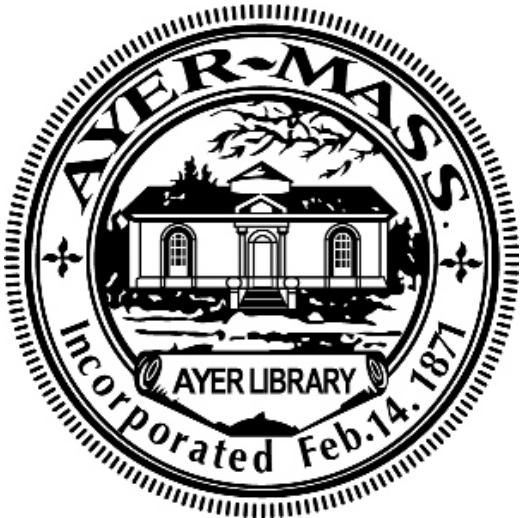


Town of Ayer Initial Presentation of the FY 2022 Budget

Robert A. Pontbriand, Town Manager
Lisa A. Gabree, Finance Director/Town Accountant

January 27, 2021
Online Public Presentation to the
Ayer Select Board and Ayer Finance Committee



Presentation Overview

The Budget Process

Town of Ayer Budget Successes

FY 2022 Omnibus Budget Overview

FY 2022 Omnibus Budget Drivers

FY 2022 Wage and Expense Analysis

Revenue Overview

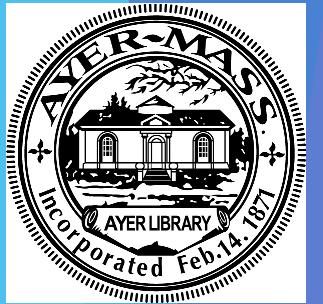
Next Steps

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 '22 begins on July 1, 2021 and runs to June 30, 2022.

The Town of Ayer begins budget preparation in October/November for the following July 1.

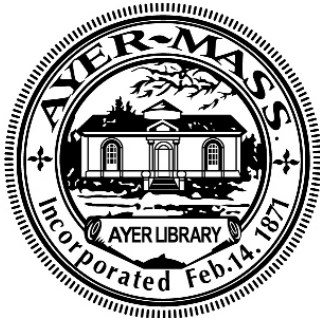
| October | November | December | January | February | March | April | May |
|--|--|---|---|--|--|---|--|
| <p>Town Manager sends out Capital Planning Directive</p> <p>Begin union negotiations</p> | <p>Capital Budget Request Due</p> <p>Town Manager sends Operating Budget Directive</p> | <p>SB conducts Tax Classification Hearing</p> <p>Capital Planning Committee begins to meet to review Capital Planning Budget Requests</p> <p>Operating Budget requests are due to Town Manager and Town Accountant for initial review</p> | <p>Operating Budget DRAFT is sent to SB and Finance Committee</p> <p>Town Manager and Town Accountant meet with Department Heads to fine tune budget requests</p> <p>Capital Planning Committee finalizes budget recommendations</p> <p>INITIAL PUBLIC PRESENTATION OF THE FY 2022 BUDGET - JAN. 27</p> <p>Town Accountant begins work on revenue projections, water/sewer/transfer station/ambulance rate models</p> <p>Annual Town Meeting Warrant is opened</p> | <p>Rate Review Committee begins to meet to develop rates for upcoming year</p> <p>Major budget drivers such as health insurance, schools assessments begin to take shape</p> | <p>Union negotiations end</p> <p>SB holds Public Hearing on Water/Sewer/Transfer Station Rates</p> <p>Public Information Forum on Budget - MAR. 8</p> | <p>Annual Town Meeting Warrant is closed</p> <p>SB approves and Finalizes Budget and Annual Town Meeting Warrant</p> <p>SB approves UDAG Economic Development Budget</p> <p>Community Preservation Commission Estimated Revenues take shape</p> <p>Annual Town Meeting held on April 26, 2021</p> <p>Budget is approved by Town Meeting</p> | <p>Town Election is held on the 2nd Tuesday</p> |

Town of Ayer Budget Successes

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

| <u>Fund</u> | <u>Balance</u> |
|---|----------------|
| 2020 Estimated Free Cash | \$1,000,000 |
| 2020 Stabilization Fund | \$2,584,294 |
| 2020 Capital Stabilization Fund | \$1,912,446 |
| 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 \$2,883,067 from FY 2015 to FY 2020

Unused Tax Levy Capacity has grown from \$2.1M in FY 2012 to \$2,642,362 in FY 2021

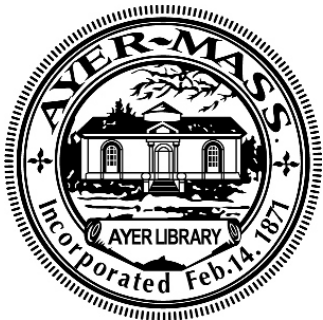
Solar New Metering Agreement initiated in FY 2013 has saved over \$1.5 million or 42% in energy costs due to the solar net metering credits.

Health Benefits Buyout Program initiated in FY 2010 has delivered \$1.3 million in health benefits expense budget savings through FY 2020

Massachusetts Clean Water Trust Interest Free Loan for Spectacle Pond PFAS Plant Construction

\$587,000 in grants for Public Works Projects

Town of Ayer Budget Successes



Over \$4.2M in Economic
& Community
Development Grants
since last year

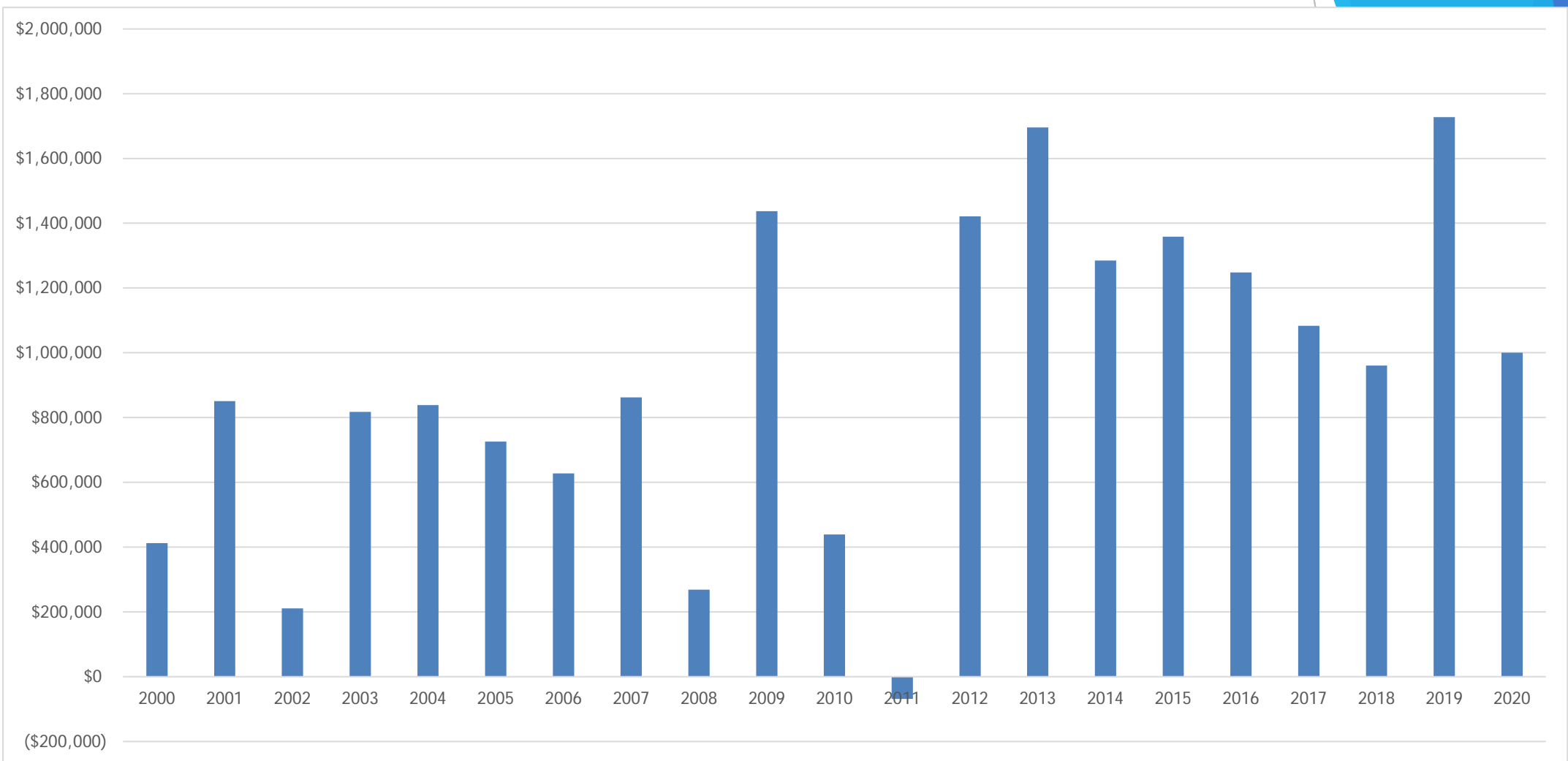
UDAG Fund Balance of
over \$2.8 million

Community Preservation
Fund Balance of
\$1,976,009

Conservation Land Trust
of \$548,576

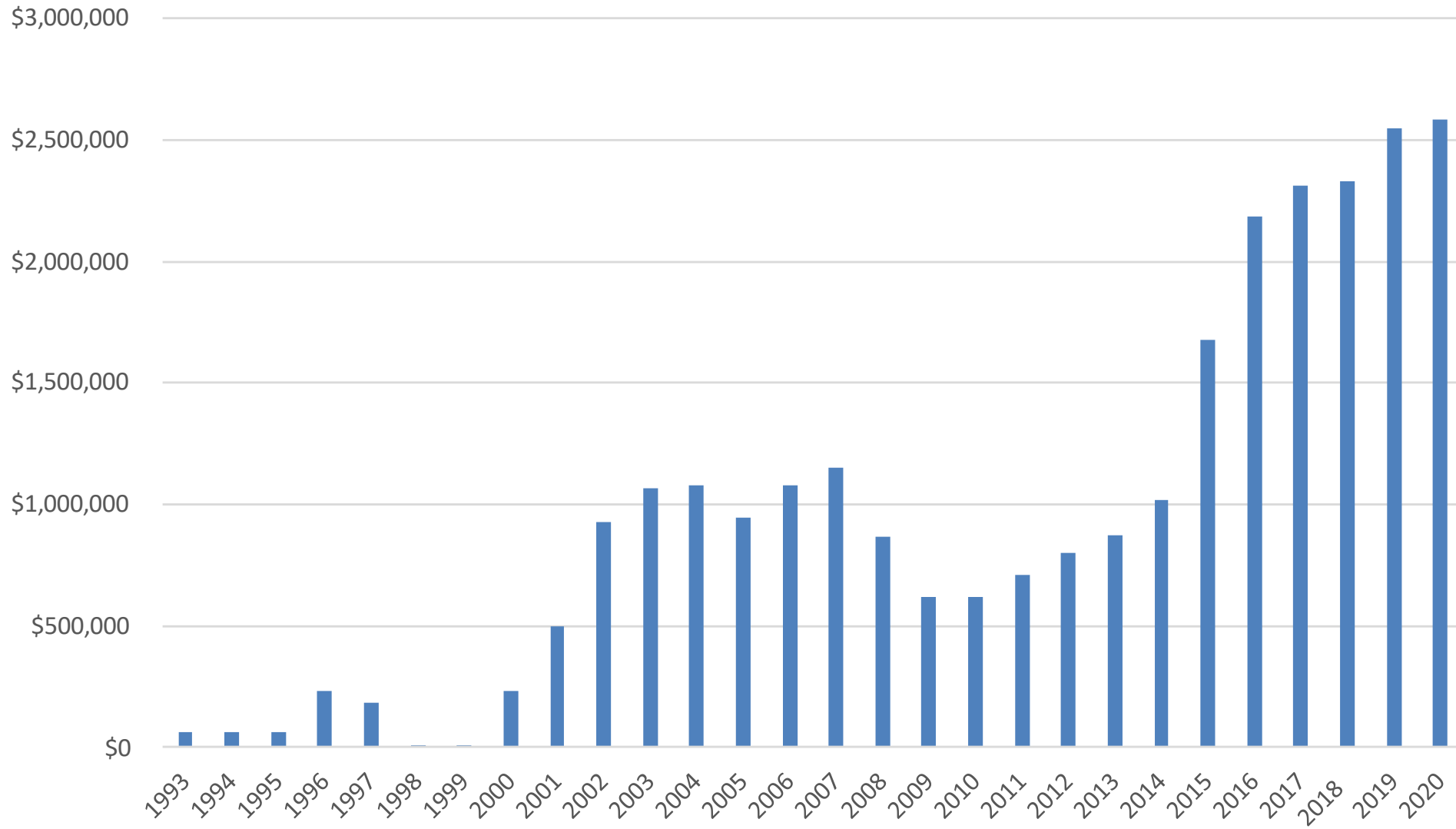
Forward Funding
Initiative for Middlesex
County Retirement
System nets estimated
\$1.1M in savings in
future payments

Collection of \$75,000 in
Tax Title in FY' 20

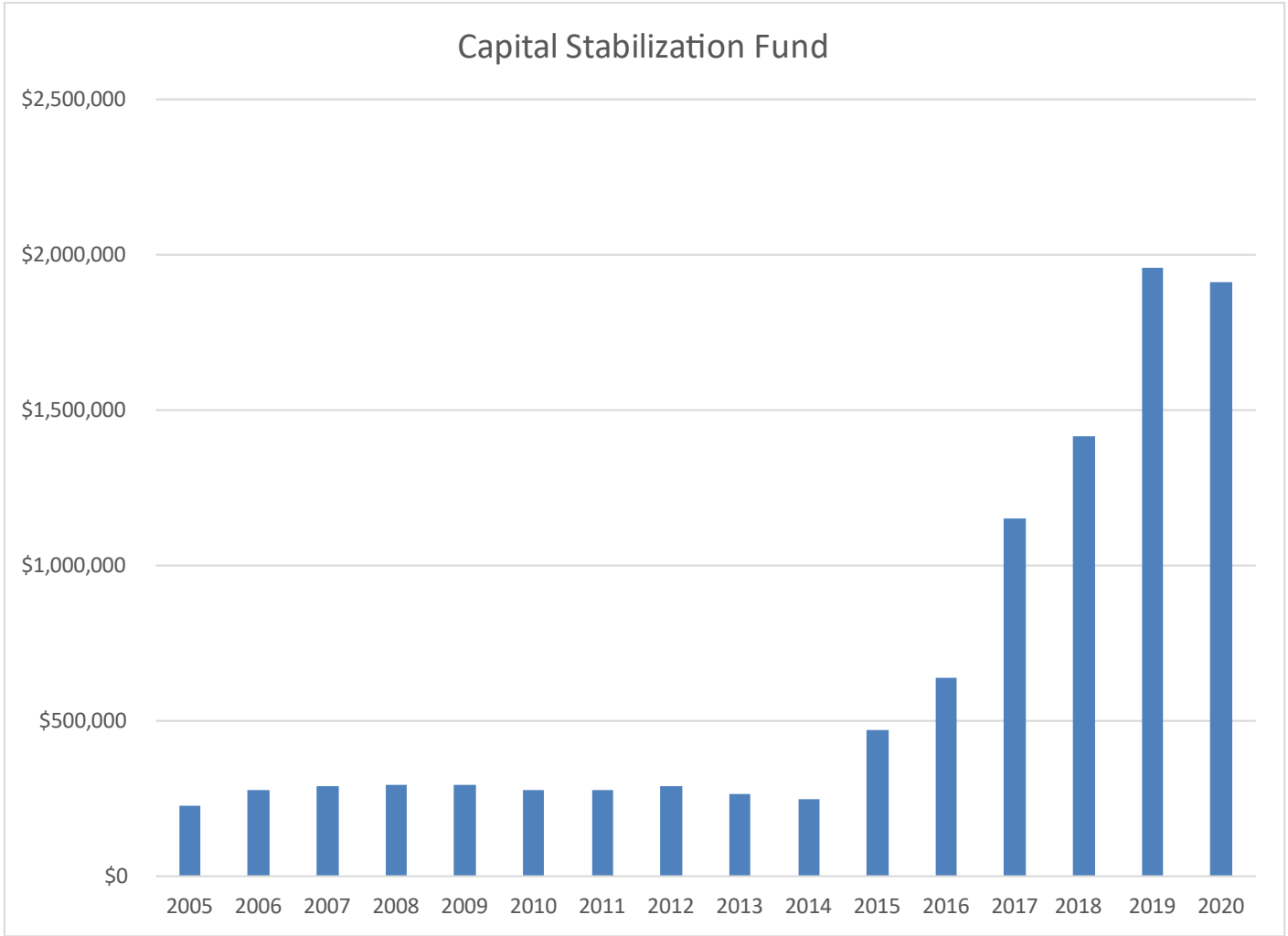


Free Cash History

Stabilization Fund Balances

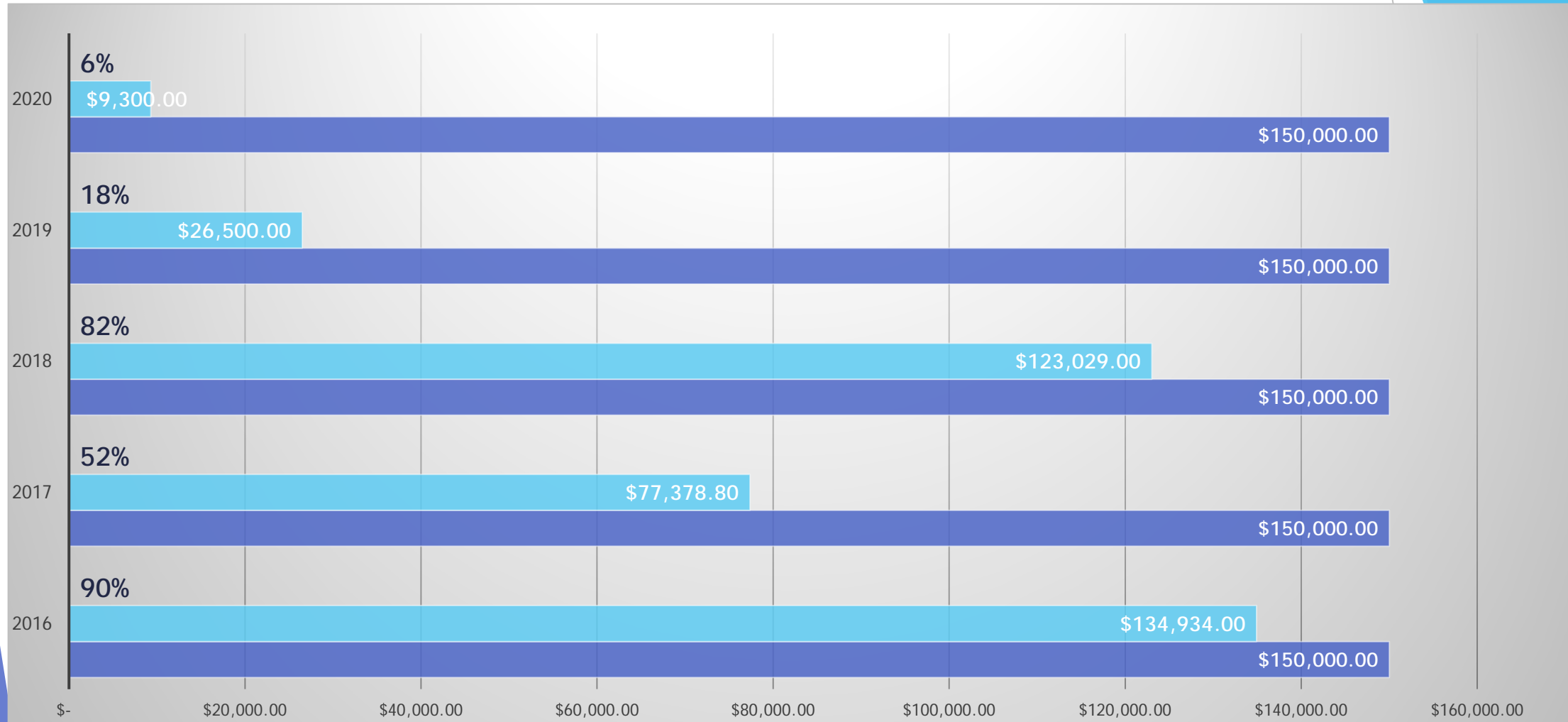


Stabilization Fund Balance



Capital Stabilization Fund Balance

Reserve Fund Use History 2016-2020



COVID-19 Impacts

| | Total Eligible Amount CARES Funding | \$719,801 |
|---|--|-----------|
| Town Expenses* | \$180,964 | |
| <u>Transfers</u> ASRSD** (73%) NVRTHS (20%) NABOH (6%) | \$160,318 | |
| | \$341,282 | |
| | Remaining Eligible | \$378,519 |
| *Town Expenses - Overtime, Employee Testing, PPE, Cleaning and Sanitizing, Accelerated Telework | | |
| ** Social Distancing Supplies and Remote Learning Costs | | |

FY 2022 Omnibus Overview

\$16,352,895 FY 2022 Omnibus Budget (As of January 27, 2021)

Level Services from FY 2021 (Unless otherwise indicated)

4.65% Increase from FY 2021

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 2021)
- Health Insurance (Official rate is not available until February 2021)
- Police/Dispatch Union Contracts (Negotiations currently underway)
- Non-Union Personnel Service Contracts (Negotiations currently underway)
- Cost of Living Adjustment (COLA) for FY 2022

The FY 2022 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 2022 Omnibus Budget Drivers

As of January 27, 2021, what are the FY 2022 Omnibus Budget Drivers?

- Retirement Assessment: \$146,735 (Estimated Increase)
- Health Insurance: \$210,404 (Estimated Increase)
- Contractual Personnel Increases (Both Non-Union and Union): \$264,751

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

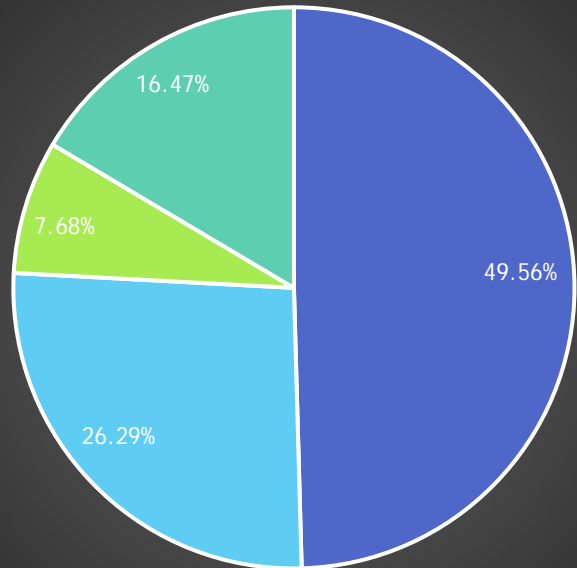
| | |
|--------------------|---|
| COA: | (\$79,012) (Est. Decrease) |
| Fire: | \$34,927 (Est. Increase) |
| Police: | \$78,225 (Est. Increase) |
| Regional Dispatch: | \$197,042 (Note: Subject to 911 Grant Reimbursement and Shirley Assessment) |

- General Insurance Increase: \$28,522

FY 2022 Omnibus Budget Drivers

| | |
|---|------------------|
| Contractual Personnel Increases (Both Non-Union and Union): | \$264,751 |
| Health Insurance Increases (12% Increase Estimate): | \$210,404 |
| Retirement Assessment: | \$146,735 |
| General Insurance (Estimated Increase): | \$28,522 |
| Total Increases (Estimated): | \$717,552 |

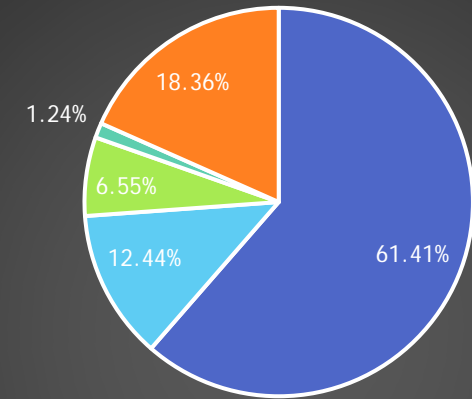
Omnibus Expenses



■ Wages ■ Benefits ■ Debt ■ Other Expenses

FY 2022 Wage and Expense Analysis

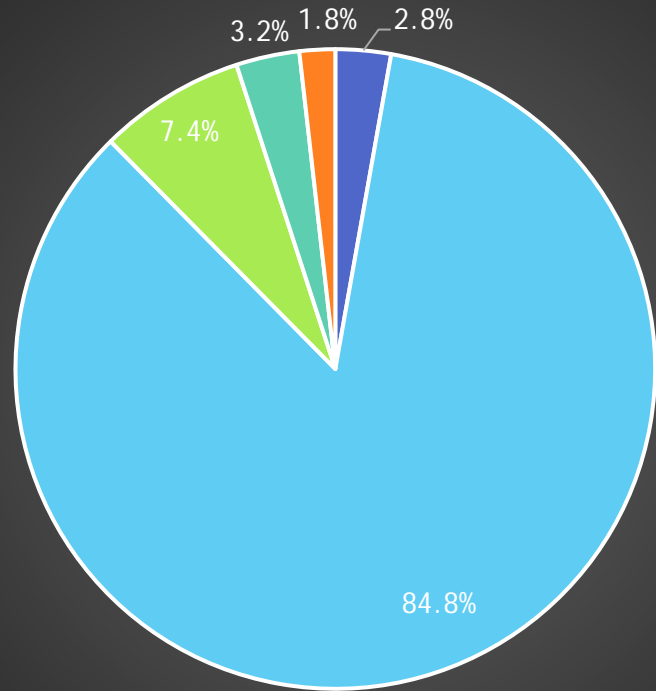
Wages



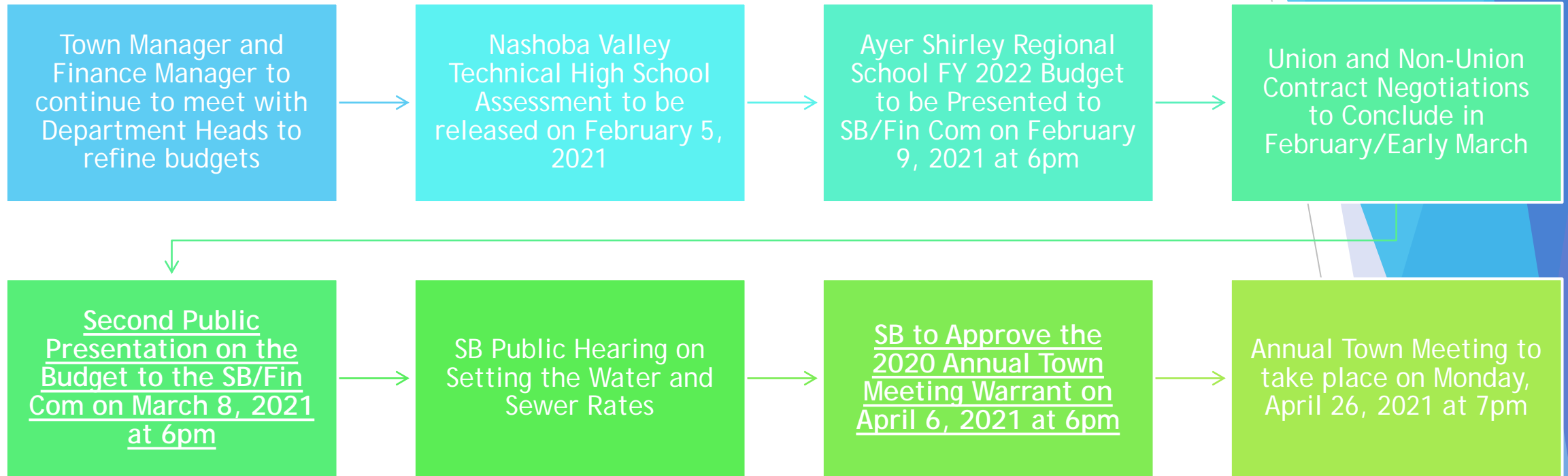
■ Police & Fire
■ Public works & other public safety
■ Culture & Recreation
■ Human Services
■ General Government

Revenue Overview

Revenues



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



Next Steps in the FY 2022 Budget Process

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:

www.ayer.ma.us/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

The screenshot shows the Town of Ayer, Massachusetts website. The header includes the town seal, the name "Town of Ayer Massachusetts", and social media links for Facebook and Twitter. A search bar and a home icon are also present. The navigation menu includes "About Ayer", "Departments", "Boards & Committees", and "Community". A "Find it Fast" button is located on the right side of the navigation bar. The left sidebar contains a list of links: "2022 Budget", "Americans with Disabilities Act", "BOS General Policies & Procedures", "BOS Office Policies & Procedures", "COVID-19 Outdoor Seating Information", "Classification Study Final Report - March 2014", "Conflict of Interest Law for Municipal Employees", "Department Head Reports", and "Electronic Sign Board Content Request". The main content area shows the breadcrumb "Home » Departments » Town Manager" and the title "2022 Budget". Below the title is a table with two columns: "Document" and "Date".

| Document | Date |
|--|-----------|
| Omnibus Budget Draft #1 | 1/8/2021 |
| FY22 Budget and Town Meeting Calendar | 1/14/2021 |
| Budget Public Form will be held on Wednesday, January 27, 2021 at 6:00pm | 1/27/2021 |