

# **TOWN OF WEST BROOKFIELD**

**OVERVIEW OF  
PROPOSITION 2 ½  
OVERRIDE**



# PREAMBLE

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This presentation has been put together to provide you with an understanding of the proposed Proposition 2 ½ Overrides by sharing the following information.

- Describe Proposition 2 ½ Override
- Why an override is needed and the options
- Why one-time revenues can not be used
- Estimated tax impact of Override
- What the overrides include and do not include

# PREAMBLE (CONTINUED)

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The goal of this presentation and the Public Information Forums, will be to provide the voters with facts surrounding the proposed overrides.

We will share details of the “**Level Service**” budgets – that will go into effect if an override passes. We will also share the details of the “**Reduced**” Budgets – those reductions in services, staffing, programs and operations should an override fail.

We are hoping to give you information that will be helpful to you in making a decision that you are comfortable with. We will close each Public Information Forum with a Questions and Answers session.

**At the end of the day, this decision belongs to you...the voters.**



# A STATEWIDE CHALLENGE

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## Excerpts from **A Perfect Storm: Cities and Towns Face Historic Fiscal Pressures**

*“Cities and towns across Massachusetts provide many of our most essential public services, including everything from clean water and safe streets to high-quality schools and dependable emergency services. These are the quality-of-life services that impact the lives of residents every day.”*

*“But funding has become an especially acute challenge for municipalities all across Massachusetts, caught as they are between inflation-driven increases in costs and binding constraints on their ability to raise new revenue.” <https://wbrookfield.com/news-and-notice/mma-fiscal-analysis-of-fiscal-pressures-on-massachusetts-municipalities>*

**WEST BROOKFIELD IS NOT ALONE IN THE FINANCIAL STRUGGLE AND IT'S BEEN A LONG TIME IN THE MAKING.**



# WHAT IS PROPOSITION 2 1/2

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- Proposition 2½ is a Massachusetts Law that controls how much money cities and towns can raise from property taxes each year. It keeps tax increases small and predictable, unless the people in the town vote to raise them more.

Here are the two main parts:

## **2.5% Annual Increase**

The levy can only grow by 2.5% per year (+ new growth)

## **2.5% Cap**

The total levy cannot exceed 2.5% of total taxable property values

# DEFINITIONS FOR LEVY CALCULATION

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- Levy: The tax levy (or levy) is the amount of property taxes to be raised. The levy amount is determined by the budget. The total amount of the approved budget less revenues from other sources like motor vehicle excise, municipal fees, and state aid is the amount to be raised from property taxation.
- Levy Ceiling: The levy ceiling is 2.5 percent of the full value of the town.
- New Growth Revenue: Property taxes derived from newly taxable properties like new construction, additions, renovations, subdivisions, and personal property.
- Levy Limit: Also referred to as the “**maximum allowable levy**”, this is calculated by adding 2.5 percent of the previous year’s levy limit plus new growth revenue for the present fiscal year to last year’s levy limit. Exceeding the levy limit requires an override of Proposition 2 ½.

# WEST BROOKFIELD TAX LEVY HISTORY

<b>Fiscal Year</b>	<b>Tax Rate</b>	<b>PRIOR YEAR LEVY LIMIT</b>	<b>PROP 2.5%</b>	<b>NEW GROWTH</b>	<b>MAXIMUM LEVY</b>
<b>2026</b>	<b>10.75</b>	<b>7,299,058</b>	<b>182,476</b>	<b>48,952</b>	<b>7,530,486</b>
<b>2025</b>	<b>10.78</b>	<b>7,063,470</b>	<b>176,587</b>	<b>59,001</b>	<b>7,299,058</b>
<b>2024</b>	<b>11.23</b>	<b>6,853,779</b>	<b>171,344</b>	<b>38,347</b>	<b>7,063,470</b>
<b>2023</b>	<b>11.99</b>	<b>6,629,489</b>	<b>165,737</b>	<b>58,553</b>	<b>6,853,779</b>
<b>2022</b>	<b>13.23</b>	<b>6,413,228</b>	<b>160,331</b>	<b>55,930</b>	<b>6,629,489</b>
<b>2021</b>	<b>14.03</b>	<b>6,218,609</b>	<b>155,465</b>	<b>39,154</b>	<b>6,413,228</b>

# WHAT IS A PROPOSITION 2 ½ OVERRIDE?

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- An override is when a town needs to collect more money than Proposition 2½ normally allows. It is a permanent increase to the base levy. Here's how it works:
  - The Town identifies a funding need
  - The Voters decide through a Ballot Vote and a Town Meeting Vote.
  - A majority vote = approval (must be approved at both)

It's basically the town asking to collect more tax money to pay for important services, and the community deciding together.

# WHAT IS BEING PROPOSED?

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- Two Proposition 2½ Override questions are on the ballot, to close the town's operating budget gap.
  - Question 1A: \$1.6M for ongoing Town Government "Level Services" budget including the proposed Quaboag Regional School District "Level Services" budget
  - Question 1B: \$1.1M for ongoing Town Government "Level Services" budget including the proposed Quaboag Regional School District "Reduced" budget

# WHY NOW?

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There is a significant structural gap between recurring revenues and recurring expenses. Simply put, the money received does not keep up with rising costs.

Major drivers:

- Labor and benefits
- Energy and infrastructure
- Unfunded mandates
- Education and transportation
- Decreased Unrestricted General Government Aid (**Currently at the rate of FY2008 levels without adjusting for inflation**)

*Like many households, expenses are rising faster than the income.*



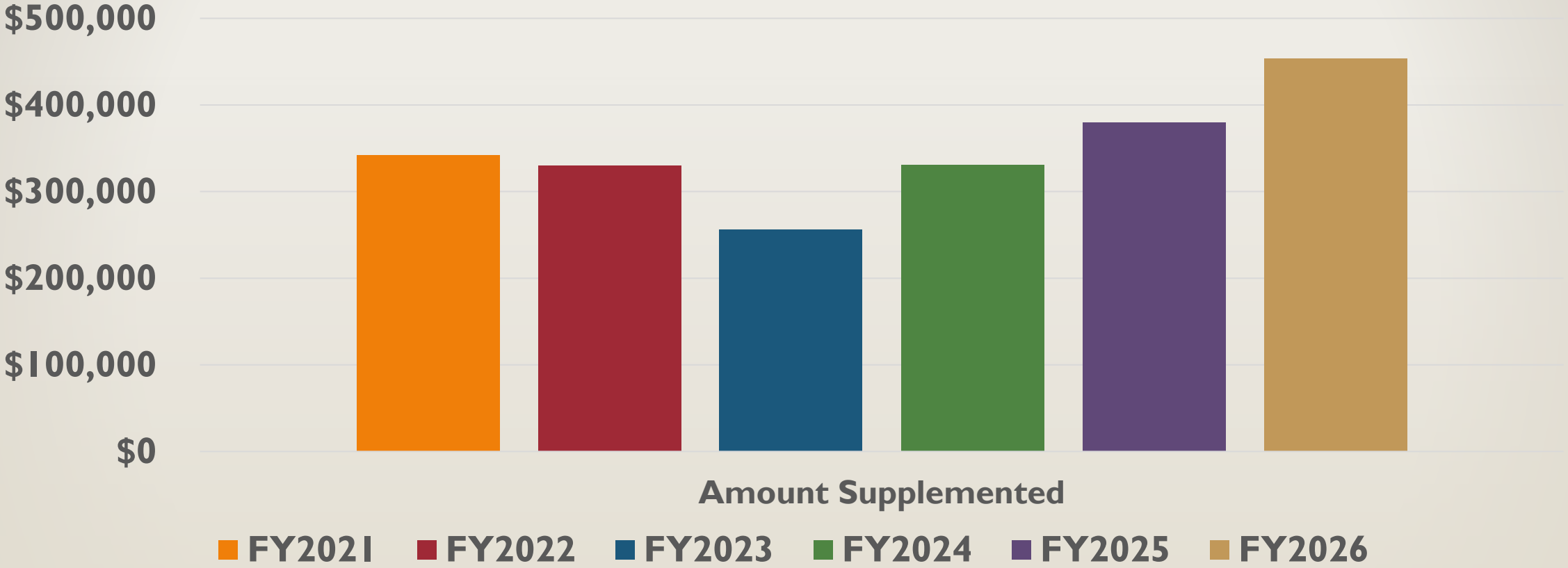
# ONE-TIME REVENUES (FREE CASH)

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- The Town has been using free cash to plug the gap for multiple years, including over \$400,000 last year, which is not sustainable.
- Relying on it or other “one-time” revenue to balance the operating budget hides a built-in hole that eventually leads to bigger problems with cuts to services and depleted reserves.
- Free Cash is like last year’s leftover money, not this year’s paycheck.

***This is exactly the situation the town is in that answers the question...Why now?***

# One-Time Revenues Used to Supplement the Town's Budgets FY2021-FY2026



# HISTORY OF FREE CASH USAGE TO SUPPLEMENT THE OPERATING BUDGET

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<b>FISCAL YEAR</b>	<b>USED TO SUPPLEMENT BUDGET</b>
<b>FY2021</b>	<b>\$342,464</b>
<b>FY2022</b>	<b>\$329,939</b>
<b>FY2023</b>	<b>\$256,184</b>
<b>FY2024</b>	<b>\$331,076</b>
<b>FY2025</b>	<b>\$380,164</b>
<b>FY2026</b>	<b>\$405,616</b>

**Total = \$2,045,443**

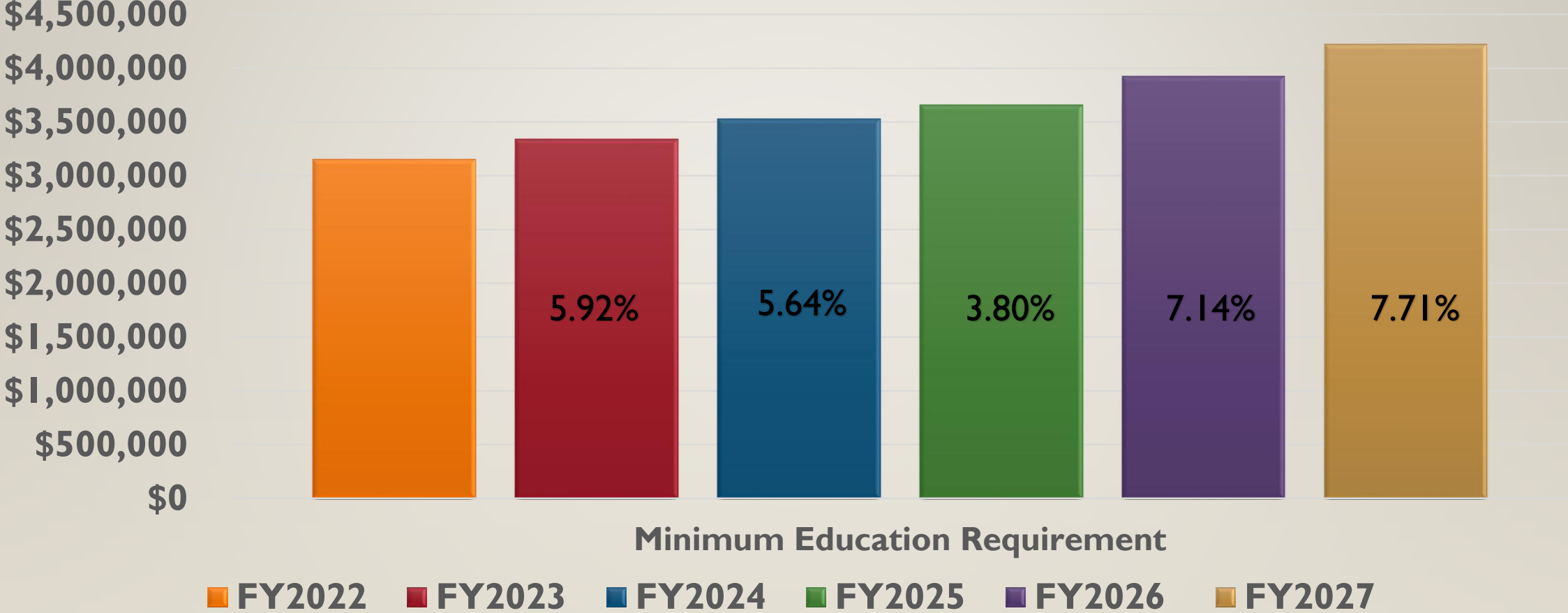
# UNCONTROLLABLE COSTS (INSURANCES , RETIREMENT)

	2027 Budget	2026 Budget	2025 Actual	2 Year Difference
Group Health and Dental Insurance	\$527,500	\$491,000	\$364,839	\$162,661
Group Life Insurance	\$550	\$500	\$448	\$102
Liability Insurance	\$183,000	\$176,055	\$170,708	\$12,292
Medicare and Unemployment	\$35,700	\$35,000	\$29,428	\$6,272
Worcester County Retirement	\$532,635	\$489,334	\$433,862	\$98,773
<b>Total</b>	<b>\$1,279,385 = 7.34% Increase</b>	<b>\$1,191,889 = 19.27% Increase</b>	<b>\$999,285</b>	<b>\$280,100 = 26.61% Increase</b>

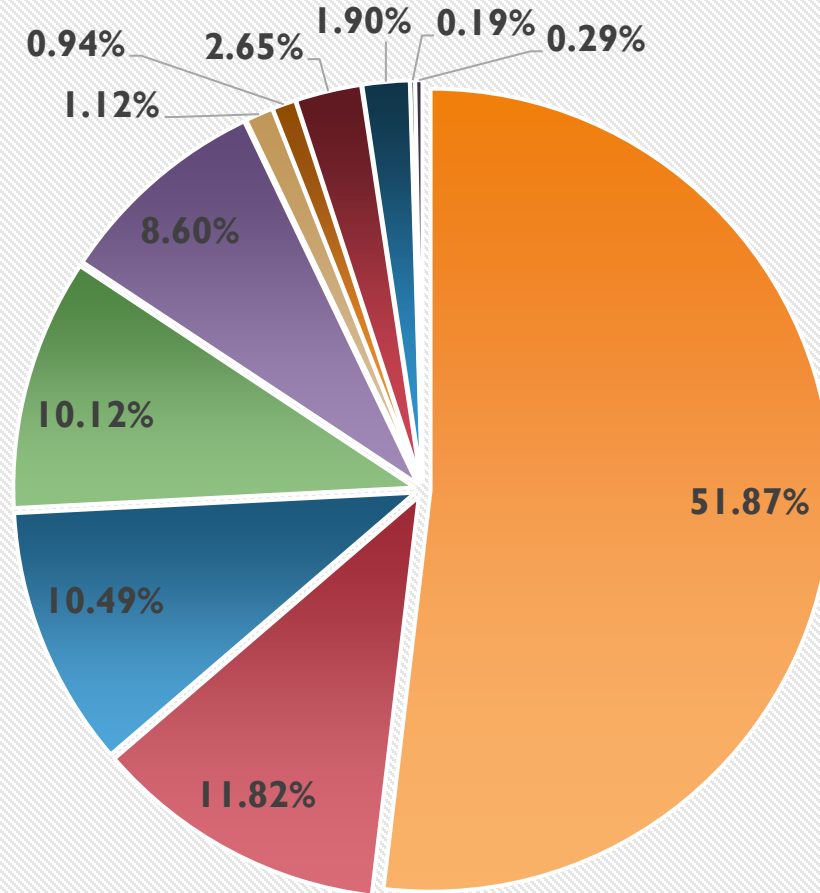
# QUABOAG REGIONAL SCHOOL BUDGET - WEST BROOKFIELD ASSESSMENT W/OUT TRANSPORTATION

West Brookfield	Minimum Education Requirement	Increase from Prior Fiscal Year Minimum	Percentage of Increase from Prior Fiscal Year Minimum	Approved School Operating Budget	Increase from Minimum to Approved Operating Budget	Total Percentage of Increase in School Operating Budget per Fiscal Year
<b>FY2022</b>	<b>\$3,150,981</b>	<b>\$185,234</b>	<b>6.25%</b>	<b>\$3,447,015</b>	<b>\$296,034.00</b>	<b>12.87%</b>
<b>FY2023</b>	<b>\$3,337,616</b>	<b>\$185,635</b>	<b>5.92%</b>	<b>\$3,689,052</b>	<b>\$351,436.00</b>	<b>10.53%</b>
<b>FY2024</b>	<b>\$3,525,821</b>	<b>\$188,205</b>	<b>5.64%</b>	<b>\$3,955,821</b>	<b>\$430,000.00</b>	<b>12.20%</b>
<b>FY2025</b>	<b>\$3,659,871</b>	<b>\$134,050</b>	<b>3.80%</b>	<b>\$4,194,205</b>	<b>\$534,334.00</b>	<b>14.59%</b>
<b>FY2026</b>	<b>\$3,921,051</b>	<b>\$261,180</b>	<b>7.13%</b>	<b>\$4,491,226</b>	<b>\$570,175.00</b>	<b>14.54%</b>
<b>FY2027 Estimate</b>	<b>\$4,223,509</b>	<b>\$302,458</b>	<b>7.71%</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>

# FY2022 - FY2027 DESE Mandatory Education Increases



# WHERE YOUR TAX DOLLARS GO



- Education
- Insurance & Retirement
- Public Safety
- General Government
- Public Works
- Council on Aging
- Inspectional Services
- Cultural & Recreation
- Debt Service
- Other Governmental
- Veterans Affairs

# WEST BROOKFIELD'S TAX RATE COMPARED TO AREA TOWNS

Municipality	Residential		Municipality	Residential
Barre	\$13.35		North Brookfield	\$11.96
Brimfield	\$13.38		Oakham	\$11.12
Brookfield	\$14.62		Palmer	\$16.66
East Brookfield	\$11.76		Petersham	\$14.24
Hardwick	\$12.74		Wales	\$14.13
Holland	\$12.20		Ware	\$14.70
Monson	\$14.30		Warren	\$14.74
New Braintree	\$14.97		<b>West Brookfield</b>	<b>\$10.75</b>

**Average Tax Rate = \$13.66**



# OVERRIDE TAX RATE IMPACT – FY2027 (BALLOT QUESTION 1A. - \$1.6 MILLION)

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\$1.6M Override Amount  
needed for the FY2027  
Town's Operating Budget  
& Quaboag Regional  
School District Option #1  
Budget (Level Services)

<b>Current Tax Rate</b>	<b>\$10.75</b>
<b>Proposed Tax Rate Impact Per \$1,000</b>	<b>\$2.26</b>
<b>Proposed New Tax Rate Per \$1,000 (Estimated New)</b>	<b>\$13.01</b>

# ESTIMATED OVERRIDE IMPACT ON 2027 TAX BILLS (BALLOT QUESTION 1A. - \$1.6 MILLION)

<b>Proposed Tax Rate Impact Per \$1,000:</b>	<b>\$2.26</b>
<b>Proposed New Tax Rate Per \$1,000 (Estimated New):</b>	<b>\$13.01</b>
<b>FY 2026 Average Single Family Assessed Value (Current):</b>	<b>\$413,594</b>
<b>FY 2026 Average Single Family Tax Bill (Current):</b>	<b>\$4,446</b>
<b>FY 2026 Average Single Family Tax Bill Impact (Estimated New):</b>	<b>\$934.72</b>

<b>Assessed Value</b>	<b>Current Estimated Tax Bill</b>	<b>Proposed Estimated Tax Bill</b>	<b>Annual Estimated Tax Bill Impact</b>
<b>250,000</b>	<b>\$2,687.50</b>	<b>\$3,252.50</b>	<b>\$565.00</b>
<b>350,000</b>	<b>\$3,762.50</b>	<b>\$4,553.50</b>	<b>\$791.00</b>
<b>450,000</b>	<b>\$4,837.50</b>	<b>\$5,854.50</b>	<b>\$1,017.00</b>
<b>550,000</b>	<b>\$5,912.50</b>	<b>\$7,155.50</b>	<b>\$1,243.00</b>
<b>650,000</b>	<b>\$6,987.50</b>	<b>\$8,456.50</b>	<b>\$1,469.00</b>

# OVERRIDE TAX IMPACT – FY2027 (BALLOT QUESTION 1B. - \$1.1 MILLION)

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\$1.1M Override Amount  
needed for the FY2027  
Town's Operating Budget  
& Quaboag Regional  
School District Option #3  
Budget

<b>Current Tax Rate</b>	<b>\$10.75</b>
<b>Proposed Tax Rate Impact Per \$1,000</b>	<b>\$1.56</b>
<b>Proposed New Tax Rate Per \$1,000 (Estimated New)</b>	<b>\$12.31</b>

# ESTIMATED OVERRIDE IMPACT ON 2027 TAX BILLS (BALLOT QUESTION 1B. - \$1.1 MILLION)

<b>Proposed Tax Rate Impact Per \$1,000:</b>	<b>\$1.56</b>
<b>Proposed New Tax Rate Per \$1,000 (Estimated New):</b>	<b>\$12.31</b>
<b>FY 2026 Average Single Family Assessed Value (Current):</b>	<b>\$413,594</b>
<b>FY 2026 Average Single Family Tax Bill (Current):</b>	<b>\$4,446</b>
<b>FY 2026 Average Single Family Tax Bill Impact (Estimated New):</b>	<b>\$645.21</b>

<b>Assessed Value</b>	<b>Current Estimated Tax Bill</b>	<b>Proposed Estimated Tax Bill</b>	<b>Annual Estimated Tax Bill Impact</b>
<b>250,000</b>	<b>\$2,687.50</b>	<b>\$3,077.50</b>	<b>\$390.00</b>
<b>350,000</b>	<b>\$3,762.50</b>	<b>\$4,308.50</b>	<b>\$546.00</b>
<b>450,000</b>	<b>\$4,837.50</b>	<b>\$5,539.50</b>	<b>\$702.00</b>
<b>550,000</b>	<b>\$5,912.50</b>	<b>\$6,770.50</b>	<b>\$858.00</b>
<b>650,000</b>	<b>\$6,987.50</b>	<b>\$8,001.50</b>	<b>\$1,014.00</b>

# WHAT THE \$1.6M OVERRIDE DOES/DOES NOT DO

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- Maintains current Town services, programs, and current staffing levels
- Provides Quaboag Regional School District with the additional funding of \$952,525 over FY2026 approved school budget that will allow operating at Level Services
- The financial projections at the current rate, will cause the Town to need additional overrides for years to come. This is not a longtime fix.
- It does not promise to keep the West Brookfield Elementary School open
- It does not include the town's share of an estimated \$1M for the elementary school doors and windows project
- It does not reflect the district member Town of Warren's ability or desire to contribute the amount of \$1.2M+ for the "Level Service, Option #1" of the Quaboag Regional School District's Budget Presentation

# WHAT THE \$1.1M OVERRIDE DOES/DOES NOT DO

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- Maintains current Town services, programs, and current staffing levels
- Provides Quaboag Regional School District with the additional funding of \$349,507 over the FY2027 required minimum contribution mandated by the State.
- Provides reduced funding to meet Option #3 as described in Quaboag Regional School District Budget Presentation that details the closure of the WBES.
- Provides no additional purchases, services, programs or staff paid for by the Town

# WHAT IF NEITHER OVERRIDE PASSES?

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Without an override, the Town will implement a “Reduced Budget”, requiring major departmental cuts to stay within the levy limit and present a legally required balanced budget at Town Meeting.

The effects of the reduced budget in our situation is going to have serious impacts. The budget can not be reduced straight across every line item because as we discussed earlier in this presentation, some line items we can not control.

# WHAT WILL A “REDUCED” BUDGET LOOK LIKE?

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- All departments affected
- Expect reduced services
- Some programs cut or paused
- Lowering staffing levels/operational hours
- Delayed maintenance and repairs
- Longer response or processing times for services
- Reduced investments in technology or equipment
- Increased wait times (permits, inspections, approvals)
- Limited capacity for long-term planning or improvements
- Reduced ability to meet rising costs (utilities, fuel, contractual obligations)
- Cuts to training, support resources and professional development

# SHORT & LONG-TERM FINANCIAL PLANNING (CONTINUED)

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We are committed to working hard on turning the financial situation around. Below are examples of short and long-term financial plans:

- Keeping a budget freeze in place and establish purchasing approval process for larger purchases
- Increase purchase power by Inter-government and Inter-municipal purchasing
- Continuously separating the wants from needs
- Investigate and Pursue Regionalization/Shared Services with area communities
- Financial Policies (i.e.: Free Cash, Procurement, Grants, etc.)

# SHORT & LONG-TERM FINANCIAL PLANNING (CONTINUED)

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- Establish and Implement an Economic Development Plan
- Become part of CEDS Plan, partnering with area communities and the Chamber of Commerce
- Short-Term Rentals – Local Excise Tax Option (Establish & Accept Bylaw)
- Process of approval for additional staffing, programs, operations requested
- Continue seeking Grants, and establish a process requiring review and approval prior to applying
- Finalize Solar Payment in Lieu of Taxes Agreements (PILOT)

# THANK YOU FOR YOUR TIME AND ATTENTION

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We know this is a difficult decision, and we respect the many perspectives within the community. Again, our goal is to provide clear, straightforward information so you can decide what's best for your town.

## **Upcoming Forums**

April 13, 6:30 PM — Senior Center

April 27, 6:30 PM — Elementary School

# LET'S MAKE THE MOST OF OUR Q&A TOGETHER

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- Be brief with the question so we hear from many voices.
- One question per turn; you can re-queue for follow-ups.
- Respectful tone; we welcome disagreement, but let's avoid personal remarks
- Questions first but we certainly welcome your comments & ideas
- If we don't have an answer tonight, we'll post it on the website and cover it at the April 13 and April 27 forums and we'll do the same for questions you may have after the forum is over. Just email the question to [bos@wbrookfield.com](mailto:bos@wbrookfield.com).
- You can go to the Town Administrator's page for all updates as well as other related information and links