

Budget Discussion FY26





Financial Management Policies

- The Town will fund ongoing operating costs through ongoing operating revenue sources
- Fund balances will be used for building up reserves, capital improvements, capital equipment
- New operating costs associated with capital projects will be funded through operating budgets, not capital expenditures
- The Town will maintain a balance in Free Cash/Stabilization Fund of 5% of the Operating Budget
- The Town may use debt exclusions to finance major capital items and the proposals must account for any future operating expense
- The Town will consider tax rate impacts when planning to incur debt and will look for ways to minimize the rate impact
- The Town has a debt ceiling of 15%. The annual debt service payable on bonded debt should not exceed 15% of the annual operating budget
- The Town has a debt floor of 2%. The floor is an expression of support for continued investment in the infrastructure of the Town
- The Town will establish a goal of issuing debt for shorter periods of time than the maximum allowable
- For each of the Town's capital assets, The Town will determine its "annual capital contribution" so we have enough money available to pay for a replacement item when it reaches the end of its useful life



Capital Requests and Requirements

- The Capital Improvement Committee (CIC) will review each capital request estimated to cost \$25,000 or greater
- The standard Capital Request form needs to be completed and include the cost of the capital item and ongoing impact to the operating budget
- If there is a replacement, the completed form must state what is happening to the obsolete/replaced item
- CIC will work with the department heads, Town Manager and CFO to prioritize items based on standard criteria
- CIC developed a scoring mechanism to be considered for FY26
- Initial discussions with department heads took place in August. Formal requests are due September 20, 2024. FY26 pre-decisional draft attached

Town of Hopkinton FY26 General Fund - Capital Projects (Pre-Decisional Draft)

		<u>Hopkinton Department</u>	<u>General Fund Project</u>	<u>FY26 Amount Requested</u>	<u>Town Manager Recommend</u>
123	1	Town Manager	Community Requests	\$100,000	
155	1	Information Technology	End User Computer Hardware Renewal	\$56,800	
155	2	Information Technology	Core Server and Data Center Upgrades	\$25,000	
155	3	Information Technology	Muli Function Printer Cyclinal Replacement (2)	\$39,600	
210	1	Police	3 Cruisers	\$230,338	
214	1	Communications	Public Safety Radio System Upgrade	\$4,000,000	
214	2	Communications	Public Safety Portable Radios	\$55,000	
300	1	Public Schools	School Projects TBC	\$975,000	
410	1	Facilities	Senior Center Dining Facility Expansion	\$265,000	
410	2	Facilities	Police Station Condensing Unit (Union impact)	\$1,000,000	
410	3	Facilities	Fire Station bathroom and flooring upgrade (Union impact)	\$115,000	
420	1	Public Works	Roadway Improvement - DiCarlo, Barbara, Peppercorn	\$780,000	
420	2	Public Works	Superduty Dump (S-4) INT 7600 Replacement	\$250,000	
420	3	Public Works	Superduty Dump (S-6) INT 7600 Replacement	\$240,000	
420	4	Public Works	Superduty Dump (S-24) INT 7600 Replacement	\$240,000	
420	5	Public Works	Drainage Improvement - Claflin Place	\$275,000	
420	6	Public Works	Pavement Management Plan Update	\$50,000	
630	1	Parks and Recs	Sandy Beach Parking Lot, Camera and Emergency Pool Box Relo	\$1,000,000	
FY26 General Government Fund Total:				\$9,696,738	
			<u>Enterprise Fund Project</u>	<u>FY26 Amount Requested</u>	
6100	1	Water Enterprise	Vehicle Ford utility pickup W9	\$150,000	
6100	2	Water Enterprise	MWRA connection (engineering & permitting)	\$375,000	
6100	3	Water Enterprise	GIS update Town Water System (regulatory driven)	\$50,000	
FY26 Water Enterprise Total:				\$575,000	
6000	1	Sewer Enterprise	WWTF screen system replacement (required by DEP)	\$465,000	
6000	2	Sewer Enterprise	Main Replacement Design - Wood Street & vicinity	\$350,000	
FY26 Sewer Enterprise Total:				\$815,000	