

Town of Ayer Second Presentation of the FY 2021 Budget

ROBERT A. PONTBRIAND, TOWN MANAGER

MARCH 9, 2020 PUBLIC PRESENTATION TO THE AYER BOARD OF
SELECTMEN AND AYER FINANCE COMMITTEE

Presentation Overview

1. The Budget Process
2. Brief History of Omnibus and School Budget Assessment Increases
3. FY 2021 Omnibus Budget Evolution
4. FY 2021 Capital Budget Overview
5. Proposed Raise Articles for Annual Town Meeting
6. Proposed Uses for FY 2021 Free Cash
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The Budget Process

BUDGET PROCESS AND BUDGET CALENDAR

The municipal budget cycle starts on July 1 and ends on June 30. This is referred to as a fiscal year. For example, Fiscal Year '20 begins on July 1, 2019 and runs to June 30, 2020. The Town of Ayer begins budget preparation in October/November for the following July 1. The major budget activities by month are as follows:

October	November	December	January	February	March	April	May
Town Manager sends out Capital Planning Directive	Capital Budget Request Due	BOS conducts Tax Classification Hearing	Operating Budget DRAFT is sent to BOS and Finance Committee	Rate Review Committee begins to meet to develop rates for upcoming year	Union negotiations end	BOS approves UDAG Economic Development Budget	Annual Town Meeting held on May 11, 2020
Begin union negotiations	Town Manager sends Operating Budget Directive	Capital Planning Committee begins to meet to review Capital Planning Budget Requests	Town Manager and Town Accountant meet with Department Heads to fine tune budget requests	Major budget drivers such as health insurance, schools assessments begin to take shape	BOS holds Public Hearing on Water/Sewer	Community Preservation Commission Estimated Revenues take shape	Budget is approved by Town Meeting
		Operating Budget requests are due to Town Manager and Town Accountant for initial review	Capital Planning Committee finalizes budget recommendations	Annual Town Meeting Warrant is opened	SECOND Public Information Forum on Budget - MAR. 9	Annual Town Meeting Warrant is closed	
			INITIAL PUBLIC PRESENTATION OF THE FY 2021 BUDGET - JAN. 13		Water/Sewer Rate Public Hearing: BOS Sets FY 2021 Water and Sewer Rates - Mar. 30	BOS approves and Finalizes Budget and Annual Town Meeting Warrant	
			Town Accountant begins work on revenue projections, water/sewer/transfer station/ambulance rate models			Town Election is held on the 4 th Monday	

Town of Ayer Budget Strengths

The Town of Ayer begins the FY 2021 Budget Process from a Position of Fiscal Stability and Financial Strength

2019 Free Cash: \$1,727,437

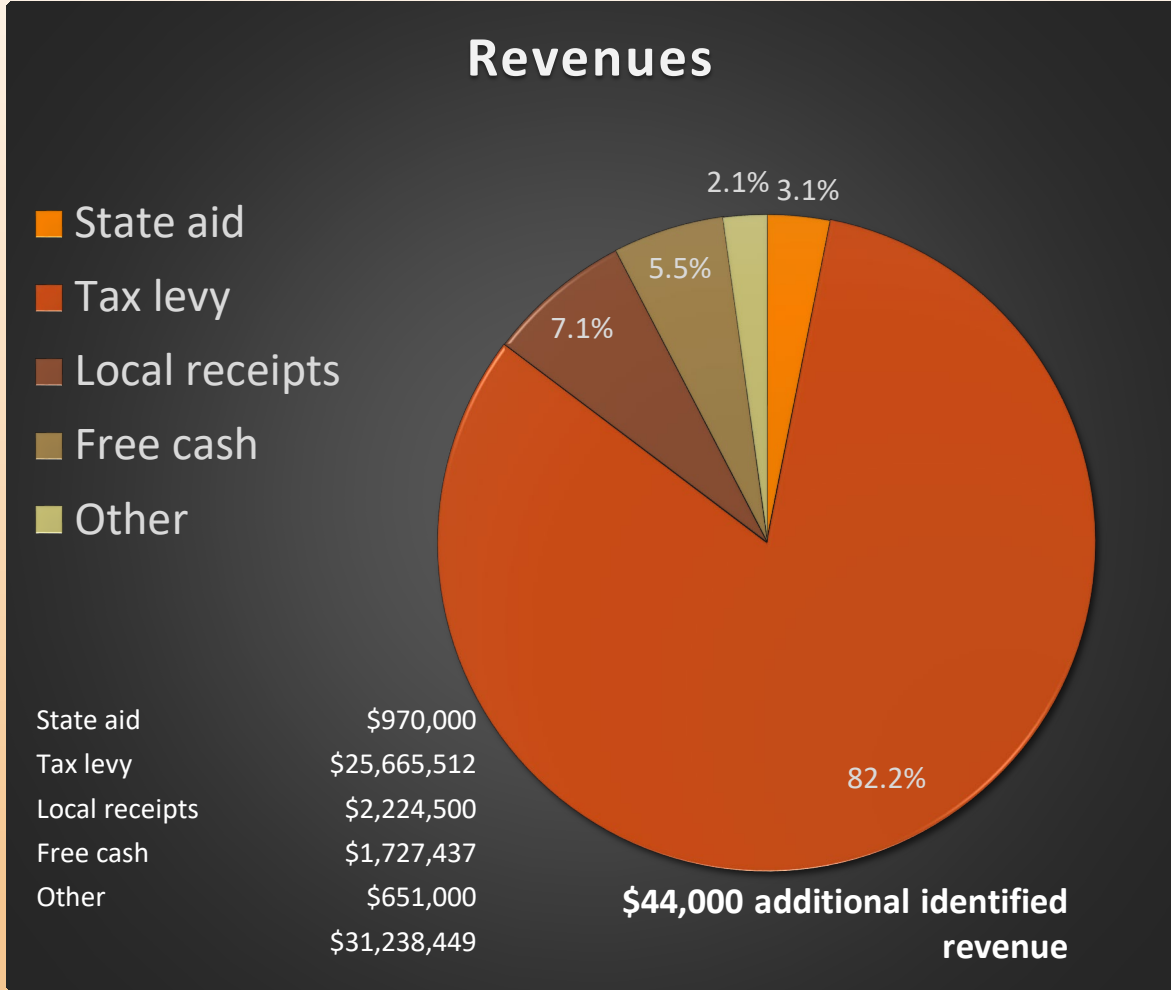
2019 Stabilization Fund Balance: \$2,549,033

2019 Capital Stabilization Fund Balance: \$1,960,184

2019 Standard and Poor (S & P) Bond Rating of: AA+/Stable

S & P Rating Includes Findings of: Very strong economy. Strong management with good financial policies and practices. Strong budgetary performance

Revenue Overview - Revised



History of Omnibus Budget Increases

<u>Fiscal Year</u>	<u>Omnibus (ATM)</u>	<u>Percent Increase</u>
2020	\$15,127,722	5.54%
2019	\$14,334,194	5.64%
2018	\$13,568,372	4.73%
2017	\$12,955,252	7.90%
2016	\$12,006,554	1.77%*
2015	\$11,797,952	5.06%
2014	\$11,229,899	

Average Annual Omnibus Percent Increase: 5.11%

**Note: FY 2016 STM Appropriated an additional \$248,158 resulting in a 4.20% increase*



History of School Budget Assessments

<u>FY</u>	<u>Assessment</u>	<u>%</u>	<u>Assessment</u>	<u>%</u>
2020	\$11,113,083	3.92%	\$764,256	12.30%
2019	\$10,693,991	3.14%	\$680,545	7.56%
2018	\$10,368,598	2.92%	\$632,697	-13.47%
2017	\$10,074,800	2.77%	\$731,147	3.67%
2016	\$9,803,576	5.80%	\$705,284	20.87%
2015	\$9,266,326	3.89%	\$583,509	-29.90%
2014	\$8,919,380		\$600,927	
<u>Average Annual Increase</u>			<u>Average Annual Increase</u>	
3.74%			4.67%	

FY 2021 Omnibus Budget Evolution

FY 2020 Omnibus Budget: \$15,127,722

DRAFT #1 of FY 2021 Budget (Jan. 13, 2020): \$15,853,586
Increase of \$725,864 or 4.8%

DRAFT #2 of FY 2021 Budget (Mar. 4, 2020): \$15,532,451
Increase of \$404,729 or 2.6%

DRAFT #3 of FY 2021 Budget (Mar. 9, 2020): **\$15,590,713**
Increase of **\$462,991 or 3.06%**

What Changed from DRAFT #1 to DRAFT #3?

DRAFT #1 (Jan. 9, 2020): **\$15,853,586** **4.80%**

Level Funded from FY 2020
No New Personnel Positions
Estimates for Major Budget Drivers

DRAFT #2 (Mar. 4, 2020): **\$15,532,451** **2.68%**

\$320,000 in reductions
\$40,043 in increases
No New Personnel Positions
Actuals known for Major Budget Drivers

DRAFT #3 (Mar. 9, 2020): **\$15,590,713** **3.06%**

\$104,000 in additional reductions since DRAFT #2
\$162,262 in additional increases
New Deputy Fire Chief Position
2% Non-Union COLA

What Increased from DRAFT #1 to DRAFT #3?

Increases from DRAFT #1 to DRAFT #2

<u>Personnel Wage Adjustments:</u>	\$8,842
<u>Management Support:</u>	\$12,000
Digital Budget Book:	\$5,500
General Code:	\$5,000
Training:	\$2,000
<u>I.T. Digitization of Records</u>	\$8,200
<u>DPW Highway Technical</u>	\$11,000
<u>Total Increases:</u>	\$40,042

Increases from DRAFT #2 to DRAFT #3

<u>Council on Aging:</u>	\$13,889
<u>2% Non-Union COLA:</u>	\$38,806
<u>Deputy Fire Chief Position:</u>	\$101,392
<u>Library 2% COLA:</u>	\$8,175

Total Increases: \$162,262

What was Reduced from DRAFT #1 to DRAFT #3?

Reductions from DRAFT #1 to DRAFT #2

Police Regional Dispatch Wages:	(\$200,000)
Health Insurance:	(\$129,158)
Principal Payments on Debt:	(\$30,000)
Long Term Debt Interest:	(\$21,914)
Fire Ballistic Vests:	(9,000)
Tax Coll/Treas. Office Furniture:	(\$2,500)

Reductions from DRAFT #2 to DRAFT #3

Accountant Professional Services:	(\$4,000)
Treasurer/Tax Collector Services:	(\$3,000)
Town Counsel:	(\$10,000)
Census Services:	(\$500)
Police Department:	(\$50,000)
Building Department:	(6,500)
Fire Ballistic Vests:	(\$10,000)
DPW:	(\$10,000)
Veterans Benefits:	(\$10,000)

Total Reductions: **(\$104,000)**

Remaining Omnibus Budget Variables

- Town Hall/Clerical Contract Costs: \$25,000
- Personnel Services Contracts (6) Costs: \$15,000

FY 2021 Capital Budget Recommendations

Department	Request	Amount	Recommended
Facilities	TH Boiler/HVAC	\$20,000	Purchase
I.T.	Replace Servers (3)	\$45,000	Borrow
Parks	Pickup Truck with Plow	\$40,000	Borrow
	Landscape Trailers	\$15,000	Purchase
	Remediation of Kiddie Junction	\$20,000	Purchase
Fire	Thermal Camera Replacement	\$15,000	Purchase
	CO Monitors	\$16,000	Purchase
Police	Replace Detective Vehicle	\$30,000	Purchase

FY 2021 Capital Budget Recommendations Continued

<u>Department</u>	<u>Request</u>	<u>Amount</u>	<u>Recommended</u>
DPW Admin	Main & Columbia Design Engineering	\$250,000	Borrow
DPW Highway	Road Paving (Supplements Chapter 90)	\$150,000	Borrow
	Front End Loader	\$230,000	Borrow
	Barnum Rd. Bridge Repairs Design	\$30,000	Purchase
DPW Stormwater	Storm Drain Upgrades	\$100,000	Operating Budget
	Biofilt./Outfall Improvements	\$50,000	Operating Budget
	Culvert Replacements	\$50,000	Operating Budget
	Balch Pond Repairs	\$52,000	2017 ATM Borrow Article
	Stormwater Utility Implementation	\$25,000	Purchase
<u>TOTAL General Fund Request:</u>		<u>\$1,138,000</u>	<u>Estimated FY 21 First Year Debt Service: \$60,775</u>

FY 2021 Capital Budget: Enterprise Funds

Department	Request	Amount	Recommended
Water	Spectacle Pond PFAS Plant	\$2,630,000	Borrow
	Groton Shirley Rd. Water Main Loop	\$575,000	Borrow
	Water Main Replacements	\$250,000	Borrow/Operating
	Filter Media Replacement (Spec Pond)	\$350,000	Borrow
	Total for Water:	\$3,925,000	
	<i>Estimated FY 21 First Year Borrow:</i>	<i>\$316,050</i>	
Sewer	Infiltration/Inflow Repairs	\$500,000	Borrow
	Groton Shirley Rd Low Pressure Sewer	\$500,000	Borrow
	1 Ton Utility Truck with Plow	\$75,000	Borrow
	Total for Sewer:	\$1,107,500	
	<i>Estimated FY 21 First Year Borrow:</i>	<i>\$107,500</i>	

Proposed Raise Articles for Annual Town Meeting

First Year's Interest – General Fund Borrowing in the amount of \$60,775

Funding of \$30,000 for Aquatic Weed Control for Town Ponds

Funding of \$10,000 for Fire Ballistic Vests

Funding of \$5,000 for Conservation Fund

Funding of \$10,000 for Town's 150th Anniversary Celebration

Funding of \$6,400 for MUNIS System Upgrade

Funding of \$2,500 for Fire Grant Matching Funds

Proposed Uses for FY 2021 Free Cash

Free Cash Certified as of June 30, 2019 **\$1,727,437**

UDAG Replenishment – Worthendale Lawsuit	(\$230,000)	
GASB 45 – OPEB	(\$170,300)	<i>\$129,700 from meals tax = \$300,000</i>
Forward Funding Pension Proposal	(\$300,000)	<i>Increased from \$200,000 per BOS 3/4/20</i>
Compensated Absence Special Revenue Fund	(\$50,000)	
Capital Stabilization	(900,000)	
Stabilization	(\$77,137)	

Next Steps in the FY 2021 Budget Process

- Town Manager/Town Finance Manager Finalize the FY 2021 Budget
- Town Manager meets with Finance Committee on March 11, 2020
- Town Manager to Update BOS on FY 2021 Budget Finalization and ATM Warrant on March 17, 2020 at 6pm
- “Leadership Meeting” with Shirley and ASRSD School Committee on March 25, 2020 at 6pm
- **BOS to conduct Water and Sewer Rate Public Hearing on March 30, 2020 at 6pm**
- Annual Town Meeting Warrant closes for all Articles and Citizens Petitions on Friday, April 3, 2020 at 12pm Noon
- **BOS/Fin Com to Review and Approve the 2020 Annual Town Meeting Warrant on April 7, 2020 at 6pm**
- **Annual Town Meeting to take place on Monday, May 11, 2020 at 7pm**

Questions and Further Information

- For more information about the FY 2021 Budget Please Visit the Town Manager's "2021 Budget Page" on the Town's Website at:

<https://www.ayer.ma.us/town-manager/2021-budget>

- For more information, questions, comments, or public input on the FY 2021 Budget Please do not hesitate to contact the Town Manager at (978) 772-8220 or at tm@ayer.ma.us