



*Town of*  
**HOLDEN**  
*Massachusetts*

# **Financial Overview & FY25 Proposed Budget**

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Paul Challenger

Chair, Holden Finance Committee

May 3, 2024

# Agenda

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- Background
- Revenues, expenses, and savings
- Property taxes
- Ballot questions
- Financial impact to residents
- Next steps and questions





# Background

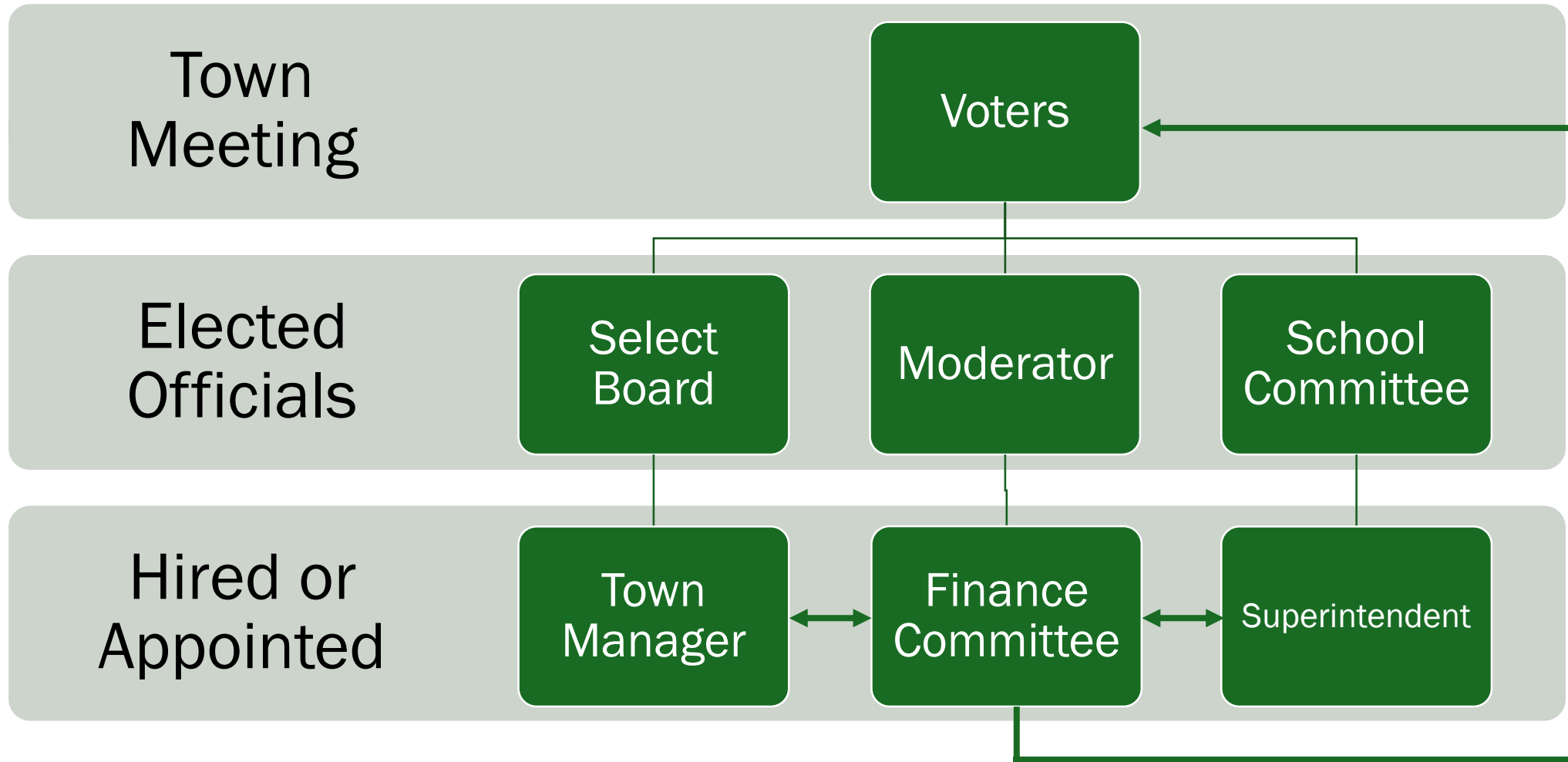
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# Finance Committee

- A subset of Town Meeting
- Town Moderator appointed volunteers
- Advises Town Meeting on all financial matters
- Annual budget review
- Projects with financial implications

Member	Term Ends
Paul Challenger, Chair	2026
Chris Lucchesi, Vice-Chair	2024
Marilynn Foley, Clerk	2026
Stephanie Adams	2025
Al Berg	2024
Sarah Concannon	2026
Jane Titcomb	2024
Donna Wallace	2025
David White	2025

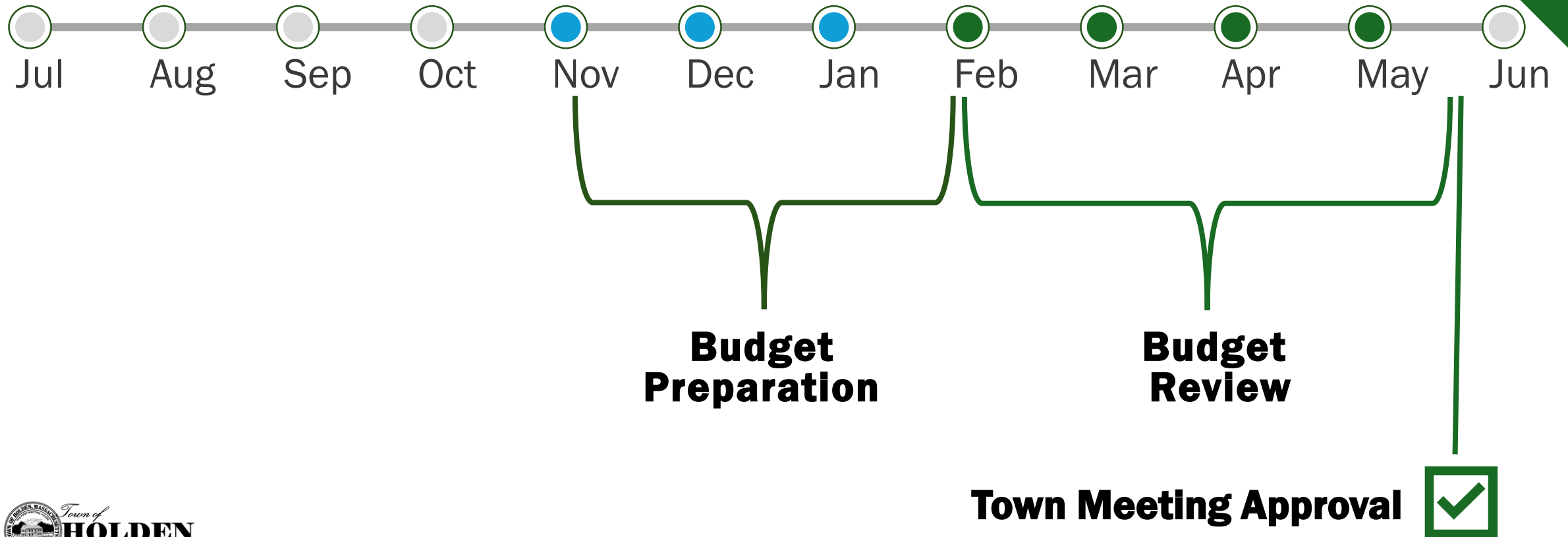
# Government Structure





# Budget Process

- Massachusetts State and Municipal Governments use a fiscal year of July - June
- We are preparing for fiscal year 2025 (July 2024 – June 2025)



# Budget Preparation



- Department managers prepare budget requests
- Town Manager completes initial review of requests
- Town Manager and staff prepare budget
- Town Manager submits budget to FINCOM by February 15th



# Budget Review



- Finance Committee meets with the Town Manager and Department Heads, and with both School Superintendents

2/14 – Budget Overview

2/21 – Police

2/28 – Fire, Ambulance, and Library

3/6 – Wachusett

3/7 – Montachusett

3/13 – Public Works

3/20 – Water/Sewer, Recreation, Human Services

3/27 – General Government, Solid Waste, & Savings

Six additional weeks of deliberations and votes to prepare recommendations





# Funds

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- **General Fund**

Uses tax dollars, state aid and other funds to provide police, fire, public works, education, library, senior center, and administrative services. There are thirty-four department budgets reviewed by FINCOM.

- **Revolving Funds**

Collect user fees to provide a specific service. There are four revolving funds FINCOM reviews. No tax dollars.

- **Enterprise Funds**

Charge user fees to provide business-like services. There are two enterprise funds FINCOM reviews. No tax dollars.



# Revenue

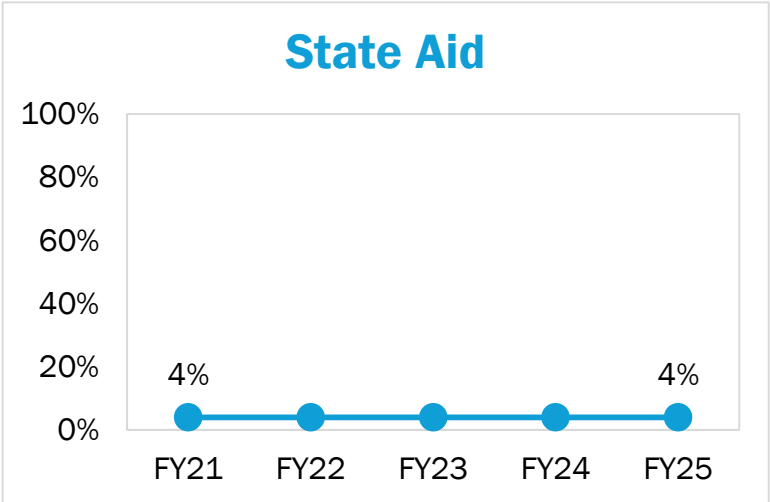
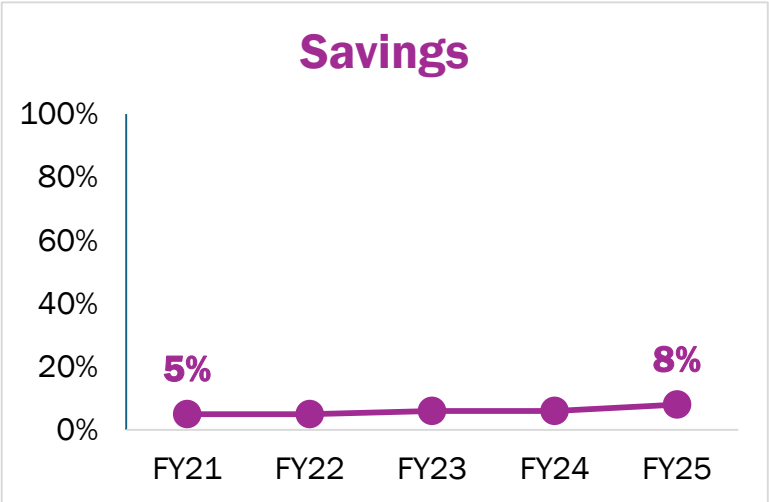
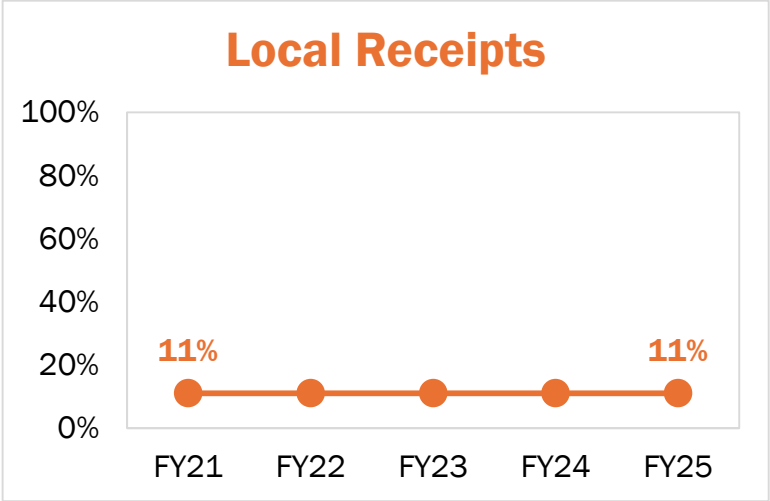
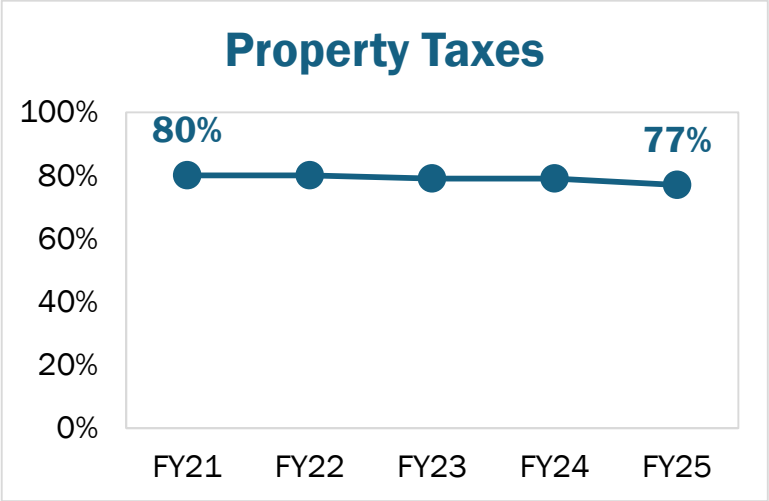
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# General Fund Revenue Sources

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- Property taxes
- Local receipts
  - Excise taxes, ambulance receipts, dispatch receipts, sewer betterments, intra-governmental transfers, etc.
- State aid (directly to the town)
  - “Cherry sheet” – lottery revenue
- Savings
- Expense budget – local receipts – State aid – savings = property taxes

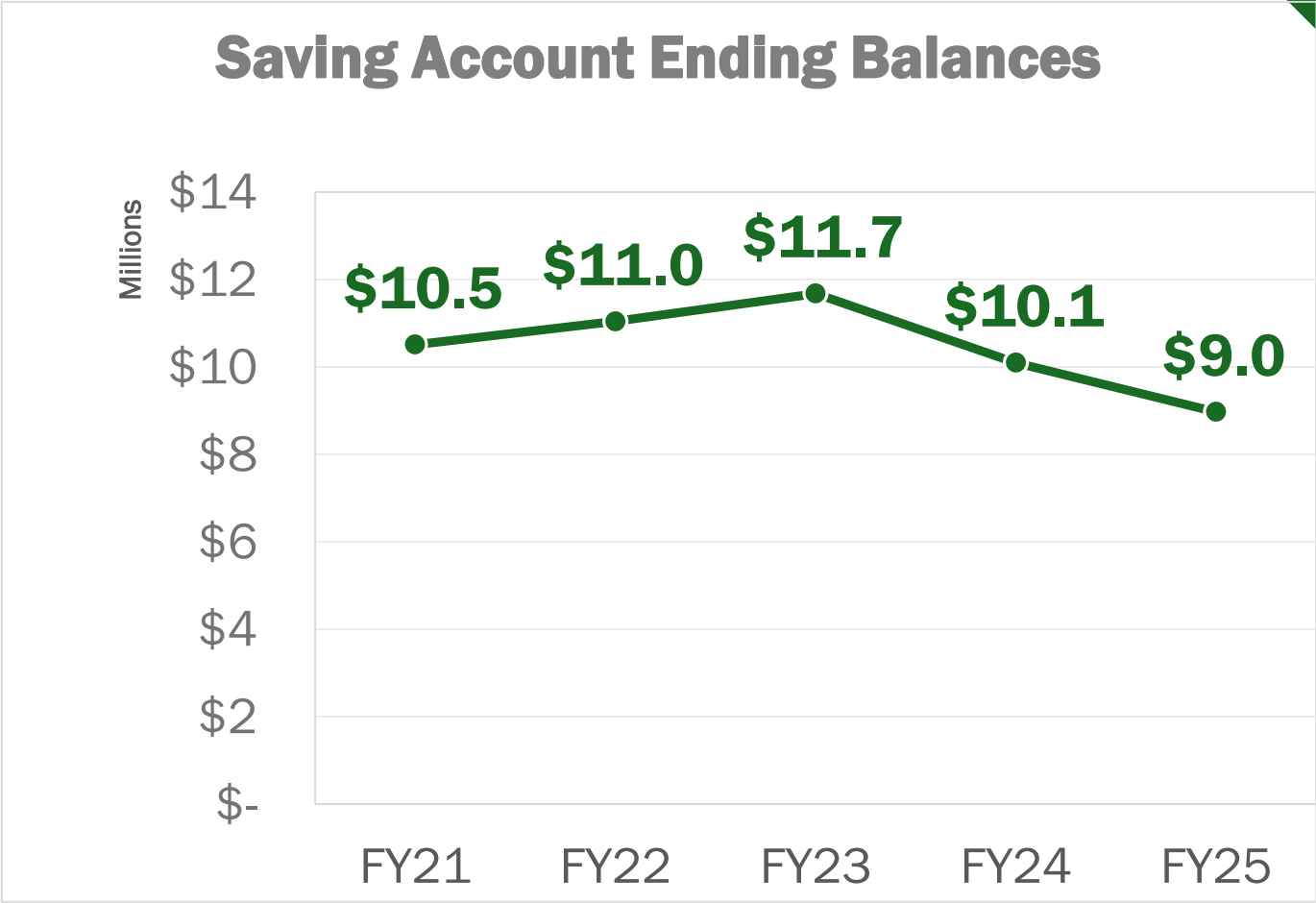
# General Fund Revenue Sources



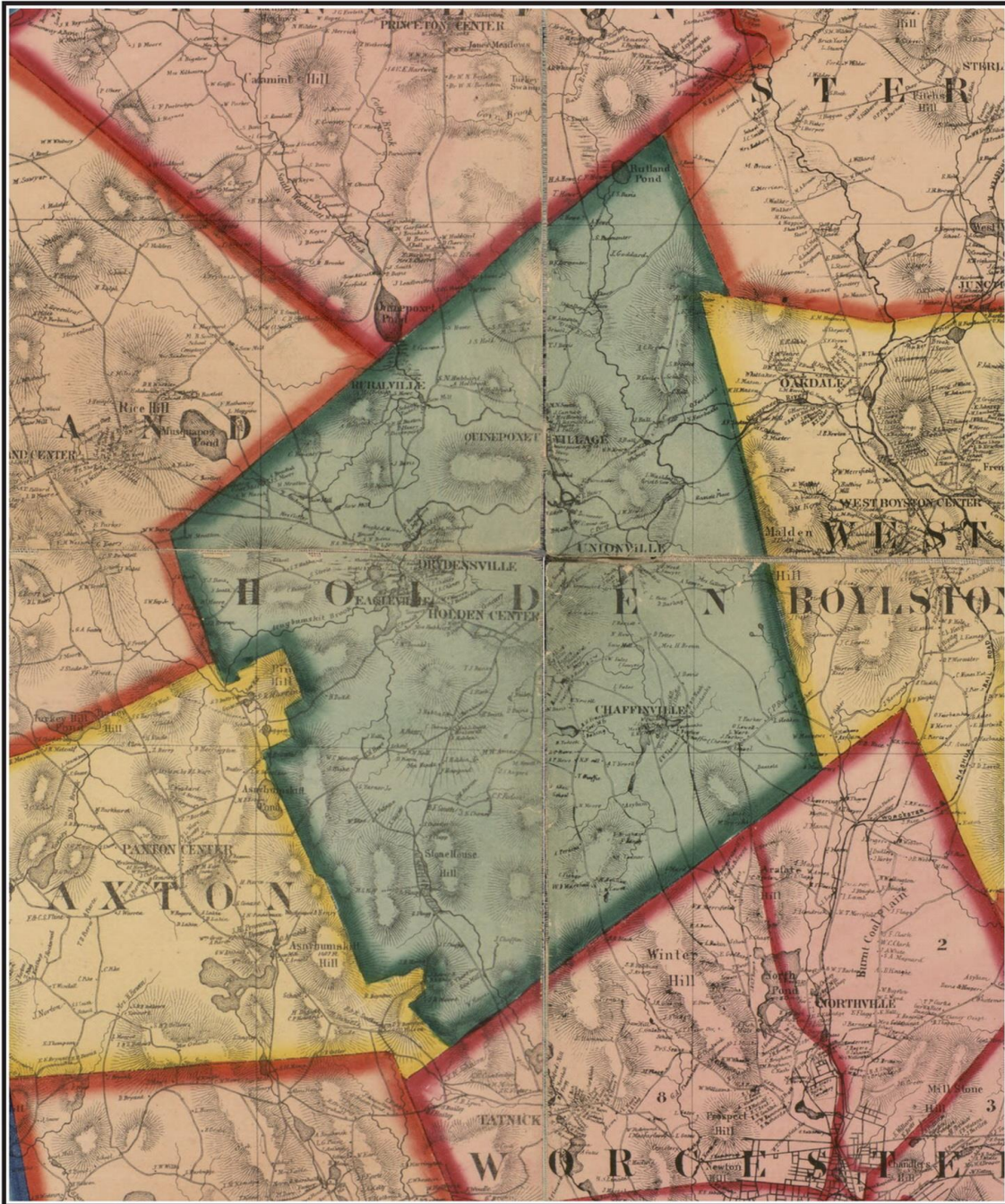
# Projected Ending Balances FY25, by Savings Account

Millions

	FY25
Stabilization	\$3.1
Fire	\$0.0
Public Works	\$0.2
Open Space	\$0.1
Dispatch	\$0.1
Free Cash	\$5.6
<b>Total</b>	<b>\$9.0</b>







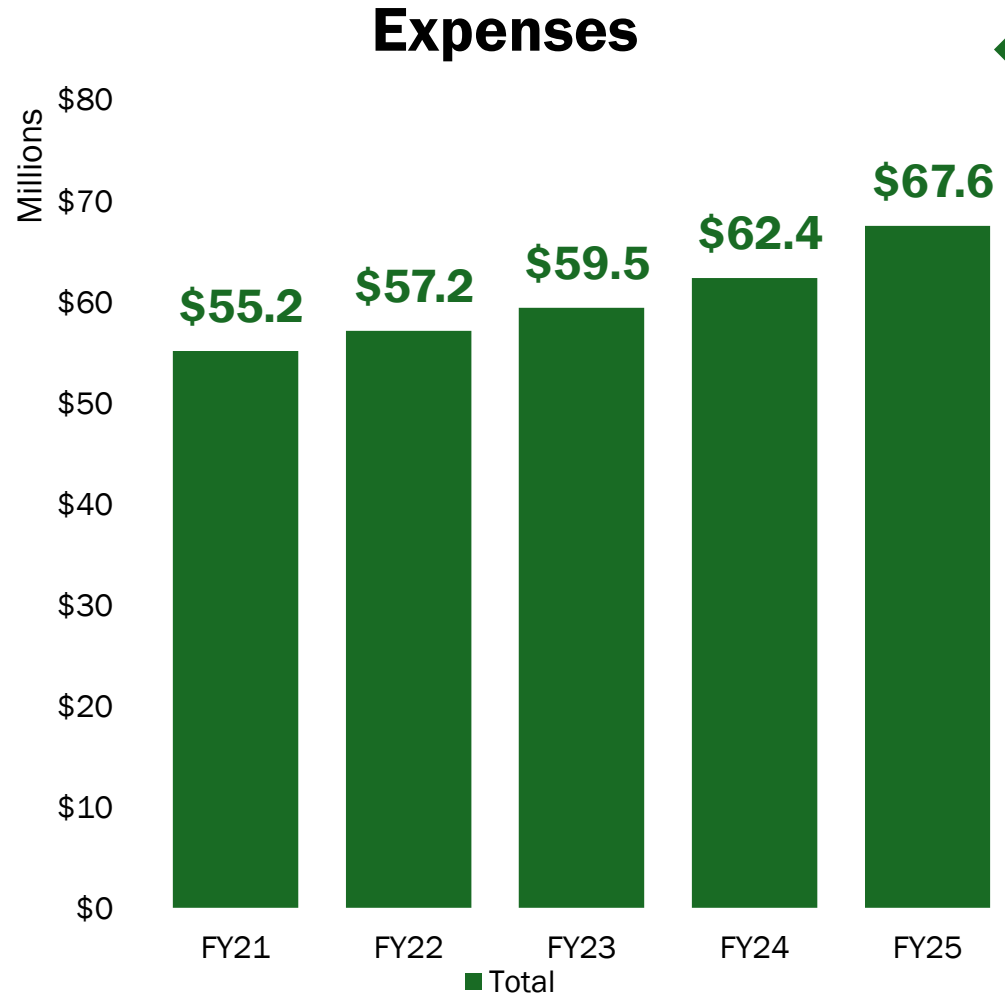
# Expenses

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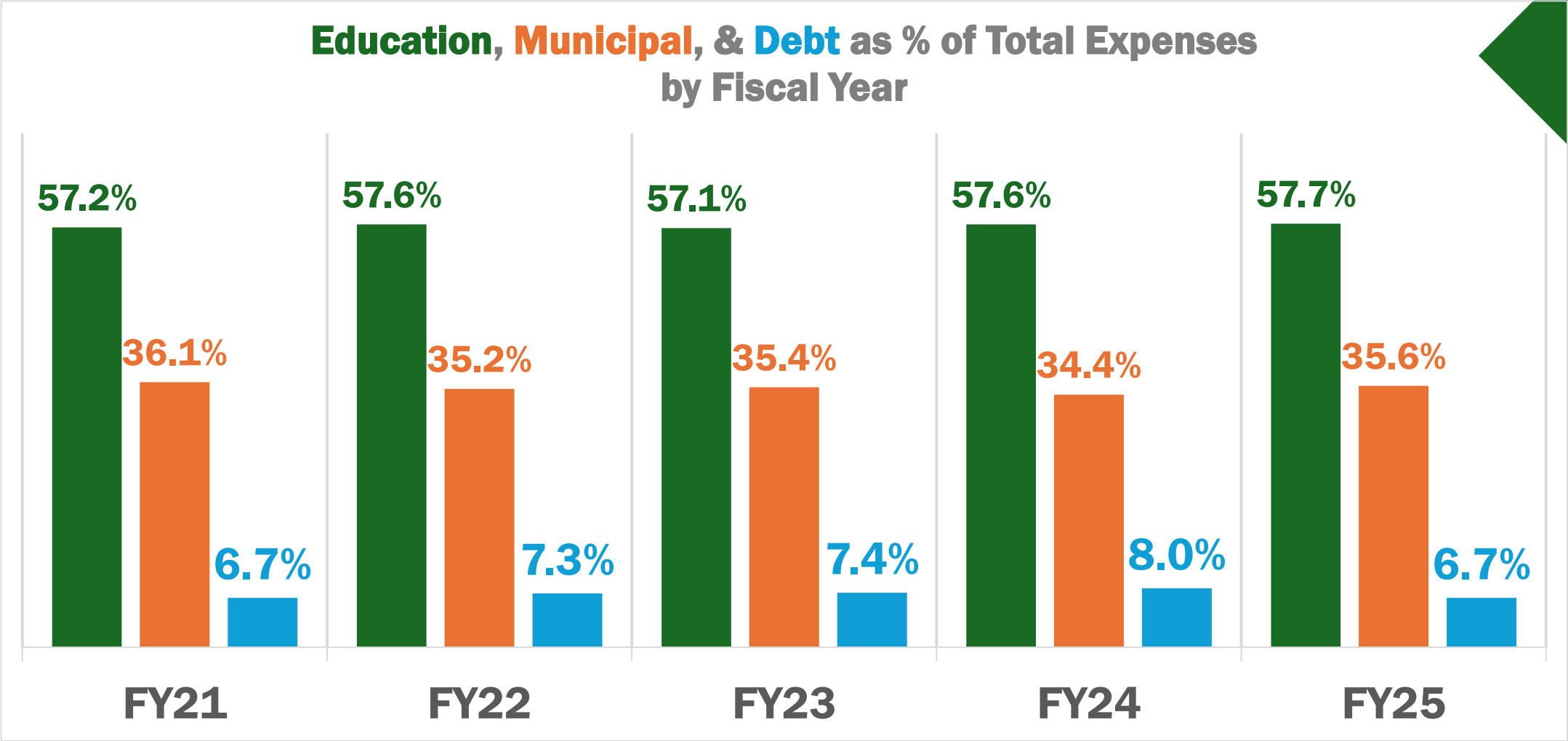


# General Fund Expenses

- Town Services
  - Capital
  - Culture & Human Services
  - General Government
  - Education
  - Public Safety
  - Public Works
  - Debt
  - Savings



# General Fund Expenses



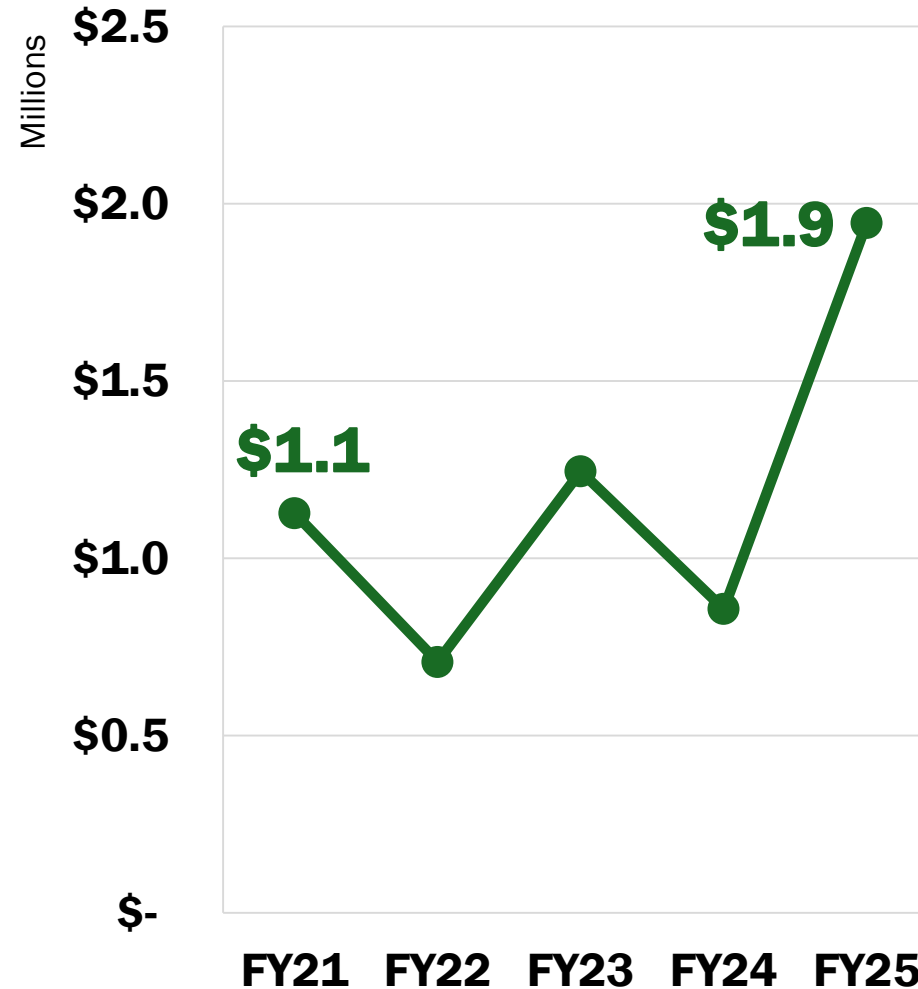
# Expenses – Capital

## HIGHLIGHTS

- Ambulance - \$450,000
- Library windows - \$250,000
- DPW vehicles - \$828,000
- Police cruiser - \$92,000

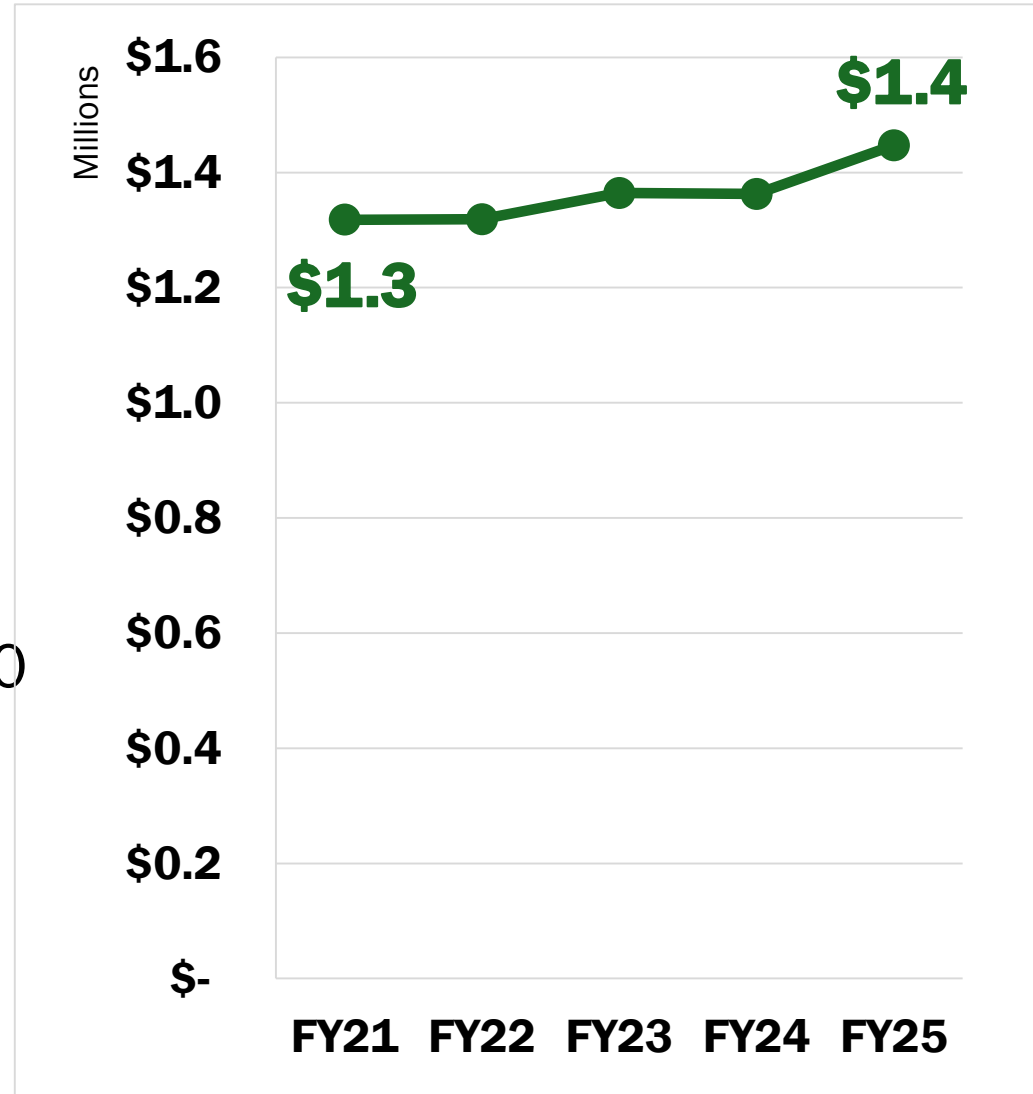


Capital Expenditures by FY



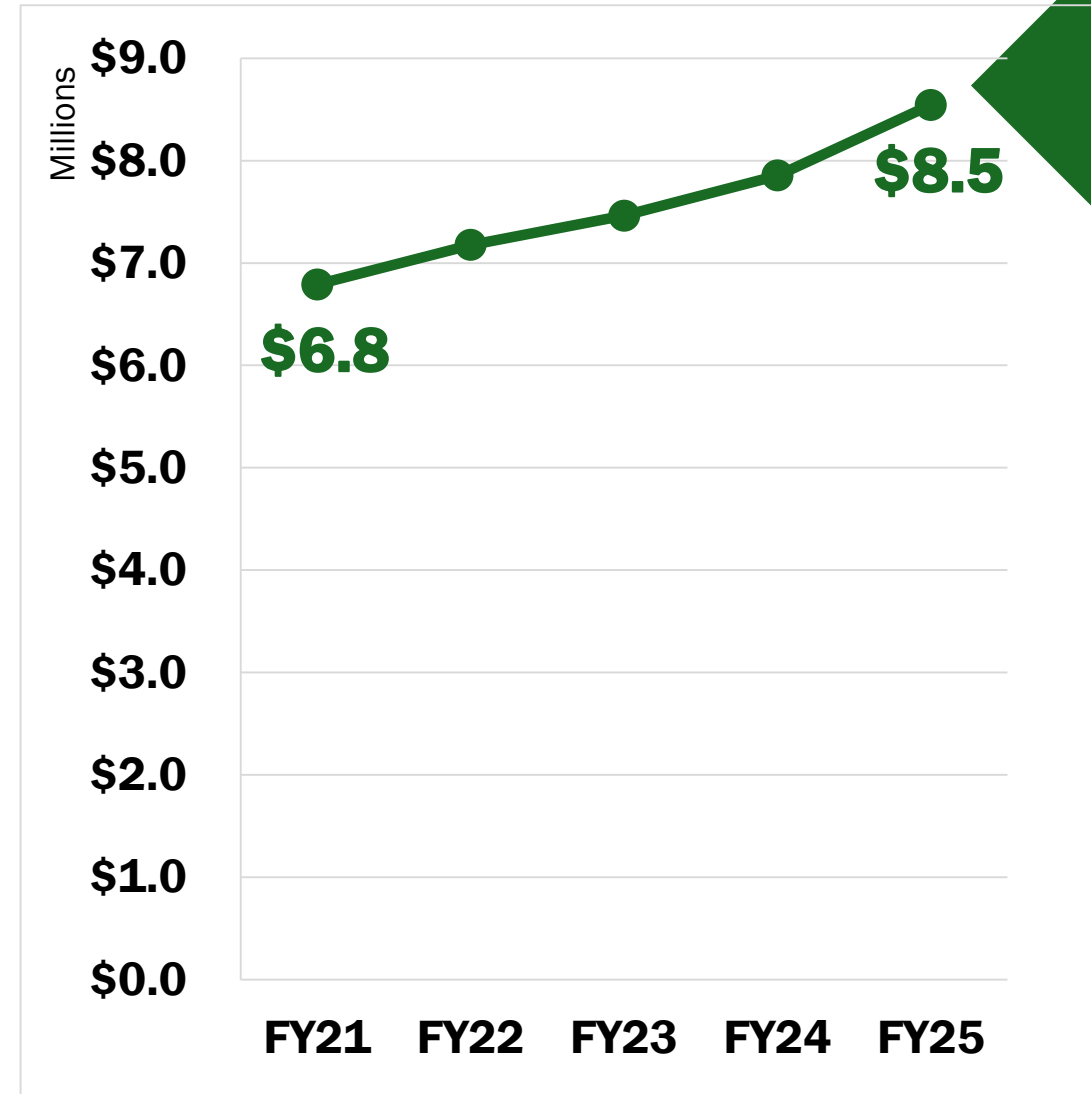
# Expenses – Culture & Human Services

- Library wages +\$39,000
- Senior Center:
  - Part-time outreach worker +\$25,000
  - Technology upgrades +\$15,000



# Expenses – General Government

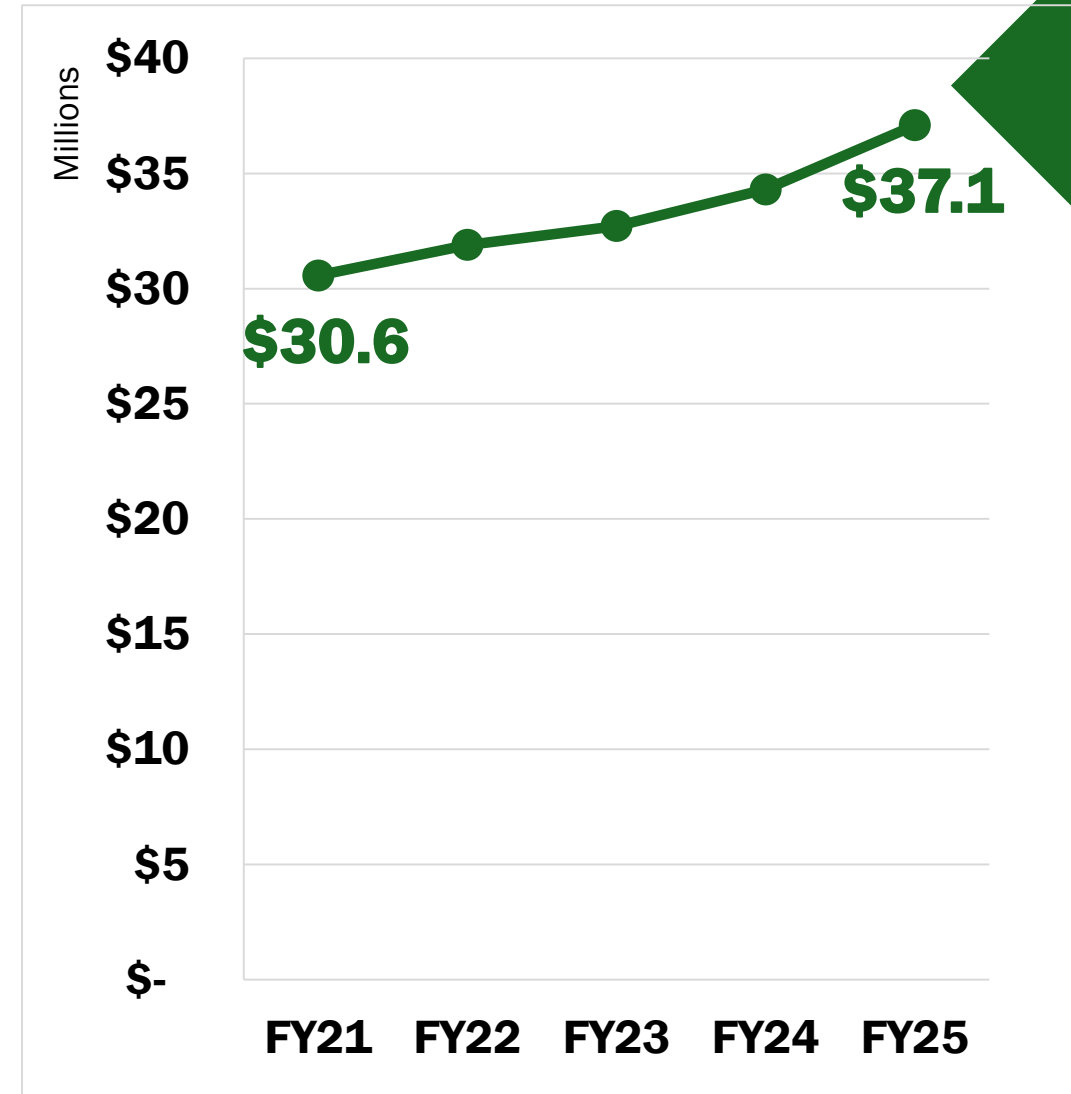
- Labor cost for new contracts  
+\$190,000
- Market rate wage adjustments  
+\$100,000
- Legal – 5 union contracts +\$98,000
- Mandated pension costs +\$264,000
- Health insurance +\$47,000
- Presidential election year +\$37,000



# Expenses – Education Wachusett

The WRSD expense has two major drivers

- WRSD Budget
  - Up 8.6%
    - Special education up 53%
    - Benefits and insurance up 5.8%
    - Capital improvements \$225,000
- Level of State Aid
  - \$1M increase much lower than typical \$3.6M increase
  - 83% transportation aid reimbursement
  - State is requiring towns like Holden to pay higher % of education cost
  - State paying less means towns have to pay more for schools to stay even

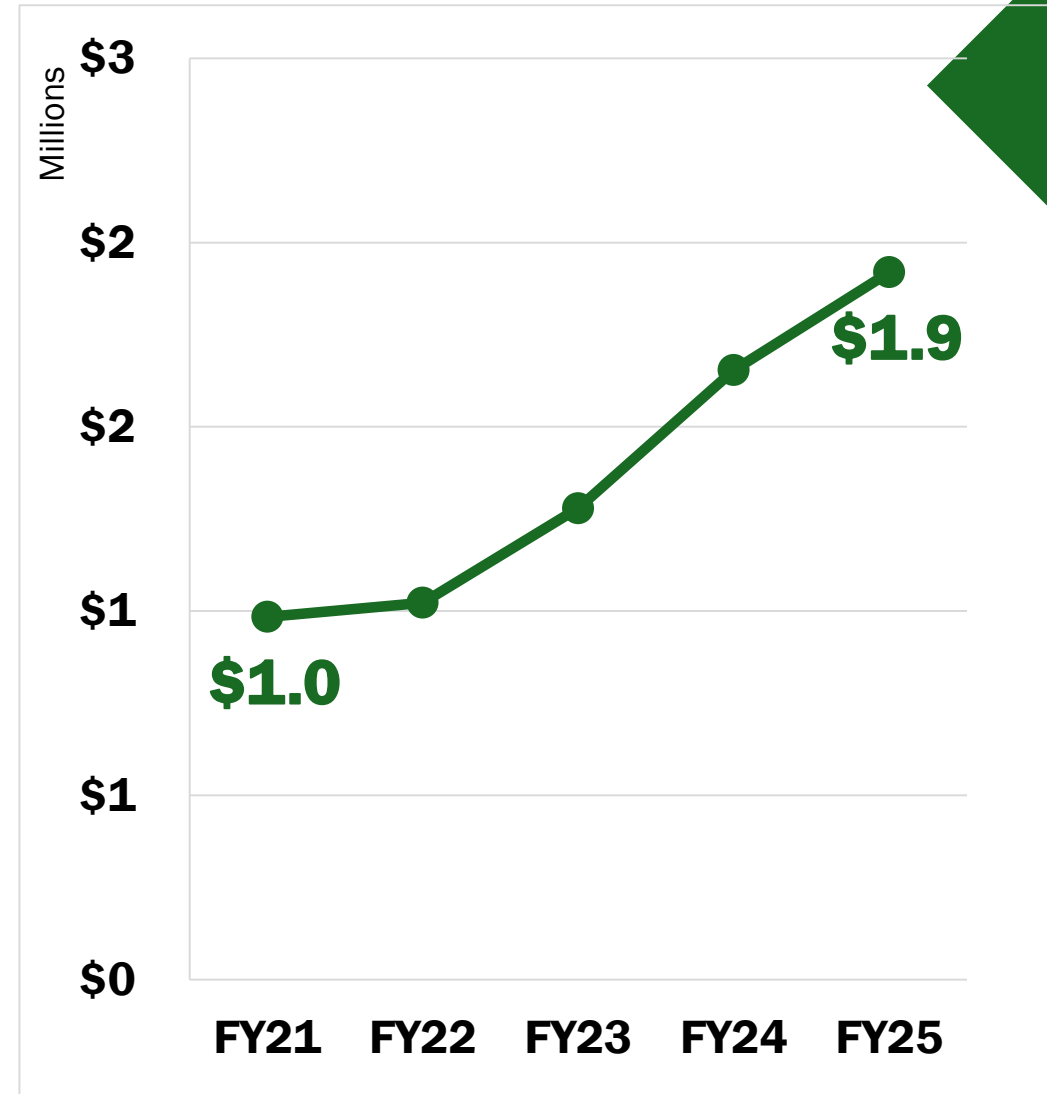




# Expenses – Education Montachusett

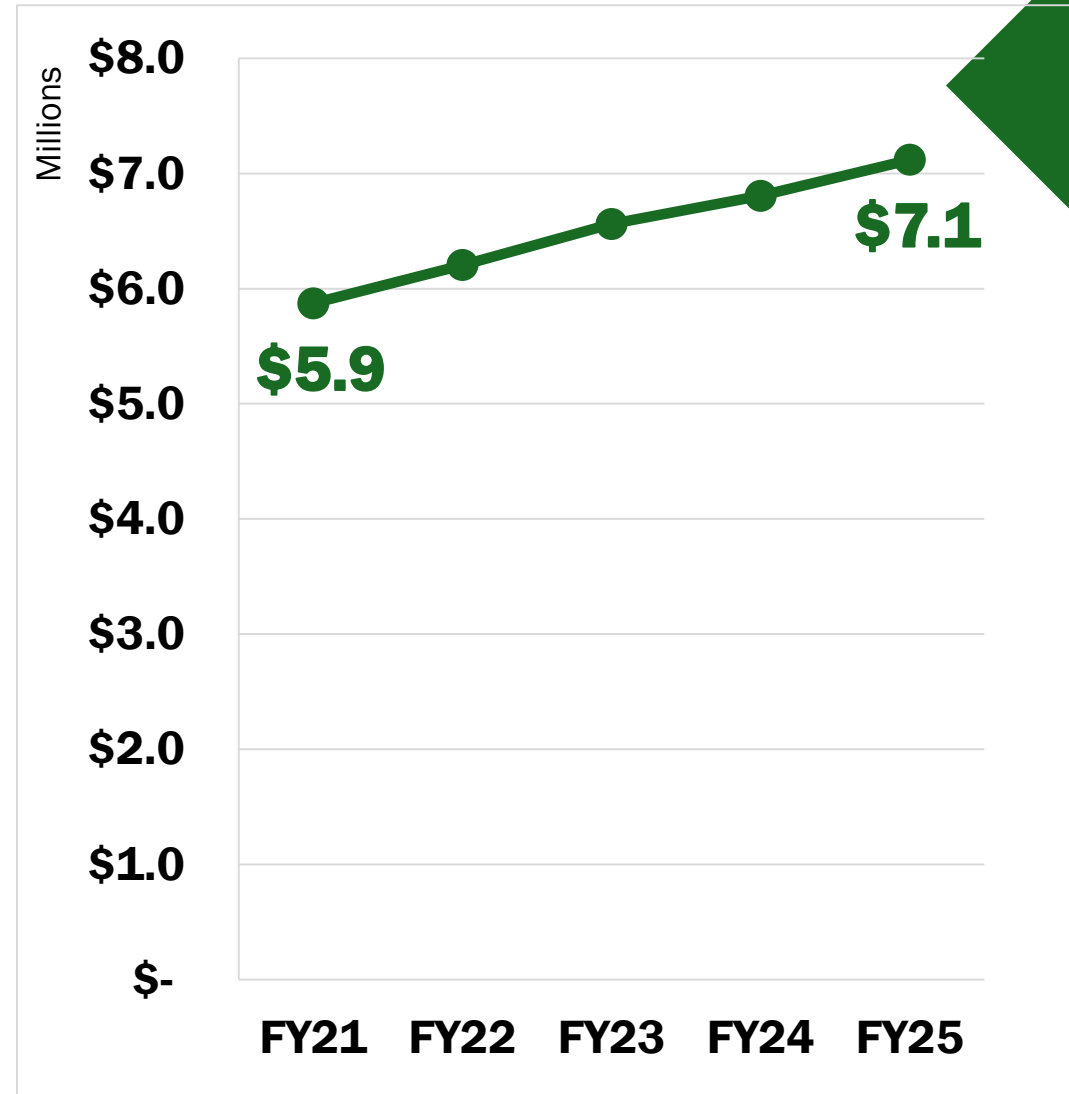
Montachusett expense has two major drivers

- MRVSD Budget
  - Increased by required minimum of 3.8%
- # of Holden Students
  - 18 Additional, 13.8% increase



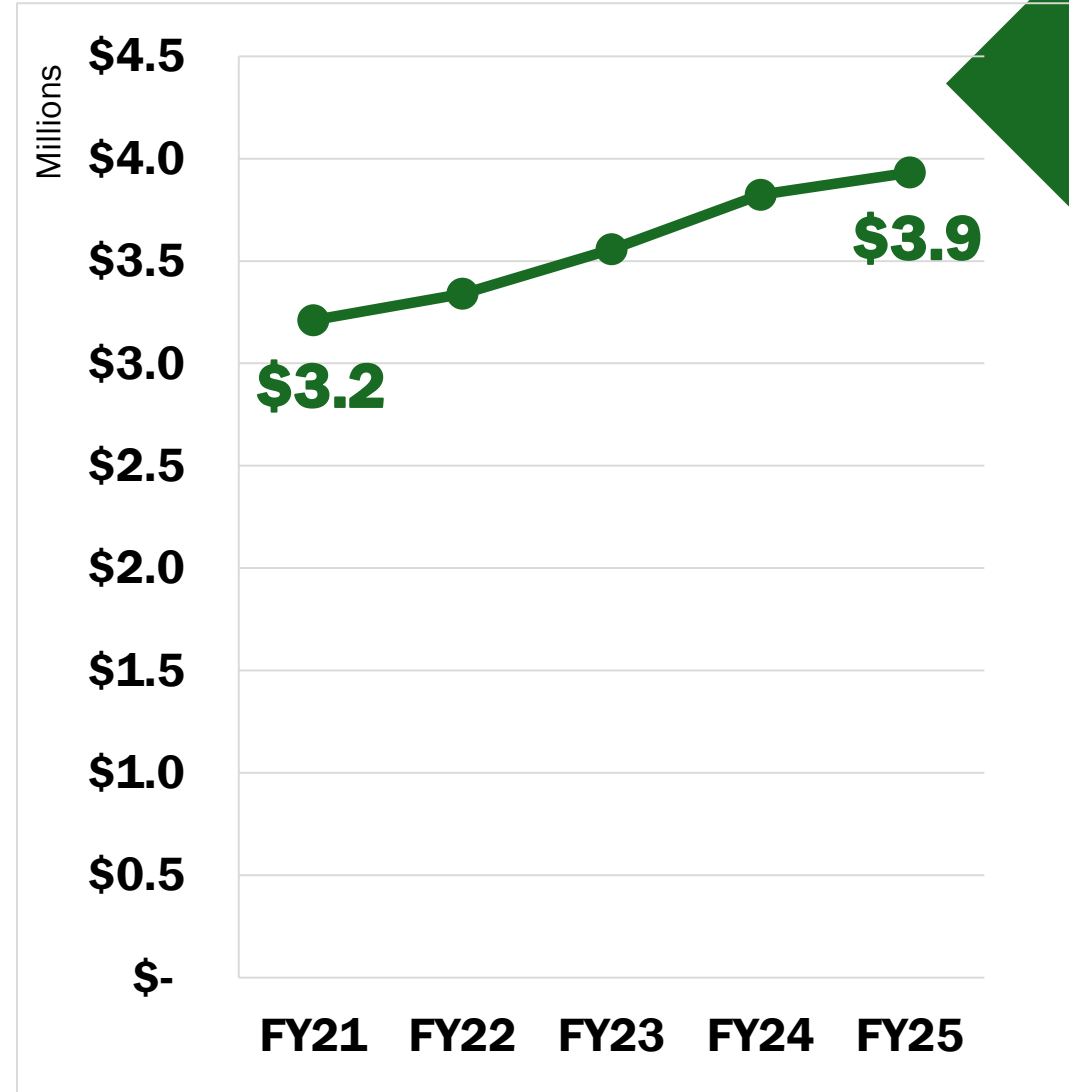
# Expenses – Public Safety

- 1 additional police officer
- 1 additional firefighter/paramedic
- General inflation



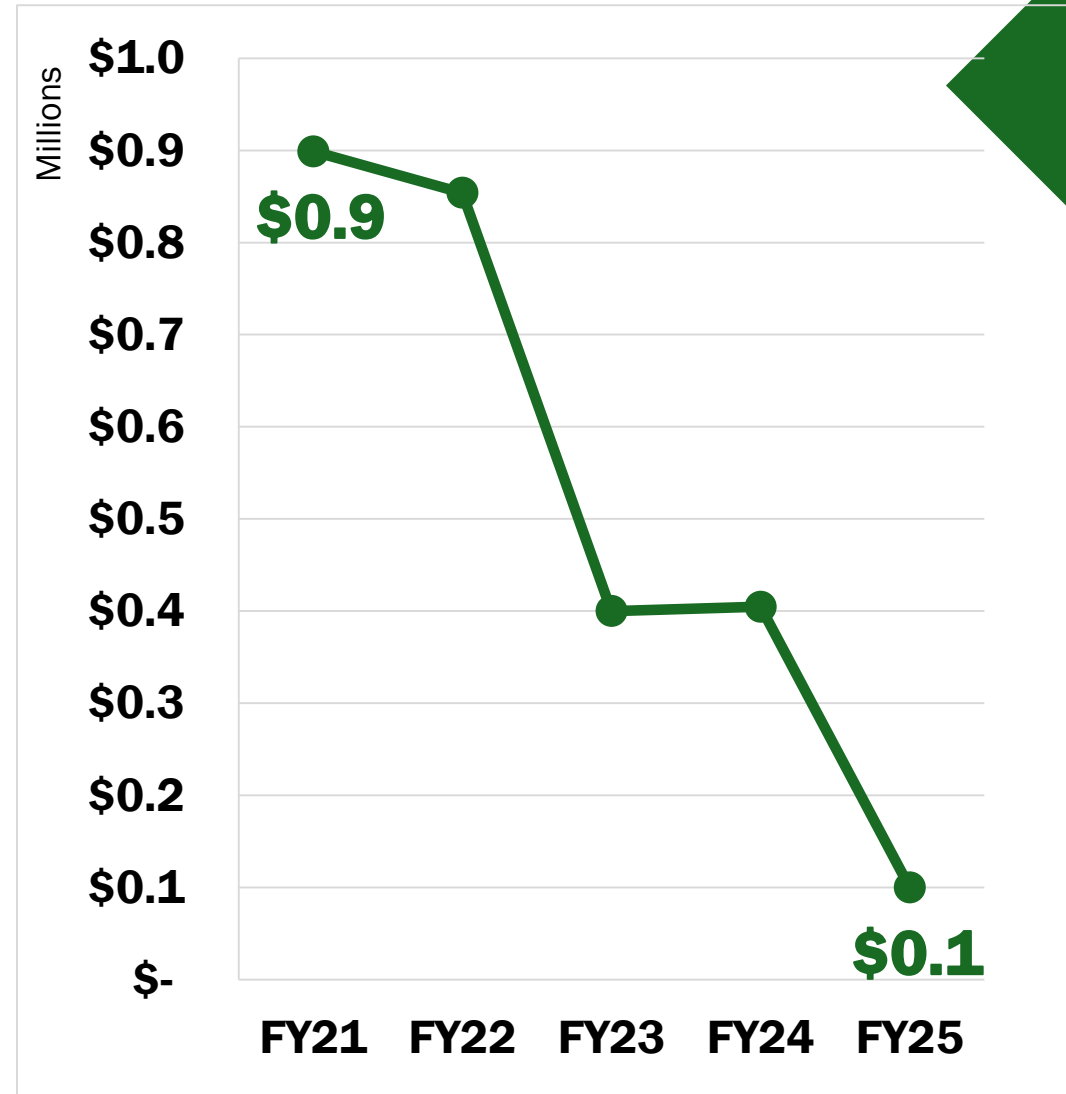
# Expenses – Public Works

- Adding a Project Manager
- General inflation
- Wage adjustments



# Expenses – Contributions to Savings

- Medical insurance for retirees (OPEB) only savings this year \$100,000





# Property Taxes Background

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# Proposition 2 ½ (MGL c. 59, § 21C )

- Voter approved State wide in 1980
- Strictly limits the amount a municipality can raise through real estate taxes
- In a single year property taxes may increase:
  - 2 1/2 % above the prior year tax levy limit, plus
  - An estimate of taxes on new construction
- Voters can approve taxes above these limits by approving spending by ballot vote and Town Meeting vote
- This approval may be **permanent** (an “**Override**”)
- Holden hasn’t passed an “Override” since 1992
- This approval may be for a **fixed period** (an “**Exclusion**”) for capital projects
- We have done “Exclusions” multiple times



# Holden – “Excluded” Debt

- Current voter approved exclusions:
  - Mountview Middle School
  - Public Safety building
  - Public Works building
  - Fields between Industrial Drive / Dawson recreation
  - Elementary school capital improvements
- WRSD exclusion for High School renovation and expansion
  - Debt taken out in several tranches
    - Largest debt paid off in FY24, reducing payments required this year by \$670,000
    - A few smaller notes left to pay off

# Ballot Questions

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# Question #1 – Capital Exclusion

- Asks if voters approve of adding \$670,000 to taxes in order to buy 5 specific assets
  - Plan and begin improvements to Senior Center parking lot
  - Install security enhancements at elementary and middle schools
  - Rehabilitate elementary school playgrounds
  - Add a covered connection between the modular classrooms at Dawson and the main building
  - Provide funding for ambulance
- Money can only be spent on these projects, no others
- Has to pass at ballot AND at Town Meeting

# Question #1 – Capital Exclusion

- The amount requested is equal to the amount of decline in school debt
- With approval:
  - Property taxes will be \$92 per average house (\$490,341)
  - **One year only**
- Finance Committee and Select Board both recommend a **YES** vote on this question



# Question #2 – Debt Exclusion

- Question asks if voters approve of adding to taxes beyond the limits of Prop. 2 ½ to finish the Industrial Drive / Dawson Recreation playing field project originally approved in 2022
- Construction is starting this spring with existing funding
- More funds necessary due to inflation and findings of the Dawson Project Committee
- Project as promised can not be delivered without additional funds
- Money can only be spent on this project
- Has to pass at ballot AND at Town Meeting

# Question #2 – Debt Exclusion

- State law does not permit including dollar amount in a question
- The amount will be \$2.4M
- The annual impact over the next 15 years will be approximately \$26/year per average house (\$490,341)
- Finance Committee and Select Board both recommend a **YES** vote on this question







# Financial Impact to You

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# Tax Rate

- The amount of taxes to be raised divided by the total assessed value of all property in Town is the tax rate. Stated per \$1,000 of assessed value

Taxes required	\$48.7M
÷ Town property value/\$1,000	\$3.6B/1,000
= Tax rate	\$14.90

# Average House Taxes

- The tax rate multiplied by the assessed value of your house/\$1,000 equals your property tax amount

Average house assessment	\$490,341
÷ 1,000	\$ 490
* Tax Rate	\$14.90
= Average house property tax	\$7,307

# Impact to Average House

- Average Holden house property tax is \$7,307
  - Increase of \$369 (5.3%)
- Over the past five normal years, average tax increase has been \$392
  - This is excluding the pandemic year

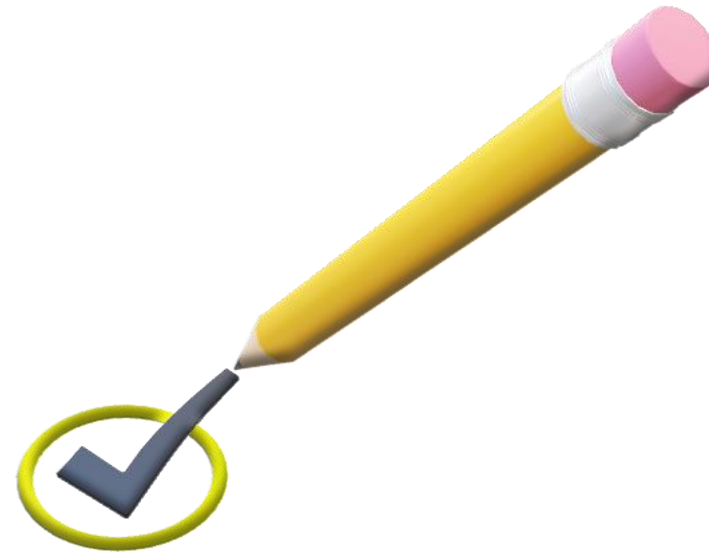


Operating budget increase	\$369
Question 1 approval (1 year)	\$92
Question 2 approval (15 years)	\$26
<b>Total increase</b>	<b>\$487</b>

- Total increase of \$487 is a 7% increase

# What is Next?

- Questions?
- [pchallenger@holdenma.gov](mailto:pchallenger@holdenma.gov)
- **May 13<sup>th</sup>, Annual Town Elections**
  - Your designated precinct
  - 7 AM – 8 PM
  - Town Officials
  - Ballot Questions
- **May 20<sup>th</sup>, Annual Town Meeting**
  - Wachusett Regional High School, 7 PM



# Recommendations

- **The Finance Committee and the Board of Selectmen recommend**
  - **Voting on May 13**
  - **Approving the 2 exclusion questions**
  - **Attending the Annual Town meeting on May 20 in the High School auditorium**
  - **Approving the budget, including the ballot questions, at the Town Meeting**



# Thank you & Questions

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Paul Challenger, Chair, Finance Committee

[pchallenger@holdenma.gov](mailto:pchallenger@holdenma.gov)

[www.holdenma.gov/finance-committee](http://www.holdenma.gov/finance-committee)

