COMMONWEALTH OF MASSACHUSETTS
TOWN OF NEW MARLBOROUGH
OFFICE OF THE BOARD OF SELECTMEN
807 Mill River Southfield Road, Mill River, MA 01244-0099
Phone: 413-229-8116 Fax: 413-229-8253
E-mail: nmbos@newmarlboroughma.gov

Richard E Long, Chair
Tara B White
Mark Carson
Board of Selectmen

VIA TELECONFERENCING
Minutes of the Joint Board of Selectmen and Finance Committee
Thursday, May 20, 2021
6:00 pm

Board Members Present:	Richard Long, Chair
	Mark Carson
	Tara White
Finance Committee:	Steven Klein, Chair
	Barbara Marchione
	Michele McAuley
	Robert Miller
	Doug Newman
	John Pshenishny
	Beth Reynolds
Others Present:	Mari Enoch, Town Administrator

The meeting of the Board of Selectmen convened at 6:02 p.m.

The meeting of the Finance Committee remained in session from its 5:30 meeting.

Steve Klein presented the attached FY 22 Budget presentation which is also posted on the Town website.

John Pshenishny asked to go on record in the minutes as opposing the proposed purchase of the Highway 10 Wheel Dump Truck.

Richard Long thanked Steve and the Finance Committee for the presentation. Steve thanked the Board of Selectmen for its work on the budget.

A motion was made, seconded, and so voted to adjourn the Finance Committee meeting at 6:45 pm:

Barbara Marchione-aye, Michele McAuley-aye, Robert Miller-aye, Doug Newman-aye, John Pshenishny-aye, Beth Reynolds-aye, Steve Klein, aye

A motion was made, seconded and so voted to adjourn the Board of Selectmen meeting at 6:46 pm:

Tara White-aye, Mark Carson-aye, Richard Long, aye.

Minutes approved by Board of Selectmen on June 7th, 2021
Minutes approved by Finance Committee on June 8th, 2021

Proposed Operating and Capital Budgets

Fiscal Year 2022

May 20, 2021

Town of New Marlborough

Highlights of FY 2021

- COVID Impacts
  - Relatively small increase in new construction added to tax base
    - May be due to worksite shutdown and/or slow assessment process
  - Dramatic decline in New Marlborough enrollment in Southern Berkshire Regional School District
    - Will produce a significant reduction in town's share of school budget, but no clear indication if the reduction is temporary or permanent
  - Federal support for some COVID related expenses via CARES Act
  - Travel for professional development was severely limited

Developments for FY22 (July 2021-June 2022)

- Implementation of Human Resources Planning Group's recommendations
  - Increases of town salaries to bring compensation levels more in line with surrounding communities. Different levels of increase based on current of level of compensation compared to comparable positions
- Assessment of priority road rehabilitation needs by the Highway Planning working group
  - Identified major road projects over the next five year totaling over $2.4 million
  - This analysis will be reviewed in early FY 2022 by an outside consultant prior to final recommendations
- Capital Budget Plan
  - Review of all proposed capital expenditures over next five years based on submissions from all town budgets
  - Development of funding plan for anticipated needs utilizing combination of reserve funds, stabilization fund, grant revenue and debt issuance proceeds
  - Plan indicates that <u>less</u> than 60% of requests can be funded with available resources
  - Plan calls for multi-year debt funded Road Improvement program. Plan reviewed by both Finance Committee and Board of Selectmen--to be submitted to voters for approval

Proposed Budget—Principles

- Limit annual operating budget growth to proposition 2 ½ + estimated new growth in assessed value. Maintain excess capacity (unspent capacity from prior years) for extraordinary needs
- Maintain Stabilization and Reserve Fund balances at or above recommended levels
- Shift resource mix to favor capital to address substantial needs over the next five years

Estimated Tax Capacity for FY 2022

Prop 2 ½ Allowable Growth	$133,228
Estimated New Growth	$52,805
Last year nonrecurring	0
<u>Excess Capacity</u>	<u>$191,315</u>
TOTAL	$377,348

Town budget vs. School budget

School Side

50% of allowable increase	$ 93,017
FY 22 School increase	$(171,547)

Town Side

50% of allowable increase	$ 93,017
FY 22 Town Operating increase	$ 80,383

School assessment decrease not used for recurring expenses, instead funding for one-time purchases (including capital).

Figures do not include Stabilization or debt

Proposed Budget Breakdown
Town vs. School district

	$	% vs. FY 2021
TOTAL BUDGET	$6,023,001	+ 2.7%
Town Operating	$2,931,376	+ 3.7 %
Stabilization/Capital	$305,758	+ 300 %
School Assessment	$2,785,867	- 5.9%

Proposed Budget—Comparison to Prior Year

Town Operating Budget	
Increases	$ 151,807
Decreases	(66,741)
Net Town Operating Budget Increase/Decrease	$ 85,066
Increase is 3.0% from FY 2021	
School Decrease	$ (177,735)
Debt Decrease	$ (3,500)
Stabilization Contribution Increase	$ 75,000
One time appropriations increase (including capital)	$ 180,573
Net Total Budget Increase/Decrease	$ 159,404
Increase is 2.72% from FY 2021	

Expense Increase Highlights: Employee-Related

- Total increase to compensation approximately $88,000
  - Newly formed Highway Union-five employees (in negotiations)
  - Continued Implementation of recommendations of Human Resources Study
    - COLA of 2.0%
    - Bring employees' wages within range of comparable towns for same positions
    - 20 positions received additional annual increases ranging from 1% to 2.5%
  - New positions:
    - Human Resources Director (shared with surrounding towns)
  - Additional Hours:
    - Town Administrator
    - Police Department Clerical
    - Police Training (Police Reform Bridge Academy)
  - Increased stipends to a handful of elected and appointed positions

- Health Insurance budget increase $12,565
- Retirement Assessment increase $12,949

Expense Increase Highlights: Non-employee Related

Transfer Station Expenses	$13,000
Police Department Expenses	$4,325
Fire Protection	$2,250
Group Purchasing	$2,120
Tree Work	$2,000

Spending by budget category-- 2018-2022

category		FY 18	FY 19	FY 20	FY 21	FY 22
General Government		6.0%	6.2%	6.3%	6.4%	6.8%
Highway		17.2%	17.2%	17.1%	18.0%	17.3%
Schools		53.7%	50.5%	49.3%	50.7%	46.3%
Culture and Recreation		2.0%	2.0%	2.3%	2.1%	2.1%
Protection, Persons & Property		6.2%	6.9%	7.7%	8.3%	8.6%
Health & Human Services		1.9%	2.1%	2.2%	2.4%	2.6%
Debt/Stabilization/Capital		3.9%	6.2%	6.7%	3.2%	6.8%
Unclassified		9.0%	9.2%	9.0%	9.1%	9.4%
TOTAL BUDGET		$5,609,249	$5,633,848	$5,821,380	$5,863,597	$6,023,001
Increase v. Prior Year		5.7%	0.4%	3.3%	0.5%	3.0%
Tax Rate (per$1000/assessed valuation)		$10.45	$10.34	$10.31	$9.94	TBD
Increase v. Prior Year		6.6%	(1.0%)	(0.3%)	(3.5%)	

School Budget: Historical Share and % of Total Town Budget

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
NM % of Budget	22.8	20.9	20.6	20.8	19.6
NM Assessment	3,143,681	2,841,455	2,865,680	2,963,602	2,785,867
% of Town Budget	50.9	50.4	49.2	50.7	46.3

Unprecedented decrease in New Marlborough's share of school district budget cannot be counted on to recur. "Savings" has been used for one-time expenditures and savings for future capital needs

School District Budget: Total and Town Share

Total five town school assessment	
Operating and Transportation	$ 13,674,203
Capital	$ 281,688
Subtotal	$ 13,955,891
Roof/Boiler Bond	$ 284,209
	$ 14,240,100
New Marlborough assessment	
Operating and Transportation	$ 2,675,158
Capital	$ 55,108
Subtotal	$ 2,730,266
Roof/Boiler Bond	$ 55,601
	$ 2,785,867

Debt Service Schedule

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Fire Truck (2025)	68,200	66,000	63,800	61,600	59,400
Grader (2029)	44,200	42,900	41,600	40,300	39,000
School Roof/Boiler* (2032)	61,789	55,605	80,000*	80,000*	80,000*
TOTAL	**174,189**	**164,505**	**185,400**	**181,900**	**178,400**

*School Roof/Boiler amounts estimated after FY 2022 based on previous levels

Outlook for the Future

Capital Expenses:

- Roads/Culverts – 5 year road plan developed by Highway Planning Working Group, to be reviewed by outside highways consultants. Estimated cost over $2.4 million
- Town Hall – Renovations for ADA Compliance--initial estimates will require further review
- Other Capital – Equipment purchases for highways, fire and emergency services
- Broadband – $62,500 per year for 15 years, to be somewhat offset by solar PILOT payments

Total estimated capital needs over next five years total over $9 million

Town does not have sufficient resources to fund all needs

Road program will require authorization for substantial multi-year bond financing program. To be presented to the town for approval

Proposed Reserves

Stabilization	$942,826
Certified Free Cash	$397,039
Total Reserves	$1,339,865
Reserve @ 10% of Town Revenues	$626,626
Available for Use	$713,239

Stabilization	$ 942,826
Proposed Expenditures	$ 295,000
Proposed Additions	$ 150,000
Post ATM Balance	$ 797,826

Free Cash	$397,039
Proposed Expenditures	$75,000
Post ATM Balance	$322,039

Proposed Free Cash Expenditures

Certified Free Cash	$ 397,039
Highway Tractor with Mower	$ 75,000
Balance	$ 322,039

Proposed Stabilization Expenditures and Additions

Stabilization Fund--opening Balance	\$ 942,826
Spend--Highway 10 Wheel Dump Truck	\$ 295,000
Raise and Appropriate	\$ 150,000
Stabilization Fund--closing balance	\$ 797,826

Fiscal Year 2022 Presentation

Questions, comments and discussion