

Election Ballot Question 1

Shall the Town of Phillipston be allowed to assess an additional \$175,000 in real estate and personal property taxes for the purpose of funding the operating budgets of the Town and Public Schools for the fiscal year beginning July 1, 2024?

Phillipston's Finance Committee and Board of Selectmen voted to ask the taxpayers of Phillipston for a \$175,000 override to balance the FY25 budget. This decision was not made lightly and is not tied to any one article in the warrant, but instead is an increase in general operating expenses for both the town and the regional schools. The FY25 Annual Town Meeting Warrant to be voted on at the Annual Town Meeting on May 8, 2024 is dependent on a passing override vote.

The \$175,000 override would have a tax rate impact of no more than \$0.52 per \$1,000 assessed value. For example, a home with an assessed value of \$450,000 would see an increase of \$234 per year added to their real estate tax bill ($450,000 \times 0.00052$). The Town has always been cautious when it comes to raising the tax rate. In fact, we have been so frugal there is an excess of \$4.4million in levy override capacity. With the requested \$175,000 being 4% of that total available capacity.

As the cost-of-living increases for all our households, it also increases for the Town. Essential annual service contracts with our vendors continually increase as do the personnel costs to deliver the services provided in the town. School districts are faced with the same burdens and the ever-growing student populations require more teachers, more services and more physical space.

State aid estimates in Phillipston have only increased by 4.8% for FY25, while estimated receipts have reduced by -6.5%. While new homes being built increase the Town's base tax revenue, they also increase necessary services including those of our police, fire and highway departments, as well as the school budget.

The Town's recurring expenses are outweighing our recurring revenues. Using one-time revenue from free cash or the stabilization fund to balance the budget is not possible or prudent as the funds will quickly become exhausted, and the Town will lose its good financial standing.