

2025 Annual Town Meeting

Article 8, Motion 2

OMNIBUS BUDGET

FISCAL YEAR 2026

SELECT BOARD AND OTHER GENERAL GOVERNMENT

Budget Highlights

- Total Budget is \$224,493,903
- Balanced budget, no override for the 11th year in a row!
- Budget drivers remain consistent with prior years
- Individualized budget guidelines
 - By design – on Town Side guidelines do not include new positions
- Strong Reserve position and Capital Financing Policy allow strong capital investment

Budget Guidelines FY26

- Revenues – No Override
 - Conservative Revenue Assumptions
 - Increased Building Permit Fees effective April 1
- Expenses:
 - School Budget Growth: 3.24%
 - Includes modest investment in strategic initiatives and critical needs
 - Town Budget Growth: Individualized Guidelines
 - 50/60 Employees – 2% COLA Increase
 - Separate Merit Pay Plan Appropriation for FY26 (\$275K)
 - 40 Series Employees – 3% COLA Increase
- Capital & Debt Service Goals
 - Target low end of debt policy- 6.2%
 - Follows several years of strong capital investment post COVID

Budget Guidelines FY26

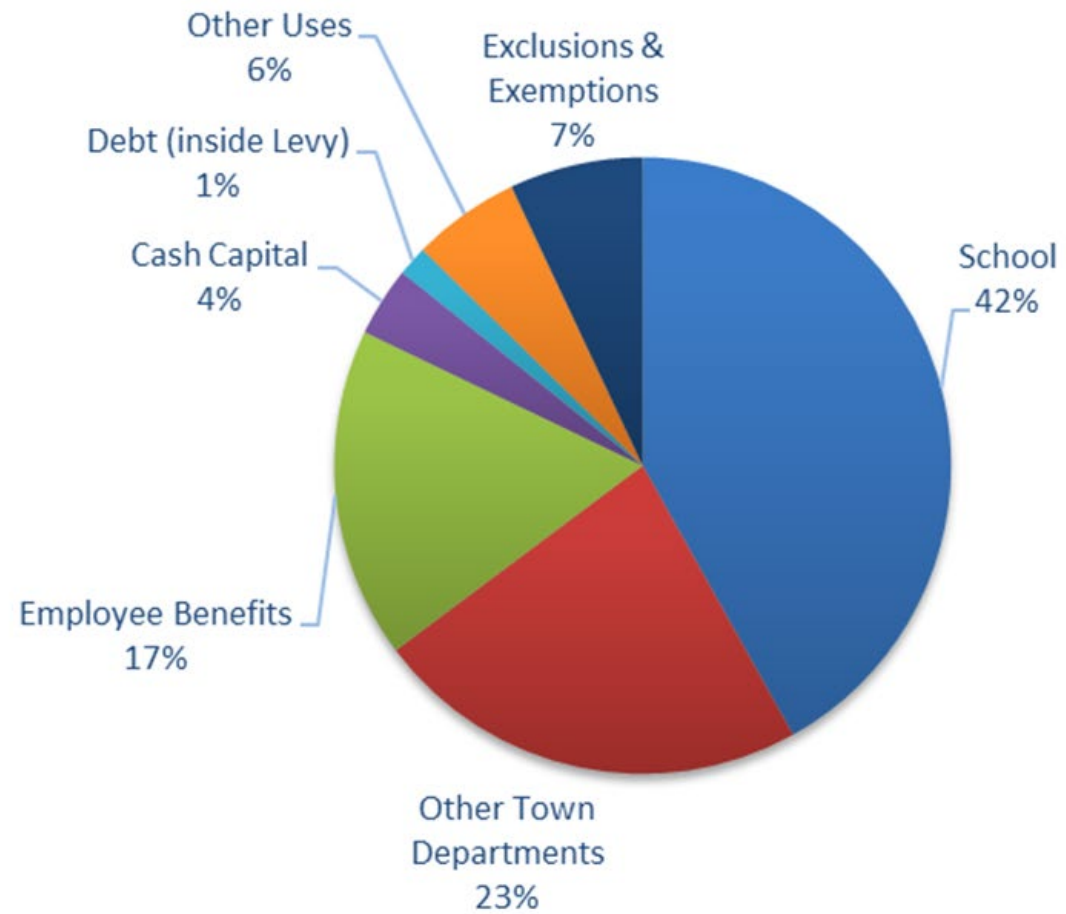
Departmental Individualized Guidelines

- 3% for Personal Services except
 - Exec Director 3.75%
 - Finance 5%
 - Fire 4%
 - Police 4%
 - Building 4%
 - Library 3.5%
 - Advisory - \$7,000
- 3% for Expenses except
 - Finance - \$2,000
 - IT 8%
 - Council on Aging - \$10,000
 - Facilities 5%
 - Police 4.5%
- Guidelines do not include new positions, \$20K added for benefits
- Health Insurance: 12.57% increase

Omnibus Budget Overview

	FY25	FY26	\$	%
	<u>Budget</u>	<u>Request</u>	<u>Inc/(Dec)</u>	<u>Inc/(Dec)</u>
<i>Sources of Funds</i>				
Taxes	\$ 164,161,680	\$ 169,965,722	\$ 5,804,042	3.5%
State Aid	12,021,225	12,121,225	\$ 100,000	0.8%
Local Revenue	12,380,667	14,012,083	\$ 1,631,416	13.2%
Free Cash to balance	2,250,000	2,246,401	\$ (3,599)	-0.2%
Other free cash items	11,479,510	7,471,260	\$ (4,008,250)	-34.9%
Other Sources	1,005,013	918,546	\$ (86,467)	-8.6%
CPA Funds	2,065,000	2,065,000	\$ -	0.0%
CPA to offset debt	550,644	550,244	\$ (400)	-0.1%
Exempt Debt	16,072,615	15,143,422	\$ (929,193)	-5.8%
Total Sources	\$ 221,986,354	\$ 224,493,903	\$ 2,507,549	1.1%
<i>Uses of Funds</i>				
School	\$ 91,081,978	\$ 94,035,026	\$ 2,953,048	3.2%
Other Town Departments	48,752,633	51,369,353	2,616,720	5.4%
Employee Benefits	35,938,580	38,979,042	3,040,462	8.5%
Cash Capital	7,759,465	8,150,857	391,392	5.0%
Debt Service (inside Levy)	4,965,457	3,568,406	(1,397,051)	-28.1%
Other Uses	16,864,982	12,697,553	(4,167,429)	-24.7%
Exempt Debt	16,623,259	15,693,666	(929,593)	-5.6%
Total Uses	\$ 221,986,354	\$ 224,493,903	\$ 2,507,549	1.1%
<i>Surplus/(Deficit)</i>	\$ -	\$ -		

FY26 USES OF FUNDS



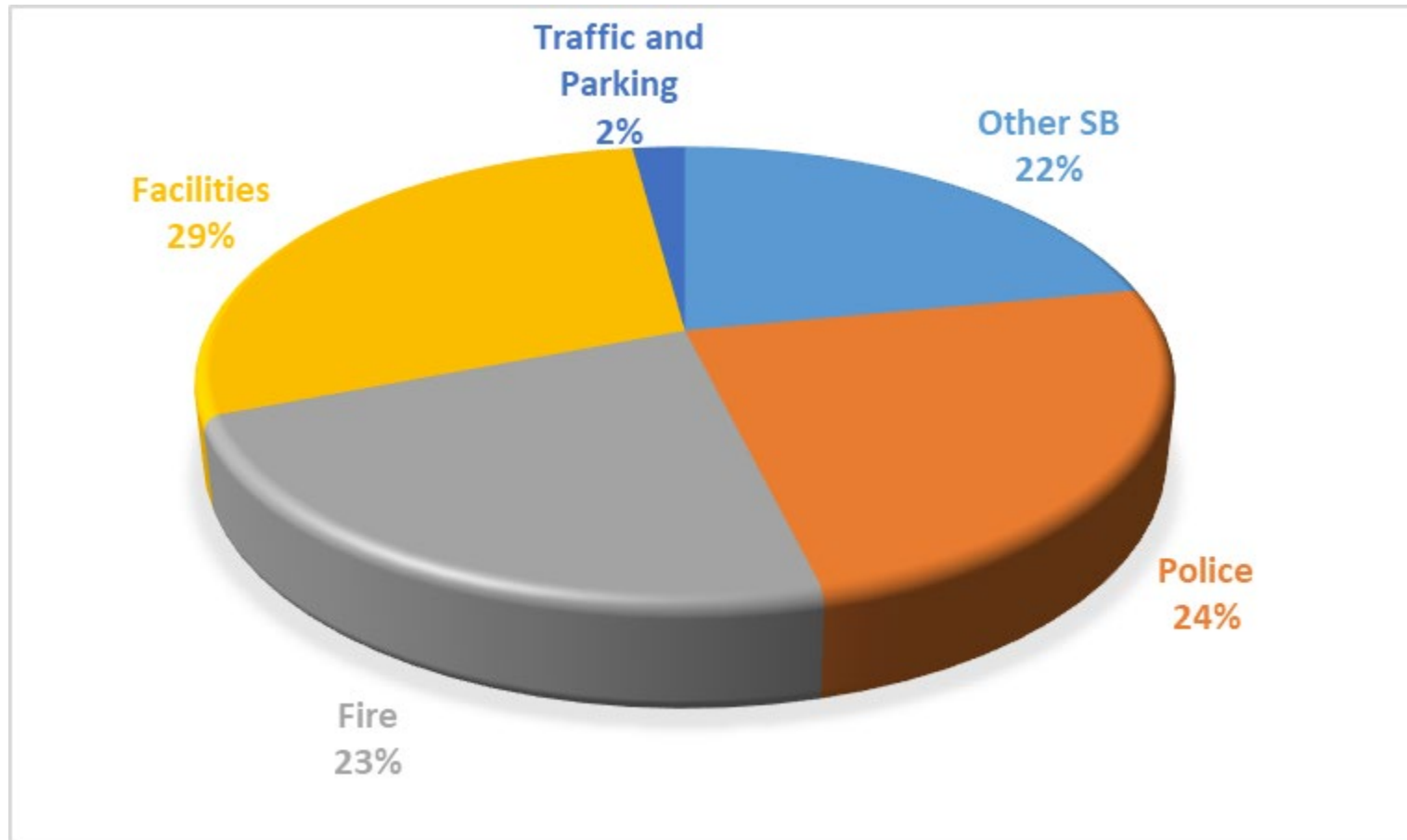
SB Budgets – Traffic and Parking

- Select Board brought back into General Fund \$286,699 to stabilize operations.
- There has been no cut in Traffic and Parking services
- Budget has been subsidized since COVID –19
- Eliminates 50% offset of Lieutenant/Patrol Positions
 - Increase of \$129,273 to Police Budget
- Eliminates Parking Clerk offset
 - Increase of \$37,426 to Treasurer Budget
- Traffic Signs and Parking Lot Maintenance and Staff
 - Increase of \$80,000 to DPW Budget
- Health Insurance Offsets from positions
 - Increase Health Insurance by \$40,000

Select Board

	<u>FY25</u>	<u>FY26</u>	<u>Inc/(Dec)</u>	<u>% Change</u>
Other SB	\$ 7,150,913	7,765,463	614,550	8.59%
Police	8,113,897	8,572,381	458,484	5.65%
Fire	7,630,946	8,090,571	459,625	6.02%
Facilities	9,829,713	10,208,362	378,649	3.85%
Group Insurance & Other Benefits	35,938,580	38,979,042	3,040,462	8.46%
Capital*	7,759,465	8,150,857	391,392	5.04%
Debt	21,588,716	19,262,072	(2,326,644)	-10.78%
Traffic and Parking	1,034,711	743,135	(291,576)	-28.18%
	<u>\$ 99,046,941</u>	<u>\$ 101,771,883</u>	<u>2,724,942</u>	<u>2.75%</u>

Select Board



SB Budgets

- Exec. Director - 7.07%
 - Eliminated Clerk Position
 - New Creative Content Coordinator Position
 - Position has been contemplated for two years in TWFP
 - Would be under guideline without new position
 - Added \$8,000 for ATM/STM Mailings to all residents
- Treasurer – 3.91% (base budget)
 - With Traffic and Parking added funds 11.05%
 - Town has outsourced real estate and personal property bills
 - Two 40 series employees at 3% increase

SB Budgets

- COA - 5.71% - Over Personal Service Guideline
 - Majority of staff are 40 series employees with 3% COLA and steps
 - New Assistant Director hired at midpoint
 - Meets Expense Guideline of \$10,000
- West Suburban Veterans Group – 22.52%
 - Chapter 115 Benefit for Wellesley increased by \$10,000
 - Share of District increased due to increase in salaries

SB Budgets

- Celebrations Committee
 - FY26 Budget is \$20,000
 - Guideline was \$5,000 increase
- Cultural Council
 - SB has increased to \$8,500
 - Guideline was \$2,000 increase

Facilities Management

- Budget Increase – 3.85%
- Staff Includes 74.6 FTE
 - Central Office (12 FTE)
 - Trades Technicians (8 FTE)
 - Custodians (54.6 FTE, excluding 0.5 FTE enterprise funded at DPW)
 - Union Contracts Settled Through FY26

Facilities Management

- Expenses – Up \$213,238 (5%)
 - 0% Electricity
 - Natural Gas Increase (\$93,421)
 - 5% on Distribution Side - National Grid
 - 10% on Commodity (third-party)
 - 4% Water & 10% Sewer increase (\$16,736)
 - 0% Trash & Recycling
- Other Expenses (Custodial, Maintenance, central office)
 - 6.5% increase (\$87,647)

29 FMD Buildings (1.2M square feet)

- Preschool (PAWS)
- Bates
- Fiske
- Hardy
- Hunnewell
- Schofield
- Sprague
- Upham
- Middle School
- High School
- Field House

- Town Hall
- Main Library
- Hills Branch
- Fells Branch
- Police Station
- Fire Station (Hdqtrs)
- Fire Station (Central)
- Warren Building
- Morse's Pond
Bathhouse

- DPW Administration
- DPW Water/Sewer
- DPW Park/Highway
- RDF: Admin.
- RDF: Recycling/Baler
- RDF: Transfer Station
- RDF: Paper /Wood
- RDF: Bale Storage
- Senior Center

Police Department

- Budget Increase - 4.06%
- Traffic and Parking Modifications back to General Fund increase is 5.65%
 - 50% Lieutenant Position
 - 50% Patrol Officer Position
- Staff Includes
 - Chief and Deputy Chief (Contracts)
 - COLA for 3 union contracts (54 positions) – Contracts Settled through FY26
 - Admins (3) – One Position Funded Through Detail Account
 - Animal Control Officer
 - IT Specialist
 - Dispatchers (10)
- Union contracts (3) settled through FY26
- Department met guidelines
- Expenses – 4.5%
 - Vehicle Replacement Costs continue to rise (7%)
 - Equipment and Maintenance Contracts
 - Gasoline Increase

Fire Rescue

- Budget Increase – 6.02%
- Staff Includes
 - Chief and Asst. Fire Chief under contracts
 - COLA adjustments per Union Contract (56 positions)
 - Contract Settled Through FY26
 - Proposing 2 New Firefighter Positions as part of three-year plan to bring to full staffing
 - Admin (1)
 - Mechanic (1)
- Expenses – 3%
 - Hiring Costs – Physical Abilities Testing
 - Tuition Reimbursement – Contractual Increase
 - Vehicle Equipment
 - Communications Equipment
 - Medical Supplies and Firefighter Equipment
 - Protective Clothing
 - Equipment and Communications Maintenance
 - Training

Other General Gov't Services

	<u>FY25</u>	<u>FY26</u>	<u>Inc/(Dec)</u>	<u>% Change</u>
Town Clerk/ Election and Registration	\$502,387	\$478,140	\$ (24,247)	-4.83%
Board of Assessors	\$457,521	\$470,955	\$ 13,434	2.94%
Planning Board	\$476,979	\$486,309	\$ 9,330	1.96%
Advisory Committee	\$32,234	\$39,570	\$ 7,336	22.76%
Reserve Fund	\$175,000	\$175,000	\$ -	0.00%
Human Resources Board	\$526,541	\$542,650	\$ 16,109	3.06%
HR Salary Adjustments (Merit Pay Plan)	\$300,000	\$275,000	\$ (25,000)	-8.33%
Class and Comp (One-Time Salary Adjustment)	\$0	\$200,000	\$ 200,000	100.00%
Recreation Commission	\$461,691	\$475,490	\$ 13,799	2.99%
Board of Health	\$1,208,115	\$1,256,045	\$ 47,930	3.97%
Mental Health Services	\$272,400	\$300,572	\$ 28,172	10.34%
Natural Resources Commission	\$356,579	\$364,616	\$ 8,037	2.25%
Morses Pond	\$173,000	\$177,000	\$ 4,000	2.31%
	<u>\$4,942,447</u>	<u>\$5,241,347</u>	<u>\$298,900.00</u>	<u>6.05%</u>

Benefits and Capital – Shared Service

	<u>FY25</u>	<u>FY26</u>	<u>Inc/(Dec)</u>	<u>% Change</u>
Group Insurance	\$22,739,128	\$25,598,232	\$2,859,104	12.57%
Workers Compensation	740,348	740,348	0	0.00%
OPEB Liability Fund	3,200,000	3,100,000	(100,000)	-3.13%
Retirement Contribution	9,039,104	9,310,462	271,358	3.00%
Unemployment Compensation	100,000	100,000	0	0.00%
Compensated Absences	120,000	130,000	10,000	8.33%
	<u>\$35,938,580</u>	<u>\$38,979,042</u>	<u>\$3,040,462</u>	<u>8.46%</u>
Departmental Cash Capital	\$7,759,465	\$8,150,857	\$391,392	5.04%
Inside Levy Debt Service - Issued	4,965,457	3,568,406	-1,397,051	-28.14%
Exempt Debt	16,623,259	15,693,666	-929,593	-5.59%
	<u>\$29,348,181</u>	<u>\$27,412,929</u>	<u>(\$1,935,252)</u>	<u>-6.59%</u>

Group Insurance – Shared Service

- Health insurance annual growth is 12.57%
- Comprises 16%-18% of the Annual Budget
 - Blue Cross Blue Shield 3.3% for Benchmark and High Deductible Plans
 - Harvard Pilgrim 3.86% Increase for Benchmark
 - Harvard Pilgrim 6.97% increase for High Deductible Plans
- FY25 - Under Article 7 requires \$1M Supplemental Appropriation.
- Subject of Collective Bargaining
 - MOA through FY27

FY26 Health Insurance Premiums

Family Plans

Family Plans	Annual Premium	Town Contribution	Town Share
Network Blue HDHP	\$ 29,844	78%	\$ 23,278
Network Blue HDHP Select	\$ 27,828	78%	\$ 21,706
Network Blue Benchmark HMO	\$ 35,388	78%	\$ 27,603
Network Blue Benchmark Select	\$ 32,928	78%	\$ 25,684
Harvard Pilgrim HDHP	\$ 35,520	60%	\$ 21,312
Harvard Pilgrim Benchmark	\$ 44,484	60%	\$ 26,690
Harvard Pilgrim PPO	\$ 94,092	50%	\$ 47,046

Risk Management – Shared Service

- Budget Increase \$83,842 (9.06%)
 - Comprehensive Liability – 8% Increase per MIIA
 - Insurance Deductibles
 - Other Liability Insurance
 - Injured on Duty Insurance – Level Funded
- Building Valuation
 - New Buildings online for full years (Town Hall, Hardy) with increased valuations
 - Increase due to national claims losses (i.e Florida/North Carolina Hurricanes, California Fires)
- 3-year average of major claims loss
- Increase due to replacement costs of new equipment and vehicles
- Increase due to 3-year average of Professional Liability Claims

Questions

BACK UP

Finance Department

- Increase – 5.16%
- Staff Includes
 - Finance Director
 - Assistant Town Accountant
 - Finance/Budget Analyst
 - Payroll Manager
 - Accounting Specialist
 - Account Payable Accountant
- Finance Director recruitment will begin after ATM
- Additional Training for Staff

Treasurer/Collector

- Increase – 3.91%
- With Traffic and Parking modification, brings 50% of Parking Clerk salary back into budget -11.05%
- Staff Includes
 - Treasurer/Collector
 - Asst. Treasurer/Collector
 - Senior Accounting Clerk/Parking Clerk
 - Accounting Clerks (2) – 40 series
- Outsourced Real Estate and Personal Property bills

Climate Action Committee

- Increase – 2.06%
- Staff Includes:
 - Sustainability Director
 - CAC Analyst
- Operating Budget
 - Strengthen Social Media Presence
 - Support town-wide waste reduction initiatives
 - EV Working Group
 - Update Municipal Systems Building Guidelines
 - Implementation of “Skip the Stuff” Bylaw

Information Technology

- Increase – 5.38%
- Staff Includes
 - IT Director
 - Managers (3) Network and Cybersecurity, Project & Applications, GIS
 - Administrators (3) Cybersecurity, Applications (2)
 - Desktop Technician
- Expense guideline of 8% to account for subscription increases, support, maintenance fees, and cybersecurity services.

Council on Aging

- Budget Increase – 5.71%
- Staff Includes
 - Director (Deb Greenwood)
 - Asst. Director – (Kathy Savage)
 - 5 Full Time Positions (Social Work, Activities, Admin)
 - 6 Part Time Positions (Transportation, Volunteers, Activities, Admin)
- Operating
 - Increase is for salary actual hiring rates, step adjustments, and realignment of personnel with additional 0.3 PT staff.
 - Without realignment, budget would meet guidelines
- Expenses
 - Minor increases for programs and activities

Building Department

- Budget Increase – 3.49%
- Staff Includes
 - Building Commissioner
 - Building Inspectors (3)
 - Plumbing and Gas Inspector
 - Electrical Inspector
 - 2 Admins (3%)
 - Increase in on-call inspector hours
- Expenses –0%
 - Level Funded all expenses

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- Increase due to replacement costs of new equipment and vehicles
- Increase due to 3-year average of Professional Liability Claims

Building Department

- Budget Increase – 2.96%
- Staff Includes
 - Building Commissioner
 - Building Inspectors (3)
 - Plumbing and Gas Inspector
 - Electrical Inspector
 - 2 Admins (4%)
- Expenses –0%
 - Level Funded all expenses

Select Board Cash Capital

- Total Cash Capital - \$645,621
- SB Office
 - New Copier - \$16,204
- COA
 - Winter Walkway Hazard Mitigation - \$10,000
 - IT Upgrades - \$10,000
- IT
 - Fiber Optic Infrastructure - \$50,000
 - Telephone Upgrade (VOIP) - \$25,000
- Police
 - In Car Radio Replacement - \$24,060
 - Radio Repeater Replacement - \$20,357
- Fire
 - Station Intercom Replacement - \$60,000
 - Fire House Equipment - \$50,000
 - Security Camera Upgrade - \$60,000
 - Radio Communications - \$150,000
 - Wireless Internet - \$30,000
 - Command Vehicle Hybrid - \$80,000
 - Turnout Gear - \$60,000

Retirement

- Budget Increase – 2.18%
- Staff Funded Through Fund
 - Retirement Administrator (FT)
 - Retirement Assistant (PT)
- Contributions to the Pension Fund in accordance with the January 1, 2023, Actuarial Valuation.
- Valuation requires an additional tax impact contribution of \$192,739
- Current rate of return assumption 6.0%
- Retirement Plan to be fully funded by 2030

Level Funded Budgets

- The following budgets have 0% increase

- Central Admin
- Law
- Land Use Departments Lease Costs
- Injured on Duty Insurance
- Streetlights
- WHDC
- Historic District Commission
- Historical Commission
- OPEB Liability Fund
- Unemployment Compensation
- Compensated Absences
- Property Tax Abatements
- Celebrations Committee

- Reductions in the following Budgets
- Town Report – -10%

Health Insurance Plan Enrollment

	<u>FY25 Actual</u>	<u>FY26 Budget</u>
Harvard Pilgrim HDHP	22	22
Harvard Pilgrim Benchmark	40	40
Harvard Pilgrim PPO	2	2
Network Blue HDHP	267	267
Network Blue Benchmark	631	669
Subtotal	962	1000
Medicare Supplements	812	817
Grand Total	1774	1817
Opt Outs	115	115

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