



Override – Questions and Answers

Town Administrator – Ron San Angelo



What is an Override?

- Overrides are used to raise money to address annual operating costs. In other words, if the voting community decides that they need to raise the levy limit because the costs of operating the local government have increased, they can vote to do so.



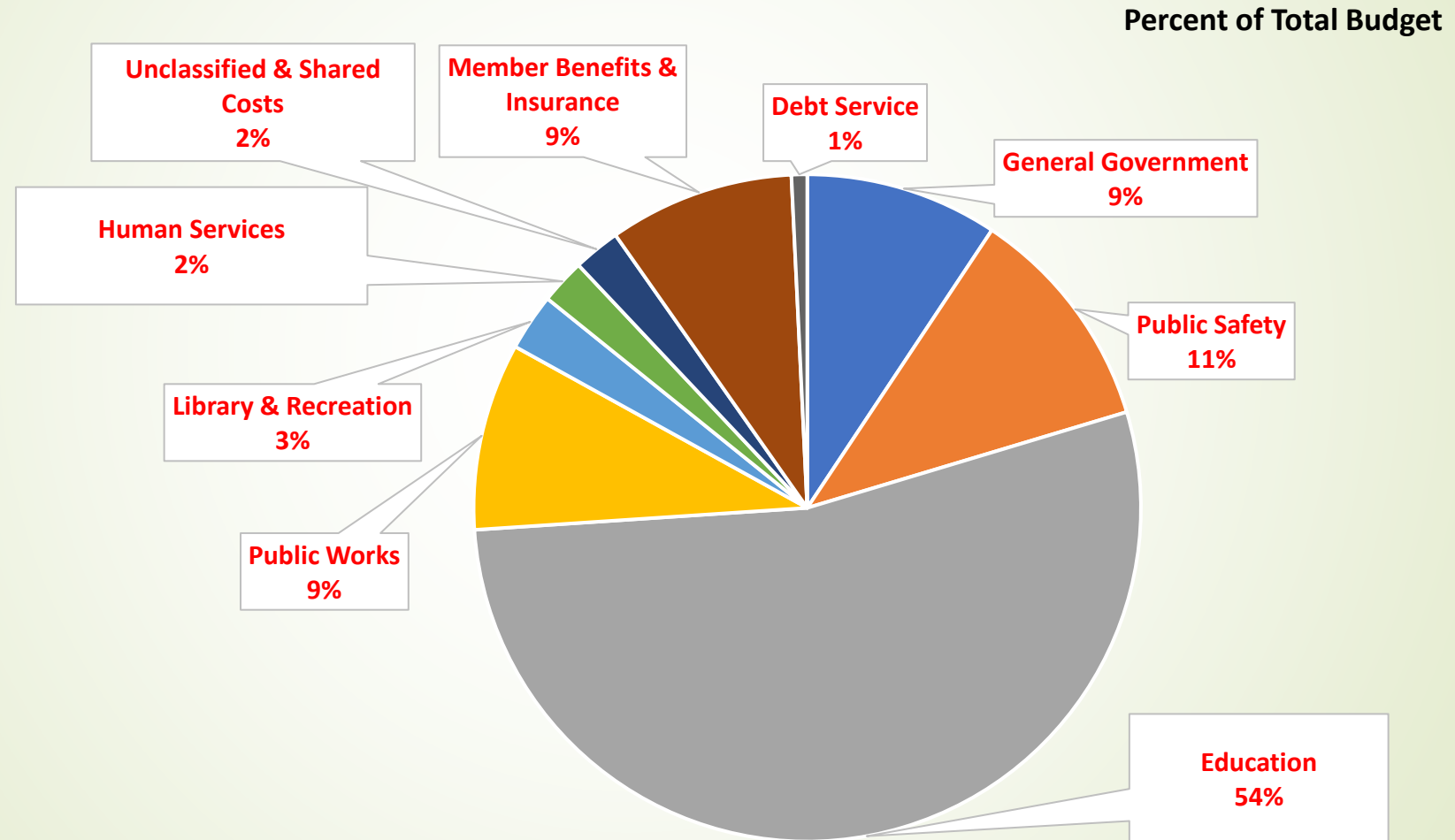
What is Proposition 2 ½?

- Proposition 2 ½ limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations. This amount is known as the **annual levy limit**. However, the law allows a city or town to increase tax revenues above that limit with approval of voters at an election.
- If expenses are higher than the 2.5% limit on tax increases than you need an Override.

FY 2025 Town Administrator proposed Town Budget

Expenses	FY 24 ATM BUDGET	FY 25 DEPT REQ	FY 25 TN ADMIN	%Total Budget
EXPENSES				
OPERATING PROGRAMS				
General Government	837,695	863,994	863,574	9.33%
Public Safety	981,206	1,023,832	1,019,551	11.01%
Education	4,873,421	4,966,388	4,966,388	53.64%
Public Works	823,451	840,605	840,105	9.07%
Library & Recreation	252,739	255,396	255,396	2.76%
Human Services	199,105	196,503	201,969	2.18%
Unclassified & Shared Costs	199,741	211,804	210,436	2.27%
Member Benefits & Insurance	779,295	831,620	831,620	8.98%
Debt Service	<u>119,976</u>	<u>70,248</u>	<u>70,248</u>	0.76%
SUB-TOTAL OPERATING	9,066,629	9,260,390	9,259,287	
Water				
Salaries	179,840	187,214	185,630	
Expenses	<u>279,216</u>	<u>296,353</u>	<u>288,784</u>	
Sub Total Water	459,056	483,567	474,414	

Town Budget



West Brookfield Minimum Education Requirement.
Quaboag only. Does not count Transportation or Vo-
 Tech Schools. (State Control)

West Brookfield	Minimum Education Requirement	Dollar Increase Year to Year	% Increase from prior year	Total Chapter 70 Aid Warren and West Brookfield
FY 20	\$2,886,778			\$9,158,560
FY 21	\$2,965,745	\$78,967	2.74%	\$9,158,560
FY 22	\$3,150,981	\$185,236	6.25%	\$9,192,100
FY 23	\$3,337,616	\$186,635	5.92%	\$9,257,500
FY 24	\$3,525,821	\$188,205	5.64%	\$10,338,129
FY 25 Preliminary	\$3,659,871	\$134,050	3.8%	\$10,369,149

How much Free Cash did the Town Utilize in FY 2024?

The Town Utilized \$380,164 to balance the Town Budget.

What is Free Cash?

Under Massachusetts law an amount known as "Free Cash" is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue.

Think of this as the saving you have at the end of the year after you pay all your expenses. The Town should not be paying for continuing operations from one-time revenue. We need to stop this!

What is the cost to citizens if the \$1,000,000 Override passes?

The Town has developed a 5-Year plan for how the funds will be used to maintain government services.

The override covers a five- year timeframe based on best estimates of future costs. The initial tax increase will be lower, increasing incrementally as expenditures rise over the remaining years.

Will taxpayers have to pay the full cost of the Override in the 1st year?

No. In the first year it is expected that the Town would utilize an estimated \$650,000 of the new \$1,000,000 Levy and it would increase gradually over the next 5 years.

Will the Town use more of the Tax Levy than what is needed to keep services at normal levels?

No. The Board of Selectmen has made it clear that it will only continue to fund government at the normal level it has done over the last number of years. In Town departments a 2-3% increase. Funding the schools at the same levels as previous years.

Override Questions continued.....

What happens in year 2-4?

The Town will gradually use the Excess Levy Capacity to fund the normal operation of local government. This means the cost will rise gradually until the full Override is reached in year 5.

When will Taxpayers pay the full cost of the Override?

Year 5 - The cost of Override will be fully implemented. The estimated amount in full would be \$146.74 each quarter or \$1.60 per day for the average single - family home assessed at a value of \$336,413. Properties valued at a higher assessment may result in a higher amount. Properties valued at a lower assessment may result in a lower amount.

What happens if the Override is voted down?

- The Town can no longer go into a deficit situation and cuts to Town departments would have to occur. This may not occur in the first year or two, but it would happen as soon as the Town runs out of Free Cash. Since the state has Minimum Requirement Spending Levels for education once we cut our funding down to the minimum, we would not be able to cut it anymore. Do we want to fund education at the state minimum? If we do not pass the Override, it means **the Town will have to propose an even higher Override in the next two years.**
- Town Departments would then have to make cuts which means police, fire, highway, library senior center, town hall, and all departments would have to reduce staff, hours, and services to the community. As of now, the Town already provides very limited services, so the impact would be felt by all departments and by all citizens. Every year we would have to continue to decrease Town services to meet the state requirements.



Are there any new services in the Override Question?

- The Override will provide funding for an additional patrolman, compensation study results from the University of Massachusetts to help us maintain employees, and ambulance services to the town.
- The Override is not designed to add any other additional services, but simply to maintain the current services the town provides to its residents.

How does West Brookfield compare to other Towns regarding Tax Rates in FY 2024 and Average Single Family Tax Bill in FY 2023.

Town Tax Rates – FY 24

<u>Municipality</u>	<u>Residential</u>
Oakham	11.08
West Brookfield	11.23
Hardwick	12.62
East Brookfield	13.13
North Brookfield	12.62
Holland	13.55
Barre	13.98
Brimfield	14.62
Wales	14.77
Warren	15.07
Brookfield	15.20
Ware	16.33

Average Family Tax Bill – FY 23

<u>Municipality</u>	<u>2021 Population</u>	<u>FY 2023 Single Family Tax Bill</u>	<u>2020 DOR Income Per Capita</u>
West Brookfield	3,820	4,034	40,530
Wales	1,816	4,062	27,752
North Brookfield	4,743	4,085	32,378
East Brookfield	2,209	4,094	36,816
Oakham	1,846	4,115	38,769
Warren	4,955	4,162	23,046
Holland	2,583	4,164	36,504
Hardwick	2,660	4,287	29,421
Ware	10,178	4,329	26,022
Barre	5,526	4,462	30,154
Brookfield	3,432	4,824	31,924
Brimfield	3,690	4,977	40,907



Five-Year Projection Assumptions

Revenues

New Growth	2.50%
Chapter 70	1.00%
Lottery, Beano & Charity Games	3.00%
Motor Vehicle Excise	2.50%
Meals Excise	1.00%
Penalties & Interest on Taxes	2.00%
Fees	2.00%
All Other Categories	0.00%

Five-Year Projection Assumptions Expenditures.

State & County Assessments	3.23%
General Government	2.00%
Public Safety	2.00%
Education - Regional School District	5.00%
Education - Vocational Training	5.00%
Public Works	2.00%
Health & Human Services	2.00%
Culture & Recreation	2.00%
Health Insurance	5.00%
Worcester Contributory Retirement	8.00%
Liability & Property Insurance	5.00%
Abatements & Exemptions	2.50%



Questions and Answers.....

- Please respect each others opportunity to ask questions and hear answers.
- The purpose of the meeting is to ask questions not to yell or scream at people.
- Vulgar language will not be tolerated.
- Everyone understands that Overrides are difficult for everyone.
- The town is proposing an Override because it believes that it is in the best interests of the Town as a whole.