



TOWN OF STOUGHTON

OFFICE OF THE TOWN MANAGER

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Operating Budget and Organization Structure

Greetings Select Board Members,

As required by Article 3 of the Stoughton Town Charter, the Town Manager is expected to deliver the annual Town budget to the Select Board by December 31st of each year, therefore, allowing the Board time to make desired amendments to the Budget and to forward the amended budget to the Town Meeting Committee on Finance & Taxation on or before the third Tuesday of January. Madame Chair, this evening, I am pleased to present the FY25 Town Manager's budget.

I would like to thank my budget team for their hard work and critical thinking as we identified and addressed unprecedented challenges throughout the FY25 budget process. My team consisted of Marc Tisdelle, Trish Shropshire, Mary Jane Martin and Deanna Chatsko. The challenges we faced during the budget process were not typical of years past. The impact of inflation on goods, services and professional staff salaries are quantifiable. The limited labor market for Police and Fire personnel has inflated salaries as communities exit Civil Service. The long standing salary disparity that exists between male and female professionals doing the same jobs, must finally be closed. Failure to acknowledge and address these challenges and inequities will have costly long term consequences. As professional staff leave our employment in pursuit of market rate salaries, the cost of replacing our highly trained employees is typically 15-20% greater.

I am pleased to report that the budget team addressed these and other challenges head on. We prepared a \$32,626,515 municipal budget which represents a 3.8% increase, and a reduction of 0.4% in joint costs. We eliminated several positions and added others, which improves the Town's competitiveness, its service quality, makes an investment in community outreach and which ensures succession in several management areas. In all, the Town added 6 new positions in the FY25 budget and eliminated 11.46 other positions, a net reduction of 5.46 full time employees (FTE's).

Yesterday, I received the School Committee's recommended FY25 Budget of \$67,882,835 which represents a 15.64% increase over FY24. As stated above, the Select Board must incorporate the School Dept. budget into the Municipal budget before submitting it to the Finance Committee by January 16th. The Board is considering its options pursuant to that submission. The Board may present the 15.64% School Committee budget as written. That budget will be significantly out of balance. Alternatively, the Select Board may reduce the School Committee budget bottom line to 3.8% and submit a balanced budget to the Finance Committee. I'm confident that the Select Board and School Committee will work collaboratively to build a comprehensive budget that serves the educational needs of our children while meeting our fiscal obligation to our taxpayers.

Attached to the FY25 Operating Budget is the FY25 Organizational Chart. As noted, we were unable to fill several positions approved in the FY24 budget. Unfortunately, in spite of widespread advertising, the salaries we offered were not competitive. We met the resulting challenges by asking Senior

Managers to accept additional responsibilities. However, that tactical management approach is not sustainable. We have made the targeted salary adjustments in the FY25 budget which are needed for us to be competitive in the recruitment of high quality staff.

As you review this FY25 Municipal budget you will note several differences from the FY24 Operating budget:

1. The FY25 Municipal Operating budget does not rely on the use of one-time Free Cash. This action, expected to take 7 years, is key to strengthening the Towns bond rating. Of course our bond rating drives our cost of borrowing for new schools and infrastructure investments. Therefore, this action is a strategic imperative.
2. The FY25 Operating budget does not require or provide subsidies for the Water and Sewer Enterprise funds.
3. The FY25 Operating budget forecasts an additional \$500,000 in new revenue needed to fully fund Rubbish Removal Services.
4. The FY25 Operating budget includes a 4-year Capital Investment Plan. (Exclusive of Schools)
5. The FY25 Operating budget has fully funded the Health Insurance Trust Fund. No subsidy will be required in FY25.
6. The FY25 Operating budget reflects the savings associated with the Police and Fire having joined Regional 911.
7. The FY25 Operating budget reflects the FY25 salary adjustments associated with Labor Contracts, with the exception of the Police Superior Officers Union.
8. The FY25 Operating budget reflects a 12% increase in General Liability Insurance. (Approximately \$153,000)

I am pleased to report that the financial condition of the Stoughton Municipal budget is strong and getting stronger. I thank the Select Board members for your guidance, support and courage. If not for your strategic policy initiatives, the Town would not be as well positioned in FY25.

Respectfully,



Thomas J. Calter,
Town Manager