

FY2022 Budget



**Andover Select Board
March 24, 2021**

FY 2022 Budget Goals

- Develop an FY 2022 budget that is within the limitations of Proposition 2 ½ and in compliance with Town and Select Board financial policies and goals and objectives;
- Maintain a level service budget, while identifying opportunities to improve service delivery through efficiency and a commitment to collaboration and innovation;
- Maintain employee compensation in a manner that provides opportunities for equity through modest adjustments and that is consistent with the Town's long-term financial planning efforts;
- Continue to aggressively manage employee benefits and associated impacts, both short and long term;



FY 2022 Budget Goals

- Identify opportunities to reduce the Town's unfunded liabilities including pension and OPEB costs;
- Continue developing a long-term financial model that provides for predictability and sustainability of operations;
- Establish a capital program that is based on an annual spending target (5.72%) for cash and debt appropriations that provides the Town with the ability to expand capital capacity and fund investments in both infrastructure and facilities within the limitations of Proposition 2 ½; and
- Develop a budget document consistent with the recommended guidelines and best practices set forth by the Government Finance Officers Association (GFOA).



FY2022 Revenue Assumptions

- **Tax Levy** to increase by the 2.5% (less Excess Levy Capacity) as allowed by Proposition 2 ½ plus New Growth;
- **New Growth (\$1,931,422)** projection is based on an adjusted 10 year average
- **Local Receipts (\$11,398,551)** projection based on trend analysis on each individual category, reflective of reductions made as a result of COVID-19
- **State Aid** projections (**\$14,221,482**) have been adjusted to reflect the Governor's Budget;
- **Free Cash (\$1,983,372)** to be appropriated only for one time capital expenditures while maintaining a balance that will provide for a stable amount of Free Cash in future years.



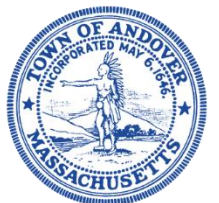
FY 2022 Expense Assumptions

- **Town and School Operating Budgets** to increase only by the amount of funds available after meeting the funding requirements of all obligations;
- **Retirement** contribution will total \$12,897,390, per the existing funding schedule established by the Retirement Board
- General Fund **Other Post Employment Benefit (OPEB)** funding will increase by 2.5% Additionally, the incremental savings in health insurance resulting from the OPEB Funding Plan will be appropriated into the trust;
- **Employee Health Insurance** expense to increase by 3.62%;
- Total appropriation to fund **Capital Expenditures** (cash and non-exempt debt) will be based on a percentage of budget (5.72%);
- Total Town budget to increase by 3.30% (2.75% plus 0.55% employee contributions to the ULO account)



FY 2022 Budget Change Explanations

Departments	Increase over FY21	Description
School Department	+\$3,346,752	Increase of 3.75% over the FY2021 budget
Public Works – Solid Waste	+\$308,493	Solid waste disposal to increase by 10%, recycling collection to increase by 9%
Fire Rescue	+\$170,000	Additional \$70,000 allocated to funding the Ladder Aide position and overtime account; \$100,000 reduction of revenue offset due to decreased ambulance utilization
Community Services – Andover DIVERSE	\$86,000	In accordance with Select Board & Town Manager goals and objectives, funding for a full time staff member focused on Diversity, Equity & Inclusion (\$80,000) and related expenses (\$6,000)



Tax Implications

Assuming that each classification (Residential, Commercial/Industrial, and Personal Property) remains the same as a percentage of the total levy, the projected average single-family tax bill increase for FY2022 is **3.7%**

- This does not include the impact of the exempt debt service associated with funding the West Elementary/Shawsheen Pre-School project, and/or the unfunded pension liability through pension obligation bonds.
 - For FY2021, there are a total of 8,715 single family homes. The average assessed value for a single family home is \$695,153.
 - 64% or 5,579 of single family homes are **below** the average
 - 36% or 3,136 of single family homes are **above** the average



Budget Includes No Additional FTEs

- Select Board Goals and Objectives are integrated within the context of the operating budget, without adding to the number of full time, benefited positions.
- When vacancies occur, positions are evaluated in order to make decisions on how to best fill positions.

<i>Full Time Equivalency (FTE) Reconciliation - FY2022 Budget</i>			
Department	Title	FTE Status (+/-)	Benefited
Community Services	Diversity, Equity and Inclusion Coordinator	+1.00	Yes
Community Services	Recreation Finance Coordinator	-1.00	Yes
Information Technology	Solutions Analyst	+ .10	Yes
Facilities	Refrigeration Apprentice*	+0.50	Yes
Total FTEs (+/-)		+ .60	
Total Benefited FTEs (+/-)		-0-	
*Position will be paid from CARES Act funds through 12/31/2021			
<i>All positions were benefited prior to the FY2022 Budget</i>			

Fourth consecutive budget with no new full time benefited positions; only one new position added in the past six budgets.



Budget Timeline

February 5, 2021	Town Manager's Preliminary FY 2022 Budget Released
March 24, 2021	Town Manager Presents FY 2022 Budget Warrant Article Votes
April 1, 2021	Full Budget Book Released
April 5, 2021	Budget and Warrant Article Votes
April 10, 2021	Saturday Budget Meeting
April 26, 2021	Budget and Warrant Article Votes
April 30, 2021	Chair Letters Due to Finance Committee
June 5, 2021	Annual Town Meeting

