



**Town Administration
Fiscal Year 2022
General Fund Budget
Recommendations**

As of December 9, 2020

Select Board Meeting

Select Board & Administration Goals and Priorities for FY 2022

- Balanced budget – within projected revenue
- Strategic Plan
 - Transportation
 - Housing
 - Environmental Leadership
 - Efficient Town Operations
 - Quality of Life
- Capital and operational investment in infrastructure/facilities
- PFAS
- COVID-19 response
- Coastal Resilience

Initiatives/Needs/Goals Addressed with Budget Recommendations

- Strategic Plan
 - Environmental Leadership
 - Coastal Resiliency/Hazard Mitigation
 - Sustainability
 - Housing
 - Transitional housing for department-head level town employees
 - Transportation
 - Parking management
 - Sidewalk route connection from Mid-island to ferries (capital project)
 - Quality of Life
 - Diversity Equity Inclusion (DEI) office
 - Efficient Town Operations
 - Development of a Facilities Master Plan
 - Continued Investment in Technology
 - Investment in Infrastructure Maintenance
 - Enforcement

Initiatives/Needs/Goals Addressed with Budget Recommendations (cont.)

- COVID-19 Response
 - Public Health Inspector
 - Seasonal Housing and Seasonal Employee Increase
 - Economic Recovery

- PFAS
 - Phase I - Town-wide Risk Assessment (started in FY21)
 - Phase II – TBD

Initiatives and Opportunities

- Undertaken during FY21 and continuing into FY22
 - Our Island Home Operations and Facility Review
 - Senior Center Operations and Facility Review
 - Parks & Recreation/Community School
 - PFAS Town-wide Risk Assessment
 - Coastal Resilience Plan
 - Hazard Mitigation Plan
 - Co-location of Public Health and Natural Resources
 - COVID-19 response and follow-up
 - Diversity Equity and Inclusion (DEI) Initiatives
 - Municipal Facilities Master Plan
 - Sustainability Office and Projects (solar projects)

Efforts to Reduce Expenses and Increase Efficiency, Transparency

- Personnel
 - Review staffing when key positions become vacant
 - Combine/consolidate duties where appropriate
 - Cross-train staff where appropriate
 - Increase training and educational opportunities so as to reduce reliance on consultants, reduce legal fees and increase professional qualifications and expertise (i.e. technical skills such as project management)
- Review and refine internal controls/processes, procedures and policies
- Conduct review of remote working successes and challenges due to COVID-19; identify potential efficiencies
- PEG Channel / NCTV review and additional support funds to ensure maximum transparency
- Review of COVID-related grant opportunities

FY 2022 General Fund Budget Overview

- Revenue – Total Projected Revenue of \$111,382,172
 - Net of Property Tax Abatements
- Expenses – Total Projected Expenses of \$110,746,540
- Projected FY 2022 Unused Levy Capacity \$635,632

FY 2022 General Fund Budget Summary Comparison

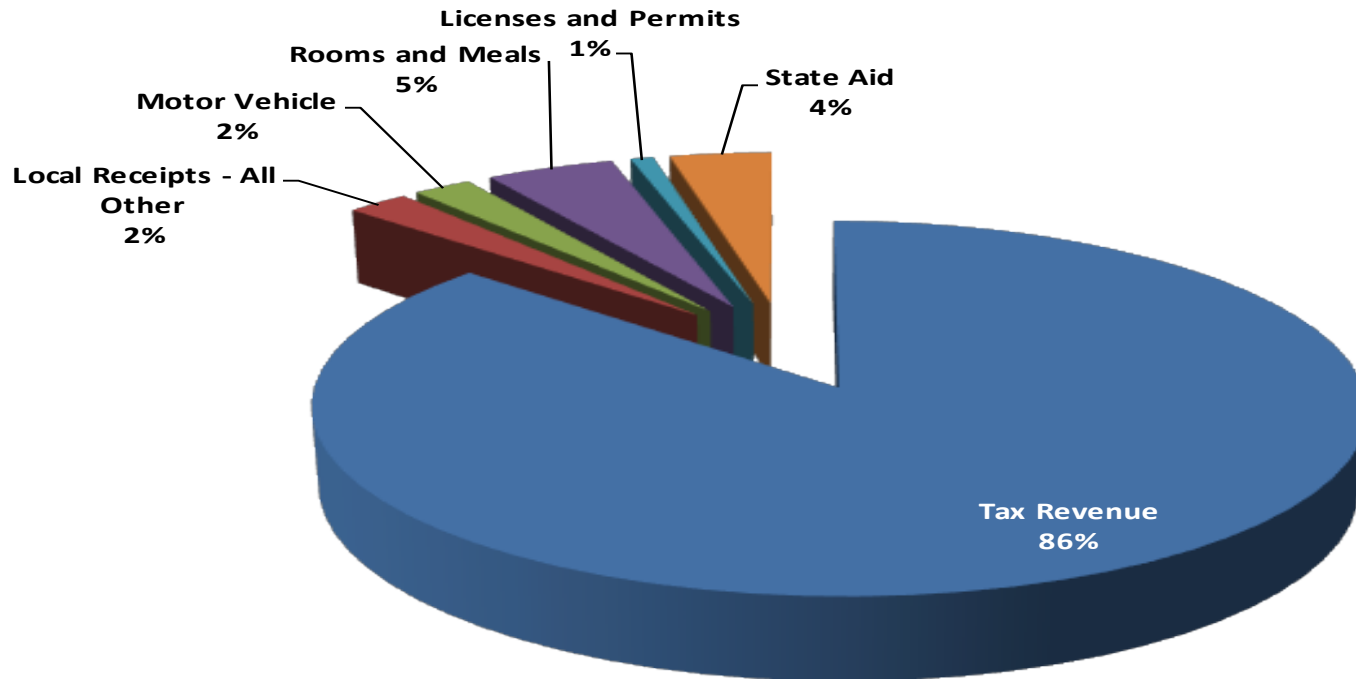
THE FY2022 BUDGET

REVENUES	FY21	FY22	\$ Change	% Change
Property Tax	89,625,544	91,888,930	2,263,386	2.5%
Local Receipts (All other)	2,288,048	2,381,060	93,012	4.1%
Motor Vehicle Excise	2,275,000	2,250,000	(25,000)	(1.1%)
Rooms and Meals Tax	1,968,171	4,880,000	2,911,829	147.9%
Licenses and Permits	623,600	891,350	267,750	42.9%
State Aid (1)	3,046,068	3,880,200	834,132	27.4%
Free Cash	4,036,949	4,575,000	538,051	13.3%
Other Available Funds	-	-	-	na
TOTAL REVENUES	103,863,380	110,746,540	6,883,160	6.6%
EXPENDITURES				
Municipal Departments	28,266,924	33,538,143	5,271,219	18.6%
School Department	31,846,642	33,426,987	1,580,345	5.0%
Non-Departmental	30,515,943	29,995,251	(520,692)	(1.7%)
Special Appropriations	13,233,871	13,786,159	552,288	4.2%
TOTAL EXPENDITURES	103,863,380	110,746,540	6,883,160	6.6%

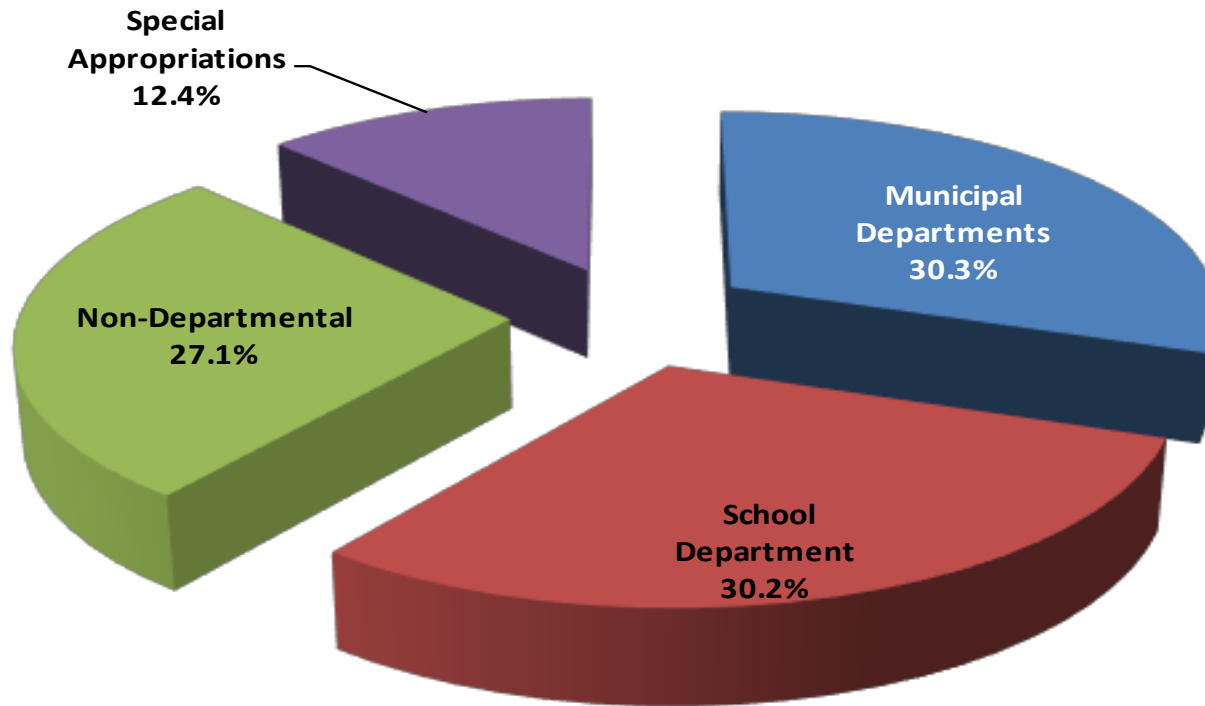
- See Appendix A for detailed breakdown.

(1) FY 2022 state aid represents level funding from FY 2020 approved figure.

FY 2022 General Fund Projected Revenue



FY 2022 General Fund Projected Expenses



FY 2022 General Fund Budget Expense Categories

Category	FY 2022 Current Projection	Notes
Town Operational Expenses	\$8,803,889	
Town Operational EIR's ⁽¹⁾	\$1,361,801	<i>Included in Town expenses</i>
Town Salaries	\$21,645,257	<i>Contracts in negotiations; c/b allowance</i>
Town Personnel EIR's	\$604,041	<i>Included in Town salaries</i>
School Operational Expenses	\$5,536,655	
School Operational EIR's	\$225,649	<i>Included in School expenses</i>
School Salaries	\$27,340,332	<i>Contracts in negotiations; c/b allowance</i>
School Personnel EIR's	<i>Included in School salaries</i>	
<small>(1) EIR = Expense Increase Request.</small>		

FY 2022 General Fund Budget Fixed Costs

Category	FY 2022 Current Projection	% Change over FY 2021 Budget
Health Insurance		
Active	\$10,528,643	<i>7.06% increase</i>
Retiree	\$3,792,592	<i>7.06% increase</i>
General Insurance	\$3,108,306	<i>18.0% increase</i>
Debt Service	\$10,008,430	<i>per established schedule</i>
Retirement	\$5,646,307	<i>8.5% increase</i>
Enterprise Fund Subsidies*	\$10,002,995	<i>1.61% Increase</i>

* See Appendix A for detailed breakdown.

FY 2022 General Fund – Special Appropriations

Category	FY 2022 Current Projection	% Change over FY 2021 Budget
Health & Human Services	\$650,000	No change
County Assessment	\$174,455	2.5% increase
Reserve Fund	\$500,000	No change
Unpaid Bills	\$20,000	No change
Other Post Employment Benefits (OPEB)	\$500,000	
Overlay & Other Deficits	\$0	\$0
Cherry Sheet Charges	\$984,563	No Change
Community School	\$550,000	No Change
Min Cap Funding Req.	\$974,146	n/a - 1% of prior year revenue
TOTAL EXPENSES	\$110,746,540	

FY 2022 Town Expense Increase Requests

(included in recommended budget, excluding school)

- \$4,281,246 Submitted Requests
- \$3,098,553 Recommended
 - One-time \$1,265,000
 - On-going \$1,833,533
- To be funded through available tax levy, budget adjustments, alternate funding sources, free cash, potential revenue increases

FY 2022 Recommended Town Expense Increase Requests

Department	Description of Expense Request	One-Time or Ongoing	Approved EIRS (1)
Personnel Expense Increase Requests (EIRs)			
Health	Public Health Inspector	Ongoing	115,000
Fire	Addition of one EMS Officer	Ongoing	106,643
DPW	Facilities Maintenance Workers (2)	Ongoing	187,053
DPW	Construction Inspector*	Ongoing	107,387
PLUS	Administrative Specialist	Ongoing	90,348
NRD	Coastal System Technician	Ongoing	98,540
Police	Parking Enforcement Officer*		93,242
Police	(3) Addntl CSO's for Expanded Parking Hours*	Ongoing	40,000
Marine	Seasonal Lifeguard Increase	Ongoing	230,000
IT	IT Generalist**	Ongoing	98,540
Department Personnel EIR			\$ 1,166,753
Operating Expense Increase Requests (EIRs)			
HR	Compensation & Classification Study*	One-Time	200,000
PLUS	Update of 2009 Master Plan*	One-Time	100,000
PLUS	Replacement Vehicle for PLUS Fleet*	One-Time	30,000
PLUS	Historic Architectural Surveys Update from HDC*	One-Time	50,000
Town Admin	Governance Workshops*	One-Time	25,000
Town Admin	Strategic Plan Initiatives*	One-Time	50,000
Town Admin	PFAS Response	One-Time	500,000
Town Admin	Prof Admin Support Services*	One-Time	50,000
Town Admin	COVID-19 Response	One-Time	50,000
NRD	Replacement Vehicle of 2008 Ford F250	One-Time	40,000
Police	Seasonal Housing	One-Time	200,000
Marine	Seasonal Housing	One-Time	200,000
IT	Adobe Creative Cloud Subscription Services	Ongoing	23,500
IT	CyberSecurity Awareness Training Annual	Ongoing	7,600
Fire	CBA Clothing Allowance Increase	Ongoing	12,700
DPW/Public Buildi	Increase Comm: Telephone	Ongoing	10,000
DPW/Public Buildi	Increase Professional Services	Ongoing	25,000
DPW/Public Buildi	Increase Custodial Services	Ongoing	115,000
DPW/Public Buildi	Increase Bldg&Eq:Maint& Supplies	Ongoing	40,000
DPW	Increase Rep&Maint: Road Construction	Ongoing	18,000
Human Services	Network of Care Annual Maintenance Fee	Ongoing	24,000
Town Admin	Sustainability Office*	Ongoing	100,000
Town Admin	Transitional Housing	Ongoing	36,000
Town Admin	NCTV Support Services	Ongoing	25,000
Total Operating Expense Increase Requests			\$ 1,931,800
Total Town Personnel & Operational Expense			\$ 3,098,553

* Approved FY21 EIR; but removed due to COVID-19 budget restrictions

** Funding was approved; vacant positions that had not been filled; removed in FY21 Budget

FY 2022 Town Expense Increase Requests Funding Source Detail

Funding Source	Amount
Tax Levy & Other General Revenues	\$1,333,553
Free Cash	\$925,000
Capital Exclusion	\$70,000
Special Revenue Funds	\$270,000
Borrowing	\$500,000
Total - All Funding Sources	\$3,098,553

Preliminary Free Cash Recommendation (Subject to Change)

General Fund Certified Free Cash	\$9,655,001
Fund Town Expense Increase Requests (one-time)	925,000
Fund School Expense Increase Requests (one-time)	150,000
Fund Town and School Capital Requests	4,992,254
Unpaid Bills	20,000
Our Island Home	3,500,000
Unallocated Free Cash	\$67,747

FY22 Outstanding Items and Current Unknowns

- Our Island Home Proposition 2 ½ Override
- State Aid Impact
- Harbor Place Project
- Citizen Warrant Articles Potential Cost Impact
- Fee Increases
- Steamship Authority Deficit
- NRTA Deficit
- PFAS Costs
- COVID-19
- Diversity Equity Inclusion (DEI) office
- Short Term Rentals?
- New Growth "Bubble Burst"
- Potential Airport Deficit due to COVID-19? And/or PFAS?
- Police Reform Bill
- Impacts of Coastal Resilience Advisory Committee Interim Recommendation

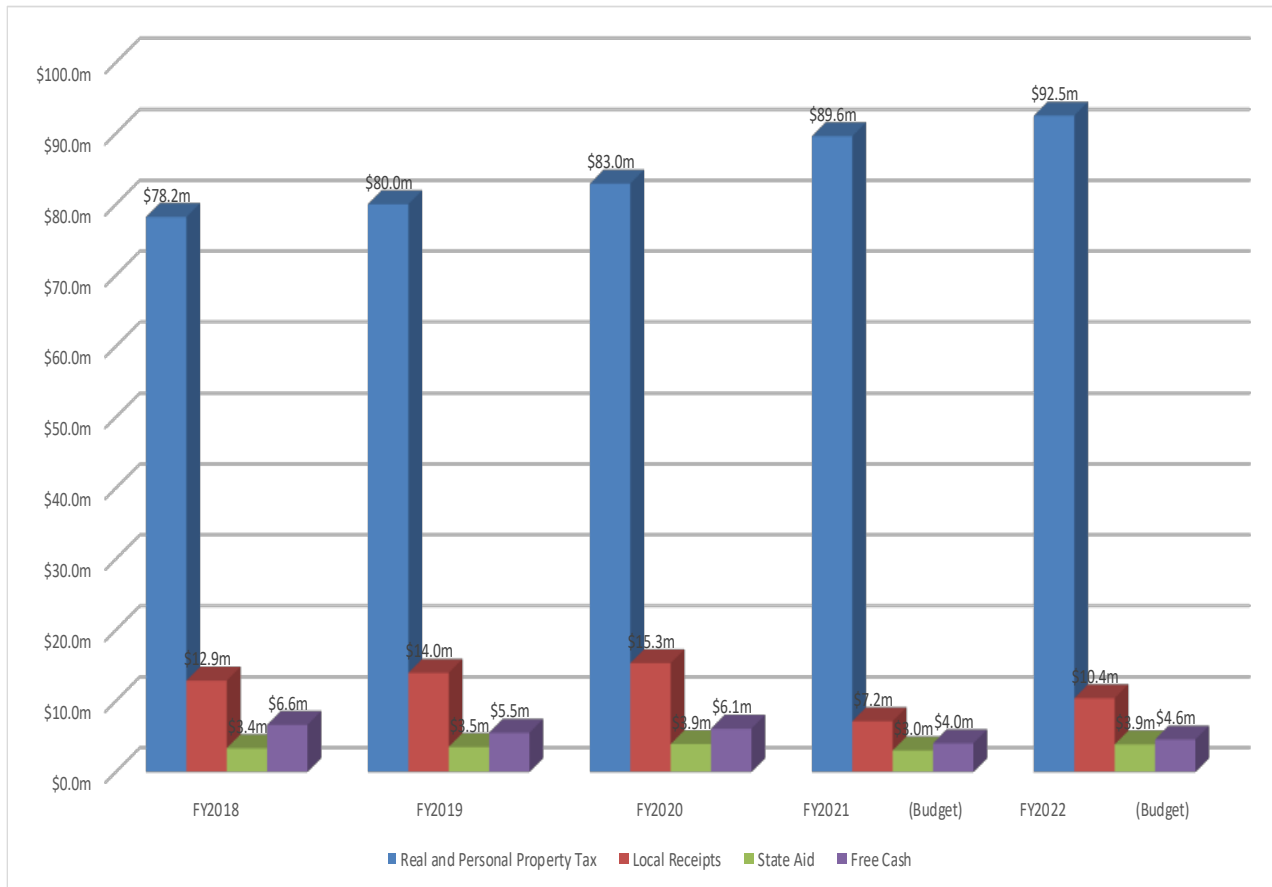
Future Potential Costs

- Strategic Plan
- Staffing Study
- Commuter Shuttle System
- Update of 5 Year Forecast
- Open Space and Recreation Plan
- Solid Waste
 - Current Contract Expires in 2025
- NRTA
 - Year-Round Service Modifications
- Sustainability Office
- PFAS
- Coastal Resilience Plan
- Master Plan

Next Steps

- December 9: Town Administration FY 2022 Budget presentation to Select Board
- January 5: Town Administration FY 2022 Budget presentation to School Committee
- January 6: Select Board public hearing; endorsement of recommended FY 2022 General Fund Budget
- Mid-January – mid-March: Finance Committee review of General Fund & Enterprise Fund budgets; other financial appropriations
- Monday, April 5: Annual Town Meeting (2021) THIS MAY CHANGE

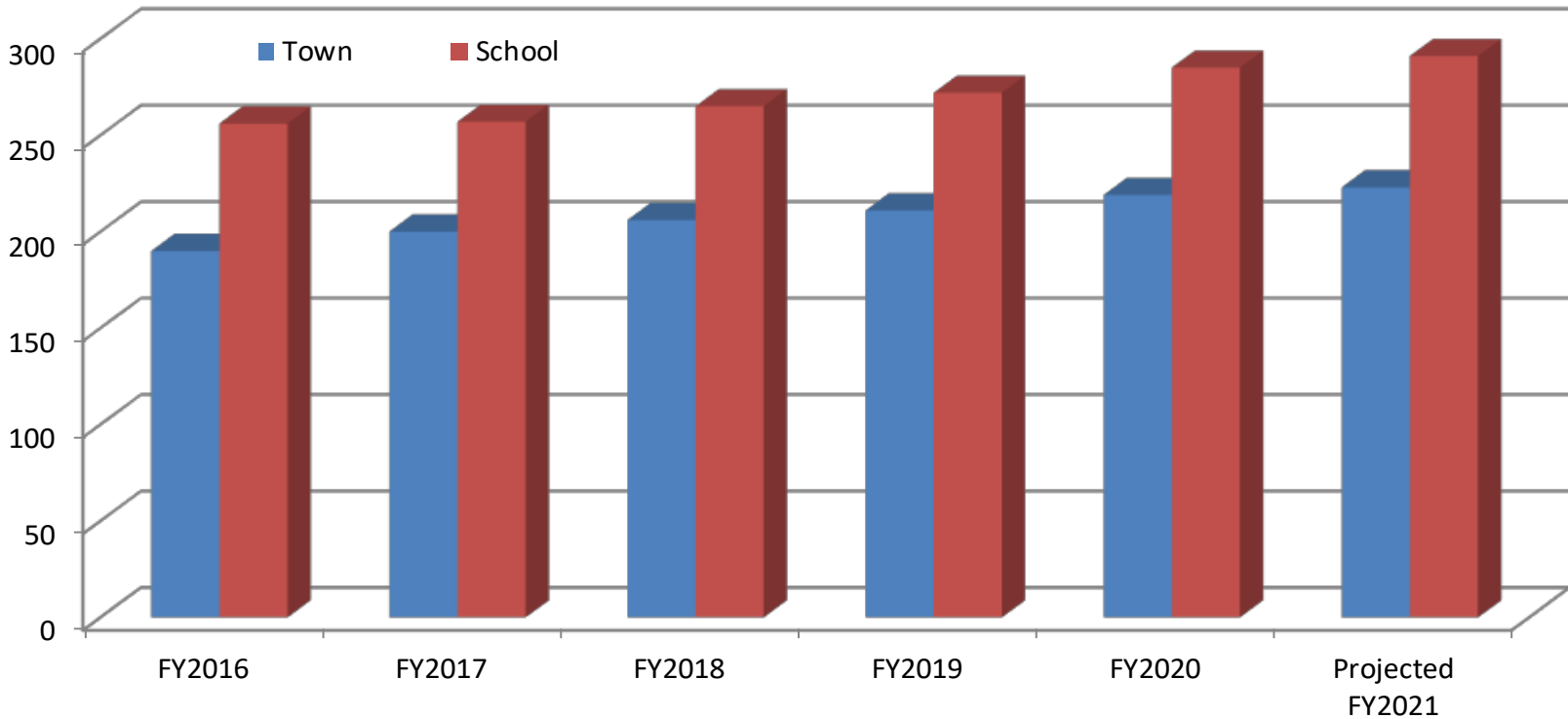
General Fund Revenue Breakdown FY 2018-FY 2022



Town Expense Breakdown FY 2018-FY 2022



General Fund Personnel History FY 2017-FY 2022



* Full Time Equivalent Calculation = 33-40 Hrs 1.0; 20-32 Hrs 0.50; Seasonal = 0.25

**For comparative purposes, Town Personnel History does not include Our Island Home

*** Education Personnel History includes Community School Employees

FY 2022 General Fund Budget Breakdown – Revenues

FY2022 General Fund Revenue Breakdown

	Budget FY2021	Budget FY2022	\$ Change	% Change
<u>Tax Revenue Limitations</u>				
Levy Limit from Prior Year	\$ 77,688,262	\$ 80,630,472	\$ 2,942,210	3.8%
Add: 2 1/2 % increase	1,942,238	2,015,762	73,524	3.8%
Add: Prop 2.5% operating override	-	-	-	na
Add: new growth <i>estimate</i>	1,163,749	700,000	(463,749)	(39.8%)
Add: operating override	-	-	-	na
Levy Limit for Current Year	80,794,249	83,346,234	\$ 2,551,985	3.2%
Add: Debt Exclusion	8,831,295	9,428,328	597,033	
Maximum Allowable Levy for Current Year	\$ 89,625,544	\$ 92,774,562	\$ 3,149,018	3.5%
OVERLAY	0	(250,000)	(250,000)	na
Net available:	\$ 89,625,544	\$ 92,524,562	\$ 2,899,018	3.2%
State Aid	\$ 3,046,068	\$ 3,880,200	\$ 834,132	27.4%
Local Receipts:				
Motor Vehicle Excise	2,275,000	2,250,000	(25,000)	(1.1%)
Rooms and Meals Tax	1,938,169	4,880,000	2,941,831	151.8%
Licenses and Permits	623,600	891,350	267,750	42.9%
Local Receipts - All Other	2,288,048	2,381,060	93,012	4.1%
Total Local Receipts	7,124,817	10,402,410	3,277,593	46.0%
Total Revenue	\$ 99,796,429	\$ 106,807,172	\$ 7,010,743	7.0%
Other Sources				
Other Sources	-	-	-	na
Free Cash Used	4,036,949	4,595,000	558,051	13.8%
Excess Overlay	-	-	-	
Total Revenue and Other Sources	\$ 103,833,378	\$ 111,402,172	\$ 7,568,794	7.3%
Total Expenses and Other Uses	\$ 103,833,378	\$ 110,766,540	\$ 6,933,162	6.7%
		635,632		

FY 2022 General Fund Budget Breakdown – Expenses

FY2022 General Fund Expenditure Breakdown

	Budget FY 2021	Budget FY 2022	\$ Change	% Change
General Fund Operating Budget Items:				
Salaries - TOWN (includes allowance for collective bargaining)	\$ 20,971,615	\$ 21,041,216	\$ 69,601	0.3%
<i>Town Expense Increase Requests- Salaries</i>	-	604,041	604,041	na
Salaries - School (includes allowance for collective bargaining)	25,985,636	26,840,332	854,696	3.3%
<i>School Expense Increase Requests- Salaries</i>	-	500,000	500,000	na
Transfers to community school	550,000	550,000	-	-
Subtotal Salaries	\$ 47,507,251	\$ 49,535,589	\$ 2,028,338	4.3%
Operating Expenses, Town:	6,871,808	7,269,344	397,536	5.8%
<i>+Town Expense Increase Requests-Operating</i>	255,000	1,361,801	1,106,801	434.0%
Operating Override - 2011 Mosquito Control	168,501	172,714	4,213	2.5%
Operating Expenses, School	5,151,006	5,386,655	235,649	4.6%
<i>+School Expense Increase Requests-Operating</i>	160,000	150,000	(10,000)	(6.3%)
Transfers to community school	-	-	-	na
Subtotal Expense	\$ 12,606,315	\$ 14,340,514	\$ 1,734,199	13.8%
Group Medical Insurance- Active Employees	10,031,908	10,528,643	496,735	5.0%
Group Medical Insurance- Retired Employees	3,343,969	3,792,592	448,623	13.4%
General Insurance (all other insurance)	2,625,507	3,108,306	482,799	18.4%
Subtotal Insurance	\$ 16,001,384	\$ 17,429,541	\$ 1,428,157	8.9%
Debt Service	\$ 9,310,589	\$ 10,008,430	\$ 697,841	7.5%
Retirement	\$ 5,203,970	\$ 5,646,307	\$ 442,337	8.5%
Total General Fund Operating Budget Items	\$ 90,629,509	\$ 96,960,381	\$ 6,330,872	7.0%
Other Articles				
Unpaid Bills	33,052	20,000	(13,052)	(39.5%)
Reserve Fund	500,000	500,000	-	-
Health and Human Services	650,000	650,000	-	-
County Assessment	170,201	174,455	4,254	2.5%
Other Post Employment Benefits (OPEB / GASB45)	-	500,000	500,000	na
Affordable Housing Trust Fund	-	-	-	na
Capital				
General Fund budgeted from revenue (Town Bylaw 11-12.1)	-	-	-	na
Town Capital (Non-Recurring)	1,003,750	974,146	(29,604)	(2.9%)
School Capital (Non-Recurring)	-	-	-	na
Enterprise Fund Transfers				
Transfer to Enterprise Fund (Our Island Home - Beginning FY2011)	3,500,000	3,500,000	-	-
Add: Additional Subsidy from Free Cash (Our Island Home)	-	-	-	na
Transfer to Enterprise Fund (SWEF Operating Overrides 1999/2006)	3,654,133	3,745,466	91,333	2.5%
Add: Additional General Fund Subsidy to SWEF 2012-Forward	2,690,271	2,757,529	67,258	2.5%
Total Other Article Appropriations	\$ 12,201,407	\$ 12,821,596	\$ 620,189	5.1%
Other Statutory Expenditures				
Overlay and other deficits	-	-	-	na
Cherry Sheet Offsets and Charges	1,002,462	984,563	(17,899)	(1.8%)
Total Appropriations and Other Statutory Expenditures	\$ 103,833,378	\$ 110,766,540	\$ 6,933,162	6.7%

Historical Information

Our Island Home

	Stabalization Balance				
	2016	2017	2018	2019	2020
General Stabilization	\$5,044,535	\$5,053,411	\$ 5,059,485.00	\$ 5,411,964.00	\$ 5,541,745.00
Capital Stabilization	\$1,250,000	\$1,250,000	\$ 1,250,000.00	\$ 1,250,000.00	\$ 1,250,000.00
OPEB Trust Fund	\$1,341,213	\$1,903,825	\$ 2,390,558.00	\$ 3,130,312.00	\$ 3,681,241.00

Stabilization and Trust Funds

	Stabalization Balance				
	2016	2017	2018	2019	2020
General Stabilization	\$5,044,535	\$5,053,411	\$ 5,059,485.00	\$ 5,411,964.00	\$ 5,541,745.00
Capital Stabilization	\$1,250,000	\$1,250,000	\$ 1,250,000.00	\$ 1,250,000.00	\$ 1,250,000.00
OPEB Trust Fund	\$1,341,213	\$1,903,825	\$ 2,390,558.00	\$ 3,130,312.00	\$ 3,681,241.00

Certified Free Cash

	2016	2017	2018	2019	2020
Certified Free Cash	\$6,642,219	\$6,215,883	\$9,593,671	\$10,334,761	\$9,655,001

- (1) CPE payment received in FY2016 represented two years of payments
- (2) The town did not receive the CPE payment in FY20, and has not received it as of 12/01/2020.

Historical Information

Local Option Rooms Tax 5 Year History

	2016	2017	2018	2019	2020
Lodging	\$ 3,014,496.00	\$ 3,498,399.70	\$ 3,622,241.64	\$ 3,807,929.59	\$ 5,553,748.52
Short-Term Rentals	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,014,496.00	\$ 3,498,399.70	\$ 3,622,241.64	\$ 3,807,929.59	\$ 5,553,748.52