



Town of Princeton

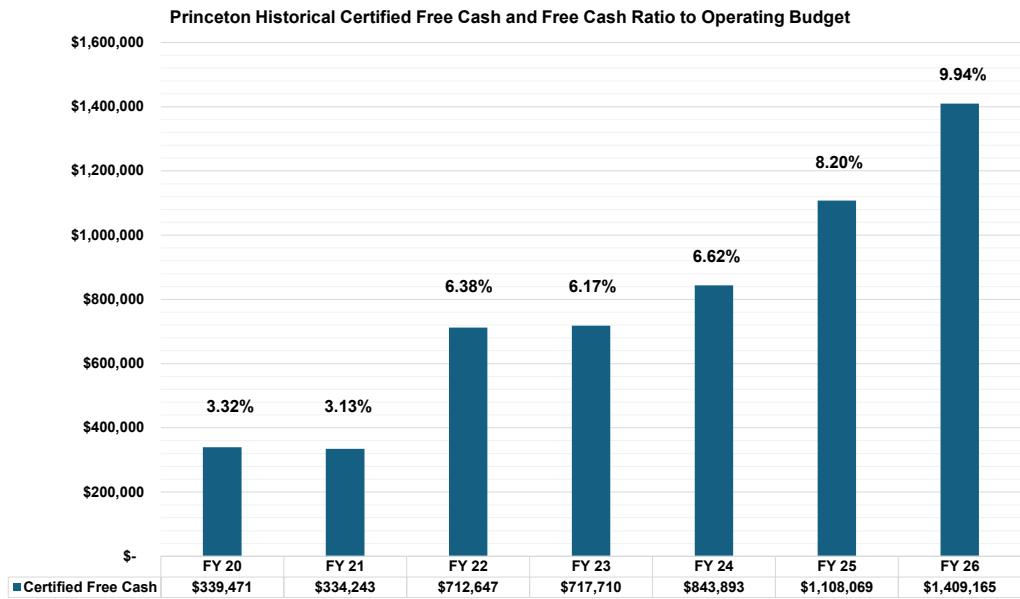
Free Cash and Capital Review

November 16, 2025 6:30 PM

Town Hall Annex and Virtual

Agenda





Free cash has increased from 3.32% in FY 20 to 9.94% in FY26. DOR recommends that communities strive to generate free cash equal to 5-7% of their annual budget. The town's financial policy is to generate 3-6%. Over the last two years, we have exceeded both thresholds; however, our strong financial management is critical as we look to long-term borrowing.

Free Cash Major Impacts

- FY 25 Expenditure vs. Actual surplus of \$ 578,513.37
 - \$ 161,071.32 of surplus was encumbered and spent in FY 26 for projects that were in process but not complete at the close of FY 25.

DEPARTMENT	ENDING BALANCE	EXPLANATION
HIGHWAY	\$ 165,715.35	ENCUMBERED FUNDS TO COMPLETE ROAD PROJECT
ENVIRONMENTAL	\$ 136,002.52	RECEIVED \$40,000 EARMARK, TESTING REQUIREMENTS WERE REDUCED
POLICE	\$ 79,304.55	STAFFING CHANGES
HEALTH INSURANCE	\$ 60,074.15	GROUP MIX OF FAMILY VERSUS INDIVIDUAL CHANGED
AMBULANCE	\$ 34,741.73	TROUBLE FILLING NIGHT AND WEEKEND SHIFTS
WACHUSSETT SCHOOL	\$ 31,464.00	BUDGET AMMENDED AFTER TOWN MEETING
RESERVE	\$ 29,429.34	
VETERANS	\$ 21,432.53	
ALL OTHERS	\$ 20,349.20	

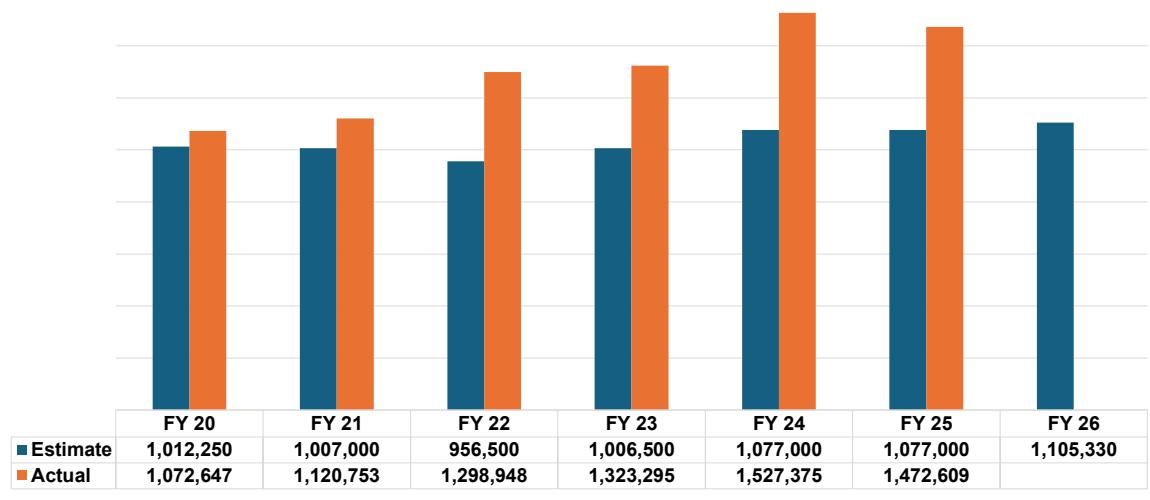
Free cash is not a simple calculation. Many factors increase and decrease our free cash. The following are a few of the larger drivers of free cash calculation for FY 25.

Free Cash Major Impacts Continued

- FY 25 Estimated Local Receipt Revenue estimated vs. Actual Surplus of \$ 395,619
 - We have slightly increased our estimates for FY 26 and will continue to increase annually based on 5-year averages
- FY 25 Tax Liens collected \$ 193,744.16
- FY 25 Tax Taking removed \$ 219,802.79 off receivables which increases our undesignated fund balance or “Free Cash”

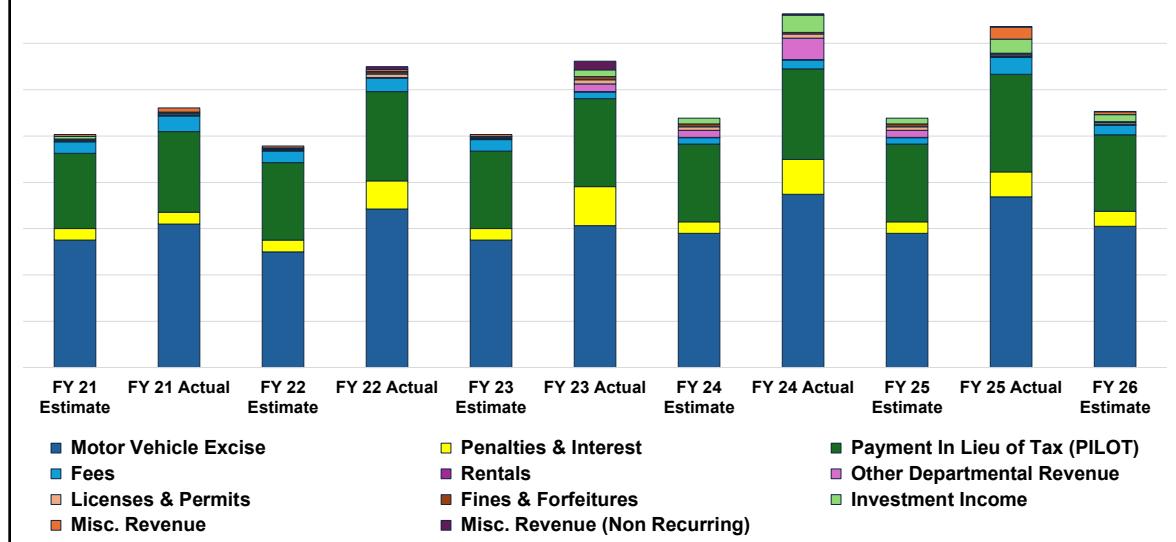


Local Receipts Estimate vs Actual



The town's financial policy states that local receipts should be estimated at no more than 85% of the prior year's actuals. We chose to stay conservative with our increase for FY 26, setting it at 75% of last year's actuals. We will continue to increase estimates over the next 5 years in line with the town's financial policy and actual receipts.

Local Receipts Estimates vs Actuals by Category



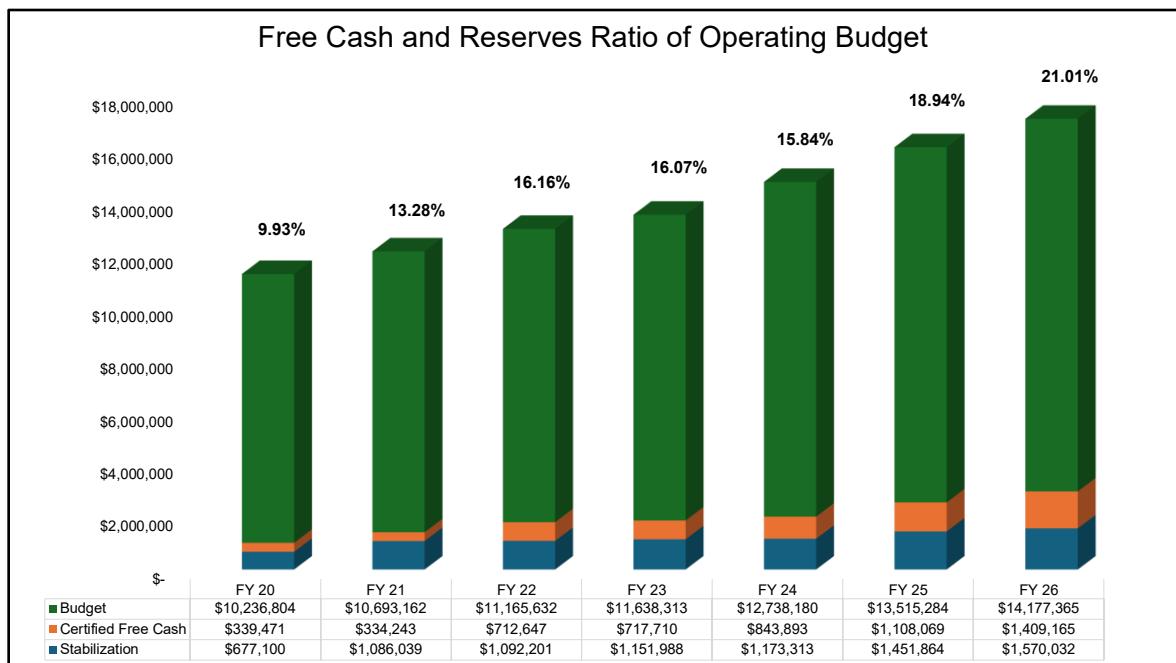
We will be reviewing and adjusting four major categories in local receipts over the next 5 years to align with averages.

Motor Vehicle Excise- Price inflation of vehicles.

Penalties and Interest- Tax Collector issuing demands on timely basis.

Payment in Lieu of Tax- Gradual increase over last 5 years.

Investment Income- Treasurer keeping funds in higher yielding accounts.



This chart depicts Free Cash and Reserves as a percentage of the town's operating budget. This percentage ratio is critical as we prepare for a potential long-term borrowing for a public safety building. The state average reserve ratio is between 8% and 15%. Tier one on the S&P Scale is greater than 15%. Our most recent bonding rating review stated the town could see a decrease if our ratio dropped below 20% and an increase if we continue with strong financial management. The town's current bond rating is Aa3

FY 26 and Prior Capital Project Update

Project	Status
Ambulance ATM FY 24	In-Progress, on order, anticipated delivery 1 st quarter 2026
FY 25 Thomas Prince PA System	Complete
FY 25 Police-Replace 2019B SUV	Complete
FY 26 Highway Excavator	Complete
FY 26 Highway Catch Basin Truck Build	Not started, spring project
FY 26 Highway All Season Body Replacement	In Progress, on order anticipated delivery December/January
FY 26 Police Cruiser	In Progress, vehicle in production
FY 26 Thomas Prince Univents Phase I	In Progress, contract awarded
FY 26 Library Furnace Replacement	In Progress, received META grant for evaluation of current system to convert to more energy efficient system that could be funded potentially with Green Communities grant
FY 26 Highway Building Assessment	In Progress, contract awarded to McCarty Engineering
FY 26 Lucas Purchase	In progress, ordered
FY 26 Town Campus Resurface and Walkway	Applied for ADA grant for walkways, awards announced in January. Anticipated spring project.

FY 27 Capital Process

- **July 9, 2025, Capital requests memo sent to department heads**
- **August 25, 2025, Capital requests due**
- **September and October, individual meetings with department heads to review capital requests and 10-year capital plan updates**

FY 26 Available Revenue Sources

Funding Source	Amount
Free Cash	\$ 1,409,165.00
Emergency Repair Town Buildings	\$ 77,127.28
Sale of Town Owned Land	\$ 337,850.13
Town Hall Annex Repair	\$ 44,629.60
Public Safety Building ATM 18	\$ 306,015.35
Infrastructure Stabilization	\$ 657,483.42
Stabilization	\$ 912,548.32
Septic Stabilization Thomas Prince School	\$ 18,062.05
Total	\$ 3,762,881.15

Project Title: Enclosed Landscape Trailer								
Department: Highway	Category: Equipment							
Description and Justification: Replacement of a 1980 homemade open landscape trailer. The current trailer has received many repairs over the last 45 years and has outlived its useful life span. The new trailer is an enclosed trailer for mowing equipment which will prolong the life of our equipment and help with storage and security. The useful life of the new trailer is 15-20 years, depending on use.								
								
RECOMMENDED FINANCING								
	Source of Funds	Total Six-Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	15,000	15,000					
G. Contingency								
H. Other								
TOTAL		\$15,000	\$15,000					
Source of Funds Legend								
(1) Operating Revenues		(3) State Aid		(5) Revolving Fund Fees		(7) Water Enterprise Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Other Enterprise Fees		

Project Title: Lawn Mower								
Department: Highway	Category: Equipment							
Description and Justification:		<p>Replacement of a 2008 John Deere 997 lawn mower. This machine is used almost daily and cuts roughly 26 acres of grass. The machine is 17 years old, has been repaired multiple times, and has lived beyond its useful life. The useful life of a new machine is approximately 15-20 years.</p> 						
RECOMMENDED FINANCING								
	Source of Funds	Total Six-Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	40,500	40,500					
G. Contingency								
H. Other								
TOTAL		\$40,500	\$40,500					
Source of Funds Legend								
(1) Operating Revenues		(3) State Aid		(5) Revolving Fund Fees		(7) Water Enterprise Fees		
(2) Municipal GO Bonds		(4) Trust Funds		(6) Free Cash / Other		(8) Other Enterprise Fees		

Project Title: Cold Storage and Salt Shed Repairs								
Department: Buildings		Category: Construction						
Description and Justification:								
RECOMMENDED FINANCING								
	Source of Funds	Total Six-Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction	6	100,000	100,000					
E. Furnishings/Equipment								
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$100,000	\$100,000					
Source of Funds Legend								
(1) Operating Revenues		(3) State Aid	(5) Revolving Fund Fees	(7) Water Enterprise Fees				
(2) Municipal GO Bonds		(4) Trust Funds	(6) Free Cash / Other	(8) Other Enterprise Fees				

Project Title: Univent-Phase 2																																																																																														
Department: Thomas Prince School		Category: Equipment																																																																																												
<p>Description and Justification:</p> <p>Replace remaining units from the 1962 build and 1992 expansion. Current units are pneumatically driven, and the tube system is tired and impossible to calibrate (leaks). We can no longer find stock parts such as coils, etc., and have had to have them custom fabricated at a high cost and with long wait times. The new univent system would be digital and connect to the Digital Head End Controls installed in the boiler room to complete the package. This would give us updated functions with offsite monitoring in case of a system failure and allow us to operate the equipment remotely. We would have much more control over room settings and also see fuel savings. We recently performed a similar project in another WRSD school.</p>																																																																																														
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<p>Project Title: Bi-Directional Amplifier</p> <p>Department: Thomas Prince School Category: Equipment</p> <p><u>Description and Justification:</u> Waiting for capital forms. Place Holder.</p>								
RECOMMENDED FINANCING								
	Source of Funds	Total Six-Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment	6	90,000	90,000					
F. Departmental Equipment								
G. Contingency								
H. Other								
TOTAL		\$90,000	\$90,000					
<u>Source of Funds Legend</u>								
(1) Operating Revenues			(3) State Aid	(5) Revolving Fund Fees	(7) Water Enterprise Fees			
(2) Municipal GO Bonds			(4) Trust Funds	(6) Free Cash / Other	(8) Other Enterprise Fees			

Project Title: Portable Two Way Radio Replacement								
Department: Police			Category: Equipment					
Description and Justification:			<p>We will replace our aging two-way radios with "P25" compliant models, as the current radios were purchased in 2013 and are no longer compliant. Our plan is to replace five radios each year for the next three years. The new radios are expected to have a useful life of 10 to 12 years.</p> 					
RECOMMENDED FINANCING								
	Source of Funds	Total Six-Year Cost	Estimated Expenditures by Fiscal Year					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
A. Feasibility Study								
B. Design								
C. Land Acquisition								
D. Construction								
E. Furnishings/Equipment								
F. Departmental Equipment	6	85,569	28,523	28523	28523			
G. Contingency								
H. Other								
TOTAL		\$85,569	\$28,523	\$28,523	\$28,523			
Source of Funds Legend								
(1) Operating Revenues		(3) State Aid	(5) Revolving Fund Fees	(7) Water/Sewer Enterprise Fees				
(2) Municipal GO Bonds		(4) Trust Funds	(6) Free Cash / Other	(8) Other Enterprise Fees				

FY 27 Small Capital Requests, Operating Budget

Department	Project	Amount
Fire	Portable Radios- 2 sets per year for 4 years	\$ 12,600
Fire	Turnout Gear- 2 sets	\$ 9,560
Fire	Siren Repairs	\$ 6,000
Fire	Heating Repair Station 2 Garage	\$ 9,177

Multi-year project to replace fire department portable radios and firefighter turnout gear. Spreading the equipment across several years reduces the town's financial burden while allowing the equipment to stay on a regular replacement schedule. Repair to emergency sirens system in town. Repair to heating in garage bay at fire station 2.

5 Year Capital Plan FY27-FY31

Department	Project Title	FY2027	FY2028	FY2029	FY2030	FY2031
Fire	Engine 1 Tanker/Attack 1998			\$ 575,000.00		
Fire	Forestry 4/ Forestry Truck 1974		\$ 350,000.00			
Fire	Rescue 1991					\$ 650,000.00
Fire	Service 1 Utility Truck 2015				\$ 65,000.00	
Highway	6 Wheel Dump Truck			\$ 250,000.00		
Highway	Replace 2004 Elgin Sweeper					\$ 250,000.00
Highway	Landscape Trailer	\$ 15,000.00				
Highway	Lawnmower	\$ 40,500.00				
Police Department	Police Vehicle		\$ 83,926.48	\$ 89,885.26		\$ 89,885.26
Police Department	Two Way Radios	\$ 28,523.00	\$ 28,523.00	\$ 28,523.00		
School	Install Sprinkler System		\$ 1,000,000.00			
School	Replace rooftop units		\$ 150,000.00			
School	Bi-directional amplifier	\$ 90,000.00				
School	Replace classroom univents	\$ 200,000.00				
Building	Salt Shed and Cold Storage Repairs	\$ 100,000.00				
Building	Public Safety Facility	\$ 8,750,000.00	\$ 8,750,000.00			

Current and Proposed Debt Schedule

FY 2027-FY 2031



Town of Princeton						
Existing and Proposed Debt		FY2026 Budget	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected
General Fund Debt Service						
Fire Truck-Lease	52,527	54,525	56,599	-	-	-
Highway Salt Barn	10,000	10,000	10,000	10,000	10,000	10,000
Road Bridge Culvert	65,000	65,000	65,000	65,000	60,000	60,000
Bagg Hall	120,000	115,000	110,000	110,000	110,000	110,000
Front End Loader	22,776	23,566	24,384	25,230	-	-
Excavator Highway	50,000	38,448	40,390	42,429	44,571	
General Fund Debt Service	25,000	25,000	25,000	25,000	25,000	25,000
Highway Portion	(65,000)	(65,000)	(65,000)	(65,000)	(60,000)	(60,000)
Ambulance STM 6/23			95,208	95,208	95,208	95,208
PFAS and Clock Tower	195,000	195,000	190,000	185,000	180,000	130,000
Engine 1 Tanker					82,143	82,143
Highway 6 Wheel Dump Truck				35,714	35,714	35,714
Rescue 1991						92,857
Sweeper	-	-	-	-	-	35,714
TOTAL GF Debt Service Principal	475,302	461,539	551,581	528,581	582,636	616,636
Fire Truck-Lease	6,226	4,228	2,153	-	-	-
Highway Salt Barn	2,080	1,880	1,580	1,180	880	580
Road Bridge Culvert	13,024	11,724	9,774	7,174	5,274	3,474
Bagg Hall	23,246	20,896	17,546	13,146	9,846	6,546
Front End Loader Highway	3,330	2,539	1,722	875		
Excavator Highway		8,374	6,432	4,393	2,251	
Highway Portion	(13,024)	(11,724)	(9,774)	(7,174)	(5,274)	(3,474)
PFAS and Clock Tower	51,958	44,000	34,250	24,750	15,500	6,500
Engine 1 Tanker					23,000	19,714
Highway 6 Wheel Dump Truck				10,000	8,571	7,143
Rescue 1991	-	-	-	-	-	35,750
Sweeper	-	-	-	-	-	13,750
Total GF Debt Service Interest	86,840	81,917	63,683	54,344	60,048	89,983
Total GF Debt Service	562,142	543,456	615,264	582,925	642,684	706,619

Town of Princeton						
Existing and Proposed Debt						
	FY2026 Budget	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
General Fund Excluded Debt Service						
BroadBand Make Ready	100,000	100,000	-	-	-	-
Public Safety Trench 1 8.75m @ 4.5% 28 year term	-	-	-	165,000	170,000	175,000
Public Safety Trench 2 8.75m @ 4.5% 28 year term	-	-	-	-	165,000	170,000
Total Excluded Principal	100,000	100,000	-	165,000	335,000	345,000
BroadBand Make Ready	6,300	3,200	-	-	-	-
Public Safety Trench 1 8.75 @ 4.5% 28 year term	-	-	-	393,750	386,325	378,675
Public Safety Trench 2 8.75m @ 4.5% 28 year term	-	-	-	-	393,750	386,325
Total Excluded Interest	6,300	3,200	-	393,750	780,075	765,000
Total General Fund Excluded Debt Service	106,300	103,200	-	558,750	1,115,075	1,110,000
Regional School Debt (Excluded)						
Wachusett HS	32,350	-	-	-	-	-
Total Regional School Debt (Excluded)	32,350	-	-	-	-	-
Short Term Excluded Debt Service						
Public Safety Building		306,250	612,500	306,250	-	-
Total Short Term Interest	-	306,250	612,500	306,250	-	-
Total Other Debt Service	-	306,250	612,500	306,250	-	-
Short Term Leases in Department Operating Budgets						
Police- Cruiser ATM 2022 & 2023	43,688	-	-	-	-	-
Police- Cruiser ATM 2024	27,195	27,195	27,195			
Police- Cruiser ATM 2025		26,990	26,990	26,990		
Police- Cruiser ATM 2027				28,350	28,350	28,350
Police- Cruiser ATM 2028					27,950	27,950
Highway- Pickup Truck 2024	28,198	28,198				
Highway- One Ton Truck	-	-	30,150	30,150	30,150	-
	-	-	-	-	-	-
Total Short Term Leases in Department Operating Budgets	99,081	82,383	84,335	85,490	86,450	56,300

Town of Princeton

Existing and Proposed Debt

	FY2026 Budget	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	FY2031 Projected
GF Debt Service	562,143	543,456	615,264	582,925	642,684	706,619
GF Gross Excluded Debt Service	106,300	103,200	-	558,750	1,115,075	1,110,000
Total GF Debt	668,443	646,656	615,264	1,141,675	1,757,759	1,816,619
Regional Excluded Debt Service	32,350	-	-	-	-	-
Short Term Excluded Debt Service	-	306,250	612,500	306,250	-	-
Total Debt	700,793	952,906	1,227,764	1,447,925	1,757,759	1,816,619

NEXT STEPS

- Review and Discussion with Selectboard and Advisory Committee
- Vote to Recommend. Free Cash, Stabilization, etc. Requires Town Meeting Vote to Appropriate