



Town Administration  
Fiscal Year 2023  
General Fund Budget  
Recommendations

*As of December 8, 2021  
Select Board Meeting*

# Select Board & Administration Goals and Priorities for FY2023

- 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
- Sustainability

# Strategic Plan Implementation Addressed with Budget Recommendations

- Strategic Plan
  - Environmental Leadership
    - Sustainability
    - Coastal Resiliency/Hazard Mitigation
  - Housing
    - Transitional housing for department-head level town employees
  - Transportation
    - Continued evaluation of demand management parking (Paid parking)
    - Parking enforcement
    - Commuter shuttle
  - Quality of Life
    - Diversity Equity Inclusion (DEI) office
    - Park & Rec Division (Public Works)
  - Efficient Town Operations
    - Ongoing development of a Facilities Master Plan
    - Continued Investment in Technology
    - Investment in Infrastructure Maintenance
    - Code Enforcement

# Priority Initiatives and Opportunities

- Our Island Home Operations and Facility Review
- Town-wide PFAS Assessment
- Coastal Resilience Plan
- Hazard Mitigation Plan
- COVID-19 response and follow-up
- Diversity Equity and Inclusion (DEI) Initiatives
- Municipal Facilities Master Plan
- Parks Master Plan Resiliency Review
- Sustainability Office and Projects (solar projects)
- Capital Planning & Project Management

# Efforts to Enhance Recruitment and Retention of Town Employees

- Review staffing when key positions become vacant
- Succession planning in development
- Cross-train staff where appropriate
- Increase training and educational opportunities
- Classification and compensation study to be undertaken in FY2022
- Review and refine remote working options
- Review potential options for Town employee housing

# FY2023 General Fund Budget Overview

- Revenue – Total Projected Revenue of \$121,679,660  
Net of Property Tax Abatements
- Expenses – Total Projected Expenses of \$121,486,604
- Projected FY2023 Unused Levy Capacity \$193,056

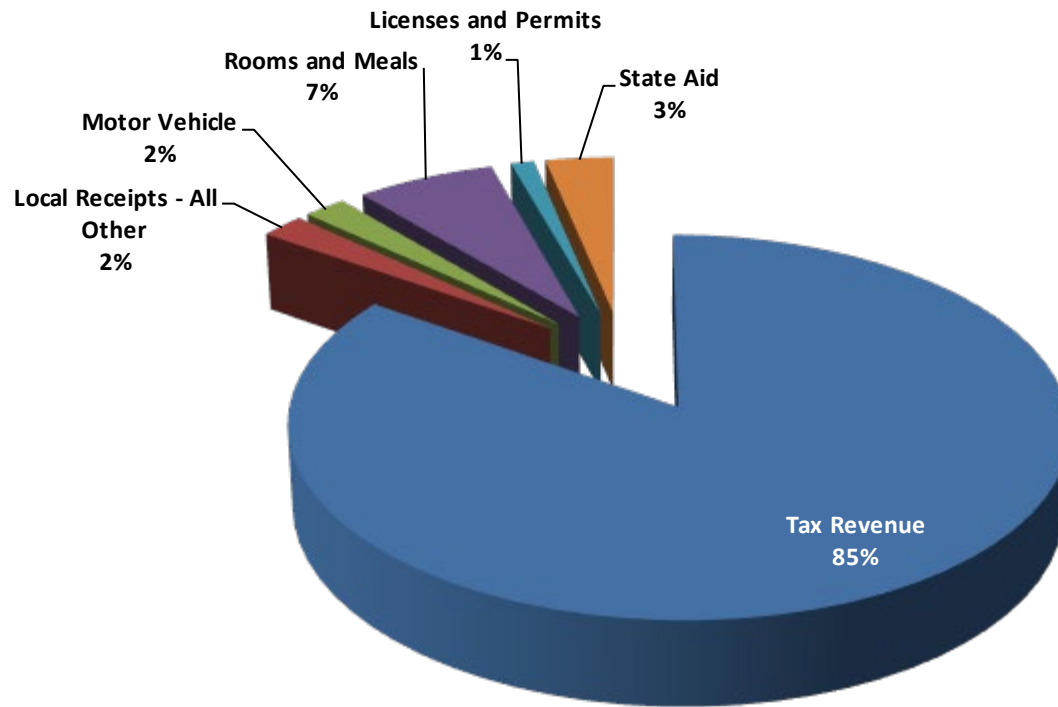
# FY2023 General Fund Budget Summary Comparison

REVENUES	FY22	FY23	\$ Change	% Change
Property Tax	93,059,841	102,110,030	9,050,189	9.7%
Local Receipts (All other)	2,381,060	2,590,300	209,240	8.8%
Motor Vehicle Excise	2,250,000	2,500,000	250,000	11.1%
Rooms and Meals Tax	7,380,000	8,082,000	702,000	9.5%
Licenses and Permits	891,350	1,350,000	458,650	51.5%
State Aid (1)	3,880,200	3,961,774	81,574	2.1%
Free Cash	4,575,000	892,500	(3,682,500)	(80.5%)
Other Available Funds	-	-	-	na
<b>TOTAL REVENUES</b>	<b>114,417,451</b>	<b>121,486,604</b>	<b>7,069,153</b>	<b>6.2%</b>
<b>EXPENDITURES</b>				
Municipal Departments	30,480,319	32,086,263	1,605,944	5.3%
School Department	33,376,987	34,976,987	1,600,000	4.8%
Non-Departmental	33,391,355	36,855,185	3,463,830	10.4%
Special Appropriations	17,168,790	17,568,168	399,378	2.3%
<b>TOTAL EXPENDITURES</b>	<b>114,417,451</b>	<b>121,486,604</b>	<b>7,069,153</b>	<b>6.2%</b>

- See Appendix A for detailed breakdown.

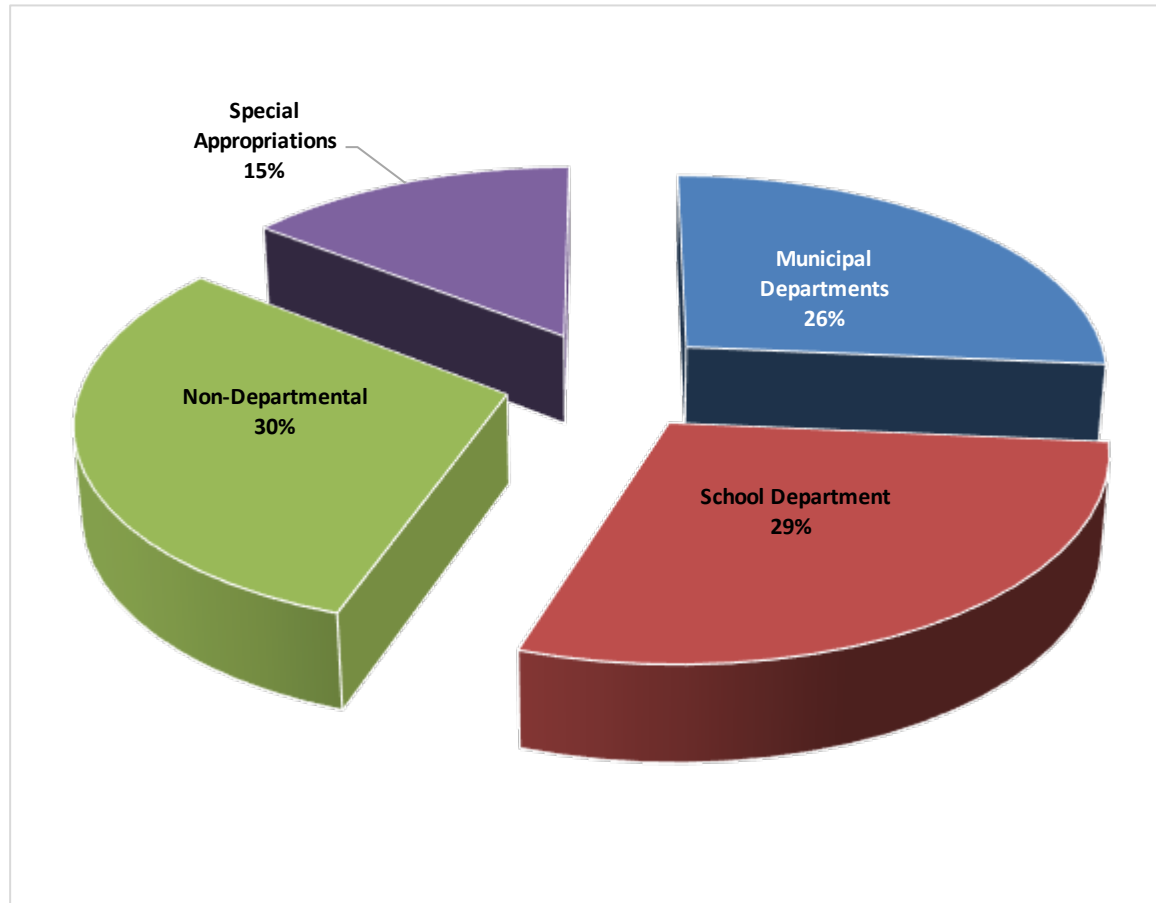
(1) FY 2023 state aid represents level funding from FY 2022 approved figure.

# FY2023 General Fund Projected Revenue





# FY2023 General Fund Projected Expenses



# FY2023 General Fund Budget Expense Categories

Category	FY2023 Current Projection	Notes
Town Operational Expenses	\$8,672,035	
Town Operational EIRs <sup>(1)</sup>	\$1,306,900	<i>Included in Town expenses</i>
Town Salaries	\$23,237,196	<i>Contracts in negotiations; c/b allowance</i>
Town Personnel EIRs	\$1,575,962	<i>Included in Town salaries</i>
School Operational Expenses	\$5,788,527	
School Operational EIRs	\$187,622	<i>Included in School expenses</i>
School Salaries	\$28,638,460	<i>Contracts in negotiations; collective bargaining allowance</i>
School Personnel EIRs	\$1,362,378	<i>Included in School salaries</i>

(1) EIR = Expense Increase Request.

# FY2023 General Fund Budget Fixed Costs

Category	FY2023 Current Projection	% Change over FY2022 Budget
Health Insurance		
Active	\$11,857,399	<i>7% increase</i>
Retiree	\$3,952,466	<i>7% increase</i>
General Insurance	\$3,556,680	<i>17% increase</i>
Debt Service	\$11,189,470	<i>per established schedule</i>
Retirement	\$6,299,169	<i>8.5% increase</i>
Enterprise Fund Subsidies*	\$11,790,570	<i>2.5% Increase</i>

\* See Appendix A for detailed breakdown.

# FY2023 General Fund – Special Appropriations

Category	FY2023 Current Projection	% Change over FY2022 Budget
Health & Human Services	\$750,000	15.4% increase
County Assessment	\$178,816	2.5% increase
Reserve Fund	\$500,000	No change
Unpaid Bills	\$20,000	31% decrease
Other Post Employment Benefits (OPEB)	\$500,000	No change
Affordable Housing Trust Fund	1,625,000	No change
Overlay & Other Deficits	\$0	\$0
Cherry Sheet Charges	\$1,132,802	11.8% increase
Community School	\$550,000	10% increase
Min Cap Funding Req.	\$1,070,980	n/a - 1% of prior year revenue
<b>TOTAL EXPENSES</b>	<b>\$121,486,604</b>	

# FY2023 Town Expense Increase Requests

(included in recommended budget, excluding school)

- \$5,810,597 Submitted Requests
  - One-time \$692,500
  - On-going \$5,118,097
- \$3,630,654 Recommended
  - One-time \$692,500
  - On-going \$2,938,154
- To be funded through available tax levy, budget adjustments, alternate funding sources, free cash, potential revenue increases

# FY2023 Recommended Town Personnel Expense Increase Requests

<u>Department</u>	<u>Description of Expense Request</u>	<u>One- Time or Ongoing</u>	<u>Approved EIRs (1)</u>
<b>Personnel Expense Increase Requests (EIRs)</b>			
DPW	Addition of 1 Mechanic	Ongoing	99,019
DPW	Addition of 1 Position for Park and Rec Division	Ongoing	91,906
DPW	Addition of 1 Position for Trees	Ongoing	91,906
DPW	Town Engineer	Ongoing	144,695
Finance	Procurement Administrator	Ongoing	114,696
Finance	Additon of 1 Accounting Clerk - Treasury	Ongoing	98,540
Fire	Part time Administrative Specialist transfer to full-time	Ongoing	29,785
Fire	Addition of 2 Firefighter/Paramedic	Ongoing	190,800
Fire	Overtime increase	Ongoing	50,000
Health	Chief Environmental Health Officer	Ongoing	153,000
HR	Assistant HR Director	Ongoing	133,000
HR	Various position reclassifications	Ongoing	55,000
IT	Information Technology Security Systems Administrator	Ongoing	122,920
Marine	Addition of 5 Seasonal Lifeguards	Ongoing	58,500
NRD	Conservation Agent	Ongoing	122,920
NRD/Health	Public Outreach Specialist	Ongoing	98,541
NRD	Sustainability Manager	Ongoing	138,000
Police	Business License Inspector	Ongoing	98,541
Police	Addition of 2 Police Officers (Airport)	Ongoing	191,678
Police	Parking Enforcement Coordinator	Ongoing	122,920
PLUS	Overtime increase	Ongoing	10,000
PLUS	Land Use Specialist/Zoning Administrator	Ongoing	107,387
<b>Department Personnel EIR</b>			<b>\$ 2,323,754</b>

# FY2023 Recommended Town Operating Expense Increase Requests

## Operating Expense Increase Requests (EIRs)

Fire	Rope Rescue Equipment	One-Time	25,000
Fire	Safety and protective gear, alternate to Structural firefighting gear	One-Time	23,000
IT	Multi-factor authentication implementation services	One-Time	22,500
IT	Migrate Exchange mail server to Office 365 cloud environment	One-Time	22,000
PLUS	Historic District Commission - historic architectural surveys update	One-Time	25,000
PLUS	Update of the 2009 Master Plan	One-Time	100,000
PLUS	Replacement vehicle for PLUS	One-Time	30,000
Town Admin	Baxter Rd Relocation Management	One-Time	150,000
Town Admin	Professional services increase	One-Time	50,000
Town Admin	Commuter shuttle	One-Time	200,000
Town Admin	Historic sidewalk preservation & repair study	One-Time	40,000
Town Clerk	Replacement of furniture	One-Time	5,000
C & T	4th of July Fireworks increase for new contract FY23-25	Ongoing	12,550
DPW	Field Maintenance - Park and Rec	Ongoing	200,000
HR	TASC FSA accounts monthly fee	Ongoing	6,000
IT	Cloud-to-Cloud backup for cloud-based Exchange email and Office	Ongoing	8,800
IT	Multi-factor authentication licensing and hardware tokens	Ongoing	17,000
IT	Cybersecurity services	Ongoing	50,000
IT	Upgrade Exchange mail server to Office 365 cloud environment and	Ongoing	37,500
IT	TeamDynamix project portfolio management software annual	Ongoing	30,000
IT	Comcast Internet service for three WiFi hotspots	Ongoing	11,000
IT	Zoom video conferencing and webinar service	Ongoing	5,700
IT	5% increase for existing Professional Services	Ongoing	20,850
Town Admin	Delta playing fields lease	Ongoing	30,000
Town Admin	Office space lease	Ongoing	100,000
Town Admin	Select Board Strategic planning initiatives	Ongoing	50,000
Town Clerk	Sound & microphones for Annual Town Meetings	Ongoing	9,000
Town Clerk	E-voting service for Annual Town Meetings	Ongoing	26,000
<b>Total Operating Expense Increase Requests</b>			<b>\$ 1,306,900</b>
<b>Total Town Personnel &amp; Operational Expense Increase Requests</b>			<b>\$ 3,630,654</b>

# FY2023 Town Expense Increase Requests

## Funding Source Detail

Funding Source	Amount
Tax Levy & Other General Revenues	\$2,784,254
Free Cash	\$692,500
Capital Exclusion	\$0
Special Revenue Funds	\$153,900
Borrowing	\$0
<b>Total - All Funding Sources</b>	<b>\$3,630,654</b>



# Preliminary Free Cash Recommendation (Subject to Change)

General Fund Certified Free Cash*	<b>\$16,258,544</b>
Fund Town Expense Increase Requests (one-time)	692,500
Fund School Expense Increase Requests (one-time)	200,000
Fund Town and School Capital Requests	TBD
Unpaid Bills	20,000
Stabilization Fund	TBD
Capital Stabilization Fund	TBD
Other Post Employment Stabilization Fund	TBD
OPEB Trust Fund Contribution	TBD
Unallocated Free Cash	<b>\$</b>

\*Free Cash for use in FY2022 and FY2023 is pending certification by the Department of Revenue as of December 1, 2021. Full certification is expected in late December 2021 or early January 2022. This amount is expected to exceed budget projections due to a better operating result than FY2021 Pursuant to Town policy and best management practices, Free Cash is used for non-recurring items such as capital projects or items or other one-time expenses.

# FY2023 Outstanding Items and Current Unknowns

- State Aid Impact
- Harbor Place Project
- Citizen Warrant Articles Potential Cost Impact
- PFAS Costs
- Ongoing impact of COVID-19
- Short-term Rentals
- Supply chain & labor issues
- Implementation of Coastal Resilience Plan and budget implication
- Solid Waste
- Free cash
- Collective bargaining negotiations
- Retirement assessment

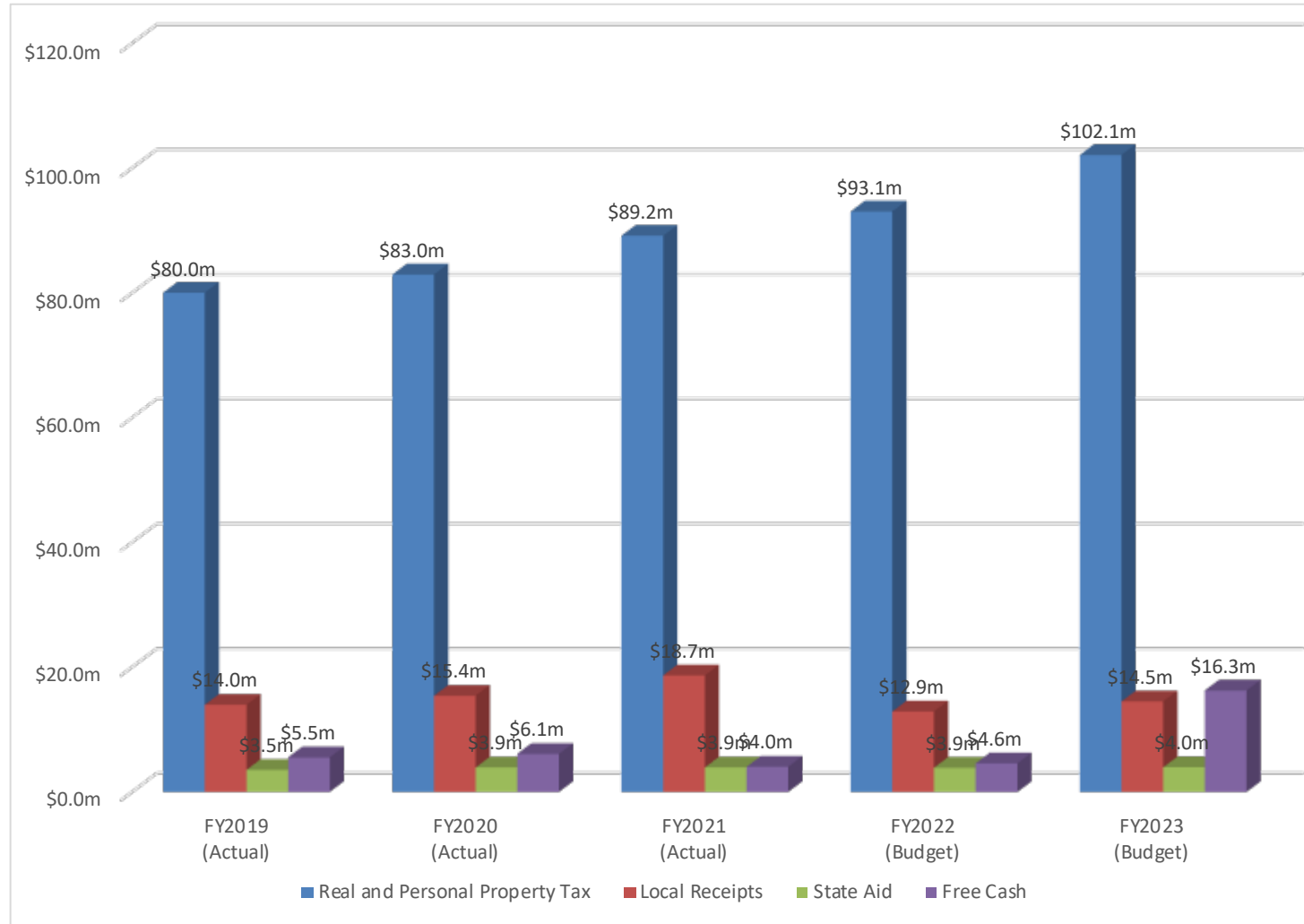
# Future Potential Costs

- Integration and implementation of plans
  - Strategic Plan
  - Coastal Resilience
  - Master Plan
  - Parks Master Plan
  - Capital Improvement Plan
- Employee recruitment and retention, including housing
- Cyber security measures
- Update of 5-year General Fund Forecast
- Solid Waste
  - Current Contract Expires in 2025
- NRTA
  - Year-Round Service Modifications
- PFAS

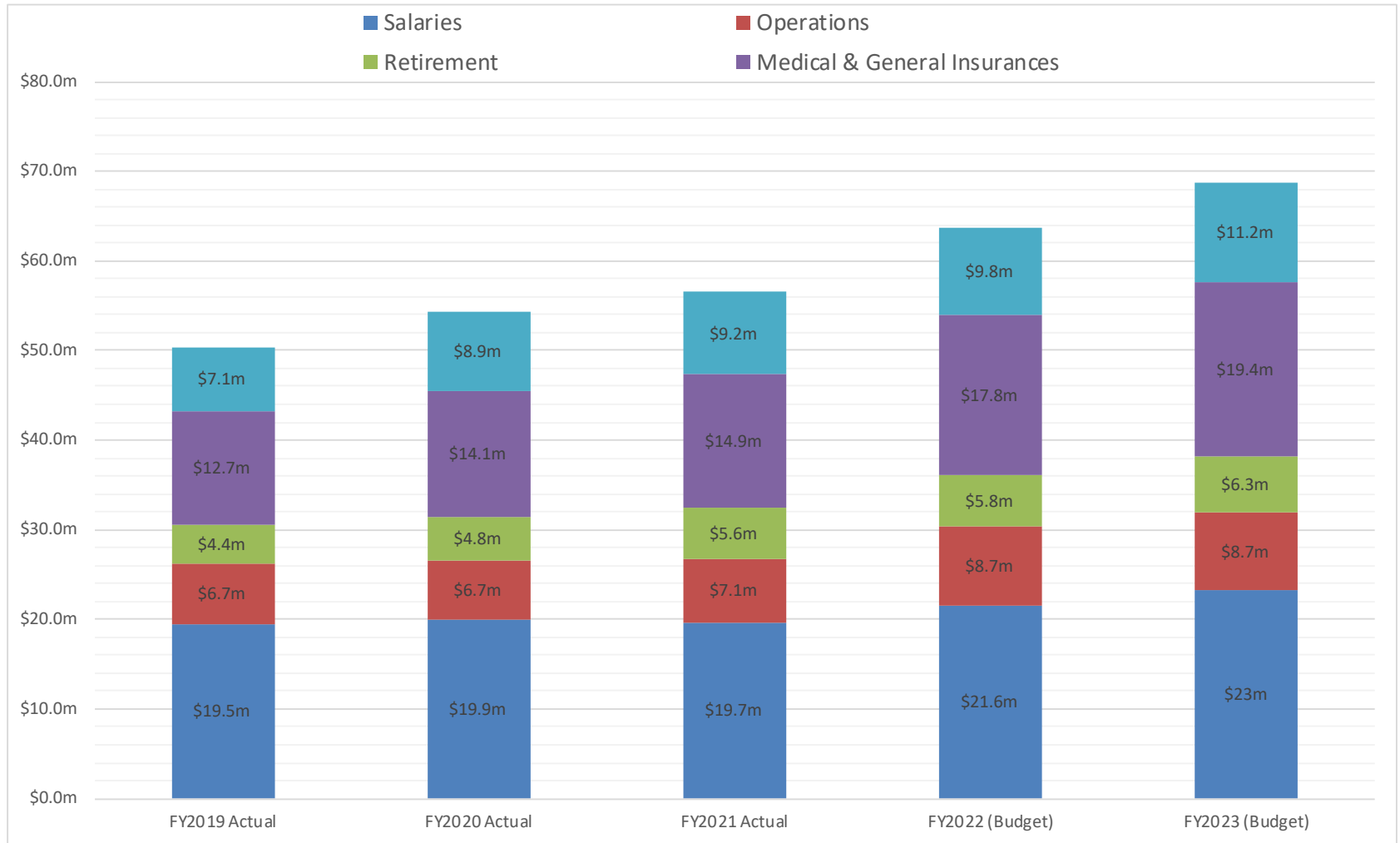
# Next Steps

- December 8: Town Administration FY2023 Budget presentation to Select Board
- January 18: Town Administration FY2023 Budget presentation to School Committee
- January 5: Select Board public hearing; endorsement of recommended FY2023 General Fund Budget
- Mid-January – mid-March: Finance Committee review of General Fund & Enterprise Fund budgets; other financial appropriations
- Monday, May 2: Annual Town Meeting (2022)

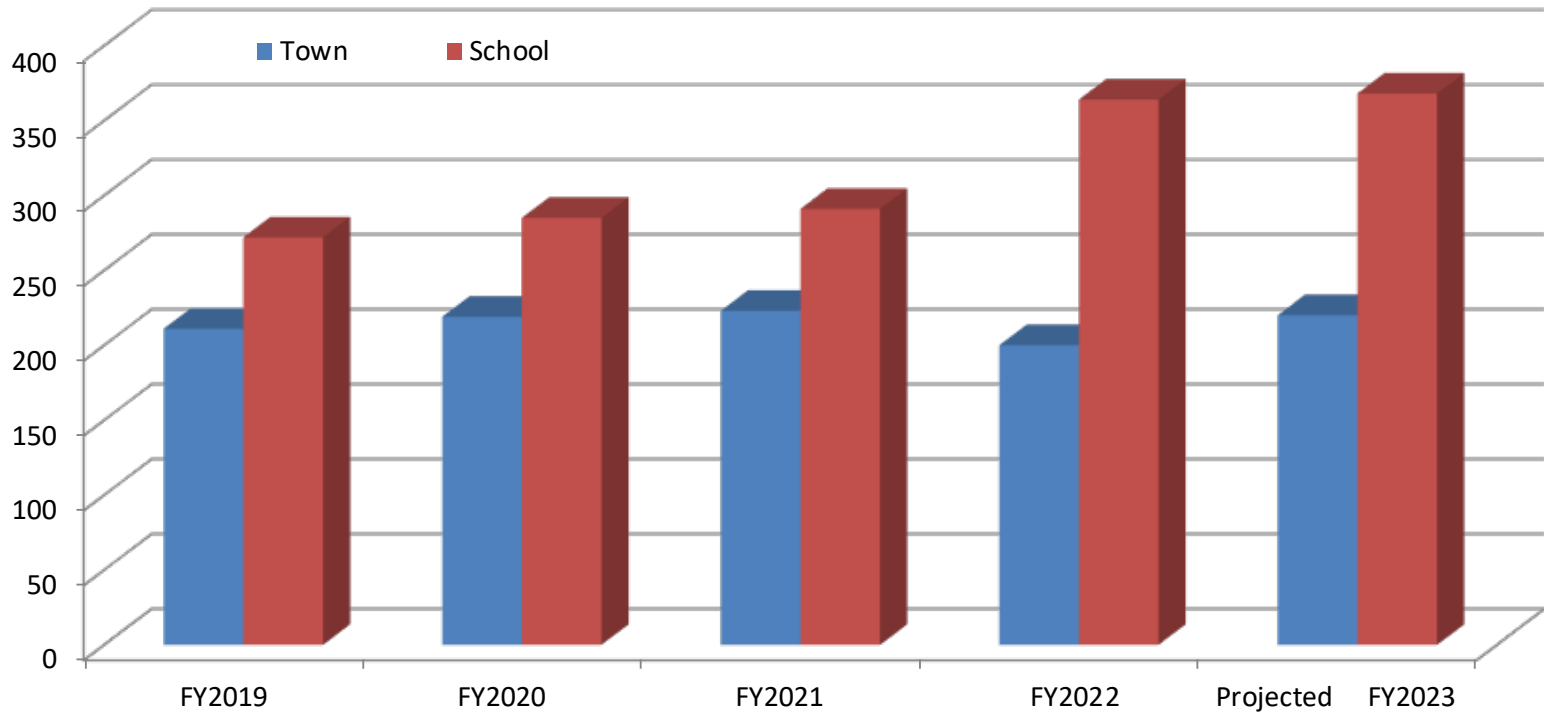
# General Fund Revenue Breakdown FY2019 - FY2023



# Town Expense Breakdown FY2019 - FY2023



# General Fund Personnel History FY2019 - FY2023



\* 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

# FY2023 General Fund Budget Breakdown – Revenues

	Budget FY2022	Budget FY2023	\$ Change	% Change
<b><u>Tax Revenue Limitations</u></b>				
Levy Limit from Prior Year	\$ 81,091,677	\$ 89,231,193	\$ 8,139,516	10.0%
Add: 2 1/2 % increase	2,027,292	2,230,780	203,488	10.0%
Add: Prop 2.5% operating override	-	-	-	na
Add: new growth <i>estimate</i>	700,000	850,000	150,000	21.4%
Add: operating override	5,000,000	-	(5,000,000)	(100.0%)
Levy Limit for Current Year	88,818,969	92,311,973	\$ 3,493,004	3.9%
Add: Debt Exclusion	8,831,295	10,391,113	1,559,818	
<b>Maximum Allowable Levy for Current Year</b>	<b>\$ 97,650,264</b>	<b>\$ 102,703,086</b>	<b>\$ 5,052,822</b>	<b>5.2%</b>
<b>OVERLAY</b>	(400,000)	(400,000)	-	-
<b>Net available:</b>	<b>\$ 93,059,841</b>	<b>\$ 102,110,030</b>	<b>\$ 9,050,189</b>	<b>9.7%</b>
<b>State Aid</b>	<b>\$ 3,880,200</b>	<b>\$ 3,961,774</b>	<b>\$ 81,574</b>	<b>2.1%</b>
Local Receipts:				
Motor Vehicle Excise	2,250,000	2,500,000	250,000	11.1%
Rooms and Meals Tax	7,380,000	8,082,000	702,000	9.5%
Licenses and Permits	891,350	1,350,000	458,650	51.5%
Local Receipts - All Other	2,381,060	2,590,300	209,240	8.8%
<b>Total Local Receipts</b>	<b>12,902,410</b>	<b>14,522,300</b>	<b>1,619,890</b>	<b>12.6%</b>
<b>Total Revenue</b>	<b>\$ 109,842,451</b>	<b>\$ 120,594,104</b>	<b>\$ 10,751,653</b>	<b>9.8%</b>
Other Sources				
Other Sources	-	-	-	na
Free Cash Used	4,575,000	892,500	(3,682,500)	(80.5%)
Excess Overlay	-	-	-	
<b>Total Revenue and Other Sources</b>	<b>\$ 114,417,451</b>	<b>\$ 121,486,604</b>	<b>\$ 7,069,153</b>	<b>6.2%</b>
<b>Total Expenses and Other Uses</b>	<b>\$ 114,417,451</b>	<b>\$ 121,486,604</b>	<b>\$ 7,069,153</b>	<b>6.2%</b>



# FY2023 General Fund Budget Breakdown – Expenses

	Budget FY2022	Budget FY2023	\$ Change	% Change
<b>General Fund Operating Budget Items:</b>				
Salaries - Town (includes allowance for collective bargaining) <i>Town Expense increase Requests- Salaries</i>	\$ 21,608,162	\$ 21,661,234	\$ 53,072	0.2%
Salaries - School (includes allowance for collective bargaining) <i>School Expense increase Requests- Salaries</i>	27,276,082	27,276,082	-	-
Transfers to community school	500,000	550,000	50,000	10.0%
<b>Subtotal Salaries</b>	<b>\$ 49,384,244</b>	<b>\$ 52,425,656</b>	<b>\$ 3,041,412</b>	<b>6.2%</b>
Operating Expenses, Town: <i>+Town Expense Increase Requests-Operating</i>	8,699,443	7,365,135	(1,334,308)	(15.3%)
Operating Override - 2011 Mosquito Control	172,714	177,032	4,318	2.5%
Operating Expenses, School <i>+School Expense Increase Requests-Operating</i>	5,600,905	5,600,905	-	-
	-	187,622	187,622	na
<b>Subtotal Expense</b>	<b>\$ 14,473,062</b>	<b>\$ 14,637,594</b>	<b>\$ 164,532</b>	<b>1.1%</b>
Group Medical Insurance- Active Employees	11,089,196	11,857,399	768,203	6.9%
Group Medical Insurance- Retired Employees	3,696,399	3,952,466	256,067	6.9%
General Insurance (all other insurance)	3,041,462	3,556,680	515,218	16.9%
<b>Subtotal Insurance</b>	<b>\$ 17,827,057</b>	<b>\$ 19,366,545</b>	<b>\$ 1,539,488</b>	<b>8.6%</b>
Debt Service	\$ 9,758,430	\$ 11,189,470	\$ 1,431,040	14.7%
Retirement	\$ 5,805,868	\$ 6,299,169	\$ 493,301	8.5%
<b>Total General Fund Operating Budget Items</b>	<b>\$ 97,248,661</b>	<b>\$ 103,918,436</b>	<b>\$ 6,669,775</b>	<b>6.9%</b>
<b>Other Articles</b>				
Unpaid Bills	28,838	20,000	(8,838)	(30.6%)
Reserve Fund	500,000	500,000	-	-
Health and Human Services	650,000	750,000	100,000	15.4%
Special Purpose Stabilization for Substance Abuse	95,000	-	(95,000)	(100.0%)
County Assessment	174,455	178,816	4,361	2.5%
Other Post Employment Benefits (OPEB / GASB45)	500,000	500,000	-	-
Affordable Housing Trust Fund	1,625,000	1,625,000	-	-
<b>Capital</b>				
General Fund budgeted from revenue (Town Bylaw 11-12.1)				na
Town Capital (Non-Recurring)	1,079,700	1,070,980	(8,720)	(0.8%)
<b>Enterprise Fund Transfers</b>				
Transfer to Enterprise Fund (Our Island Home - Beginning FY2011) Add: Additional Subsidy from Free Cash (Our Island Home)	5,000,000	5,125,000	125,000	2.5%
Transfer to Enterprise Fund (SWEF Operating Overrides 1999/2006) Add: Additional General Fund Subsidy to SWEF 2012-Forward	3,745,466	3,839,103	93,637	2.5%
	2,757,529	2,826,467	68,938	2.5%
<b>Total Other Article Appropriations</b>	<b>\$ 16,155,988</b>	<b>\$ 16,435,366</b>	<b>\$ 279,378</b>	<b>1.7%</b>
<b>Other Statutory Expenditures</b>				
Overlay and other deficits	-	-	-	na
Cherry Sheet Offsets and Charges	1,012,802	1,132,802	120,000	11.8%
<b>Total Appropriations and Other Statutory Expenditures</b>	<b>\$ 114,417,451</b>	<b>\$ 121,486,604</b>	<b>\$ 7,069,152</b>	<b>6.2%</b>

# Historical Information

## Our Island Home

	FY2017	FY2018	FY2019	FY2020 (2)	FY2021 (3)
General Fund Subsidy	\$ 2,762,535	\$ 1,511,446	\$ 1,511,446	\$ 2,687,245	\$ 3,500,000
Certified Retained Earnings	\$ 5,321,795	\$ 2,687,275	\$ 1,619,047	\$ 2,046,379	
CPE Payment	\$ 1,324,207	\$ 1,515,353	\$ 1,448,300	\$ -	\$ 2,822,647

## Stabilization and Trust Funds

	Stabalization Balance				
	2017	2018	2019	2020	2021
General Stabilization	\$5,053,411	\$ 5,059,485.00	\$ 5,411,964.00	\$ 5,541,745.00	\$ 5,770,018.01
Capital Stabilization	\$1,250,000	\$ 1,250,000.00	\$ 1,250,000.00	\$ 1,250,000.00	\$ 1,302,038.15

## Certified Free Cash

	2017	2018	2019	2020	2021
Certified Free Cash	\$6,215,883	\$9,593,671	\$10,334,761	\$9,655,001	

# Historical Information

## Local Option Rooms Tax 5 Year History

	2017	2018	2019	2020	2021
Lodging	\$ 3,498,399.70	\$ 3,622,241.64	\$ 3,807,929.59	\$ 5,553,748.52	\$ 2,213,648.00
Short-Term Rentals	\$ -	\$ -	\$ -	\$ -	\$ 5,766,637.00
Total	\$ 3,498,399.70	\$ 3,622,241.64	\$ 3,807,929.59	\$ 5,553,748.52	\$ 7,980,285.00

