

Town of Ayer Initial Presentation of the FY 2021 Budget

ROBERT A. PONTBRIAND, TOWN MANAGER

JANUARY 13, 2020 PUBLIC PRESENTATION TO THE AYER
BOARD OF SELECTMEN AND AYER FINANCE COMMITTEE

Presentation Overview

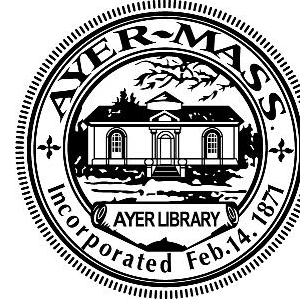
- The Budget Process
- Town of Ayer Budget Successes
- FY 2021 Omnibus Budget Overview
- FY 2021 Omnibus Budget Drivers (As of January 13, 2020)
- FY 2021 Wage and Expense Analysis
- New Items in the FY 2021 Omnibus Budget
- Revenue Overview (As of January 13, 2020)
- Next Steps
- Questions and Comments



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.



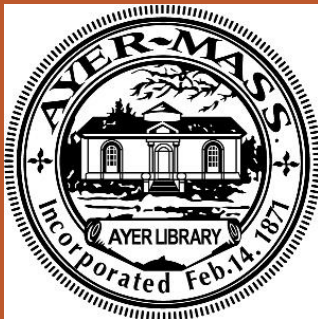
October	November	December	January	February	March	April	May
Town Manager sends out Capital Planning Directive	Capital Budget Request Due	BOS conducts Tax Classification Hearing	Operating Budget DRAFT is sent to BOS and Finance Committee	Rate Review Committee begins to meet to develop rates for upcoming 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 /Transfer Station Rates	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	Public Information Forum on Budget – MAR. 9	Annual Town Meeting Warrant is closed	
			INITIAL PUBLIC PRESENTATION OF THE FY 2021 BUDGET – JAN. 13			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 4th Monday	

Town of Ayer Budget Successes

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

<u>Fund</u>	<u>Balance</u>
2019 Free Cash	\$1,727,437
2019 Stabilization Fund	\$2,549,033
2019 Capital Stabilization Fund	\$1,960,184
2019 Standard and Poor (S & P) Bond Rating	AA+/Stable
S & P Rating Includes Findings of: Very strong economy. Strong management with good financial policies and practices. Strong budgetary performance.	

Town of Ayer Budget Successes



OPEB Trust Fund has grown to \$2,000,000 from FY 2015 to FY 2019

Unused Tax Levy Capacity has grown from \$2,135 in FY 2012 to \$2,695,702 in FY 2020

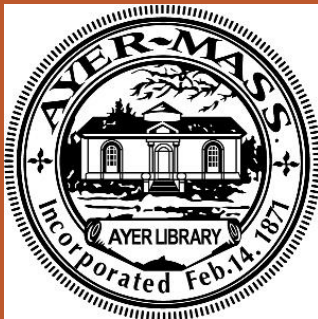
Solar New Metering Agreement initiated in FY 2013 has saved over \$1.1 million or 47% in energy costs due to the solar net metering credits.

Health Benefits Buyout Program initiated in FY 2010 has delivered \$1.1 million in health benefits expense budget savings through FY 2020

U.S. Army Grant for Grove Pond PFAS Plant Construction totaling over \$4.4 million

Transition to New General Insurance Providers resulted in savings of \$175,000 in FY 2019

Town of Ayer Budget Successes



Over \$800,000 in
Economic & Community
Development Grants
Since 2016

UDAG Fund Balance of
over \$3 million

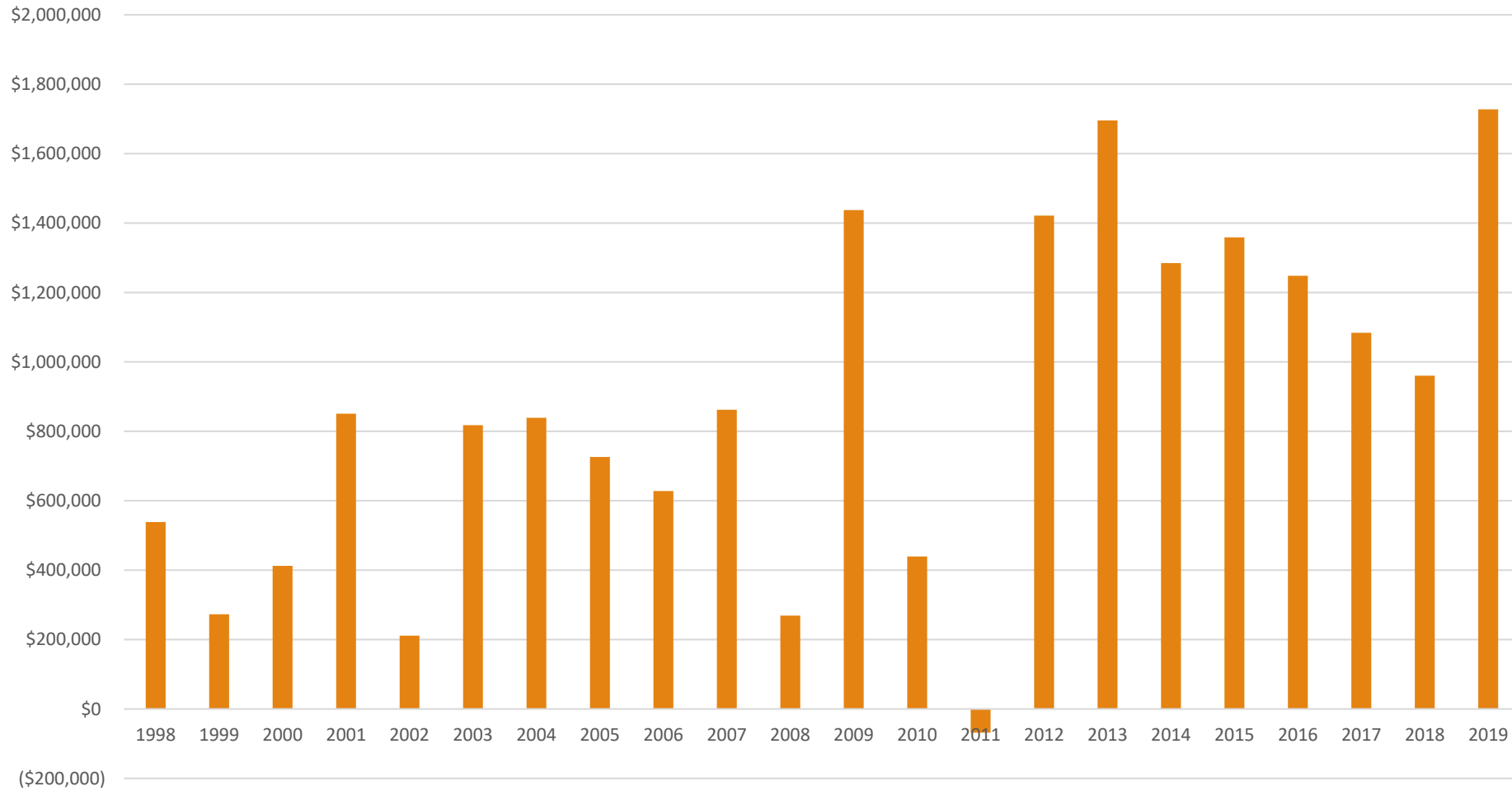
Community
Preservation Fund
Balance of \$1,791,731

Conservation Land Trust
of \$544,310

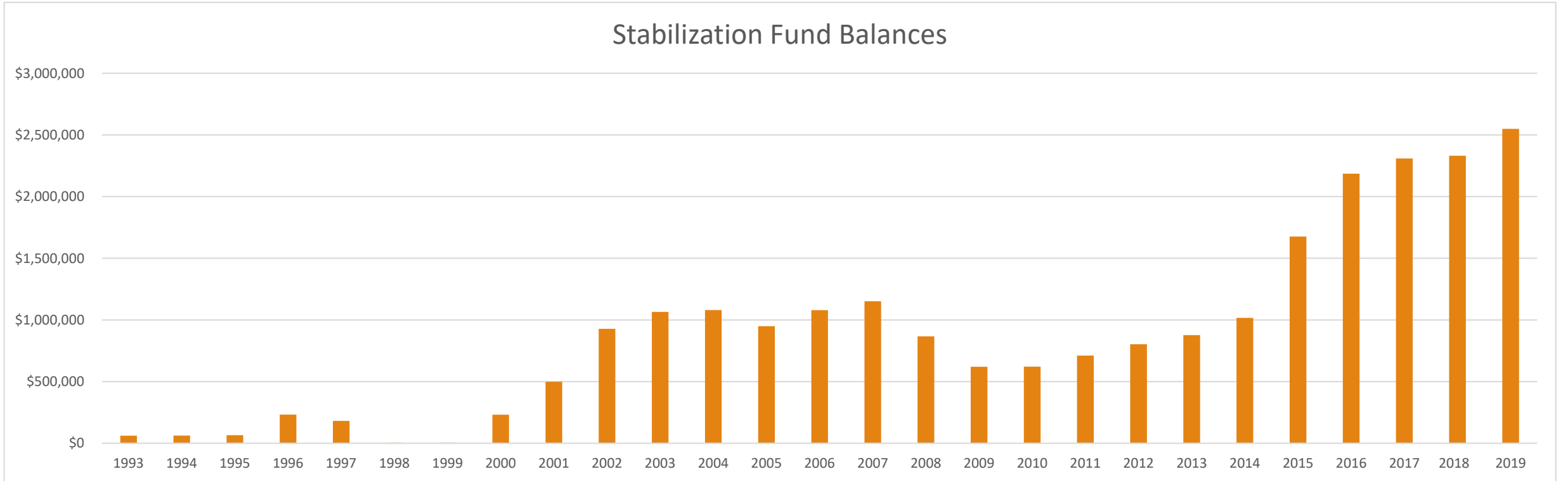
2018 Reorganization of
Town Government
resulting in
consolidation and
efficiencies

Collection of \$100,851
in tax title since 2018

Free Cash History

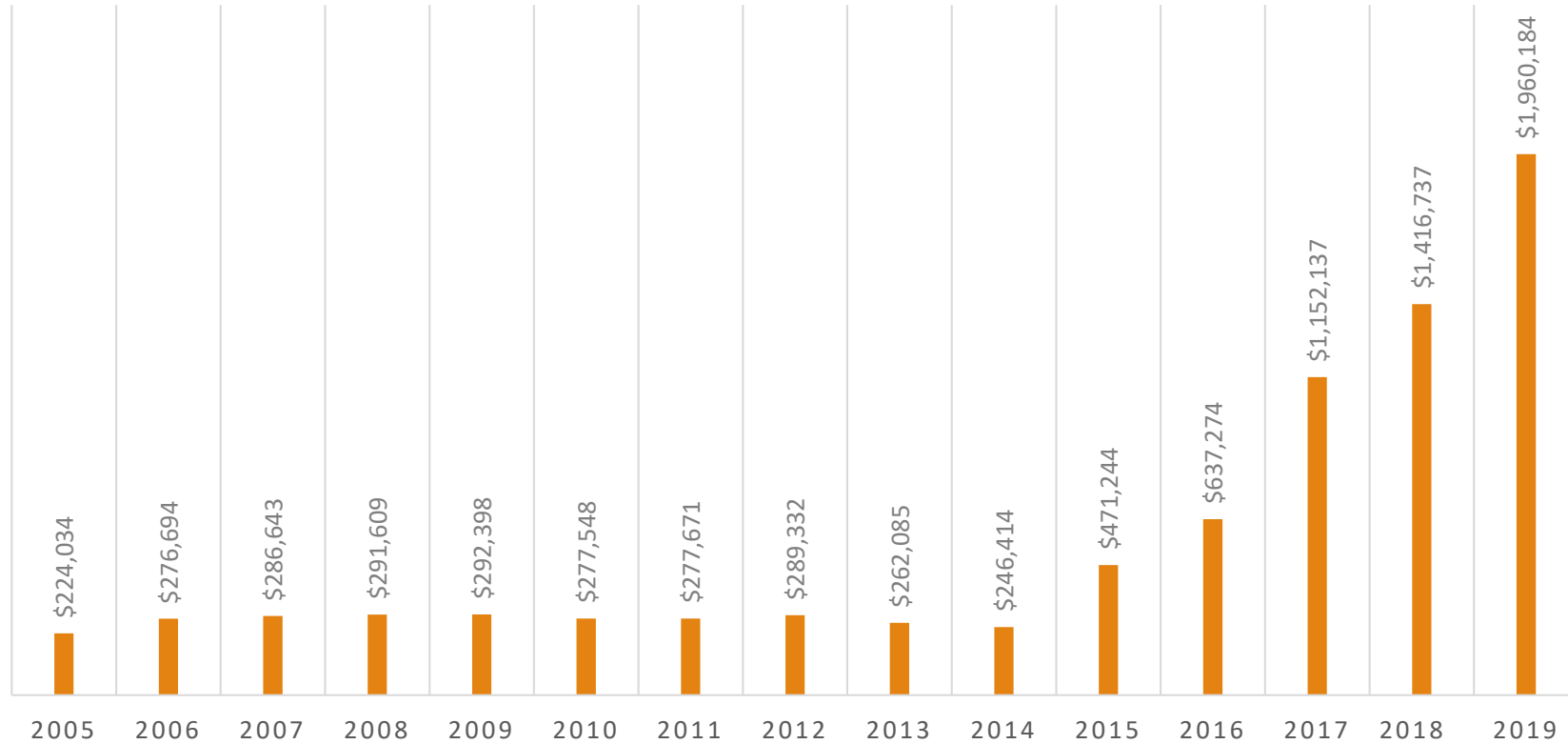


Free
Cash
History



Stabilization Fund Balance

CAPITAL STABILIZATION FUND



Capital Stabilization Fund Balance

FY 2021 Omnibus Overview

\$15,853,586 FY 2021 Omnibus Budget (As of January 13, 2020)

Level Funded Requests from FY 2020 (Unless otherwise indicated)

2.60% Increase from FY 2020

Contains no new personnel positions

At this early time in the budget process the following key budget drivers are unknown:

- School Assessments (Assessments are due in February 2020)
- Health Insurance (Official rate is not available until February 2020)
- Town Hall/Clerical Union Contract (Negotiations currently underway)
- Non-Union Personnel Service Contracts (Negotiations currently underway)
- Cost of Living Adjustment (COLA) for FY 2021

The FY 2021 Omnibus Budget remains a “work in progress” with budgetary adjustments underway by the Town Manager and Finance Manager in consultation with the Department Heads.

FY 2021 Omnibus Budget Drivers

As of January 13, 2020 what are the FY 2021 Omnibus Budget Drivers?

- Retirement Assessment: \$100,163 (Down considerable from FY 2020)
- Contractual Personnel Increases (Both Non-Union and Union): \$350,449

Of these Personnel Increases the majority are from the three public safety departments:

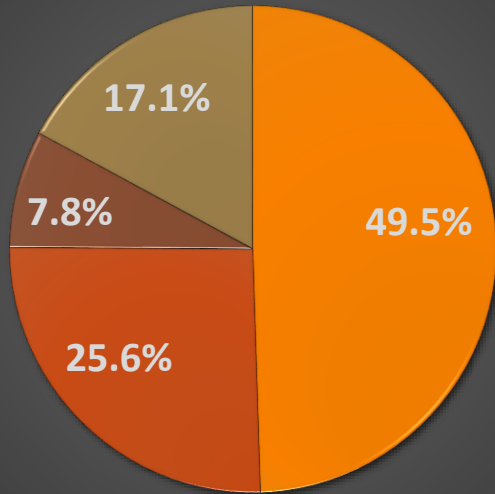
DPW:	\$12,924 (Est. Increase as of 1/13/2020)
Fire:	\$11,126 (Est. Increase as of 1/13/2020)
Police:	\$115,484 (Est. Increase as of 1/13/2020)
Regional Dispatch:	\$231,709 (Note: Subject to 911 Grant Reimbursement and Shirley Assessment)

- Non-Public Safety Personnel Increases: \$22,164

FY 2021 Omnibus Budget Drivers

Contractual Personnel Increases (Both Non-Union and Union):	\$350,449
Health Insurance Increases (13.8% Increase Estimate):	\$231,311
Retirement Assessment:	\$100,163
General Insurance (Estimated Increase):	\$18,641
Stormwater Management Increases (General Fund Subsidy):	\$12,800
FICA Medicare Increases:	\$12,500
Total Increases (Estimated):	\$725,864

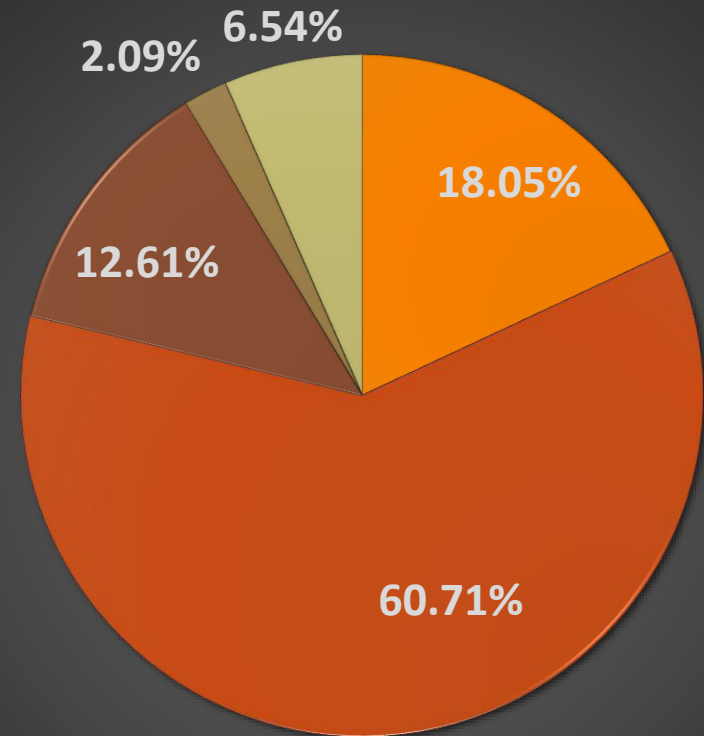
Omnibus Expenses



■ Wages ■ Benefits
■ Debt ■ Other expenses

FY 2021 Wage and Expense Analysis

Wages



■ General Government ■ Police & Fire
■ Public works & other public safety ■ Human Services
■ Culture & Recreation

New Items in the FY 2021 Omnibus Budget

Most of the FY 2021 Omnibus Increases are either contractual personnel increases, increases in assessments, insurances, or existing service contracts.

Other New Items in the FY 2021 Omnibus are:

Assessors Map Update: \$2,800

Increase to Printing Services: \$3,500

Election Workers Wages: \$3,000

Fire Dept. Ballistic Vests (9): \$19,000 (Fire Contract)

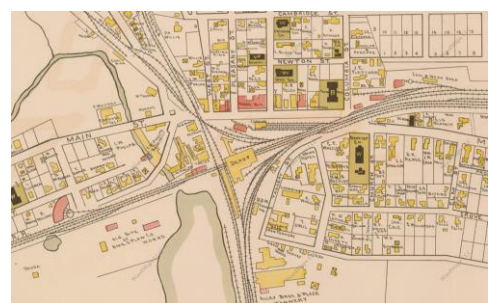
Stormwater Management: \$12,800

Treasurer/Tax Collector Office Renovations/Furniture: \$8,500

Town Clerk Book Binding: \$1,200

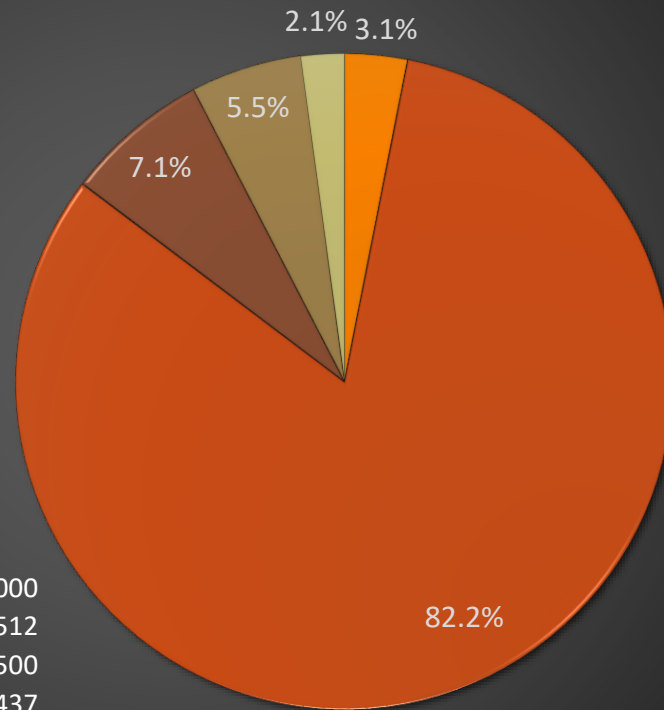
Conservation Commission: \$3,180 (Beaver Deceiver)

Tree Management Study: \$10,000



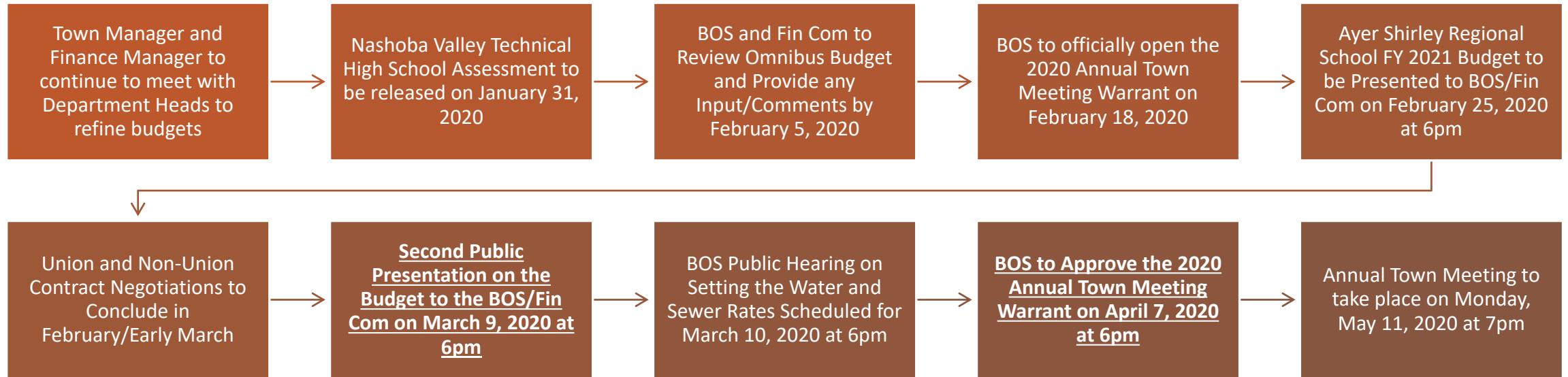
Revenues

- State aid
- Tax levy
- Local receipts
- Free cash
- Other



State aid	\$970,000
Tax levy	\$25,665,512
Local receipts	\$2,224,500
Free cash	\$1,727,437
Other	\$651,000
	\$31,238,449

Revenue Overview



Next Steps in the FY 2021 Budget Process

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:

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



The screenshot shows the official website of the Town of Ayer, Massachusetts. The header features the town's seal and name. A navigation bar includes links for 'About Ayer', 'Departments', 'Boards & Committees', and 'Community'. A sidebar on the left lists items under 'Capital Planning', including the 'DRAFT FY 2021 Omnibus Budget Version 1 1-3-2020'. The main content area is titled '2021 Budget' and provides details about a public meeting for the initial presentation of the FY 2021 Budget to the BOS and Fin Com on Monday, January 13, 2020, at 6pm. It also includes a 'Budget Calendar' table showing the months from August to July.

Town of Ayer
Massachusetts

Home » Departments » Town Manager

2021 Budget

FY2021 Budget

All items related to the Fiscal Year 2021 Budget can be found on this page

Public Meeting for the initial presentation of the FY 2021 Budget to the BOS and Fin Com on **Monday, January 13, 2020 at 6pm** in the First Floor Meeting Room of the Ayer Town Hall. [Read More](#)

Budget Calendar

August	November	February	May
September	December	March	June
October	January	April	July