

# **FY25 Financial State of the Town**

**Town Administrator's Presentation**

**March 12, 2024**

**Denise M. Dembkoski  
Town Administrator**

## Population Overview



TOTAL POPULATION

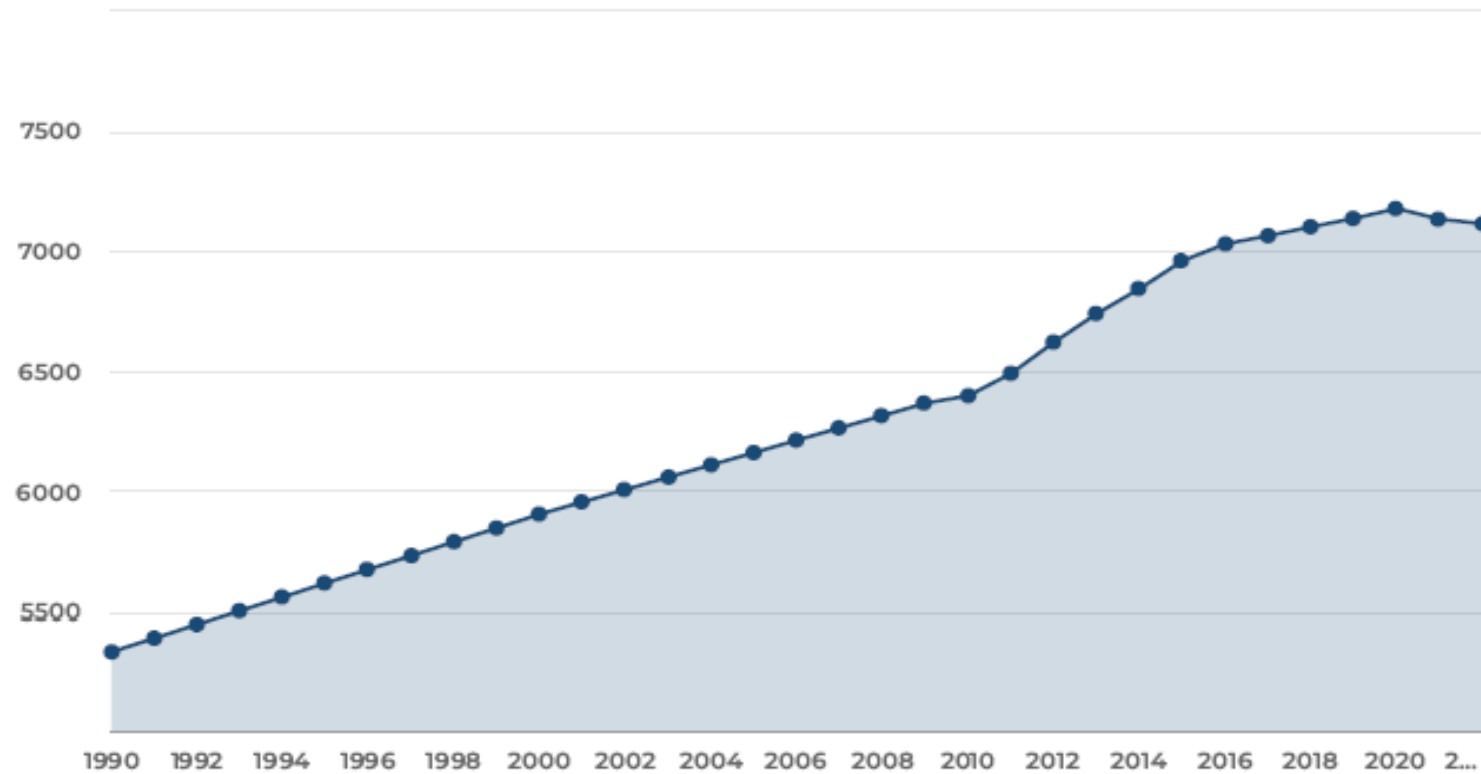
**7,111**

▼ **.3%**  
vs. 2021

GROWTH RANK

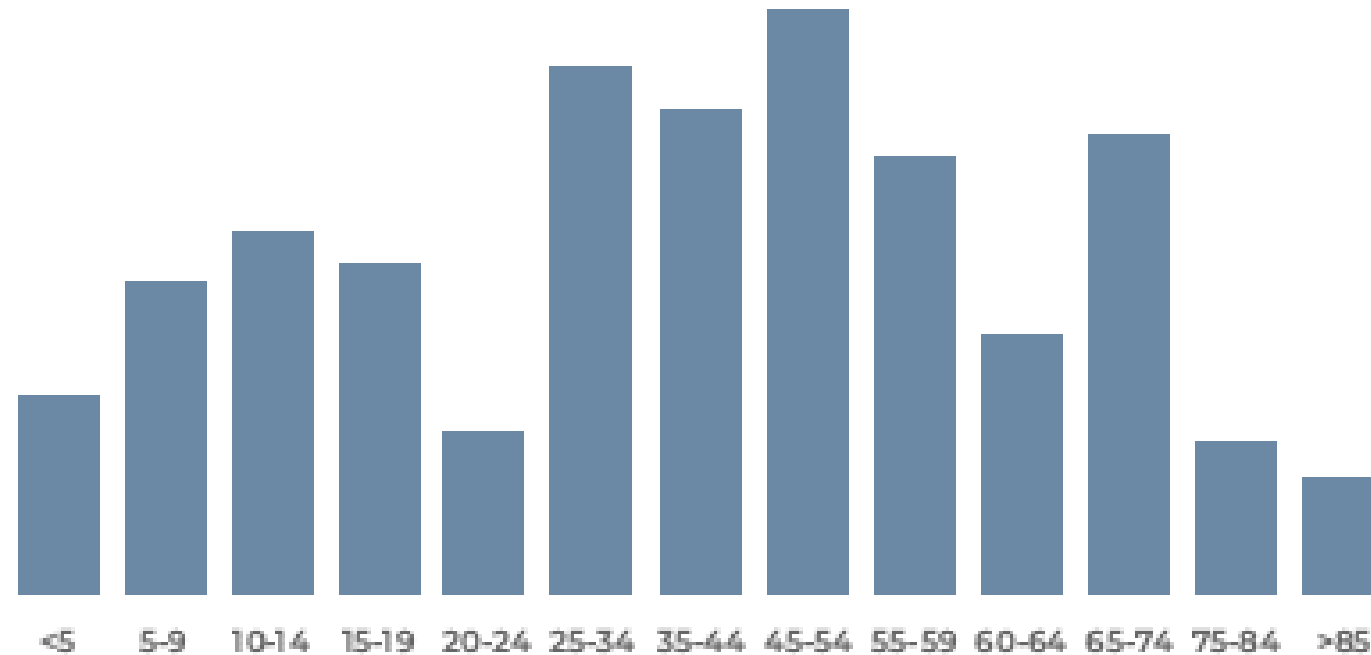
**242** out of **351**

Municipalities in Massachusetts



\* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses

## POPULATION BY AGE GROUP



*Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.*

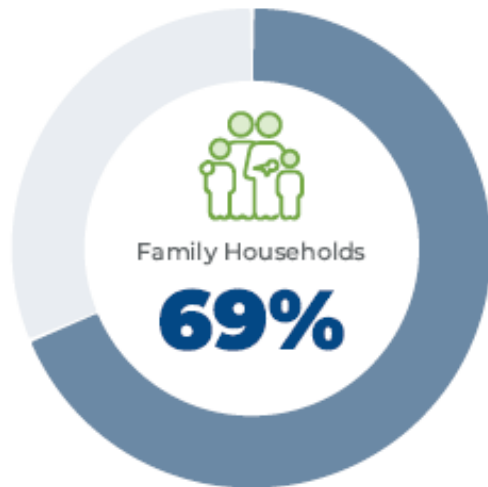
*\* Data Source: American Community Survey 5-year estimates*

## Household Analysis

TOTAL HOUSEHOLDS

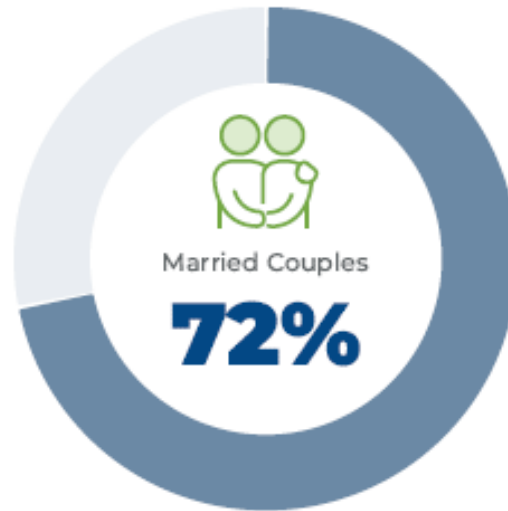
**2,613**

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



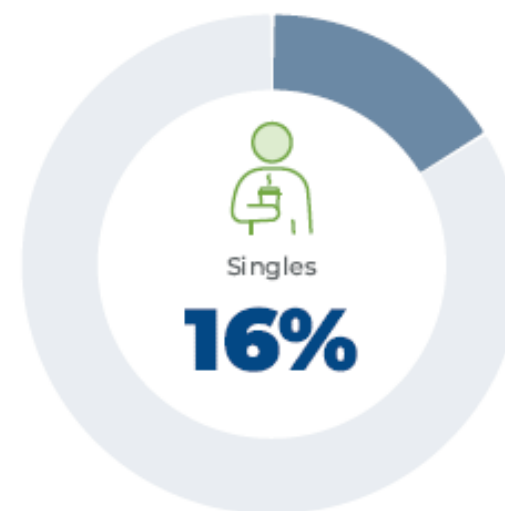
▲ 48%

higher than state average



▲ 53%

higher than state average



▼ 44%

lower than state average



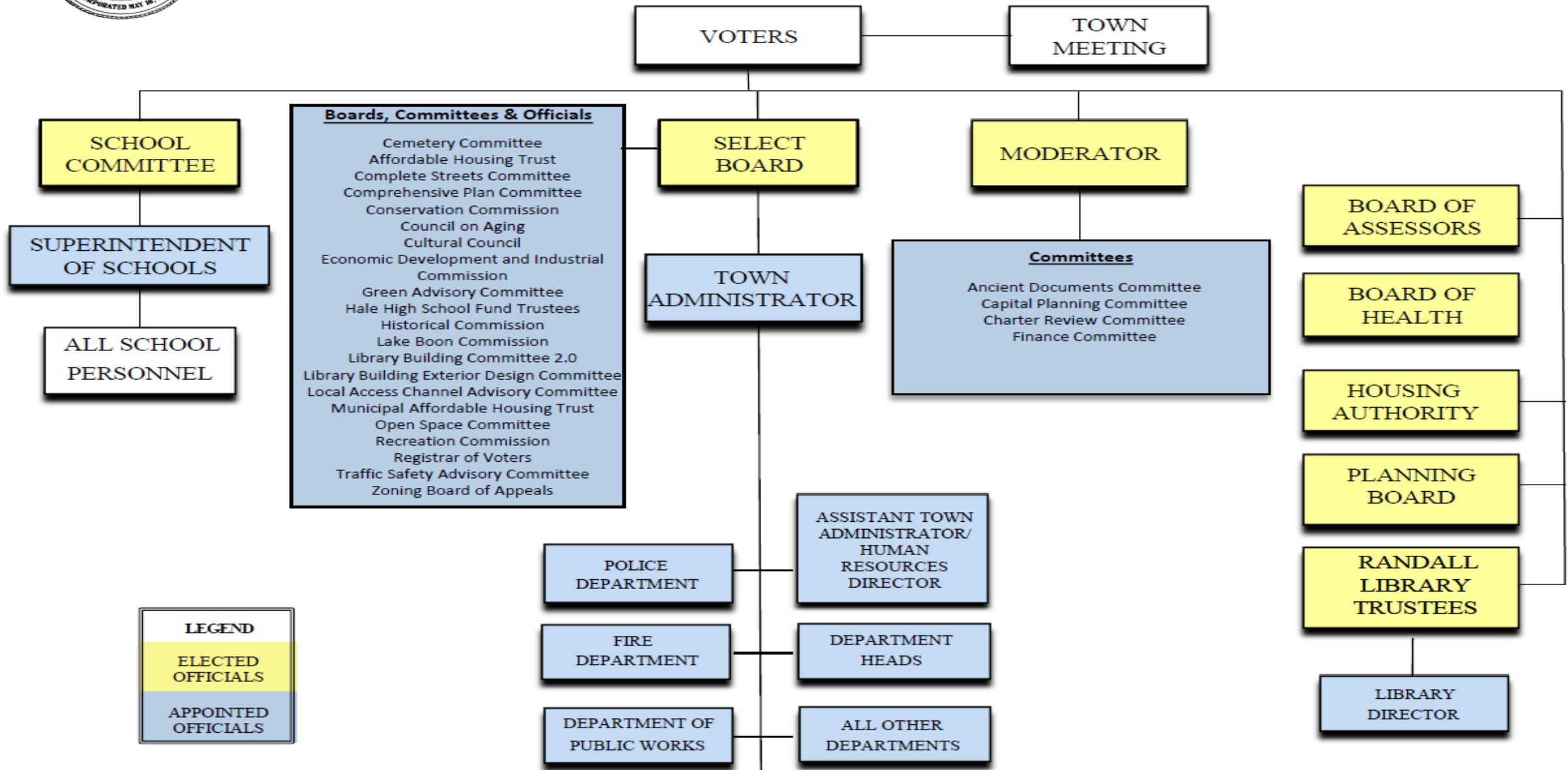
▼ 58%

lower than state average

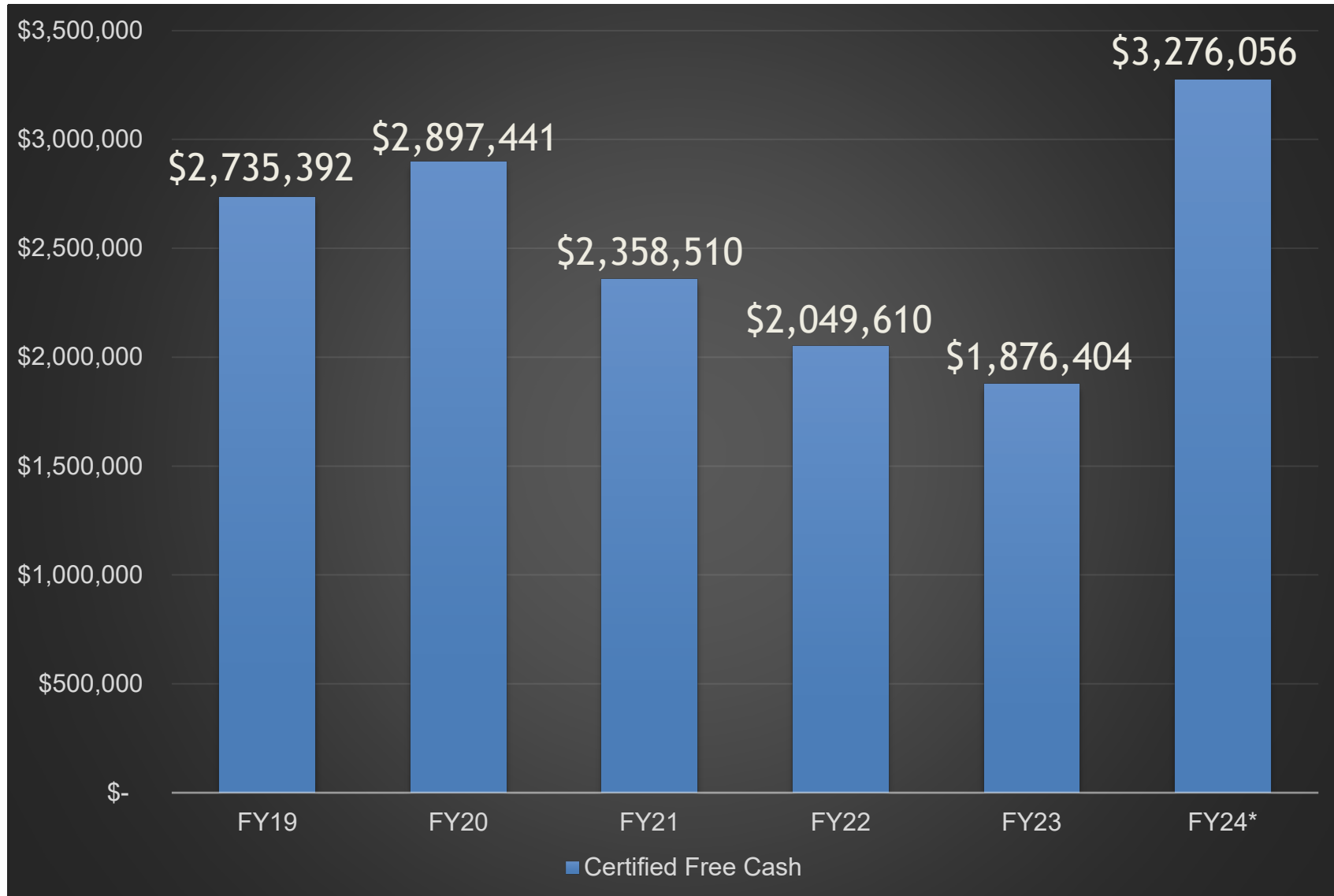
Data Source: American Community Survey 5-year estimate



# Town of Stow Organization Chart



# Certified Free Cash



The Goal is for Free Cash to be on or above 5% of the Annual Budget. For FY24 we are at 9.89%.

\* FY24 Free Cash included the \$1M Settlement for the Lower Village Lawsuit

# Stabilization Account



\* As of 12/31/2023

# Capital Stabilization Account

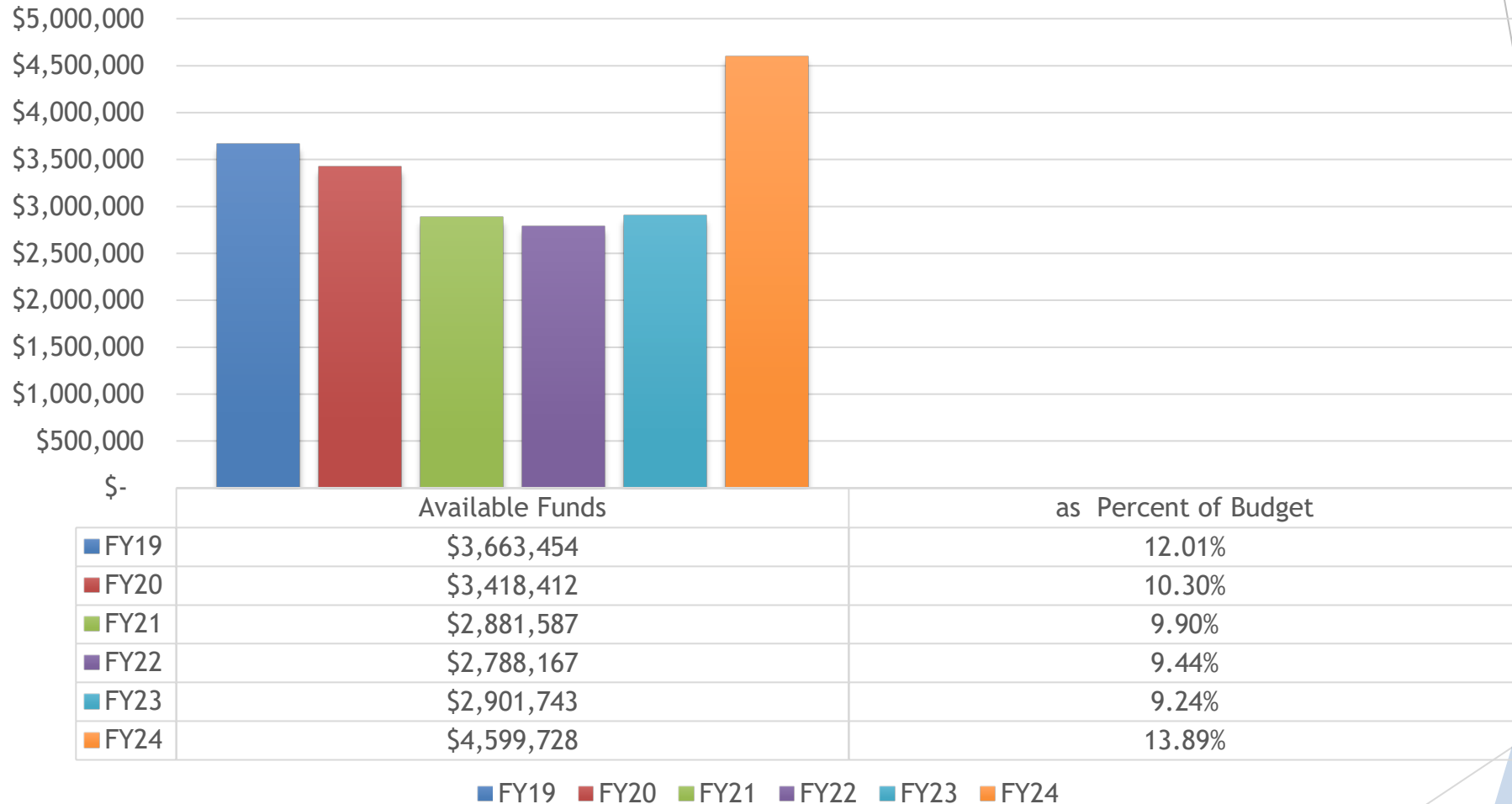


\* As of 12/31/2023

This special purpose stabilization fund shall be known as the Capital Stabilization Fund, which fund shall be used for the purpose of funding any capital-related project or the purchase or acquisition of capital equipment, or payment of debt service related thereto. Creation of the account approved at 2022 ATM.

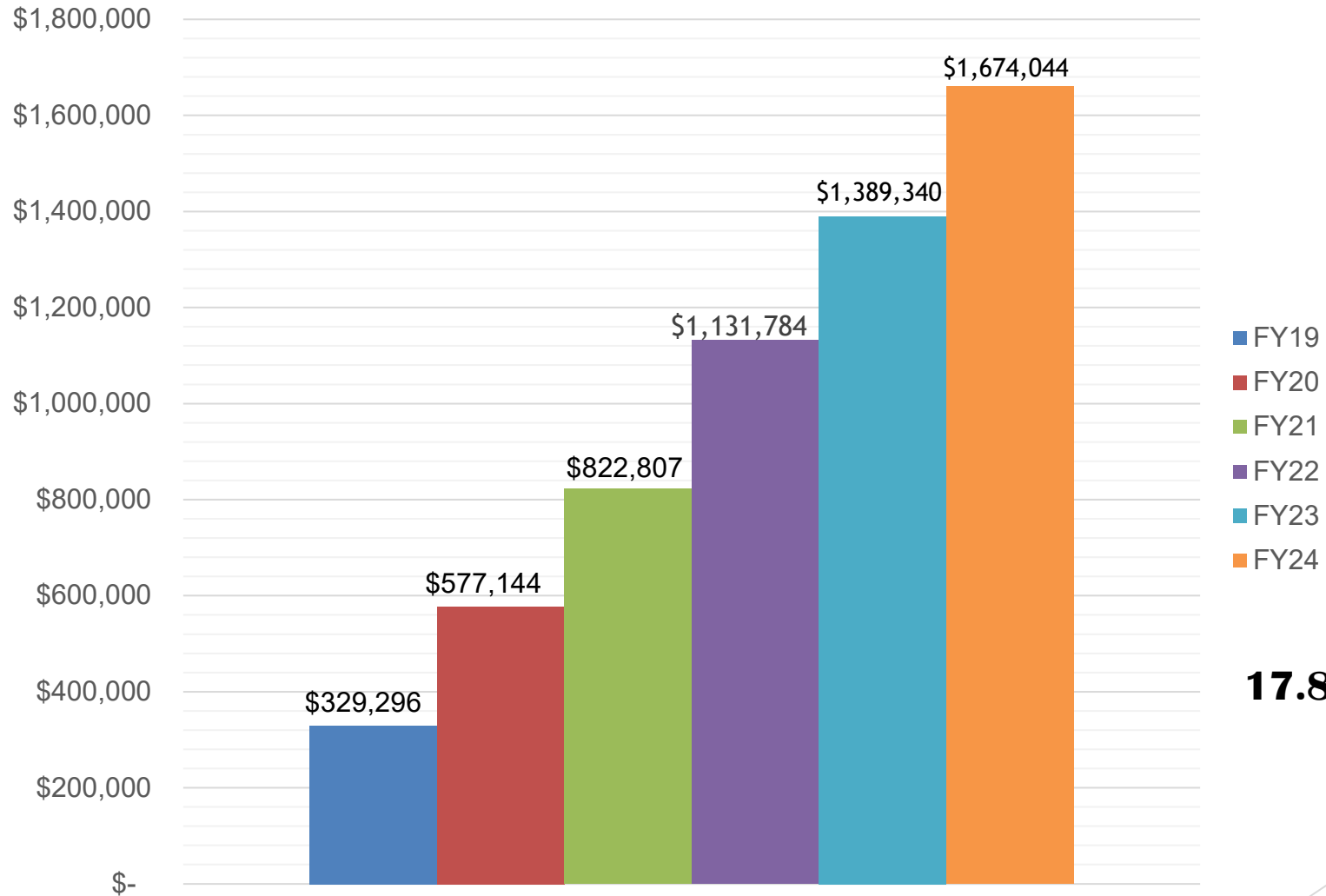


# Available Funds as a % of Budget



Our target range should be 10% - 15%

# OPEB Trust Fund



**17.88% Funded**

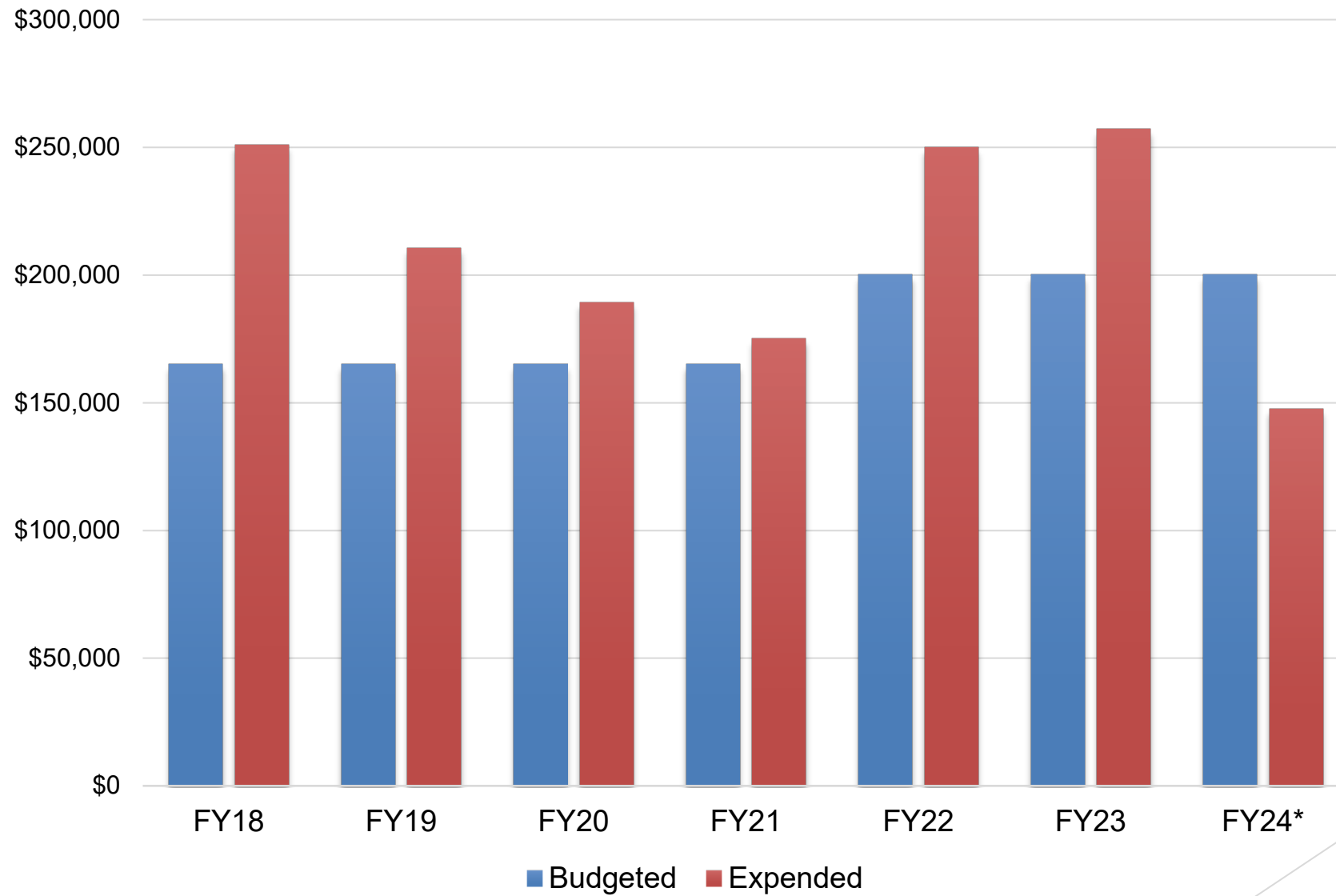
**Current OPEB Liability: \$9,287,198**  
(updated actuary as of January 2023)

# **What is OPEB?**

## **(Other Post-Employment Benefits )**

- During years of active service an accounting liability is created based on agreement to provide benefits (health, life insurance) in the future.
- OPEB is part of the compensation employees earn each year, even though those benefits are not received until after employment has ended.
- Stow contracts with an actuary every two years to calculate the future value of the benefits that are being promised

# Snow & Ice

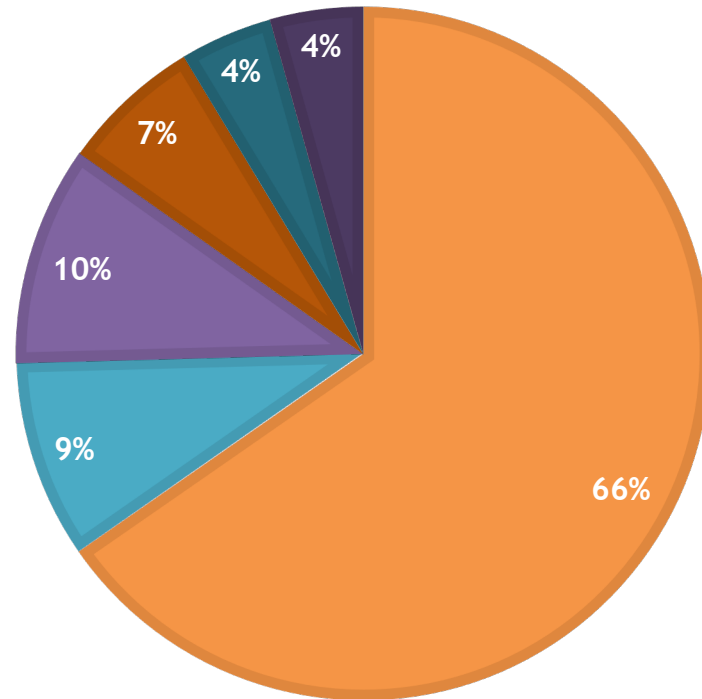


\* As of March 1, 2024

# FY24 Town Meeting Adopted Budget – \$33,111,129

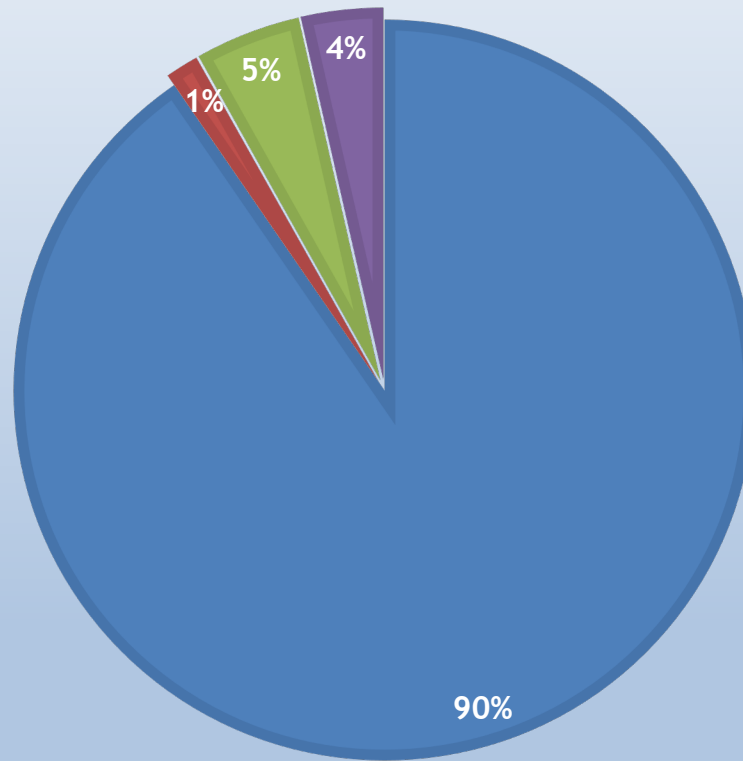
## FY24 BUDGET BREAKDOWN

Education Public Safety General Govt Debt Public Works Other

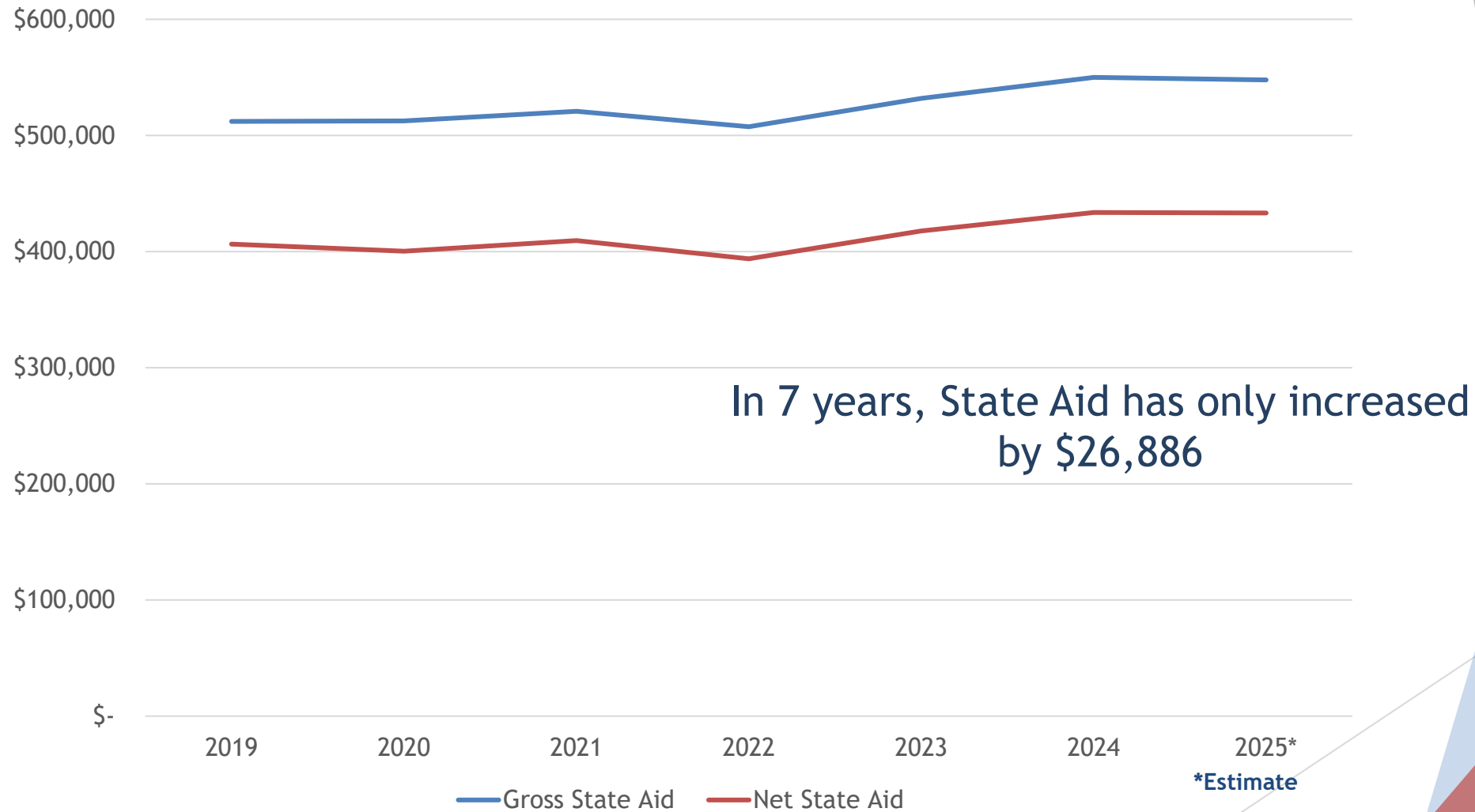


# FY24 Revenue Estimate Breakdown

■ Tax Levy ■ State Aid ■ Local Receipts ■ Other



# State Aid History:



## **FY24 Tax Information:**

Average Single Family Tax Bill: \$12,498

Average Single Family Value: \$736,500

Number of Single Family Parcels: 2,122

Tax Rate: \$16.97

## **FY25 Estimated New Growth**

**\$350,000 up from \$257,415 in FY24**



# Tax Rate History:

Fiscal Year	Rate	Increase
2024	16.97	-6.84%
2023	18.13	-7.89%
2022	19.56	-2.15%
2021	19.98	-3.15%
2020	20.61	2.33%
2019	20.13	-4.22%
2018	20.98	1.86%
2017	20.59	2.96%
2016	19.98	0.00%
2015	19.98	4.05%
2014	19.17	4.17%
2013	18.37	2.56%
2012	17.90	4.75%
2011	17.05	2.76%
2010	16.58	7.84%

**Lowest Tax  
Rate since  
2010**

DOR Code	Municipality	Fiscal Year	Single Family Values	Single Family Parcels	Average Single Family Value	Single Family Tax Bill	Single Family Tax Bill as % of Value	DOR Income Per Capita	Average Tax Bill as a % of Income	Rank
286	Stow	2015	888,431,900	2,075	428,160	8,555	2.00	54,572	15.68	34
286	Stow	2016	919,098,750	2,078	442,300	8,837	2.00	57,018	15.50	35
286	Stow	2017	934,995,100	2,081	449,301	9,251	2.06	65,981	14.02	31
286	Stow	2018	962,046,800	2,090	460,309	9,657	2.10	63,821	15.13	29
286	Stow	2019	1,013,911,100	2,097	483,506	9,733	2.01	67,147	14.50	32
286	Stow	2020	1,043,085,500	2,104	495,763	10,218	2.06	62,898	16.25	27
286	Stow	2021	1,119,236,400	2,106	531,451	10,618	2.00	66,802	15.89	27
286	Stow	2022	1,173,959,500	2,108	556,907	10,893	1.96	71,446	15.25	34
286	Stow	2023	1,355,848,600	2,116	640,760	11,617	1.81	76,710	15.14	34
286	Stow	2024	1,562,908,600	2,122	736,526	12,499	1.70	83,990	14.88	

Per Capita Income has increased by 53.9% since 2015 - Number of single family parcels has increased by 2.2% and the Value of Single Family homes has almost doubled- and the FY24 tax rate is the lowest it's been since 2010.

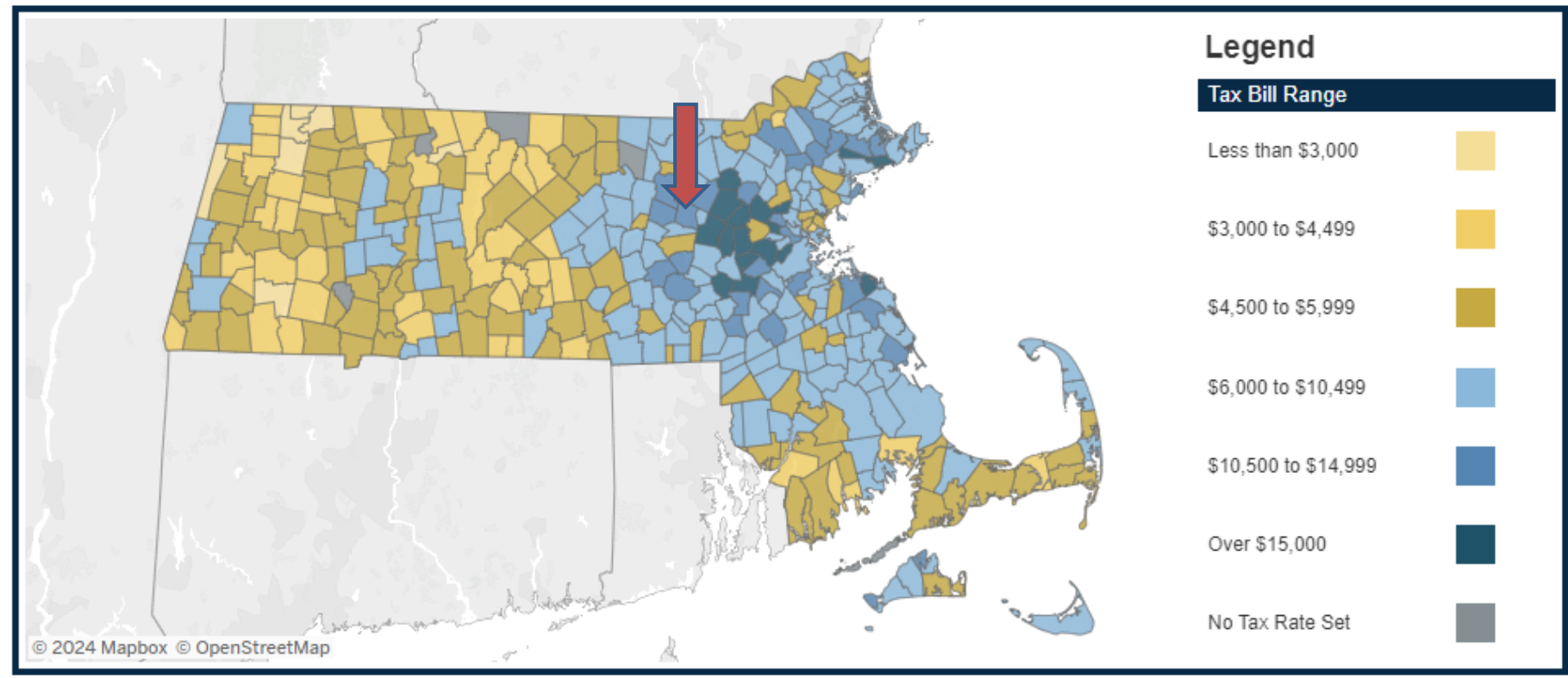
# Massachusetts FY2024 Average Single-Family Tax Bill



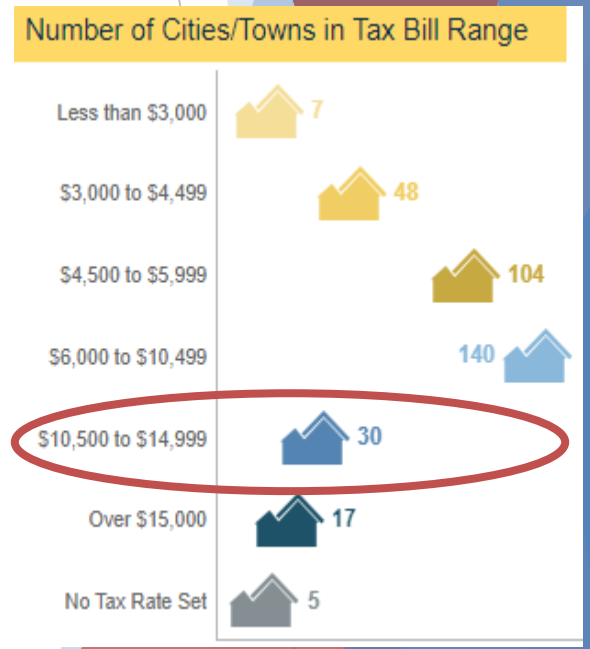
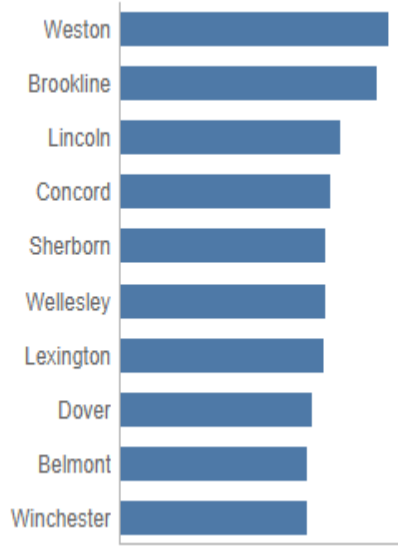
State Average Single-Family Tax Bill	State Average Single-Family Value	State Number of Single-Family Parcels	Number of Cities & Towns Included
\$7,405	\$665,993	1,434,940	346

Municipality

351 Report



the top 10 highest



# Comparison to Neighboring Towns:

## Average Single Family Tax Bill for Fiscal Year 2024

<u>Municipality</u>	<u>Single Family Parcels</u>	<u>Average Single-Family Value</u>	<u>Single Family Tax Bill</u>	<u>Rank</u>
Acton	5,020	839,346	\$13,992	20
Harvard	1,707	875,128	\$13,039	23
Bolton	1,747	795,926	\$12,942	24
Boxborough	1,218	844,900	\$12,665	28
<b>Stow</b>	<b>2,122</b>	<b>736,526</b>	<b>\$12,499</b>	<b>29</b>
Maynard	2,699	505,740	\$9,043	68

**Statewide Average Tax: \$7,406**

# Cost of Service – FY24

Average Single Family Home  
Value: \$736,500

<u>Town Service</u>	<u>Average Taxes</u>		
General Government	\$ 824.03	\$ 2,417,799.00	6.59%
Public Safety	\$ 1,042.66	\$ 3,059,292.00	8.34%
Education	\$ 7,373.25	\$ 21,634,026.00	59.00%
Public Works	\$ 486.52	\$ 1,427,497.00	3.89%
Health & Human Services	\$ 177.15	\$ 519,785.00	1.42%
Culture & Recreation	\$ 153.02	\$ 448,993.00	1.22%
Debt Service & Costs Not Excluded	\$ 740.85	\$ 2,173,737.00	5.93%
Debt Exclusions-Lower Village	\$ 26.92	\$ 78,991.00	0.22%
Debt Exclusions-Minuteman	\$ 166.22	\$ 487,708.00	1.33%
Debt Exclusion- Elementary school	\$ 230.36	\$ 675,910.00	1.84%
Debt Exclusion-NRSD	\$ 57.05	\$ 167,402.00	0.46%
Debt Exclusion- Snow	\$ 19.41	\$ 56,938.00	0.16%
Debt Exclusion - Elementary School #3	\$ 10.40	\$ 30,505.00	0.08%
Debt Exclusion - Elementary School #2	\$ 148.90	\$ 436,879.00	1.19%
Debt Exclusion - Fitzpatrick land	\$ 4.41	\$ 12,950.00	0.04%
Debt Exclusion- Fire station Comm Center Plans	\$ 7.04	\$ 20,650.00	0.06%
Debt Exclusion- Fire station Comm Center Const	\$ 162.66	\$ 477,250.00	1.30%
Debt Exclusion- Fire Pumper Truck	\$ 18.19	\$ 53,373.00	0.15%
Debt Exclusion- Town Building HVAC	\$ 24.94	\$ 73,186.00	0.20%
Gen. Expense & Employee Benefits	\$ 824.03	\$ 2,417,799.00	6.59%
Total Average Tax Bill	\$ 12,498.00		100.00%

## Cost of Service for Nashoba Regional Schools and Minuteman Vocational School:

Education	\$ 7,373.25	\$ 21,634,026.00	59.00%
Debt Exclusions-Minuteman	\$ 166.22	\$ 487,708.00	1.33%
Debt Exclusion- Elementary school	\$ 230.36	\$ 675,910.00	1.84%
Debt Exclusion-NRSD	\$ 57.05	\$ 167,402.00	0.46%
Debt Exclusion- Snow	\$ 19.41	\$ 56,938.00	0.16%
Debt Exclusion - Elementary School #3	\$ 10.40	\$ 30,505.00	0.08%
Debt Exclusion - Elementary School #2	\$ 148.90	\$ 436,879.00	1.19%
Cost Towards Education	\$ 8,005.58		64.05%

**In FY24, \$.64 cents of every tax dollar paid is for education or education related costs (ie. infrastructure) down from \$.66 cents in FY23**

# **FY25 BUDGET DRIVERS**

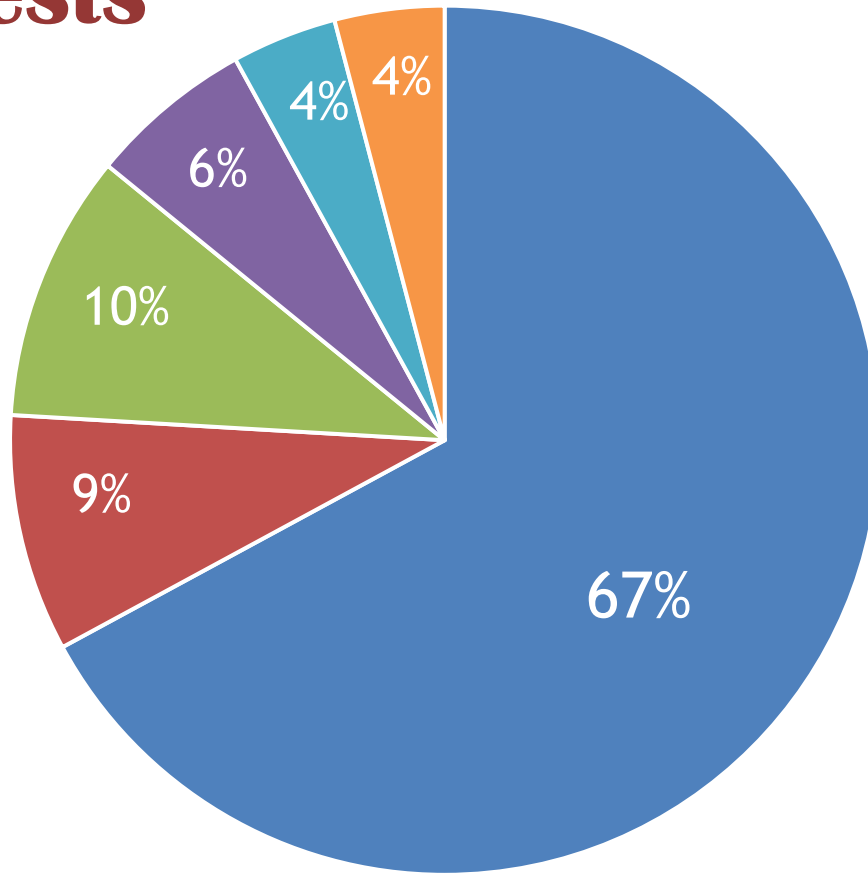
# **FY25 Department Requested Budgets – \$35,510,903\***

\* With unknowns estimated

- Up \$2.4M from FY24 Budget based on initial information
- The Education Budget Requests are estimated and the initial estimated increases from Minuteman High School and the Nashoba Regional School District makes up \$2.2M of the increase
- Based on the March 6<sup>th</sup> NRSD Budget hearing presentation, the education budgets could be at a \$1.45M increase, making the total budget increase \$1.66M or 5% over FY24
- NRSD Increase - \$1,272,154 (based on 3/6 presentation)
- Minuteman Increase - \$179,527



# FY25 Requests



■ Education ■ Public Safety ■ General Govt ■ Debt ■ Public Works ■ Other

# FY25 Capital Requests

## \$2,628,305

DEPARTMENT	TOTAL REQUEST AMOUNT
Building	\$60,000
Facilities	\$141,750
Fire	\$1,040,000
Highway	\$411,000
School	\$335,015
Planning	\$450,000
Police	\$140,500
Recreation	\$50,040

# **Health Insurance Change for FY25**

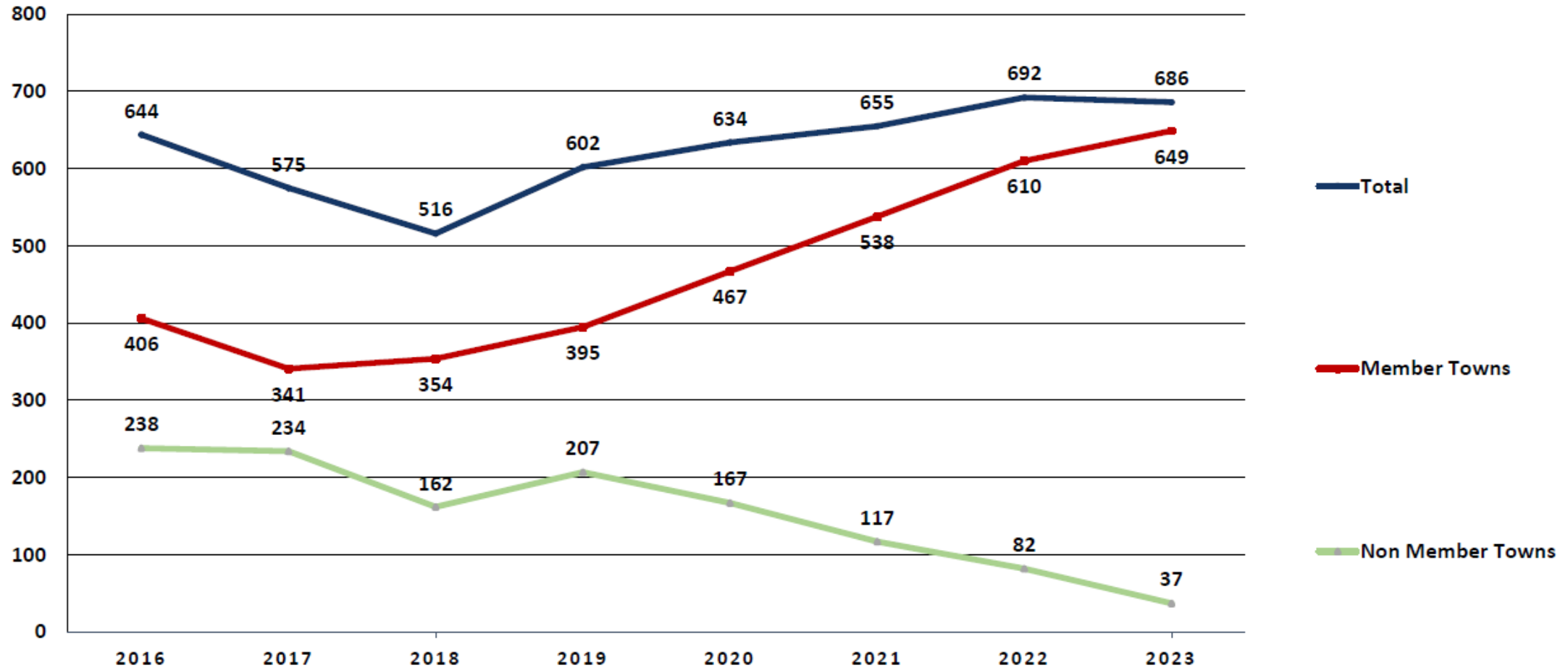
**0% Increase**

**Due to rebidding Insurance  
and joining MIIA**

**EDUCATION**

# Minuteman High School

## Overall Enrollment as of October 1



# Enrollment by Town as of October 1

	2027	2026	2025	2024	Subtotal
Acton	26	17	27	24	94
Arlington	45	61	60	49	215
Bolton	8	9	13	6	36
Concord	13	16	6	6	41
Dover	0	1	2	2	5
Lancaster	16	13	14	15	58
Lexington	27	23	15	17	82
Needham	17	11	10	8	46
Stow	22	16	19	15	72
<b>Member City/Town</b>	<b>174</b>	<b>167</b>	<b>166</b>	<b>142</b>	<b>649</b>
<b>Declarants</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>12</b>
<b>Other Non-Member</b>	<b>0</b>	<b>1</b>	<b>12</b>	<b>13</b>	<b>25</b>
<b>TOTAL STUDENTS</b>	<b>174</b>	<b>169</b>	<b>180</b>	<b>164</b>	<b>686</b>

# FY2025 Preliminary Assessments

Member Town	FY25 Preliminary Assessment	FY24 Preliminary Assessment	% Change	FY25 4 Year Rolling Average Enrollment	FY24 4 Year Rolling Average Enrollment	% Change
Acton	\$3,600,903	\$3,284,798	9.62%	78.75	65	21.2%
Arlington	\$8,562,229	\$8,932,916	-4.15%	199.25	181	10.1%
Bolton	\$1,325,147	\$1,199,459	10.48%	27.00	20.75	30.1%
Concord	\$1,732,805	\$1,641,695	5.55%	33.75	29.75	13.4%
Dover	\$269,420	\$248,626	8.36%	4.00	3.5	14.3%
Lancaster	\$2,138,738	\$2,379,621	-10.12%	55.25	54.5	1.4%
Lexington	\$3,406,394	\$3,501,977	-2.73%	74.75	69.5	7.6%
Needham	\$1,823,777	\$1,640,461	11.17%	35.75	29.75	20.2%
Stow	\$2,754,051	\$2,574,523	6.97%	59.25	50.25	17.9%
Total	\$25,689,923	\$25,481,911	0.82%	567.75	504	12.6%

# Stow: Preliminary Assessment

Minimum Required Contribution	\$ 1,253,411
Transportation Assessment	\$ 67,384
Assessment over Min. Req. Contr.	\$ 768,001
Debt and Capital Assessment	<u>\$ 150,883</u>
Sub-Total	\$ 2,221,679
Building Project – Debt Service*	<u>\$ 532,372</u>
Total Assessment	<u>\$ 2,754,051</u>

*\*Debt Service excluded from Prop 2 ½ Limitation*



While the Minuteman Assessment only increased by 0.82% over FY24 - with the addition of 7 students, our assessment increased by 7%

# Nashoba Regional School District

## Foundation Enrollment Five Year Average for Assessment

		FY25	FY24	FY23	FY22	FY21
Town:	FIVE YEAR TOTAL	1-Oct-23	1-Oct-22	1-Oct-21	1-Oct-20	1-Oct-19
Bolton:	5,105	1,006	1,011	1,030	1,054	1,004
Lancaster:	4,923	1,017	1,014	983	969	940
Stow:	5,514	1,055	1,083	1,124	1,115	1,138
Total:	15,542	3,078	3,107	3,137	3,138	3,082

**Bolton FY25: 32.85% of NRSD Enrollment level from 32.85% in FY24**  
**Lancaster FY25: 31.67% of NRSD Enrollment up from 31.13% in FY24**  
**Stow FY25: 35.48% of NRSD Enrollment down from 36.02% in FY24**

*“Operating costs shall be apportioned among the member towns on the basis of the average of the previous five (5) years’ enrollment as of October 1 of each of the preceding years for fiscal year 2000 and thereafter”*

NRSD Regional Agreement

# Assessment Updated 3/6/24

Proposed Budget	\$69,255,891	
High School Debt	\$2,661,236	Subject to Capital Assessment Process
Local Revenue	\$13,264,806	State and Locally Generated Revenue
Amount Assessed	\$53,329,849	Total Amount Assessed
Fixed Assessment	\$30,119,759	Minimum Required Local Contributions
Variable Assessment	\$23,210,090	Remainder of Budget to be Assessed

Minimum Local Contribution (House 1)	
Town	Amount
Bolton	\$10,432,645
Lancaster	\$8,559,118
Stow	\$11,127,996
Total	\$30,119,759
FY25 Update	

Towns	Five Year Rolling Assessment Percentage	Fixed Assessment	Variable Assessment	FY 2025 Net Debt Assessment	FY 2025 Total Assessment	FY 2024 Total Assessment	FY 2025 Total Dollar Increase	FY 2025 Percentage Increase
Bolton	32.8458897%	\$10,432,645	\$7,623,561	\$801,266.95	\$18,857,473	\$17,516,593	\$1,340,880	7.65%
Lancaster	31.6735921%	\$8,559,118	\$7,351,469	\$891,369.25	\$16,801,956	\$15,285,485	\$1,516,472	9.92%
Stow	35.4805182%	\$11,127,996	\$8,235,060	\$968,599.80	<u>\$20,331,656</u>	\$19,059,502	\$1,272,154	6.67%
Total	100.0000000%	\$30,119,759	\$23,210,090	\$2,661,236.00	\$55,991,085	\$51,861,579	\$4,129,506	7.96%

# FY25 Proposed Budget: Town Assessments (as of 3/6/24)

	FY24 Voted	FY25 Proposed	% Change
Stow- Operating Budget Assessment	\$18,858,310	\$19,363,056	2.68%
Stow- Capital Debt Assessment	\$201,192	\$968,600	381.43%
Stow- Total Assessment	\$19,059,502	\$20,331,656	6.67%

# Looking ahead to FY25

Based on most recent estimates, Minuteman and Nashoba assessments combine for almost a \$1.5M increase to FY25

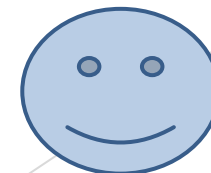
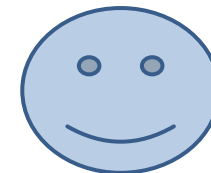
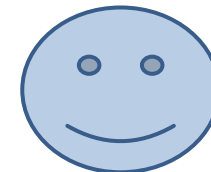
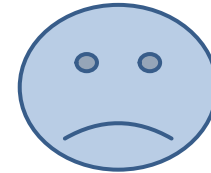
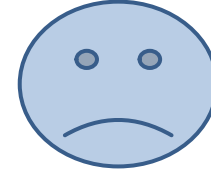
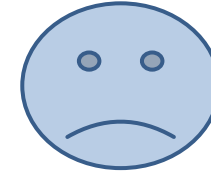
Cost to update facilities and equipment is increasing – still experiencing work delays and rising costs

Capital requests increase, delivery of equipment delays – estimated 2 years for vehicles

Changing Health Insurance Carriers maintains level funding

Tax collection rate remains high

Municipal General Fund Budget increase within prop 2 ½.



# **Town Administrator FY25 Budget Recommendations**

**Continue to fund the OPEB Trust with an annual appropriation of at least \$235,000 from Free Cash**

**Make annual appropriation to the Stabilization Account – FY25 Recommendation is \$200,000 from Free Cash**

**Make annual appropriation to the Capital Stabilization Account – FY25 Recommendation is \$75,000 from Free Cash**

**Increase in the Municipal General Fund side limited to 2.5% - no additional positions requested**

**Evaluate each position and department to continue looking for efficiencies to streamline operations**



# Thank you!



# Any Questions?