



## Article 10. FY22 Budget

**ARTICLE 10.** Ms. Escobedo moves that the Town take affirmative action on Article 10, as printed in the handout pertaining to the Article.



# Handout

## Scenario A

- As presented in warrant
- Assumes Parking Meter program expenses will be rolled into General Fund budget due to insufficient revenue (\$155k subsidy)
- Assumes use of \$867,564 of FY21 Carry Forward (unspent appropriation)

## Scenario B

- Assumes Parking Meter program expenses will be funded under Article 16
  - ARPA funds to supplement lost revenue
- Overall appropriation will be reduced by \$400,000 (Parking Meter program expenses)
  - Parking Meter Revenue of \$245,000
  - General Fund Subsidy of \$155,000
- Assumes use of \$712,564 of FY21 Carry Forward (unspent appropriation)



## Manner of Appropriation

- The Town's budget is appropriated by Town Meeting in 16 distinct line items
- The Town Manager must then manage the "bottom line" of each line item appropriation
- Adjustments are then only allowed:
  - Further Town Meeting action
  - MGL Ch. 44, §33B



# Summary of Budget Article

		Appropriation:		Funding:	
1 - 11		Guideline Budget	\$ 28,492,894	Raise & Appropriate	\$ 44,537,571
				Light Fund	\$ 582,347
12	A	Group Insurance	\$ 6,639,042	Telecom	\$ 28,875
12	B	OPEB (now in Article 11)	\$ -	Water Fund	\$ 710,034
12	C	Property/ Liability	\$ 315,000	Sewer Fund	\$ 257,606
13		Unemployment & Workers Compensation	\$ 253,575	Solid Waste Fund	\$ 137,908
14	A	Retirement	\$ 3,412,844	Cemetery Fund	\$ 229,038
	B	Retirement, Pension Reserve	\$ 1,338,816	Pension Reserve	\$ 1,338,816
15		Social Security & Medicare	\$ 910,207	Swim & Fitness	\$ -
16	A	Debt Service, within Levy	\$ 4,167,370	Recreation Fund	\$ -
16	B	Debt Service, Excluded	\$ 3,250,139	PEG	\$ 1,978
		<b>Sub-Total: Town Budget Article</b>	<b>\$ 48,779,887</b>	Emergency Services Stabilization Fund	\$ 88,150
				Transfer from 10-ATM-2020	\$ 867,564
		<b>Additional Appropriations:</b>			
		Dog Inoculation	\$ 1,000	Dog Inoculation	\$ 1,000
		TNF	\$ 3,500	TNF	\$ 3,500
		Septic Loans	\$ 115,331	Septic Betterment	\$ 115,331
		<b>Total: Budget Article</b>	<b>\$ 48,899,718</b>	<b>Total Revenue to support Article:</b>	<b>\$ 48,899,718</b>



# FY22 Budget Timetable

- 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



## FY2022 Town Budget- Recommendation

- Meets FY22 Finance Committee Guideline, which is +3.32% increase over FY21, +\$931,231
- FY22 Guideline results in an estimated 2.50% property tax increase
- **FY21 Carry Forward**: special legislation allowed FY20 carry forward after close of FY but before Free Cash Certification; existing law (MGL Ch.44, 33(b) allows transfer before close of FY
  - Anticipate remaining balance due to position vacancies & building closures/ remote work
  - Use of Carry Forward will impact following year's Free Cash certification, but reduces impact to property tax



## FY2022 Town Budget Drivers

Source:	Amount
Guideline Increase	\$ 931,231
Reduction in Capital, transfer to Operating	\$ 281,854
Additional Non-Property Tax Revenue to support services	\$ 330,000
<b>total:</b>	<b>\$ 1,543,085</b>

Category of Increase	Request	Recommended
Category 1- Covid	\$ 370,039	\$ 370,039
Category 2- Cyber Security	\$ 154,113	\$ 74,357
Category 3- Planned Service Level Increase	\$ 230,274	\$ 230,274
Category 4- New Requests	\$ 258,995	\$ 168,415
Category 5- Contractual, Fixed & Other Personnel	\$ 875,741	\$ 700,000
<b>total:</b>	<b>\$ 1,889,162</b>	<b>\$ 1,543,085</b>



## FY2022 Town Budget- Recommendation includes:

- **Category 1:** Covid-19 Related Expenses, +\$191,598
- **Facilities:** additional cleaning required; supplement staff, OT & cleaning supplies, approx. \$35k
- **Parking Meter/ Commuter Parking Lots:** \$155k in expense not covered by revenue means General Fund will have to cover contractually-obligated to meter maintenance expense
  - **Note:** ARPA grant can be used to replace lost income. Assuming we have reasonable assurance that ARPA grant will be received prior to 06/30/21, this article will be adjusted to move Parking Meter expenses to Article 16





## FY2022 Town Budget- Recommendation includes:

- **Category 2**: Cyber Security, +\$77,057
- Office 365 license
- Cyber security audit & deployment of recommendations
- Hardware to improvement network security
- Increase store of replacement parts & equipment
- Total cost is \$242,500, offset by remaining CARES Act plus existing encumbrances



## FY2022 Town Budget- Recommendation includes:

- **Category 3: Planned Service Level Increases, +\$230,274**
- Library expansion: additional FTE (+2) and utility costs; partial year, \$173k
- Natural Resources: Conservation Crew & Rangers, \$62k



## FY2022 Town Budget- Recommendation includes:

- **Category 4: New Requests, +\$168,415**
- Legal: +\$80,415 for total of \$425k
- Public Works: PFAS testing, personnel restructuring in Park & Trees, +\$30k
- Senior Services: increased hours for social workers, +\$8.5K
- Miscellaneous: archives & committee management, +\$8.5k



## FY2022 Town Budget- Recommendation Includes:

- **Category 4: New Requests**
- Economic Vitality, +\$41k
- Created separate & distinct division within General Government
- Economic Vitality Director is FT position
- Additional limited status hours for PT staff dedicated to seasonal tourism
- Matching fund for anticipated grant



## FY2022 Town Budget- Recommendation Includes:

- **Category 5:** Contractual, Fixed & Other Personnel, +\$700,000
- Salary Reserve, adjustments for:
  - **Union personnel**, in accordance with existing CBA's; +\$550k
  - **Non-union personnel**, not yet set; +\$200k
- Adjustments anticipated to be similar to FY21 and in line with comparable communities; lower than pre-pandemic adjustments



# Fixed Costs

Expense	FY21	% of Budget	FY22	% of Budget
Group Insurance	\$ 6,383,694	30.82%	\$ 6,639,042	32.73%
OPEB	\$ 1,500,000	7.24%	\$ -	0.00%
Property/ Liability	\$ 300,000	1.45%	\$ 315,000	1.55%
Unemployment	\$ 110,000	0.53%	\$ 120,000	0.59%
Workers Compensation	\$ 110,500	0.53%	\$ 133,575	0.66%
Retirement, General Fund	\$ 4,064,734	19.63%	\$ 3,412,844	16.82%
Retirement, Pension Reserve	\$ -	0.00%	\$ 1,338,816	6.60%
Social Security/ Medicare	\$ 866,864	4.19%	\$ 910,207	4.49%
Debt Service	\$ 7,374,879	35.61%	\$ 7,417,509	36.56%
	\$ 20,710,671	100.00%	\$ 20,286,993	100.00%

Note: In FY21, the amount of the Retirement Assessment paid from Pension Reserve was not appropriated in the Budget Warrant Article. In FY22, the OPEB Contribution will be appropriated in Article 11.



## Fixed Costs – 41.59% of budget

- **Group Insurance**: funds employer share of insurance benefits provided to eligible employees of Town and CPS
- Health Insurance renewal: +4.0% (\$255,348); 4 plans offered through MNHG with individual plan renewals ranging from 1 – 8%.
- Approximately 2/3<sup>rd</sup> of eligible Town employees and 60% of CPS employees are enrolled in insurance plan
- Of those enrolled, approximately 36% are enrolled in HSAQ (high-deductible) plans; premiums run about 20% lower than benchmark plans



# Fixed Costs

- **Retirement Assessment**: amount assessed to Town by Concord Retirement System for the cost of benefits provided to retirees (system costs + unfunded liability)
- Assessment paid from two sources- Annual Budget appropriation + contribution from Pension Reserve (fund established in the 90's to mitigate spikes in assessment increases)
- Because the Town is nearing the end of its funding schedule (FY29), the CFO & actuary reviewed & revised Pension Reserve contribution schedule





# Retirement Assessment

	Final Budget FY21	02.08.21 Revised Assessment FY22	Projected Assessment FY23	Projected Assessment FY24	Projected Assessment FY25	Projected Assessment FY26	Projected Assessment FY27	Projected Assessment FY28	Projected Assessment FY29	Projected Assessment FY30
\$ 1,338,816 Apportionment										
<b>A. Town of Concord (including CPS)</b>										
General Fund	\$ 4,064,734	\$ 3,412,844	\$ 3,481,101	\$ 3,550,723	\$ 3,621,737	\$ 3,694,172	\$ 3,768,056	\$ 3,843,417	\$ 3,920,285	\$ 2,125,406
Water Fund	\$ 126,942	\$ 124,623	\$ 127,115	\$ 129,658	\$ 132,251	\$ 134,896	\$ 137,594	\$ 140,346	\$ 143,153	\$ 77,300
Sewer Fund	\$ 31,735	\$ 31,156	\$ 31,779	\$ 32,415	\$ 33,063	\$ 33,724	\$ 34,399	\$ 35,087	\$ 35,788	\$ 19,493
Electric Light	\$ 650,908	\$ 666,537	\$ 679,868	\$ 693,465	\$ 707,334	\$ 721,481	\$ 735,911	\$ 750,629	\$ 765,641	\$ 414,058
Swim & Fitness	\$ 65,134	\$ 56,532	\$ 57,663	\$ 58,816	\$ 59,992	\$ 61,192	\$ 62,416	\$ 63,664	\$ 64,937	\$ 35,289
<b>Pension Reserve</b>	<b>\$ 671,992</b>	<b>\$ 1,331,348</b>	<b>\$ 1,338,816</b>	<b>\$ 1,356,686</b>	<b>\$ 1,377,666</b>	<b>\$ 1,401,933</b>	<b>\$ 1,429,676</b>	<b>\$ 1,461,090</b>	<b>\$ 954,199</b>	<b>\$ 776,512</b>
	\$ 5,611,445	\$ 5,623,040	\$ 5,716,342	\$ 5,821,762	\$ 5,932,044	\$ 6,047,398	\$ 6,168,051	\$ 6,294,232	\$ 5,884,004	\$ 3,448,057
percent of total:		87.29%								
<b>B. Concord-Carlisle Regional School District</b>	\$ 774,303	\$ 760,776	\$ 775,992	\$ 791,511	\$ 807,342	\$ 823,488	\$ 839,958	\$ 856,757	\$ 873,892	\$ 454,711
percent of total:		11.81%								
<b>C. Concord Housing Authority</b>	\$ 56,044	\$ 57,976	\$ 59,136	\$ 60,318	\$ 61,525	\$ 62,755	\$ 64,010	\$ 65,290	\$ 66,596	\$ 34,652
plus CHA ERI assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>subtotal, CHA</b>	<b>\$ 56,044</b>	<b>\$ 57,976</b>	<b>\$ 59,136</b>	<b>\$ 60,318</b>	<b>\$ 61,525</b>	<b>\$ 62,755</b>	<b>\$ 64,010</b>	<b>\$ 65,290</b>	<b>\$ 66,596</b>	<b>\$ 34,652</b>
percent of total:		0.90%								
<b>D. Total Annual Assessment</b>	<b>\$ 6,441,792</b>	<b>\$ 6,441,792</b>	<b>\$ 6,551,469</b>	<b>\$ 6,673,592</b>	<b>\$ 6,800,910</b>	<b>\$ 6,933,642</b>	<b>\$ 7,072,019</b>	<b>\$ 7,216,280</b>	<b>\$ 6,824,493</b>	<b>\$ 3,937,420</b>



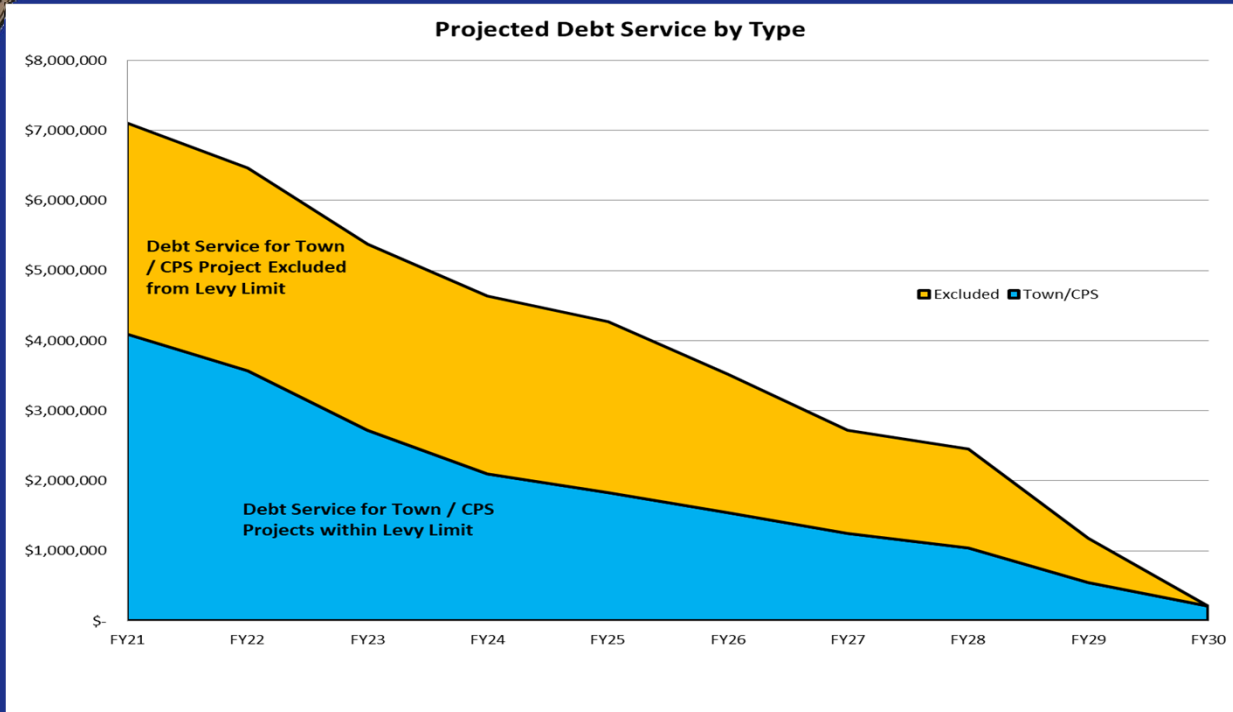
# Fixed Costs

- Debt Service:

Debt Service	FY21	FY22
Non-Excluded, Town	\$ 3,399,012	\$ 3,567,370
Non-Excluded, Town, anticipated	\$ 600,000	\$ 600,000
Excluded, Town	\$ 3,375,867	\$ 3,250,139
	\$ 7,374,878	\$ 7,417,509
Excluded, Minuteman (Article 27)	\$ 354,322	\$ 378,019
Excluded, CCRSD (Article 30)	\$ 3,311,646	\$ 3,241,186
	\$ 3,665,968	\$ 3,619,205
total:	\$ 11,040,846	\$ 11,036,714



# Existing Debt Service





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