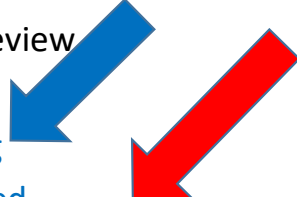


# FY22 Budget Update

February 27, 2021

Stephen J. Crane, Town Manager

# FY22 Budget Development Timeline

- November 6, 2020: FY22 – 26 Capital Plan Instructions issued
  - December 4, 2020: FY22 – 26 Capital Plan requests due
  - December 31, 2020: FY22 Budget Instructions issued to departments
  - January 14, 2021: Town Manager response to FY22 Guidelines Information Request
  - January 21, 2021: FinCom sets FY22 Preliminary Guideline
  - January 27, 2021: departmental requests due
  - Jan 29 – Feb 9: review of requests by Town Manager/ Finance
  - February 4, 2021: Town Manager response to FY22 Preliminary Guideline
  - February 12: all operating & capital requests compiled for final review
  - February 25, 2021: FinCom sets FY22 Final Guideline
  - February 27, 2021: 2021 Annual Town Meeting Preview Meeting
  - March 5: Preliminary FY22 Operating Budget & Capital Plan issued
  - March 15: Preliminary FY22 Operating Budget & Capital Plan presented to Select Board
  - March 25: Final FY22 Operating Budget & Capital Plan published
- 

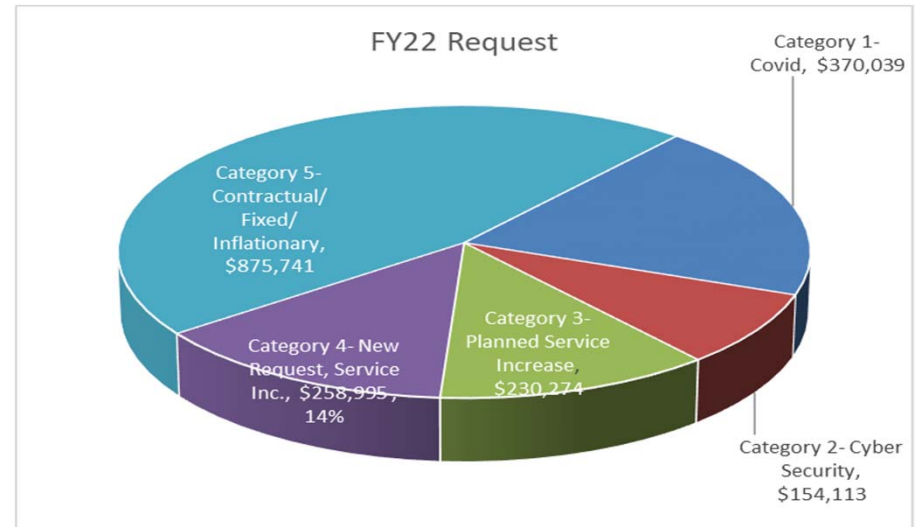
# FY22 Budget Drivers

- **Category 1, Covid-19:**
  - Temporary- economic vitality efforts, facilitation of remote meetings
  - Permanent- custodial services, costs to facilitate remote work
- **Category 2, Cyber Security:**
  - Office 365, hardware upgrades
- **Category 3, planned increase in service levels:**
  - Library Expansion, Facilities, on-going Economic Vitality; Legal Expense
- **Category 4, new service level requests:**
  - Increased hours for rangers; additional services RHSO; structural changes at CPW/ Park & Trees division
- **Category 5, Contractual & Inflationary increases:**
  - Salaries, utilities

# FY22 Budget Drivers

	FY21 Before Salary	FY21 After Salary	FY22 Requested	\$Δ FY21 to FY22 Req.
Gen Govt Subtotal	4,026,649	4,074,637	4,827,980	753,343
Finance Subtotal	2,373,592	2,420,349	2,293,366	(126,983)
DPLM Subtotal	1,858,940	1,878,215	1,951,469	73,254
Human Services Subtotal	3,445,273	3,493,988	3,682,509	188,521
Public Safety Subtotal	10,212,263	10,623,630	10,586,207	(37,423)
Public Works Subtotal	4,473,093	4,504,039	4,537,438	33,399
Unclassified Subtotal	560,000	(45,049)	960,000	1,005,049
Capital	1,081,855	1,081,855	1,081,855	-
<b>Total</b>	<b>\$ 28,031,665</b>	<b>\$ 28,031,664</b>	<b>\$ 29,920,824</b>	<b>\$ 1,889,160</b>
Guideline	\$ 28,031,664	\$ 28,031,664	\$ 28,539,815	\$ 508,151
Encumbrance	\$ -	\$ -		
Surplus / Deficit	\$ 1	\$ 0	\$ 1,381,009	\$ 1,381,009

Category of Increase:	Dollar Value:	Percent Inc. over FY21	Percent Increase over FY20
Category 1- Covid	\$ 370,039	1.32%	1.29%
Category 2- Cyber Security	\$ 154,113		
Category 3- Planned Service Increase	\$ 230,274	0.82%	0.80%
Category 4- New Request, Service Inc.	\$ 258,995	0.92%	0.90%
Category 5- Contractual/ Fixed/ Inflationary	\$ 875,741	3.12%	3.05%
	\$ 1,889,161	6.74%	6.58%
		2-year average:	3.29%



# FY22 Preliminary Guideline

	Final FY2019	Final FY2020	FY21 AFTER Guideline 12/6/2019	FY21 Budget, After Recap 10.21.20	FY22 Prelim. Guideline 01.28.21
<b>Guideline Accounts</b>					
<b>Town Government</b>					
Personnel	\$ 17,983,494	\$ 19,238,126	\$ 22,556,349	\$ 21,882,787	
Expense	\$ 3,897,019	\$ 3,891,386	\$ 4,561,166	\$ 4,842,021	
Capital Outlay	\$ 1,945,000	\$ 1,945,000	\$ 1,787,195	\$ 1,081,855	
Reserve Fund	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ -
sub-total: General Fund	\$ 24,228,513	\$ 28,706,648	\$ 29,129,710	\$ 28,031,663	\$ 28,539,815
Transfers from Enterprise Funds & Other Credits	\$ 2,698,681	\$ -	\$ -	\$ -	\$ -
<b>total: Town Government</b>	<b>\$ 26,927,194</b>	<b>\$ 28,706,648</b>	<b>\$ 29,129,710</b>	<b>\$ 28,031,663</b>	<b>\$ 28,539,815</b>
			<b>Pandemic Revision:</b>	\$ (1,098,047)	
				-3.77%	

- FY22 Preliminary Guideline is \$508,151, which is an increase of 1.81% over FY21 Budget (Pandemic Revision)
- FY21 Budget (Pandemic Revision) resulted in the need to cut \$1.1M from FY21 Guideline
- FY21, increased costs were mitigated by attrition, position vacancies, reduction in capital **and** \$715k carry forward from FY20
- FY22 Guideline still lower than FY20 appropriation, yet cost of service has increased and new services are required
- Attrition savings is less and continued reductions in capital is not sustainable

# Request for Consideration to increase Guideline

- Consideration of increase to FY22 Guideline due to:
  - Covid related expenses, temporary & permanent
  - Planned increase in service levels, commitments made pre-pandemic
  - Loss of Parking Meter revenue but maintenance contracts still in place
  - Need to support local business community
  - Big spike in cyber fraud, requiring us to advance technology upgrades faster than originally planned

<b>FY22 Preliminary Guideline</b>	<b>\$ 508,151</b>	<b>1.81%</b>
<b>Additional Consideration for:</b>		
Category 1, temporary	\$ 72,568	0.26%
Category 1A, lost revenue (Parking Meters)	\$ 150,000	0.54%
Category 2, Cyber Security	\$ 154,113	0.55%
Category 3, Planned Service Increase	\$ 159,780	0.57%
Sub-total:	\$ 536,461	1.91%
<b>Total:</b>		
	\$ 1,044,612	3.73%
<b>Remaining Deficit to be addressed:</b>		
Category 1, Permanent	\$ 147,471	0.53%
Category 3, Planned Service Increase	\$ 70,494	0.25%
Category 4, New Requests	\$ 258,995	0.92%
Category 5, Contractual/ Fixed/ Inflationary	\$ 367,590	1.31%
remaining deficit:	\$ 844,549	3.01%
total of FY22 Requests:	\$ 1,889,161	6.74%

# FY22 Final Guideline

	Final FY2019	Final FY2020	FY21 AFTER Guideline 12/6/2019	FY21 Budget, After Recap 10.21.20	FY22 Prelim. Guideline 01.28.21	FY22 Final Guideline 02.25.21
<b>Guideline Accounts</b>						
<b>Town Government</b>						
Personnel	\$ 17,983,494	\$ 19,238,126	\$ 22,556,349	\$ 21,882,787		
Expense	\$ 3,897,019	\$ 3,891,386	\$ 4,561,166	\$ 4,842,021		
Capital Outlay	\$ 1,945,000	\$ 1,945,000	\$ 1,787,195	\$ 1,081,855		
Reserve Fund	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ -	\$ -
sub-total: General Fund	\$ 24,228,513	\$ 28,706,648	\$ 29,129,710	\$ 28,031,663	\$ 28,539,815	\$ 28,962,894
Transfers from Enterprise Funds & Other Credits	\$ 2,698,681	\$ -	\$ -	\$ -	\$ -	\$ -
<b>total: Town Government</b>	<b>\$ 26,927,194</b>	<b>\$ 28,706,648</b>	<b>\$ 29,129,710</b>	<b>\$ 28,031,663</b>	<b>\$ 28,539,815</b>	<b>\$ 28,962,894</b>
			<b>Pandemic Revision:</b>	\$ (1,098,047)	\$ 508,152	\$ 931,231
				-3.77%	1.81%	3.32%

- FY22 Final Guideline is \$931,231, which is an increase of 3.32% over FY21 Budget (Pandemic Revision)
- FY21 Budget (Pandemic Revision) resulted in the need to cut \$1.1M from FY21 Guideline
- FY21, increased costs were mitigated by attrition, position vacancies, reduction in capital **and** \$715k carry forward from FY20
- FY22 Guideline less than 1% higher than the FY20 appropriation, yet cost of service has increased and new services are required
- Attrition savings is less and continued reductions in capital is not sustainable
- It is likely that we will seek to carry forward FY21 savings to help fund FY22 budget as we do not intend to make service reductions given the nature of the pandemic

# FY22 Budget- Closing the gap

- Potential for additional federal aid under American Recovery Act
  - Estimated allocation for Concord is \$3.55 – 4.27M
- Re-appropriation of unspent FY21 Budget
  - **MGL c.44, sect. 33B (b):** A town may, by majority vote at any meeting duly held, transfer any amount previously appropriated to any other use authorized by law.
- Not all requests can be funded
- No increase in CIP Cash Outlay, level dollar; recommendation at lower end of target
- Limiting wage inflation; wage increases not yet set but anticipate that they will be similar to FY21, still less than pre-pandemic