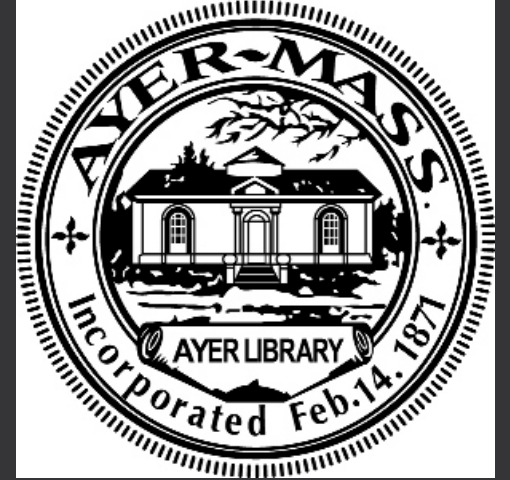


Town of Ayer 2nd Presentation of the FY 2022 Budget



Robert A. Pontbriand, Town Manager
Lisa A. Gabree, Finance Manager

March 8, 2021
Public Presentation to the Ayer Select Board and
Finance Committee



Presentation Overview

Brief History of Omnibus and School Budget Assessment Increases

FY 2022 Omnibus Budget Evolution

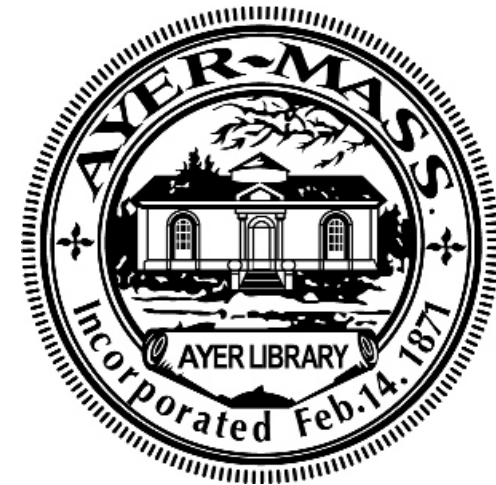
FY 2022 Capital Budget Overview

Proposed Raise Articles for Annual Town Meeting

Proposed Uses for FY 2022 Free Cash

Next Steps

Questions and Comments



Town of Ayer Budget Strengths

The Town of Ayer begins the FY 2022 Budget Process from a Position of Fiscal Stability and Financial Strength

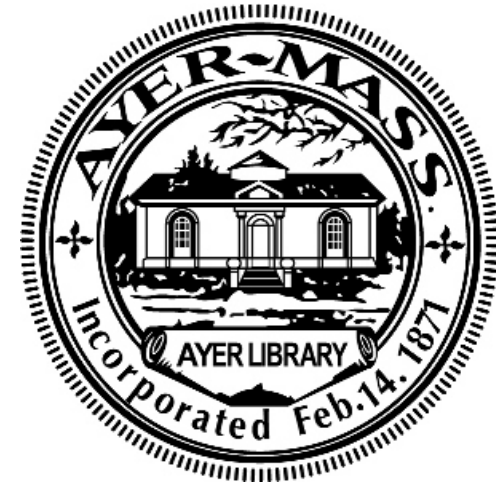
2020 Free Cash: \$1,553,607

2020 Stabilization Fund Balance: \$2,584,294

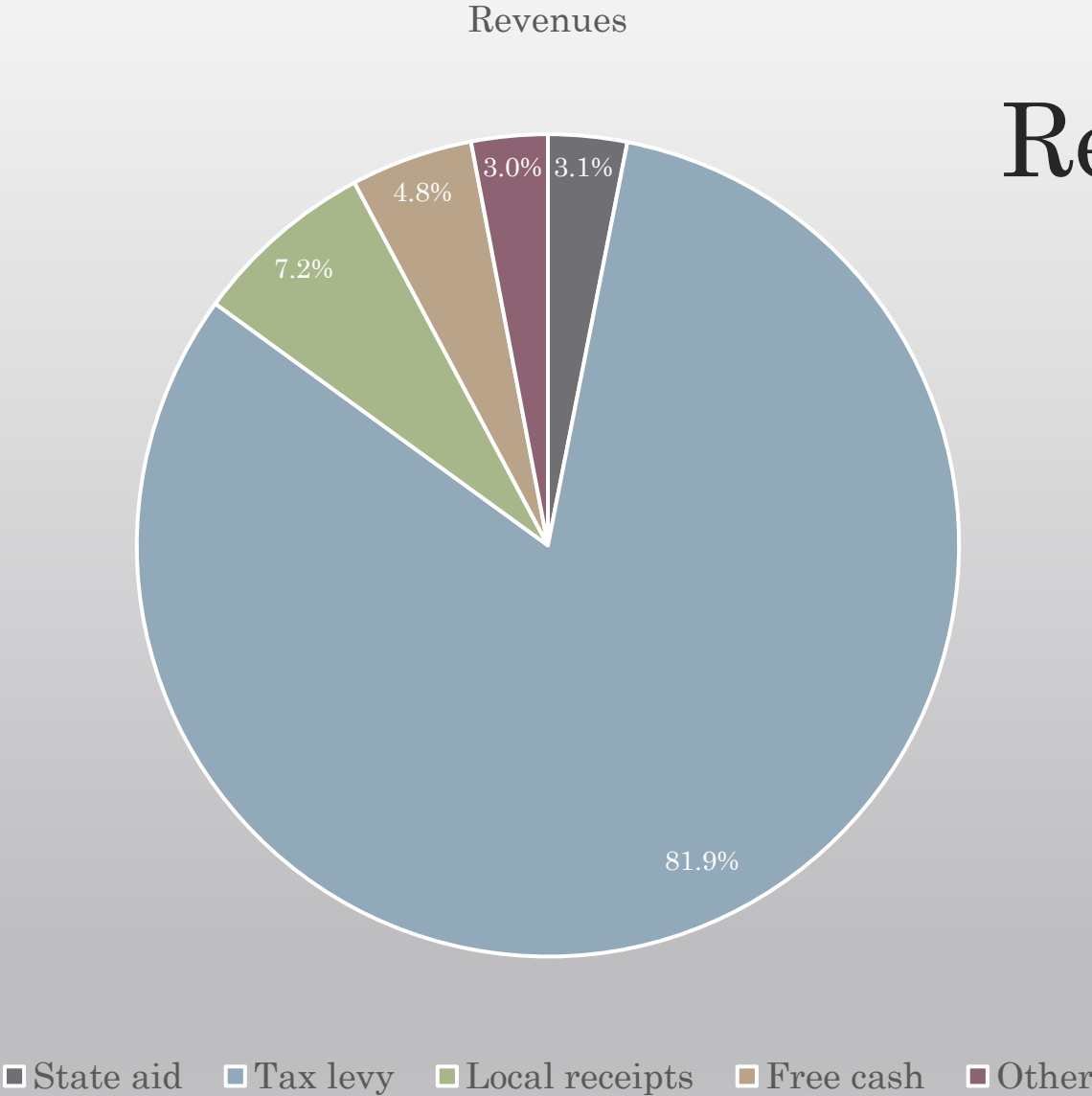
2020 Capital Stabilization Fund Balance: \$1,912,446

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.



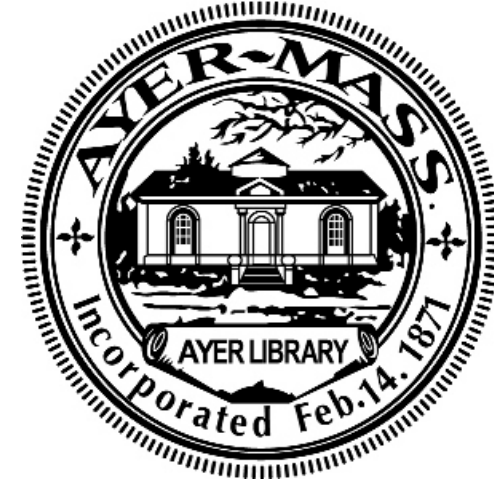
Revenue Overview - Revised



| | | |
|----------------|--------------|--------|
| State aid | \$986,890 | 3.1% |
| Tax levy | \$26,367,135 | 81.9% |
| Local receipts | \$2,301,396 | 7.2% |
| Free cash | \$1,553,607 | 4.8% |
| Other | \$965,663 | 3.0% |
| | \$32,174,691 | 100.0% |

History of Omnibus Budget Increases

| <u>Fiscal Year</u> | <u>Omnibus (ATM)</u> | <u>Percent Increase</u> |
|--------------------|----------------------|-------------------------|
| 2021 | \$15,626,301 | 3.30% |
| 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: 4.85%

**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> |
|--------------------------------|-------------------|--------------|--------------------------------|----------|
| 2021 | \$11,525,813 | 3.71% | \$870,317 | 13.88% |
| 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> | |
| | | <u>3.74%</u> | | |
| | | | <u>2.13%</u> | |

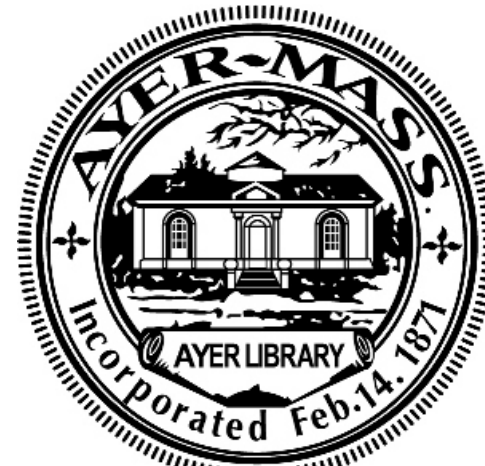
FY 2022 Omnibus Budget Evolution

FY 2021 Omnibus Budget: \$15,626,301

DRAFT #1 of FY 2022 Budget (Jan. 8, 2021): \$16,352,895
Increase of \$726,594 or 4.65%

DRAFT #2 of FY 2022 Budget (Feb. 17, 2021): \$16,091,631
Increase of \$465,330 or 2.98%

DRAFT #3 of FY 2022 Budget (Mar. 8, 2021): **\$16,165,627**
Increase of **\$539,326 or 3.45%**



What Changed from DRAFT #1 to DRAFT #3?

DRAFT #1 (Jan. 8, 2021): **\$16,352,895 4.65%**

Level Funded from FY 2021

No New Personnel Positions

Estimates for Major Budget Drivers

DRAFT #2 (Feb. 17, 2021): **\$16,091,631 2.98%**

\$499,510 in reductions

\$238,246 in increases (including \$150,000 increase in Reserve Fund)

No New Personnel Positions

Actuals known for Major Budget Drivers

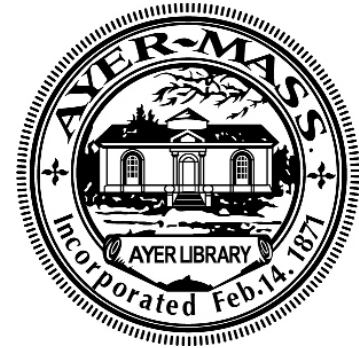
DRAFT #3 (Mar. 8, 2021): **\$16,165,627 3.45%**

\$20,750 in additional reductions since DRAFT #2

\$94,746 in additional increases

Replaces COA Outreach Coordinator position

2% Non-Union COLA



What Increased from DRAFT #1 to DRAFT #3?

Increases from DRAFT #1 to DRAFT #2

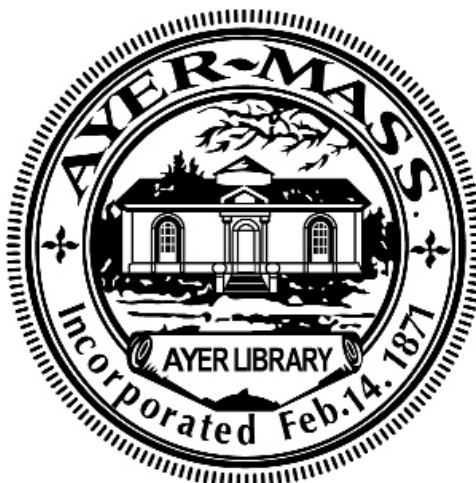
| | |
|------------------------------------|-----------|
| <u>Personnel Wage Adjustments:</u> | \$5,709 |
| <u>Reserve Fund:</u> | \$150,000 |
| <u>Principal payments on Debt:</u> | \$ 70,500 |
| <u>Replenish COA expenses:</u> | \$ 12,037 |

Total Increases: \$238,246

Increases from DRAFT #2 to DRAFT #3

| | |
|-------------------------------------------|----------|
| <u>Library incr. to meet state cert.:</u> | \$1,844 |
| <u>2% Non-Union COLA:</u> | \$45,104 |
| <u>Replace COA Outreach Coordinator:</u> | \$39,942 |
| <u>Library 2% COLA:</u> | \$7,856 |

Total Increases: \$94,746



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

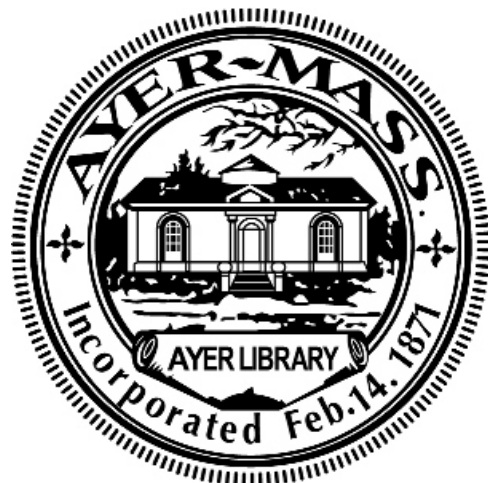
Reductions from DRAFT #1 to DRAFT #2

| | |
|---------------------------------|--------------------|
| Police Regional Dispatch Wages: | (\$200,000) |
| Health Insurance: | (\$210,036) |
| Police Holiday wage correction: | (\$52,101) |
| Long Term Debt Interest: | (\$36,249) |
| Personnel wage adjustments: | (\$1,124) |
| <u>Total Reductions</u> | (\$499,510) |

Reductions from DRAFT #2 to DRAFT #3

| | |
|-------------------------|------------|
| Fire Dept turnout gear: | (\$10,750) |
| Town Counsel: | (\$10,000) |

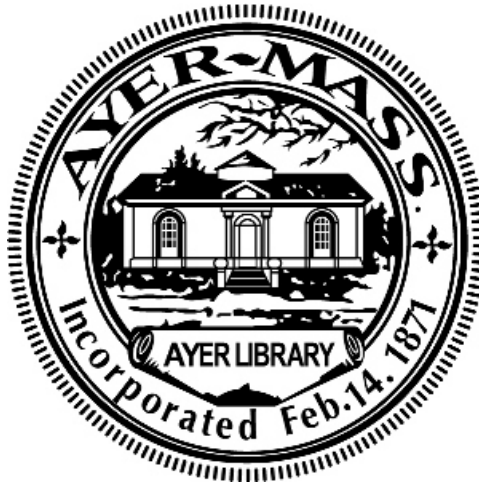
| | |
|---------------------------------|--------------------|
| <u>Total Reductions:</u> | (\$ 20,750) |
|---------------------------------|--------------------|



Remaining Omnibus Budget Variables

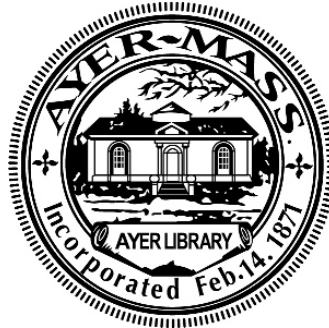
- Patrol/Dispatch Contracts:
- Personnel Services Contracts (3) Costs:
- Better estimate for General Insurances:

In Progress



FY 2022 Capital Budget Recommendations

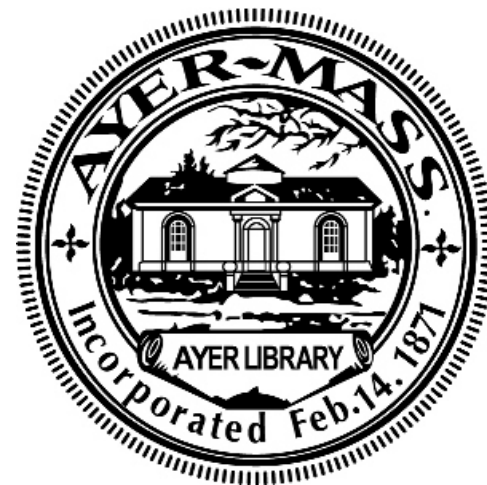
| <u>Department</u> | <u>Request</u> | <u>Amount</u> | <u>Recommended</u> |
|-------------------|--------------------------------|---------------|-----------------------------------------|
| Facilities | Police HVAC Replacement | \$145,000 | Other funds \$92,435 Borrow \$52,565 |
| | Pickup Truck | \$ 30,000 | Purchase |
| Library | HVAC Repairs | \$ 12,000 | Purchase |
| Fire | SCBA Compressor & Fill Station | \$ 70,000 | Borrow |
| | Rescue Tools & Lifting Jacks | \$ 33,007 | Purchase |



FY 2022 Capital Budget Recommendations Continued

| <u>Department</u> | <u>Request</u> | <u>Amount</u> | <u>Recommended</u> |
|-------------------|------------------------------------|---------------|--------------------|
| DPW Admin | Main St. Decorative Light Upgrades | \$ 70,000 | Borrow |
| DPW Highway | Road Paving (Supplements Ch.90) | \$200,000 | Borrow |
| DPW Stormwater | Asset/Master Plan Grant Match | \$40,000 | Purchase |

TOTAL General Fund Request: \$600,007
Estimated FY 22 First Year Debt Service: \$39,257



FY 2022 Capital Budget: Enterprise Funds

| <u>Department</u> | <u>Request</u> | <u>Amount</u> | <u>Recommended</u> |
|-------------------|--------------------------------|---------------|--------------------|
| Water | West Main St/Devens Connection | \$100,000 | Borrow |
| | Water Main Replacements | \$250,000 | Borrow/Operating |

Total for Water: \$350,000

Estimated FY 22 First Year Borrow: \$ 21,250

| | | | |
|-------|-----------------------------------------------------|-------------|--------|
| Sewer | Infiltration/Inflow Repairs | \$750,000 | Borrow |
| | Wastewater Treatment Plant Upgrades | \$3,800,000 | Borrow |
| | Central Ave Main Pumping Station valves & Piping | \$100,000 | Borrow |

Total for Sewer: \$4,650,000

Estimated FY 22 First Year Borrow: \$465,000





Proposed Raise Articles for Annual Town Meeting

First Year's Interest – General Fund
Borrowing in the amount of \$39,257

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

Funding of \$5,000 for Conservation Fund

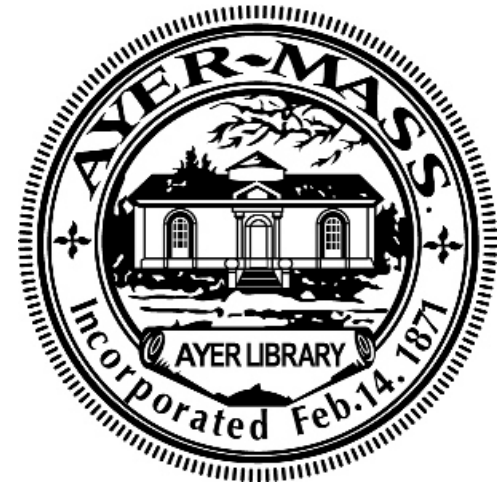
Funding of \$5,000 for Fire Grant
Matching Funds



Proposed Uses for FY 2022 Free Cash

Free Cash Certified as of June 30, 2020 \$1,553,607

| | | |
|------------------------------------------|-------------|-------------------------------------------------|
| UDAG Replenishment – Worthendale Lawsuit | (\$230,000) | <i>Final payment</i> |
| GASB 45 – OPEB | (\$178,000) | <i>\$122,000 from meals tax = \$300,000</i> |
| Forward Funding Pension Proposal | (\$300,000) | |
| Compensated Absence Special Revenue Fund | (\$50,000) | |
| Capital Stabilization | (\$790,000) | |
| Stabilization | (\$5,607) | |



Next Steps in the FY 2022 Budget Process

- Town Manager/Town Finance Manager Finalize the FY 2022 Budget
- Town Manager to Update SB on FY 2022 Budget Finalization and ATM Warrant on March 16, 2021 at 6pm
- Rate Review Committee Meeting Monday March 15, 2021 at 4:00 PM
- SB to conduct Water, Sewer and Solid Waste Rate Public Hearing on March 16, 2021 at 6:15 PM
- Annual Town Meeting Warrant closes for all Articles and Citizens Petitions on Friday, April 2, 2021 at 12pm Noon
- SB/Fin Com to Review and Approve the 2022 Annual Town Meeting Warrant on April 6, 2021 at 6pm
- Annual Town Meeting to take place on Monday, April 26, 2021 at 7:00 PM

Questions and Further Information

- For more information about the FY 2022 Budget Please Visit the Town Manager's "2022 Budget Page" on the Town's Website at:

<https://www.ayer.ma.us/town-manager/pages/2022-budget>

- For more information, questions, comments, or public input on the FY 2022 Budget Please do not hesitate to contact the Town Manager at (978) 772-8220 or at tm@ayer.ma.us