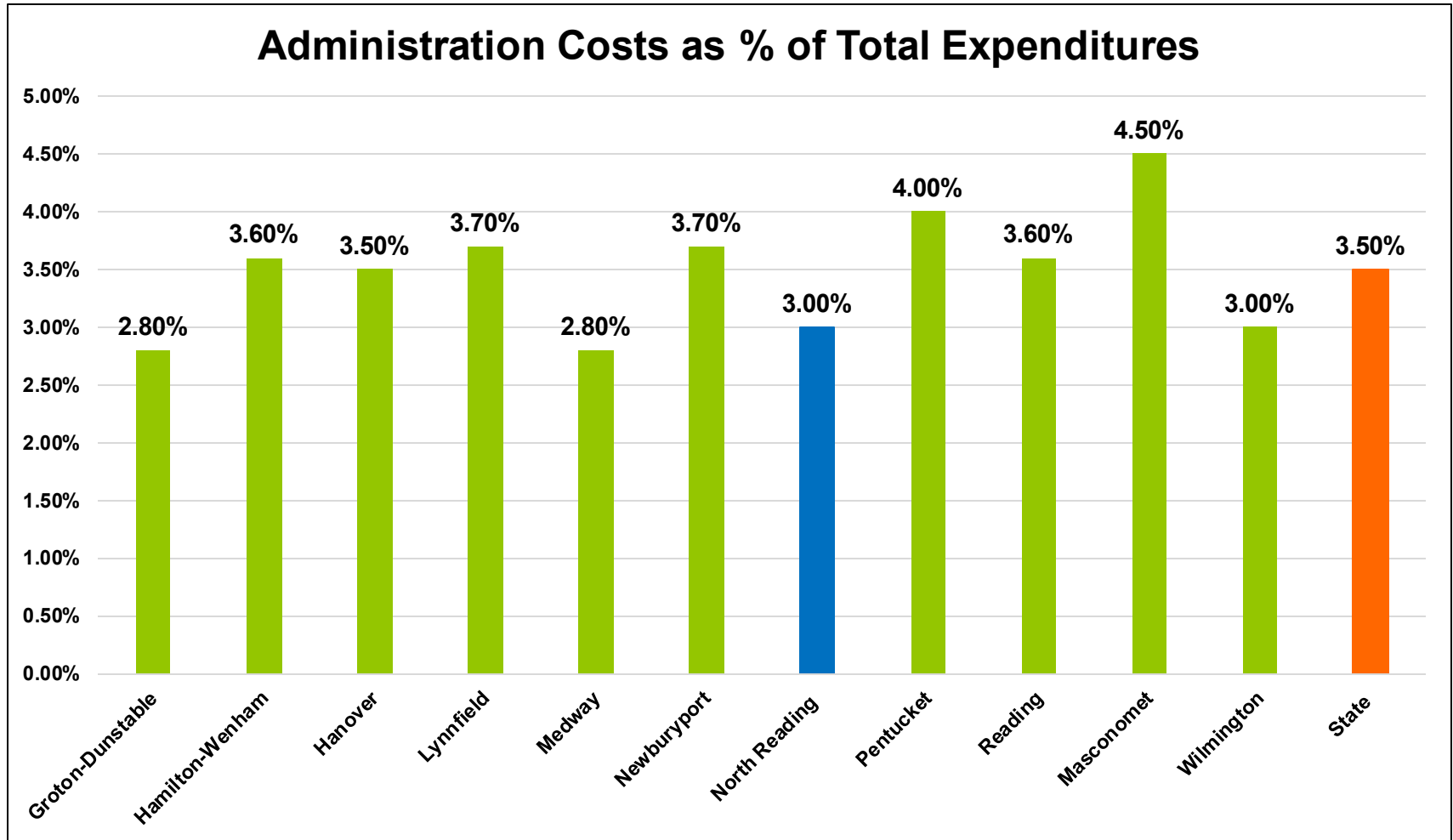


Class Size Comparison



North Reading ranks third highest in average class sizes (at all levels) of its peer communities at 18.3, and is greater than the state average of 17.1. North Reading has made progress of reducing this ratio over the last four fiscal years. This progress has been halted because North Reading's average class size increased by one whole student from last year. This increase is consistent with the state trend as the state average increased by about two students from the previous year.

Administration Cost Comparison



MUNICIPAL BUDGET

Municipal Budget Reductions – No Override

FY 2025 Level Services Deficit	\$	(245,188)
Cost to Add Four New Firefighter Positions	\$	(341,714)
Total Deficit	\$	(586,902)

Description	Amount	Impact Statement
Budget Reconciliation Adjustments	\$ (87,188)	Corrections and funding certain small expenses with Free Cash
FY 2025 Reductions to Meet Available Revenue		
Eliminate vacant Grant Manager position	\$ (80,000)	Ability to capitalize on grants continues to be limited
Reduce IT equipment replacement budget	\$ (12,000)	Equipment may not be replaced on schedule
Eliminate call firefighter training	\$ (21,000)	Could make positions less attractive and impact performance
position	\$ (45,000)	Capacity for project/procurement/billing oversight continues to be limited
Reductions that impact free cash generation:		
Reduce Police Overtime	\$ (80,000)	Limits flexibility to cover emergency events
Reduce Fire Overtime	\$ (50,000)	Limits flexibility to cover emergency events
Reduce Veteran's Benefits	\$ (100,000)	Limits flexibility to cover emergency events
Reduce Salary Pool	\$ (21,763)	Limits flexibility to cover emergency events
Reduce Fill-in Inspectors Code Enforcement	\$ (10,000)	Limits flexibility to cover emergency events
Reduce Town Building Maintenance	\$ (30,000)	Projects may need to be deferred
Reduce Fuel Budget	\$ (25,500)	May require a transfer from another account later in the Fiscal Year
Reduce IT Capital	\$ (5,000)	Equipment replacement may need to be deferred
Reduce Fire Training&Education/Clothing	\$ (9,451)	Limits availability of training materials and safety equipment
Reduce Board of Health Prof. Serv	\$ (10,000)	Limits flexibility to cover seasonal inspection needs
TOTAL LEVEL SERVICES REDUCTIONS	\$ (586,902)	

Municipal Budget Impacts

- Many of the reductions on the preceding slide may not have a direct noticeable impact on residents, however the \$341,714 reduction in accounts that usually generate Free Cash will have a direct impact in FY 2026.
- These funds were part of the Free Cash, or funding left over from prior years, that stabilized the Town budget and allowed the Town to avoid making reductions in the following year.
- In FY 2026, there will likely need to be further reductions that will impact the delivery of services:
 - **Reduction in workforce beyond positions that are currently vacant, resulting in deterioration or delays in the delivery of services to the public.**
 - **Reduction in expense accounts, exposing us the Town to potentially underfunded departmental budgets.**

The Town's Options

- The Financial Planning Team has been managing the Town's budget in recent years, relying on New Growth and using Free Cash to stabilize the budget.
- Those solutions are running out, leaving the Town with the following options:
- **Reduce school and municipal services, and potentially our capital investments, to match our forecasted revenue.**
 - Impacts will be felt in the School Department this fiscal year, and in the municipal departments next fiscal year.
 - We will have to either further reduce school and municipal budgets to fund necessary capital investment, draw from available funds that are targeted for major projects, or defer projects such as the Chestnut Street bridge to another point in the future.
- **Increase property tax revenue in the form of a Proposition 2 ½ Override**

Proposition 2 ½ Override

- Total Request: \$10,000,000
- Resulting Revenue – 2 years @ 2.5% \$10,506,250

	Available Funds	Budgeted Needs:	Surplus/Deficit
3 Year Override Value	\$ 10,506,250.00		
3 Year Fixed Costs	\$ (3,850,000.00)		
Remaining Balance	\$ 6,656,250.00		
School Share at 66.89%	\$ 4,452,365.63	\$ 3,957,545	\$ 494,821
Municipal Share at 33.11%	\$ 2,203,884.38	\$ 2,586,954	\$ (383,070)
3 Year Net Balance	\$ 6,656,250.00	\$ 6,544,499	\$ 111,751

**A total of a \$10 million increase spread over three years
is being presented to the Town.**

- * - *Using the Town's current allocation formula, which is subject to change form year-to-year as conditions warrant and as voted by Town Meeting.*

Proposition 2 ½ Override

- Total Request: \$10,000,000
- Resulting Revenue – 2 years @ 2.5% \$10,506,250

	Available Funds	Budgeted Needs:	Surplus/Deficit
3 Year Override Value	\$ 10,506,250.00		
3 Year Fixed Costs	\$ (3,850,000.00)		
Remaining Balance	\$ 6,656,250.00		
School Share at 66.89%	\$ 4,452,365.63	\$ 4,142,544	\$ 309,822
Municipal Share at 33.11%	\$ 2,203,884.38	\$ 2,586,954	\$ (383,070)
3 Year Net Balance	\$ 6,656,250.00	\$ 6,729,498	\$ (73,248)

A total of a \$10 million increase spread over three years is being presented to the Town.

- * - Using the Town's current allocation formula, which is subject to change from year-to-year as conditions warrant and as voted by Town Meeting.

\$10 million Override Summary

\$ 348,500	Chestnut Street Bridge Debt Service
\$ 348,500	Burroughs Road Debt Service
\$ 153,000	Fire Department Ladder Truck Debt Service
\$ 1,406,442	Maintain Current Municipal Budget / Services
\$ 3,398,244	Maintain Current School Budget / Services
<u>\$ 2,600,000</u>	<u>Recurring Fixed Costs</u>
\$ 8,254,686	Total To Maintain Services and Sound Financial Position
\$ 400,000	Future Capital Needs
\$ 1,180,512	New Municipal Initiatives
\$ 744,300	New School Initiatives

Fixed Cost, School and Municipal Needs 2025 and Beyond

Need	3 Year Total	2025	2026	2027
Fixed Cost Needs:				
Capital Plan/Debt Service-Bridges, Ladder Truck, Extra Debt	\$ 1,250,000		\$ 842,000	\$ 408,000
Alternative to Debt Capital Stabilization transfer	\$ 1,600,000	\$ 800,000	\$ 800,000	
Snow and Ice Deficit	\$ 450,000		\$ 450,000	
Raise and Appropriate Transfer to Capital Improvement Stabilization	\$ 350,000			\$ 350,000
Retirements	\$ 200,000			\$ 200,000
TOTAL FIXED COST NEEDS	\$ 3,850,000	\$ 800,000	\$ 2,092,000	\$ 958,000
SCHOOL NEEDS				
Level Services Needs	\$ 3,398,244	\$ 1,200,507	\$ 1,093,997	\$ 1,103,740
Strategic Plan Needs	\$ 635,811	\$ 235,811	\$ 200,000	\$ 200,000
Employee Benefits for New Hires-3 year one, 2 year two, 2 year 3	\$ 108,489	\$ 41,250	\$ 32,582	\$ 34,657
TOTAL SCHOOL NEEDS	\$ 4,142,544	\$ 1,477,568	\$ 1,326,579	\$ 1,338,397
MUNICIPAL NEEDS				
Level Services Increase	\$ 1,064,728	\$ 33,000	\$ 486,192	\$ 545,536
Restore reductions that impact free cash generation:	\$ 341,714	\$ 341,714		
New Initiatives	\$ 979,272	\$ 199,300	\$ 219,207	\$ 560,765
Employee Benefits for New Hires-3 year one, 2 year two, 6 year 3	\$ 201,240	\$ 33,645	\$ 52,349	\$ 115,246
TOTAL MUNICIPAL NEEDS	\$ 2,586,954	\$ 607,659	\$ 757,748	\$ 1,221,547
TOTAL FIXED, SCHOOL and MUNICIPAL NEEDS	\$ 10,579,498	\$ 2,885,227	\$ 4,176,327	\$ 3,517,944

Proposition 2 ½ Override

- The average single family home valued at \$811,899 will see approximately a \$250 annual tax increase per year without an override. This is subject to change in accordance with market conditions, individual home improvements, overall Town property valuation, and other factors that annually affect property taxes.
- **The impact of a \$10 million override on the average single family home valued at \$811,899 would be a total of \$1,721.22 spread out over three years. After the third year, the override remains in place.**
- Total impact on the Tax Rate is \$2.12 per \$1,000 of valuation **over three years.**
- **To figure out how much it might mean for your property over three years, take the Assessed Value, divide it by 1,000, and multiply by \$2.12.**
- In the absence of an operating override, debt for the Chestnut and Burroughs Culverts as well as the Ladder Truck will likely need to be funded through a Debt Exclusion tax increase as soon as this fall.

Estimated Three Year Tax Bill Impact

Level Services Needs	2025	2026	2027	Total
Fixed Costs	\$ 800,000.00	\$ 2,092,000.00	\$ 958,000.00	\$ 3,850,000.00
Municipal	\$ 374,714.00	\$ 486,192.00	\$ 545,536.00	\$ 1,406,442.00
School	\$ 1,200,507.00	\$ 1,093,997.00	\$ 1,103,740.00	\$ 3,398,244.00
Less Levy Growth		\$ (250,000.00)	\$ (256,250.00)	\$ (506,250.00)
Total	\$ 2,375,221.00	\$ 3,422,189.00	\$ 2,351,026.00	\$ 8,148,436.00
Level Services Annual Impact on Average Home of \$811,899	\$ 405.95	\$ 592.69	\$ 405.95	\$ 1,404.59
Additional Needs	2025	2026	2027	Total
Fixed Costs	\$ -	\$ -	\$ -	\$ -
Municipal	\$ 232,945.00	\$ 271,556.17	\$ 676,010.88	\$ 1,180,512.05
School	\$ 277,061.00	\$ 232,582.08	\$ 234,656.68	\$ 744,299.75
Total	\$ 510,006.00	\$ 504,138.25	\$ 910,667.55	\$ 1,924,811.80
Additional Needs Annual Impact on Average Home of \$811,899	\$ 89.31	\$ 89.31	\$ 146.14	\$ 324.76
Combined Annual Impact on Average Home of \$811,899	\$ 495.26	\$ 682.00	\$ 552.09	\$ 1,729.35

Proposition 2 ½ Override



Enter Amount to Adjust by

Calculate

North Reading			
	Residential & Open Space (RO)	Commercial, Industrial and Personal Property (CIP)	Total
FY 2024 # of Parcels	5,610	835	6,445
FY 2024 Assessed Value	4,149,482,511	558,949,038	4,708,431,549
FY 2024 Tax Levy	54,814,664	7,383,717	62,198,381

RO Tax Rate	CIP Tax Rate
13.21	13.21

Proposed Tax Rate Impact Per \$1,000:	2.12
Proposed New Tax Rate Per \$1,000 (Estimated New):	15.33
FY 2024 Average Single Family Assessed Value (Current):	811,899
FY 2024 Average Single Family Tax Bill (Current):	10,725
FY 2024 Average Single Family Tax Bill Impact (Estimated New):	1,721.22

Assessed Value	Current Estimated Tax Bill	Proposed Estimated Tax Bill	Estimated Tax Bill Impact
250,000	3,302.50	3,832.50	530.00
350,000	4,623.50	5,365.50	742.00
450,000	5,944.50	6,898.50	954.00
550,000	7,265.50	8,431.50	1,166.00
650,000	8,586.50	9,964.50	1,378.00
750,000	9,907.50	11,497.50	1,590.00
850,000	11,228.50	13,030.50	1,802.00
950,000	12,549.50	14,563.50	2,014.00
1,050,000	13,870.50	16,096.50	2,226.00
1,150,000	15,191.50	17,629.50	2,438.00
1,250,000	16,512.50	19,162.50	2,650.00
1,350,000	17,833.50	20,695.50	2,862.00
1,450,000	19,154.50	22,228.50	3,074.00
1,550,000	20,475.50	23,761.50	3,286.00

Other pending considerations...

- Ongoing efforts for a Fire Station reconstruction project will result in a request for a Proposition 2 ½ debt exclusion (tax increase) at June or another soon upcoming Town Meeting. The estimated cost range is between \$20 and \$25 million, which would mean between \$220 and \$280 for the average single family homeowner per year for 30 years.
- Construction of a wastewater (sewer) utility has been under review since an October, 2021 Town Meeting vote authorized funding for planning/design/permitting. If approved, this project would result in a potential additional cost of approximately \$1,000 for the average single family homeowner per year for 30 years. The project will also provide wastewater capacity for housing and economic growth, which may bring additional tax revenue in the long-term.

Other future considerations...

- Intergenerational Community Center Construction
 - Possible \$25 million project to be funded by debt exclusion resulting in an additional property tax of \$284.16 per year to the average single family taxpayer.
- Town Hall Renovation/Reconstruction
 - Possible \$10 million project to be funded by debt exclusion resulting in an additional property tax of \$113.67 per year to the average single family taxpayer.
- Hood School Modular Classroom Replacement
 - At least a \$2 million project to be funded by debt exclusion resulting in an additional property tax of at least \$32.48 per year to the average single family taxpayer.
- West Side Fire Station
 - Possible \$15 million project to be funded by debt exclusion resulting in an additional property tax of \$170.50 per year to the average single family taxpayer.
- Damon Tavern, Third Meeting House...

Why not use other available funds?

- FY 2025 budgets have already been adjusted to rely on funds that generally would end up being left over at the end of the year.
- The Town has approximately \$15 million in funds from the sale of a portion of the former JT Berry property to Pulte Homes of New England (to construct Martins Landing). These funds are restricted and can be used for capital improvements and debt service only. Given the extent of potential major construction projects identified on the previous slide (totaling \$52 million), these funds may be necessary to stabilize the impact on taxpayers.
- The Town does have multiple stabilization and other funds that have specific purposes, including for capital improvements and for certain School Department costs. Using some or all of those funds, to the extent allowed, only delays the problem and does not resolve it.

QUESTIONS AND ANSWERS

Next Steps

- Spring Annual Town Meeting is Monday, June 10th. Registered voters who attend will be asked to vote on a Fiscal Year 2025 budget that is expected to include a balanced budget (with reductions mentioned in previous slides) and additional funding contingent on a Proposition 2 ½ override.
- A ballot vote (election) would take place shortly after Town Meeting, potentially June 18th or 25th (date to be confirmed at the May 6th Select Board meeting)
- There will be an in-person Information Session May 9th at 7:30 PM in person.
- Information is available online at www.northreadingma.gov under **FY 2025 Budget Central**