

## Fiscal Year 2023 Budget Overview – Revised 3/24/22

The purpose of this overview is to highlight the process used to determine the projected revenues for FY23 and the allocation of these revenues in the development of the proposed budget that has been presented for your review and recommendations.

### Revenue Projection

<u>Tax Revenue</u>	2021 Actual	2022 Actual	2023 Allowable
Prior Year Levy Limit	18,254,133.23	19,135,788.56	19,862,585.27
2.50%	456,353.33	478,394.71	496,564.63
New Growth	425,302.00	248,402.00	200,000.00
Levy Limit	19,135,788.56	19,862,585.27	20,559,149.91
Debt Exclusion	1,530,309.00	1,245,349.00	1,200,000.00
Max. Allowable Levy	20,666,097.56	21,107,934.27	21,759,149.91
<b>Actual Tax Levy</b>	<b>17,980,859.33</b>	<b>18,652,948.50</b>	<b>19,421,941.70</b>

The Actual Tax Levy for FY23 was calculated by adding 2.5% to the Actual FY22 Tax Levy plus the estimated New Growth provided by the Assessor, plus \$117,030.00. This is an increase of \$768,993.20 or 4.1% over FY22.

<u>Non-tax Revenue</u>	2021 Actual	2022 Budgeted	2023 Estimated
Local Receipts	2,597,605.09	1,992,069.00	2,195,996.00
State Receipts	1,251,242.00	1,299,178.00	1,329,788.00
Cherry Sheet Offsets	(14,717.00)	(14,606.00)	(13,789.00)
Inter Fund Transfers			274,004.00
<b>Total Revenues</b>	<b>21,801,022.46</b>	<b>21,929,589.50</b>	<b>23,207,940.70</b>

The Local Receipts estimate is in line with prior pre-COVID years, and the State Receipts are from the Governor's proposed FY23 Budget. State Aid will be adjusted when the House and Senate Joint approved budget is released.

## Expense Projection

The following is a summary of the proposed FY23 Departmental Budgets compared to the Accepted FY22 Budgets:

<u>Department</u>	<u>Accepted FY22</u>	<u>Proposed FY23</u>	<u>CHG</u>	<u>%</u>
Executive	323,916	483,042	159,126	49.1%
Admin & Finance	3,285,482	3,594,723	309,241	9.4%
Community Development	424,275	446,495	22,220	5.2%
Public Safety	1,526,465	1,625,746	99,282	6.5%
Public Works	2,187,550	2,323,246	135,696	6.2%
Human Services	922,970	910,542	(12,428)	-1.3%
Debt Service	562,688	557,688	(5,000)	-0.9%
Reserve Fund		50,000		
<b>Total General Government</b>	<b>9,233,346</b>	<b>10,016,482</b>	<b>783,137</b>	<b>8.5%</b>
<b>Total Education</b>	<b>12,637,545</b>	<b>13,175,773</b>	<b>538,228</b>	<b>4.3%</b>
<b>Total Operating Budget</b>	<b>21,870,891</b>	<b>23,309,890</b>	<b>1,438,396</b>	<b>6.6%%</b>
Cherry Sheet Asses.	44,684	43,045	(1,639)	
Snow & Ice Deficit	50,000	0	(50,000)	
Overlay	101,768	130,000	28,232	
<b>Total Off Budget</b>	<b>196,452</b>	<b>143,045</b>	<b>(53,407)</b>	
<b>Total</b>	<b>22,067,343</b>	<b>23,365,300</b>	<b>1,297,957</b>	<b>5.9%</b>
<b>Total Proj. Revenues</b>	<b>21,929,590</b>	<b>23,207,941</b>	1,278,351	
<b>Surplus/Shortfall</b>	<b>(137,753)</b>	<b>(157,360)</b>		

The costs for the Warrant Articles including Capital Projects, OPEB Funding, Non-profit funding requests, Compensated Balances Reserve Trust Fund, a proposed Classification and Wage Survey and the use of Free Cash to offset the Tax Rate and replenish the Stabilization Fund are shown below:

<b><u>Warrant Articles</u></b>		
<b>Capital Projects</b>	650,000	494,815
<b>OPEB Fund</b>	46,729	50,000
<b><u>Non Profits</u></b>		
Williamstown Youth Center	77,000	77,000
Chamber of Commerce	45,000	50,000
Sand Springs Rec Center	19,000	19,000
Williamstown Preschool	50,000	50,000
<b><u>Compensated Balances</u></b>		
<b>Reserve</b>	150,000	50,000
<b>Finance Committee Reserve</b>		
<b>Fund</b>	175,000	(in budget)
<b>Classification &amp; Wage Survey</b>		35,000
<b>Free Cash to Offset Tax Rate</b>		250,000
<b>Free Cash to Stabilization Fund</b>		50,000
<b>Total Warrant Articles</b>	<b>1,212,729</b>	<b>1,125,815</b>
<b>Surplus/Shortfall</b>	<b>(1,350,482)</b>	<b>(1,283,175)</b>

The following is the proposed use of Free Cash to balance the FY23 Budget:

	<u><b>FY22</b></u>	<u><b>FY23</b></u>
<b>Use of Free Cash</b>	1,236,729	1,285,000
<b>Use of Stabilization Funds</b>	156,000	
<b>Offset from Reduced FDT</b>	63,409	
<b>Final Surplus/Shortfall</b>	<b>105,656</b>	<b>1,825</b>

My staff and I look forward to providing whatever addition information is needed as this budget is reviewed for the Finance Committee's recommendations to the Town Meeting.

Sincerely,

Charlie Blanchard

Interim Town Manager

## Fiscal Year 2023 Budget Overview

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### Revenue Projection

<u>Tax Revenue</u>	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2023 Allowable</u>
Prior Year Levy Limit	18,254,133.23	19,135,788.56	19,862,585.27
2.50%	456,353.33	478,394.71	496,564.63
New Growth	425,302.00	248,402.00	200,000.00
Levy Limit	19,135,788.56	19,862,585.27	20,559,149.91
Debt Exclusion	1,530,309.00	1,245,349.00	1,200,000.00
Max. Allowable Levy	20,666,097.56	21,107,934.27	21,759,149.91
Actual Tax Levy	17,980,859.33	18,652,948.50	19,319,271.70

The Actual Tax Levy for FY23 was calculated by adding 2.5% to the Actual FY22 Tax Levy plus the estimated New Growth provided by the Assessor.

<u>Non-tax Revenue</u>	<u>2021 Actual</u>	<u>2022 Budgeted</u>	<u>2023 Estimated</u>
Local Receipts	2,597,605.09	1,992,069.00	2,470,000.00
State Receipts	1,251,242.00	1,299,178.00	1,329,788.00
Cherry Sheet Offsets	(14,717.00)	(14,606.00)	(13,789.00)
Total Revenues	21,814,989.42	21,929,589.50	23,105,270.70

The Local Receipts estimate is in line with prior pre-COVID years, and the State Receipts are from the Governor's proposed FY23 Budget. State Aid will be adjusted when the House and Senate Joint approved budget is released.

### Expense Projection

The following is a summary of the proposed FY23 Departmental Budgets compared to the Accepted FY22 Budgets:

Department	Accepted FY22	Proposed FY23	CHG	%
Executive	323,916	483,042	159,126	49.1%
Admin & Finance	3,285,482	3,594,723	309,241	9.4%
Community Development	424,275	446,532	22,257	5.2%
Public Safety	1,526,465	1,596,247	69,782	4.6%
Public Works	2,187,550	2,310,481	122,931	5.6%
Human Services	922,970	919,657	(3,313)	-0.4%
Debt Service	562,688	557,688	(5,000)	-0.9%
Reserve Fund		50,000		
Total General Government	9,233,346	9,958,371	725,026	7.9%
Total Education	12,637,545	12,669,412	31,867	
Total Operating Budget	21,870,891	22,627,783	756,893	3.5%
Cherry Sheet Asses.	44,684	43,045	(1,639)	
Snow & Ice Deficit	50,000	0	(50,000)	
Overlay	101,768	100,000	(1,768)	
Total Off Budget	196,452	143,045	(53,407)	
Total	22,067,343	22,770,828	672,629	3.05%
Est. School Increase		266,883		
Total Expenditures	22,067,343	23,037,711		
Total Proj. Revenues	21,929,590	23,105,271	1,175,681	
Surplus/Shortfall	(137,753)	67,560		

The costs for the Warrant Articles including Capital Projects, OPEB Funding, Non-profit funding requests, Compensated Balances Reserve Trust Fund, a proposed Classification and Wage Survey and the use of Free Cash to offset the Tax Rate and replenish the Stabilization Fund are shown below:

### Warrant Articles

Capital Projects	650,000	467,600
OPEB Fund	46,729	50,000
Non Profits		
Williamstown Youth Center	77,000	77,000
Chamber of Commerce	45,000	50,000
Sand Springs Rec Center	19,000	19,000
Williamstown Preschool	50,000	50,000
Compensated Balances		
Reserve	150,000	50,000
Finance Committee Reserve		
Fund	175,000	(in budget)
Classification & Wage Survey		30,000
Free Cash to Offset Tax Rate		250,000
Free Cash to Stabilization Fund		50,000
Total Warrant Articles	1,212,729	1,093,600
Surplus/Shortfall	(1,350,482)	(1,026,040)

The following is the proposed use of Free Cash to balance the FY23 Budget:

	<u>FY22</u>	<u>FY23</u>
Use of Free Cash	1,236,729	1,030,000
Use of Stabilization Funds	156,000	
Offset from Reduced FDT	63,409	
Final Surplus/Shortfall	105,656	3,960

My staff and I look forward to providing whatever addition information is needed as this budget is reviewed for the Finance Committee's recommendations to the Town Meeting.

Sincerely,

Charlie Blanchard

Interim Town Manager

February 9, 2022

Melissa Cragg, Chair

Williamstown Finance Committee

31 North Street

Williamstown, MA 01267

Dear Chair Cragg and Members of the Finance Committee:

I present herewith the FY 2023 Budget Proposal which Chapter 14 of the Code of Williamstown requires the Town Manager to submit to the Finance Committee on or before February 15 each year. As has been the practice for several years, we are presenting a balanced budget without the need for a Proposition 2½ override.

The FY23 projected Tax Levy is \$19,319,272 which is a 3.6% increase over the FY22 Tax Levy. The Town's Maximum Allowable Tax Levy is \$21,759,150 so we are approximately \$2.4 million below the cap.

There are several factors that have contributed to a larger increase in the General Government expenses than we have been accustomed to over the past few years. Among these are:

- Funding the final year of a December 2020 severance agreement.
- Increasing the Town Manager salary to be more competitive in our permanent Town Manager search.
- Appointing the Town Accountant to fill the position of Finance Director.
- Creating a new full-time position of Information Technology Specialist.
- Creating a new part-time position of assistant to the Town Clerk.
- Staffing impacts on the Police budget from personnel on paid leave plus the closure of the Part Time Officer Training Academy will carry over into FY23.
- Increasing the Snow and Ice budget to be more in line with what our actual annual costs have been.
- Berkshire Health Group has announced an 8% increase for FY23, the first increase in three years.

FY23 budget information is not available yet from the Mount Greylock Regional School District or the Northern Berkshire Vocational Regional School District so no increases have been put into the initial proposed budget. We should note however that both Districts are members of

the Berkshire Health Group, so the districts are also facing an 8% health insurance increase for FY23.

The Reserve Fund is meant to cover expenses that come up during the Fiscal Year that could not be anticipated when the Budget was developed. It has been moved to an appropriated line item with proposed funding at \$50,000. State Law allows deficit spending for Snow and Ice expenses and the proposed S&I budget has been increased for FY23, so I do not see the need to increase the Reserve Fund with an appropriation from Free Cash for this purpose.

Due to the current level of inflation, the non-union wage increase is proposed at 3%.

Both the Police and DPW Collective Bargaining Agreements expire this year so only step increases have been added to the budget at this time. Although we have yet not been approached to begin bargaining negotiations, depending on how soon these negotiations begin and how realistic the unions' proposals are, I will try to reach agreements before my contract ends on April 30<sup>th</sup>. If this is not possible, it will be up to the new Town Manager to complete these negotiations.

The proposed budget continues the policy of funding OPEB and the Compensated Balance Reserve from Free Cash and depending on the requested increase in the proposed School budgets we should also be able to use Free Cash to offset the Tax rate and replenish the Stabilization Fund. The Police Station payment is included in the Debt Service appropriation for General expenses.

I would like to express my appreciation to the Department Managers for the thoughtful and timely preparation of their requested budgets and especially to Town Accountant Anna Osborn who is already fulfilling the role of Finance Director with her careful review of the requested budgets with each Department as well as her preparation of these Budget Documents.

I look forward to working with you as you develop your budget recommendations to the Town Meeting.

Sincerely,

Charlie Blanchard  
Interim Town Manager

Cc: Williamstown Select Board