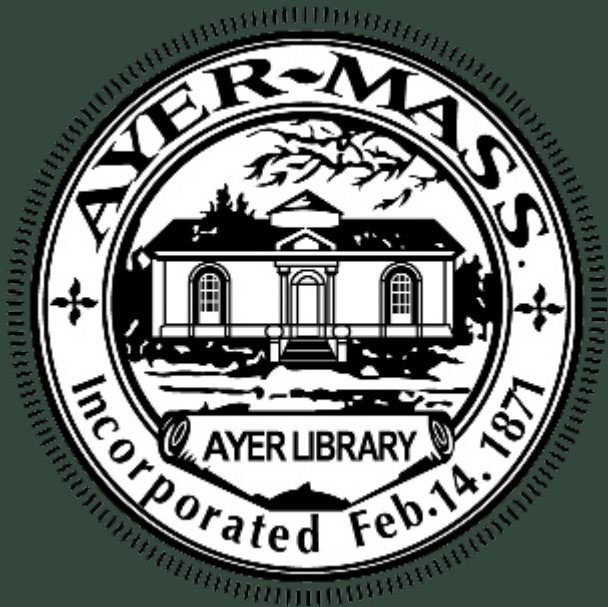


Town of Ayer

Initial Presentation of the FY 2024 Omnibus Budget



Robert A. Pontbriand, Town Manager
Carly M. Antonellis, Assistant Town Manager
Barbara A. Tierney, Finance Manager – Treasurer/Tax Collector


January 25, 2023
Public Presentation to the
Ayer Select Board and Finance Committee

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 '24 begins on July 1, 2023, and runs to June 30, 2024.

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

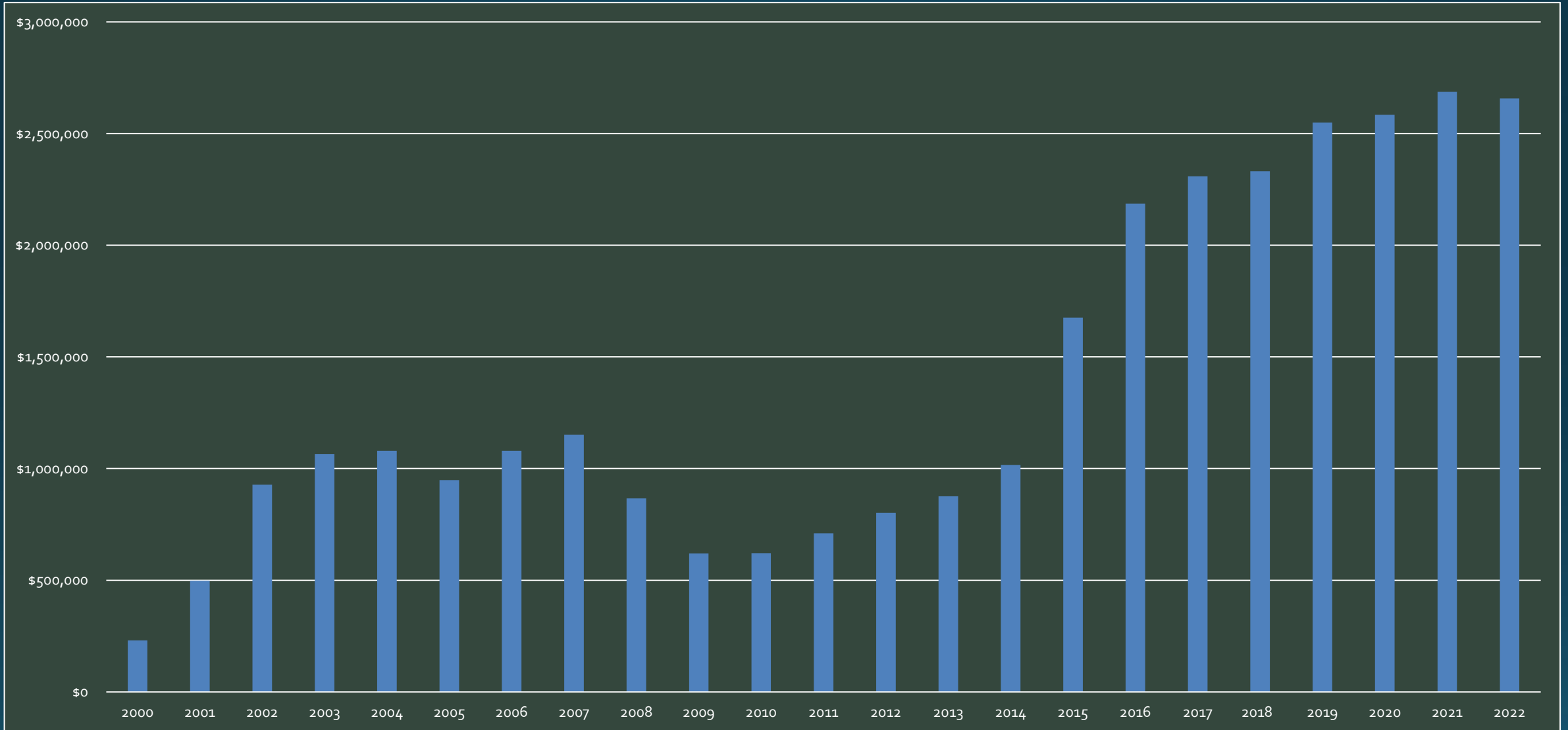
October	November	December	January	February	March	April	May
<p>Town Manager sends Capital Planning Directive</p> <p>Union Negotiations Begin</p> <p>Rate Review Committee meets to discuss CY 23 Transfer Station Rates</p> <p>Fall Special Town Meeting 10/24/2023</p>	<p>Capital Budget Requests Due</p> <p>Town Manager sends Operating Budget Directive</p> <p>Tax Classification Hearing</p>	<p>Capital Planning Committee begins to review requests</p> <p>Operating Budgets due from Departments</p> <p>We are here </p>	<p>1st DRAFT of Budget sent to SB and Finance Committee</p> <p>Town Manager meets with Departments to review requests</p> <p>1st Budget Presentation</p> <p>Annual Town Meeting Warrant Opened</p>	<p>Rate Review Committee meets to discuss FY '24 Water and Sewer Rates</p> <p>Major Budget Drivers such as health insurance, energy/fuel costs, and school assessments begin to take shape</p>	<p>Union Negotiations End</p> <p>2nd Budget Public Forum 3/8/2023</p> <p>SB holds Public Hearing on FY '24 Water and Sewer Rates 3/21/2023</p> <p>ATM Warrant Closes 3/31/2023 at 12:00 PM</p>	<p>ATM Warrant Reviewed and Approved 4/4/2023</p> <p>Community Preservation Commission Estimated Revenues Received</p> <p>Annual Town Meeting 4/24/2023</p>	<p>Annual Town Election 5/9/23</p>

Town of Ayer Budget Successes

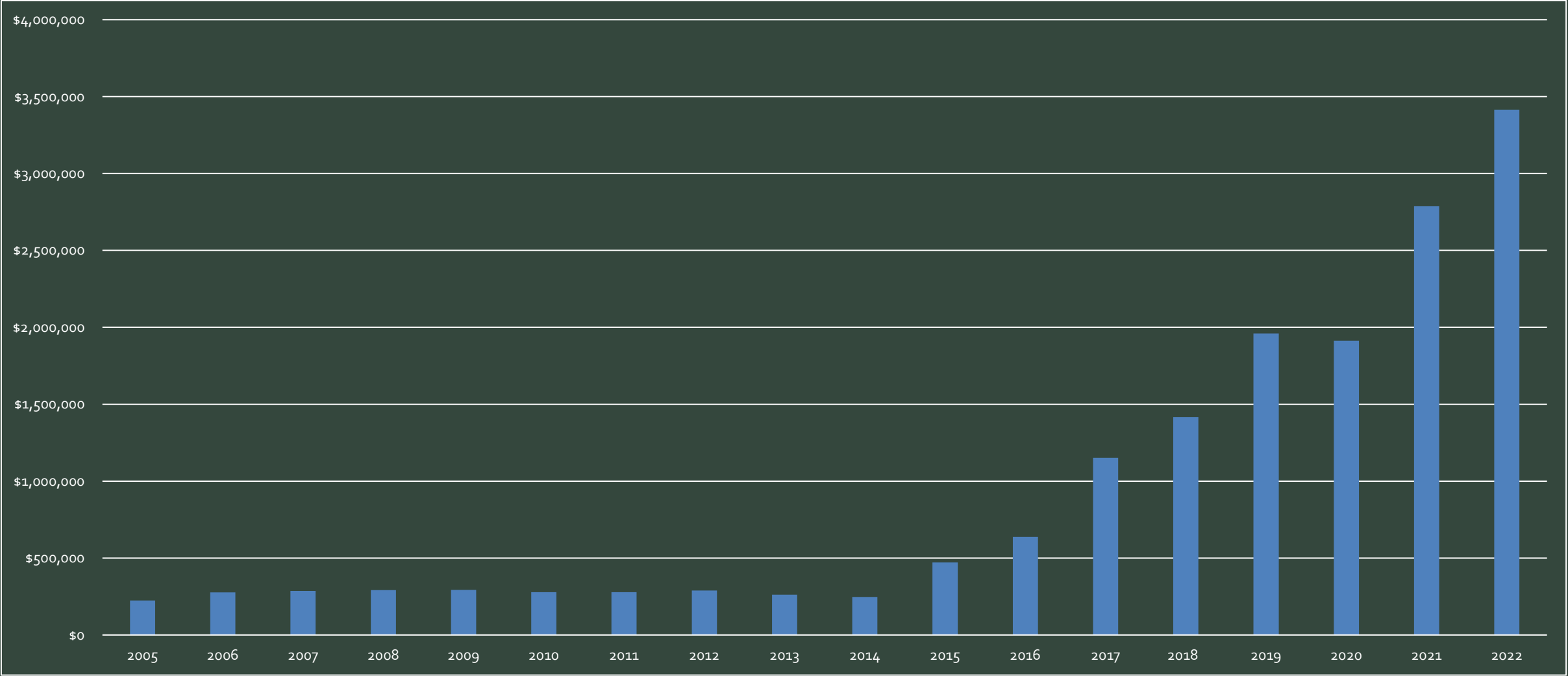
The Town of Ayer begins the FY 2024 Budget Process from a Position of Fiscal Stability and Financial Strength

<u>Fund</u>	<u>Balance</u>
2022 Certified Free Cash	Awaiting State Certification
2022 Stabilization Fund	\$2,657,522
2022 Capital Stabilization Fund	\$3,415,151
2022 Other Post-Employment Benefits (OPEB) Fund	\$4,186,460
2022 Standard and Poor (S & P) Bond Rating	Aa2 Stable Outlook
S & P Rating Includes Findings of: Very strong economy. Strong management with good financial policies and practices. Healthy Reserves.	

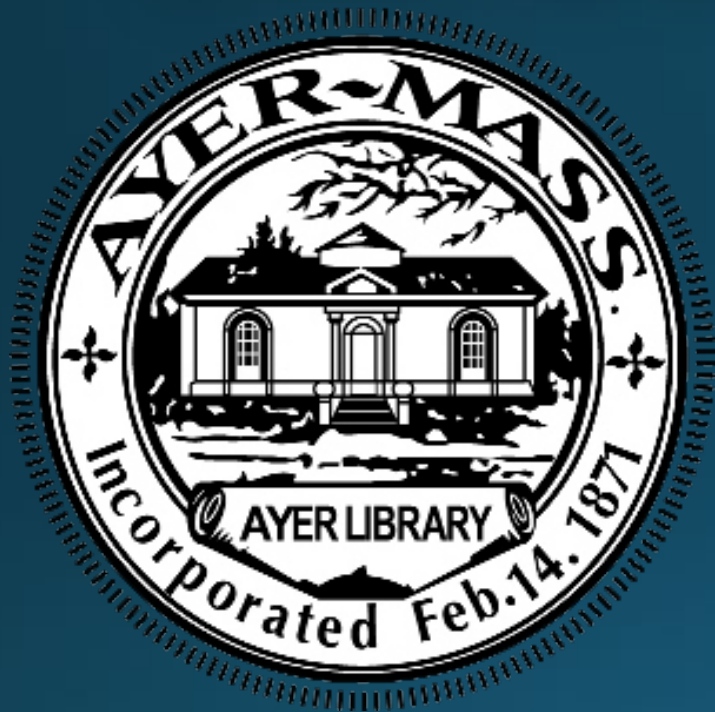
Stabilization Fund Balances



Capital Stabilization Fund Balances



Town of Ayer Budget Successes



**\$30,000 Shared
Streets and Spaces
Grant for DPW**

**Unused Tax Levy
Capacity has grown
from \$2,449 in FY
2012 to \$3,491,202 in
FY 2023**

**Solar Net Metering
Agreement in FY 22 has
saved over \$400,000
due to the solar net
metering credits**

**Since 2017 the Town
has received \$454,173
in Green Community
Grants for energy
efficiency projects**

**\$61,255 in National
Grid energy incentives**

**Over \$400,000 in
State 9-1-1 Grants for
Police and Dispatch**

Summary of DRAFT#1 of the FY 2023 Omnibus Budget

DRAFT #1 Submitted to the Select Board, Finance Committee and ayer.ma.us/budget on January 13, 2023

Does not include the School Assessments (ASRSD and NVTHS)

Does not include Union/Non-Union Contracts (Negotiations in Process)

Does not include any Cost-of-Living Adjustment (COLA)

Remains a work in progress through the Budget Process

<u>DRAFT #1 Budget Total:</u>	<u>\$18,173,909.20</u>
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<u>Increase from FY 2023 Budget:</u>	<u>\$1,215,309.56</u>
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<u>% Increase from FY 2023:</u>	<u>7.00%</u>
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DRAFT #1 is subject to revisions and adjustments as the Town moves through the Budget Process. Subsequent DRAFTs of the FY 2024 Budget will be posted on the Town's website at: ayer.ma.us/budget

FY 2024 Budget Drivers

Increased Energy Costs	\$361,179
Estimated 35% Increase in Energy and Fuel Costs	
Proposed New Positions: 1.5 FTE	\$131,486
Administrative Day Sgt. at Police Dept. & Increasing PT Building Inspector to Full Time	
Ayer Library Budget Request	\$44,150
Tree Management Plan Recommendation	\$34,400
DPW Stormwater Budget (Culvert Replacements)	\$33,000

Energy/Fuel Costs the Major Budget Driver for FY 2024

- Energy/Fuel costs for FY 2024 represent approximately \$361,179 of the total \$1,215,309 increases in the FY 2024 Budget (DRAFT 1) or approximately 3% of the 7% total increase in the FY 2024 Budget
- Without the projected Energy/Fuel costs for FY 2024, the total increase of the FY 2024 Budget (DRAFT 1) would be \$854,130 or an increase of only 4.0% over FY 2023
- What accounts for the 35% increase for FY 2024 Energy/Fuel increases:

Electrical:

10% increase in delivery charges and 80% in supply charges

Town's current Energy Agreement with Constellation will expire in November 2023

Currently paying \$.09 kWh estimated to be \$.16 kWh under new agreement

Note: Current National Grid rate is \$.35 kWh

Natural Gas:

10% increase in delivery charges and 80% in supply charges

Currently paying \$0.43/therm estimated to be \$0.85/therm under new agreement

Fuel (Oil/Gas/Diesel):

Town pays the same increase the consumers pay since the pandemic ended.
Inflation and supply issues.

Initial Plan to Address Energy/Fuel Costs

Electric: Renegotiate an optimal energy agreement for when the current agreement expires in November 2023
Review all electric consumption for further opportunities for reduction/efficiencies
Implement further electric conservation measures

Oil: The main consumption of oil is used for two boilers at the Wastewater Treatment Plant. These boilers date back to 1979. A proposal has been recommended by the Capital Planning Committee for funding to replace both boilers subject to Town Meeting approval in April 2023

Gas/Diesel: Implement further fuel conservation measures (i.e. no idling, etc.)
Continue to research/consider electric vehicles when practical

FY 2024 Budget Efficiencies

SAFER Grant

Ayer Fire Department – 4 Fulltime Personnel

\$106,223

Pension Assessment

Reduced Amount Due to Previous Year’s Forward Funding

FY’ 21

FY’ 22

FY’ 23

\$100,163

\$146,735

\$123,893

Reserve Fund Reduction

Recommending \$100,000 Reduction

(\$100,000)

Town Counsel

Recommending \$5,000 Reduction

(\$5,000)

Town Clerk’s Office

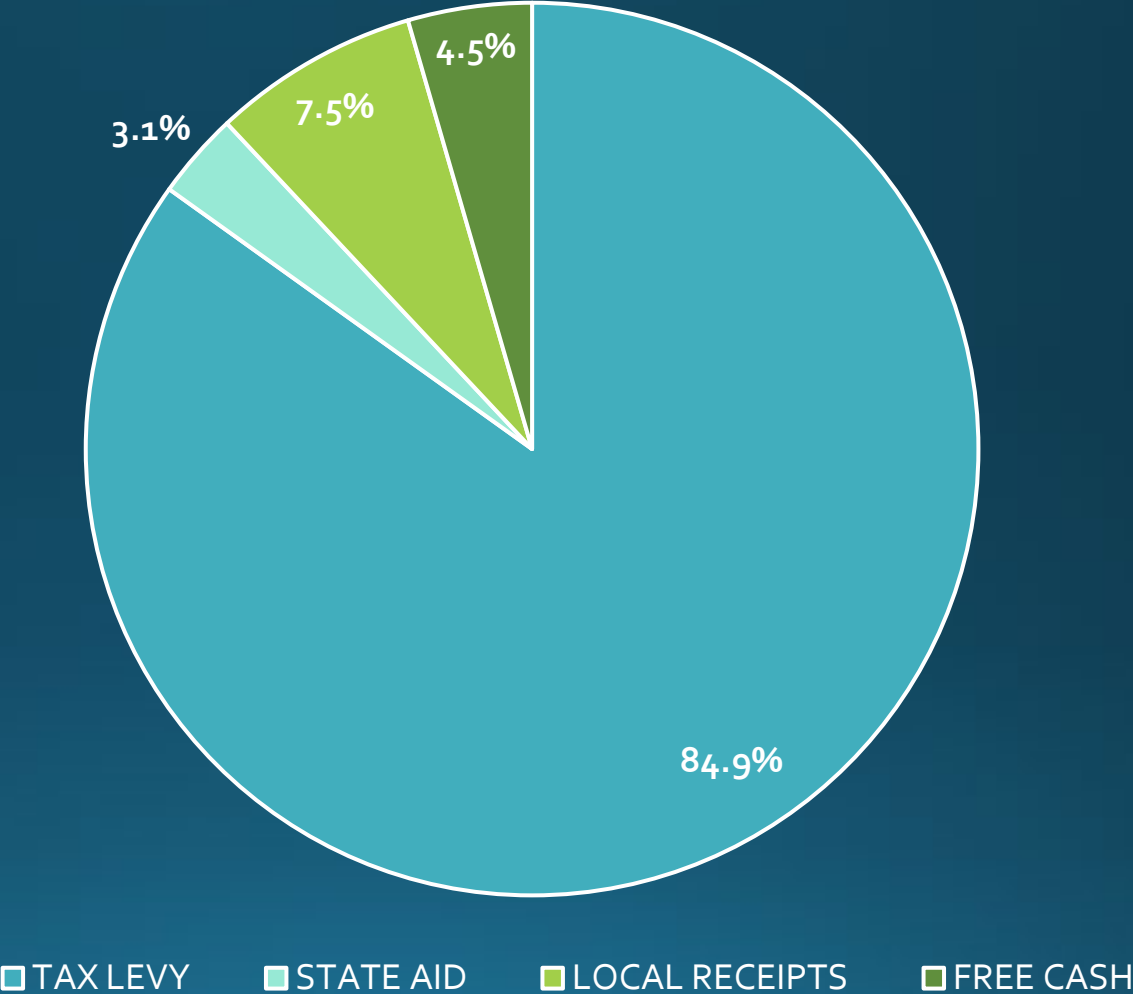
Fewer Elections

(\$4,296)

Revenue Overview

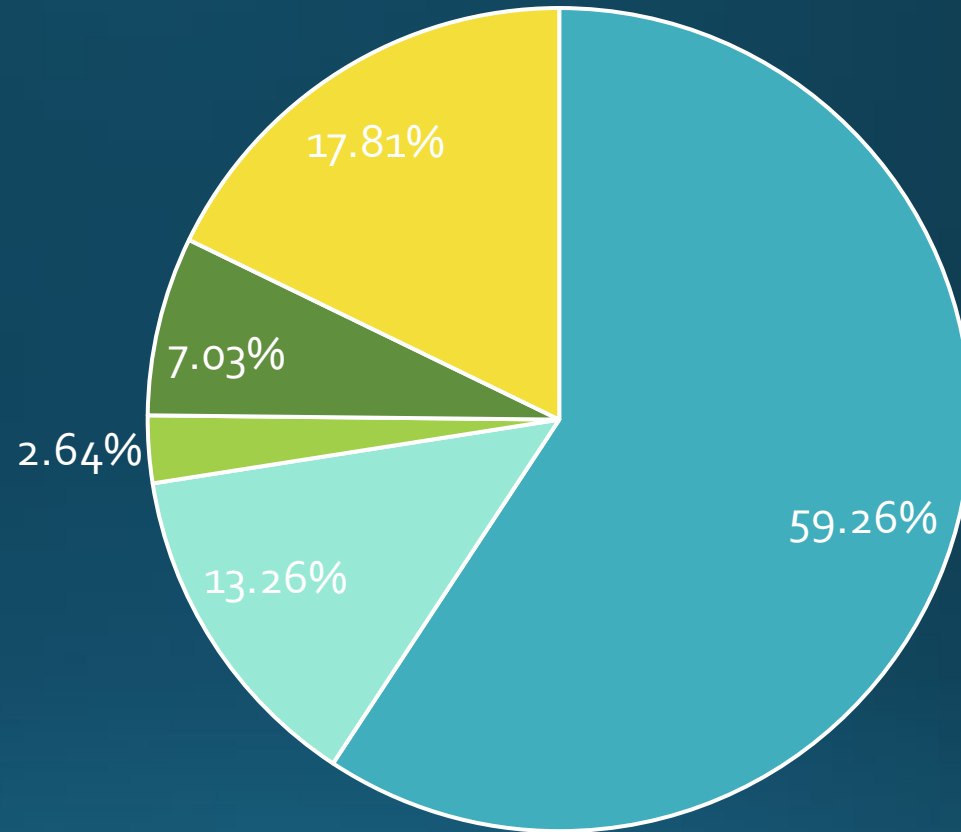
TAX LEVY	\$ 28,382,407.72
STATE AID	\$ 1,045,256.00
LOCAL RECEIPTS	\$ 2,506,420.00
FREE CASH	\$ 1,500,000.00
	\$ 33,434,083.72

Revenue By Category



Wage Analysis

Police and Fire	59.26%
DPW and Other Public Safety	13.26%
Human Services	2.64%
Culture & Recreation	7.03%
General Government	17.81%



■ Police and Fire wages

■ DPW and Other Public Safety

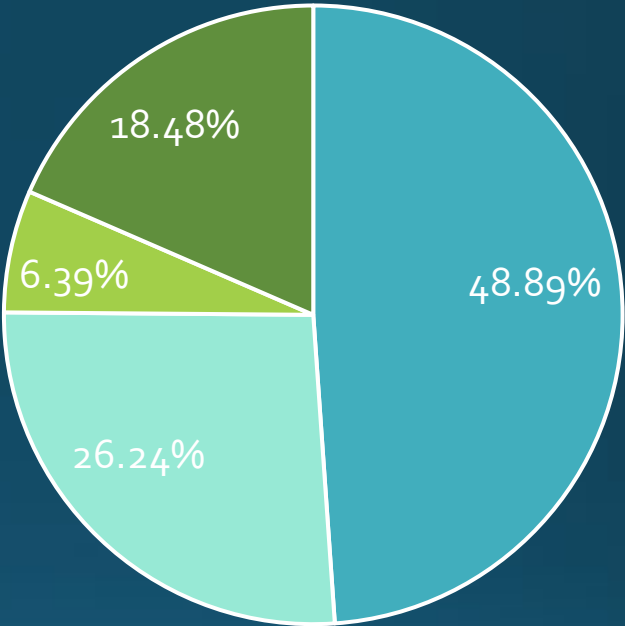
■ Human Services

■ Culture & Recreation

■ General Government

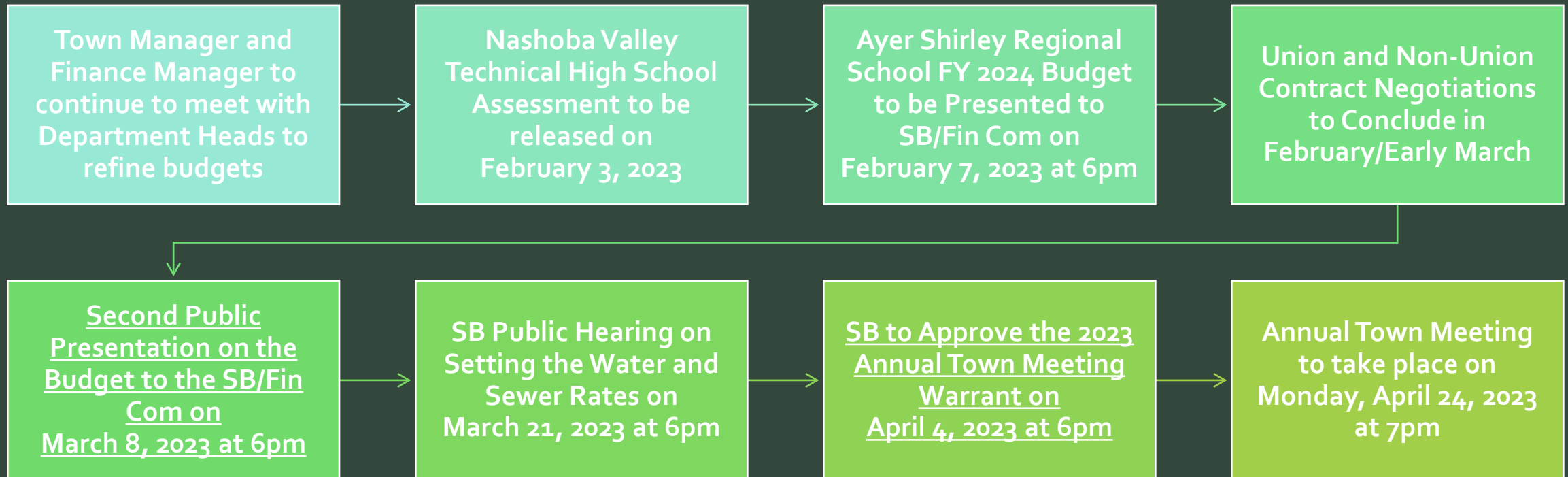
Expense Analysis

WAGES	48.89%
BENEFITES	26.24%
DEBT	6.39%
OTHER EXP	18.48%



WAGES BENEFITES DEBT OTHER EXP

Next Steps in the FY 2024 Budget Process



Questions and Further Information

FOR MORE INFORMATION ABOUT THE FY 2024 BUDGET:

- VISIT THE TOWN MANAGER'S "2024 BUDGET PAGE" ON THE TOWN'S WEBSITE AT: [AYER.MA.US/BUDGET](https://www.ayer.ma.us/BUDGET)
- CONTACT THE TOWN MANAGER AT (978) 772-8220 OR TM@AYER.MA.US
- ATTEND THE SECOND FY 2024 PUBLIC BUDGET FORUM ON MARCH 8, 2023 AT 6PM

Home » Departments » Town Manager



FY2024 Budget

Town Meeting Information

Documents:

Budget Calendar

DRAFT #1 of the FY 2024 Omnibus Budget – January 13, 2023

Capital Requests:

Summary of Capital Planning Requests

FY 2024 Capital Budget Presentation for the Facilities Department

FY 2024 Capital Budget Presentation for the Police Department

Presentations:

DPW Presentation December 1, 2022

Capital Departmental Requests:

Assessing Department

Department of Public Works

Facilities

Fire Department

Library

Parks Department

Police Department