



Article 9. FY23 Budget

ARTICLE 9. Ms. Ackerman moves that the Town take affirmative action on Article 9, as printed in the handout pertaining to the Article.



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: | |
|----------------|---------------------------------------|----------------------|--|----------------------|
| Line Item | Line Item, description | Amount | Line Item, description | Amount |
| 1- 11 | Guideline Budget | \$ 29,735,046 | Raise & Appropriate | \$ 46,640,917 |
| 12A | Group Insurance | \$ 7,468,322 | Light Fund | \$ 612,326 |
| 12B | OPEB (now in Article 13) | \$ - | Telecom | \$ 28,611 |
| 12C | Property/ Liability Insurace | \$ 378,000 | Water Fund Sewer Fund | \$ 735,872 |
| 13A | Unemployment | \$ 120,000 | Sewer Fund | \$ 266,362 |
| 13B | Workers Compensation | \$ 142,450 | Solid Waste Fund | \$ 139,431 |
| 14A | Retirement | \$ 3,381,101 | Cemetery Fund | \$ 218,955 |
| 14B | Retirement, Pension Reserve | \$ 1,501,370 | Pension Reserve | \$ 1,501,370 |
| 15 | Social Security and Medicare | \$ 942,064 | Swim & Fitness Fund | \$ - |
| 16A | Debt Service, within Levy Limit | \$ 4,235,101 | Recreation Fund | \$ 139,427 |
| 16B | Debt Service, Excluded Debt | \$ 2,986,504 | PEG | \$ 2,187 |
| | | | Transfer from 10-ATM-2021 | \$ 600,000 |
| | Sub-total: Town Budget Article | \$ 50,889,958 | Transportation Network Fund | \$ 3,500 |
| | Additional Appropriations: | | | |
| | Dog Inoculation | \$ 1,000 | Dog Inoculation | \$ 1,000 |
| | Septic Betterments, debt | \$ 115,376 | Septic Betterment | \$ 115,376 |
| | Total: Budget Article | \$ 51,005,334 | Total Revenue to support Town Budget Article: | \$ 51,005,334 |



FY23 Budget Timetable

- October 4, 2021: Budget Instructions Issued
- **October 14, 2021: FY23 Information Response to FinCom**
- October 28, 2021: FY23 Preliminary Guideline
- November 5, 2021: Budget Request Submitted
- November 22 – 29: Departmental Hearings
- **December 2, 2021: Response to Preliminary Guideline**
- December 15, 2021: FY23 Final Guideline

- January 8, 2022: ATM Preview Meeting
- February 23, 2022: Final FY23 Operating Budget & Capital Plan Published
- March 3, 2022: Budget Public Hearing
- May 1, 2022: Annual Town Meeting



FY2023 Town Budget- Recommendation

| | FY22 | FY23 Guideline | Percent Increase | FY23 Town Manager Recommendation | Percent Increase | Delta |
|-----------------|---------------|----------------|------------------|----------------------------------|------------------|------------|
| Operating | \$ 28,492,894 | \$ 29,135,046 | 2.25% | \$ 29,735,046 | 4.36% | \$ 600,000 |
| Capital, Tier 1 | \$ 800,000 | \$ 1,200,000 | 50.00% | \$ 1,509,700 | 88.71% | \$ 309,700 |
| Total: | \$ 29,292,894 | \$ 30,335,046 | 3.56% | \$ 31,244,746 | 6.66% | \$ 909,700 |

To bridge delta:

- Carry forward \$600k of unspent FY22 Operating appropriation
MGL Ch. 44, 33 (b) allows transfer of prior year unspent appropriation before
Close of the FY; Use of carry forward will impact Free Cash, but reduces impact to property tax
- Transfer \$309,700 from unspent capital article (part of Article 10 motion)



FY2023 Town Budget- Recommendation

| | FY19 Guideline | FY20 Guideline | FY21 Guideline, Pre-Pandemic | FY21 Pandemic Guideline | FY22 Guideline | FY23 Town Manager Recommendation |
|------------------|----------------------|----------------------|---------------------------------|----------------------------|----------------------|--|
| Operating | \$ 24,795,194 | \$ 26,764,648 | \$ 27,129,710 | \$ 26,949,809 | \$ 28,492,894 | \$ 29,735,046 |
| Capital | \$ 1,945,000 | \$ 1,945,000 | \$ 2,000,000 | \$ 1,081,855 | \$ 800,000 | \$ 1,509,700 |
| Total: | \$ 26,740,194 | \$ 28,709,648 | \$ 29,129,710 | \$ 28,031,664 | \$ 29,292,894 | \$ 31,244,746 |
| | | | | | | |
| Dollar Increase | | \$ 1,969,454 | \$ 420,062 | \$ (677,984) | \$ 1,261,230 | \$ 1,951,852 |
| Percent Increase | | 7.37% | 1.46% | -2.36% | 4.50% | 6.66% |



FY2023 Strategic Issues

- **Compensation & Benefits**
 - Compensation back on par with peer communities
 - Addressing compensation for targeted positions
 - Full Class & Compensation Study
- **Infrastructure**
 - Restore funding levels for Tier One
 - Evaluate efficacy of 5% policy cap for Tier Two
- **Governance**
 - Additional resources to support boards & committees
- **Welcoming Community**
 - Affordable Housing
 - Access to Public Transportation
 - Access to supportive services



FY23 Spending Drivers:

- Wage Adjustments: \$970,792
 - +3.41%
 - Market
 - Attraction & Retention
- Increased Utility Costs: \$163,965
 - Diesel fuel (+17.2%)
 - Electricity (+12.1%)
 - Solid Waste (+124.1%)
 - Cardboard Recycling (new cost)
- Addressing Non-Wage Strategic Issues: \$227,519
 - Infrastructure
 - Governance
 - Welcoming Community
- Build back Tier 1 Funding: \$709,700



Fixed Costs

| Fixed Expense Category | FY22 | % of Total Budget | FY23 | % of Total Budget |
|-----------------------------|----------------------|-------------------|----------------------|-------------------|
| Group Insurance | \$ 6,639,042 | 13.58% | \$ 7,468,322 | 14.64% |
| Property/ Liability | \$ 315,000 | 0.64% | \$ 378,000 | 0.74% |
| Unemployment & Workers Comp | \$ 253,575 | 0.52% | \$ 262,450 | 0.51% |
| Retirement, General Fund | \$ 3,412,844 | 6.98% | \$ 3,381,101 | 6.63% |
| Retirement, Pension Reserve | \$ 1,338,816 | 2.74% | \$ 1,501,370 | 2.94% |
| Social Security/ Medicare | \$ 910,207 | 1.86% | \$ 942,064 | 1.85% |
| Debt Service | \$ 7,417,509 | 15.17% | \$ 7,221,604 | 14.16% |
| Total, Fixed Costs: | \$ 20,286,993 | 41.49% | \$ 21,154,912 | 41.48% |



FY23 Budget: Fixed Costs, Group Insurance

- funds employer share of insurance benefits provided to eligible employees of Town and CPS
- Health Insurance renewal: +12.5% (\$829,280); 4 plans offered through MNHG with individual plan renewals ranging from 7.5 – 11.5%.
- Approximately 2/3rd of eligible Town employees and 60% of CPS employees are enrolled in insurance plan
- Of those enrolled, approximately 33% are enrolled in HSAQ (high-deductible) plans; premiums run about 20% lower than benchmark plans



FY23 Budget: Fixed Cost, 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)
- Pension Reserve contribution schedule has been revised as the Town is nearing the end of its funding schedule (FY29); As of 06/30/21, system is 94.5% funded

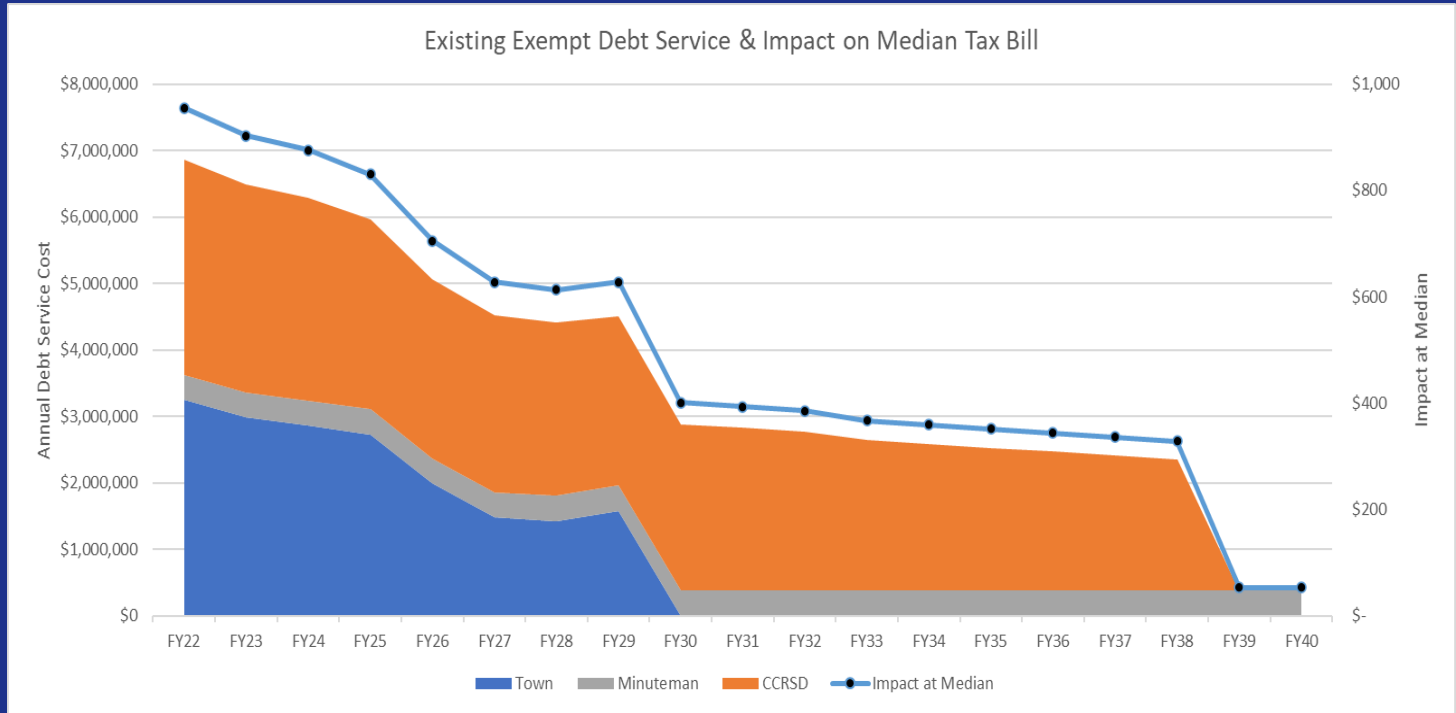


FY23 Budget: Fixed Cost, Debt Service

| Debt Service | FY22 | FY23 |
|----------------------------------|---------------|---------------|
| Non-Excluded, Town | \$ 3,567,370 | \$ 3,353,100 |
| Non-Excluded, Town, anticipated | \$ 600,000 | \$ 882,000 |
| Excluded, Town | \$ 3,250,139 | \$ 2,986,504 |
| | \$ 7,417,509 | \$ 7,221,604 |
| Excluded, Minuteman (Article 17) | \$ 378,019 | \$ 521,385 |
| Excluded, CCRSD (Article 21) | \$ 3,241,186 | \$ 3,179,377 |
| | \$ 3,619,205 | \$ 3,700,762 |
| Total: | \$ 11,036,714 | \$ 10,922,366 |

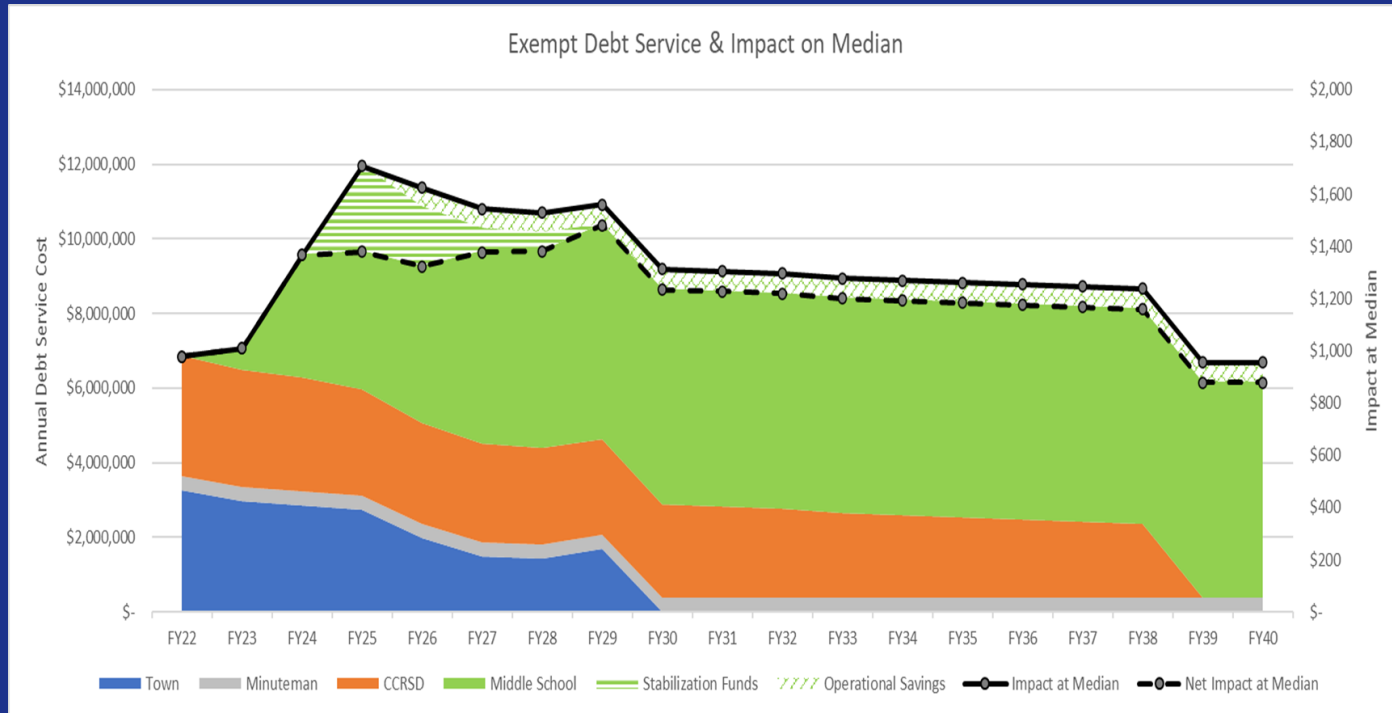


FY23 Budget: Fixed Cost, Exempt Debt Service





FY23 Budget: Fixed Cost, Exempt Debt Service





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