

Town of Buckland, Massachusetts FY 2023 Budget Report

To: Citizens of the Town of Buckland
From: Buckland Finance Committee
Date: May 7, 2022
Re: Buckland Fiscal Year 2023 Budget Report

Definitions

Fiscal Year 2022 (FY22) – the current budget year – July 1, 2021 → June 30, 2022

Fiscal Year 2023 (FY23) – the next budget year – July 1, 2022 → June 30, 2023

OB = Operating Budget

CD = Capital & Debt Service

WWTP = Wastewater Treatment Plant

Summary

During FY22 the Coronavirus pandemic and global supply chain disruptions continued to affect federal, state and local economic conditions nationwide, and Buckland was not spared from those impacts. The federal fiscal stimulus funds helped our town, but looking ahead in our planning we face continued economic uncertainties exacerbated by the war in Ukraine, dramatic spikes in energy and other costs and rising interest rates. Yet despite those issues, or perhaps because we're getting used to navigating in this fog, we are slightly more optimistic about the foreseeable future than we were at the outset of the pandemic.

We had an increase in new growth this past year and anticipate more growth in FY23, but the increase in the town's revenues continues to be modest and places a significant constraint on our operating budget. The Finance Committee is recommending a FY23 budget that provides necessary increases in Town Department operating funds required for the provision of essential services.

Buckland's proposed budget for FY23 contains a projected increase in Total Operating Revenues of \$170,631, or 3.3%, over FY22, while the Total General Fund (general expenses and school assessments) will increase by \$200,581, or 4.2%.

Revenues

In preparing a recommended budget each year we estimate the Town's revenues based on past history and current projections provided by the State. As a matter of policy we assume only modest growth on the revenue portion of the budget, a conservative approach that has served us well in the past.

Total FY23 revenues are expected to increase by \$170,631 to \$5,283,794, or 3.3% over FY22.

There are three principal components of total Town revenues: Property taxes (which amount to about 80% of total revenues each year), state aid, and local receipts. We have experienced a gradual increase in state aid each year, and for FY23 it will increase \$10,995, or 2.9% over FY22. Local receipts were much higher than anticipated last year and in our FY23 budget, based on the three-year average for that line item, we confidently have added \$30,000 to our projections, an increase of 14.5% over FY22's projection.

Expenses

We budget our expenses as tightly as possible based on our revenue predictions and the needs of the Town. Some of the larger expense increases we incur are non-discretionary, such as increased insurance, utilities and retirement costs. We remain extremely cautious about adding any permanent expense line items to our budget in these uncertain times.

Operating expenses consist of two basic categories: school assessments and general expenses. Overall the total Town operating and school assessment expense budget (the General Fund) is increasing in FY23 by \$200,581 (4.2%) to \$5,027,737

The Town receives educational services through its regional academic and vocational school districts: the Mohawk Trail Regional School District (MTRSD) and the Franklin County Technical School (FCTS). We also pay for the students from Buckland who attend the Northampton Smith Vocational and Agricultural School. The total of these three assessments are always the largest component of Buckland's total operating expense budget (at 59% its proportionate share varies only slightly each year). For FY23 total school assessments are budgeted to increase by \$151,783 (5.4%) to a total of \$2,967,230.

It's important to note that for FY23 the increase in total school assessments is being driven by the increase in the number of students attending Franklin Tech, which has risen from 8 students to 18 students, costing Buckland \$225,345 (an additional \$113,591 over last year), and by Smith Vocational, which rose from 1 to 2 students, costing Buckland \$55,000 (an additional \$25,000 over last year). Over 90% of our total school assessment is from the MTRSD, which for Buckland has increased by only \$13,192 (0.5%) for FY23.

The remainder of this Memo addresses the other Town operating expenses (in particular, see Article 4), which for FY23 total \$2,018,595, an increase of \$53,656 (2.7%) over FY22.

An explanation of key budget changes follows. The discussion is organized by Warrant Article with references to the line items in the accompanying operating budget spreadsheet.

WARRANT ARTICLES

Article Three: Elected Officials Salary (OB lines 9, 10, 31, 51, 80, 116): The cost of these salaries is \$43,766, a slight increase (2.5%) from FY22.

The Finance Committee voted in favor of recommending Article Three with one abstention.

Article Four: Town Operating Budgets (OB lines 9-152, excluding those lines covered in other Warrant Articles): These budgets total \$1,927,479 which is an increase of \$57,105 (3.1%) from FY22. This article represents the bulk of the Town's operating budget, and includes a 3.5% COLA increase for Town Employees. It also includes other significant changes that are explained below:

- **Boards and Committees** (line 52): A decrease of \$5,468 (-42.6%), based on changing to shared duties between administrative positions.
- **Tree Warden Expense** (line 82): An increase of \$1,000 (20%), to provide more resources for this function.
- **Highway Salaries** (line 93): A decrease of \$17,892 (-12.1%), based on four positions being funded rather than five.
- **Board of Health** (line 117): A decrease of \$1,956 (-11.3%), based on a decrease in the Cooperative Public Health Service resource requirements from pandemic levels.

The Finance Committee voted unanimously in favor of recommending Article Four.

Article Five: Special Line Items (OB lines 21, 27, 35, 36, 58, 107, 140): These budgets amount to \$49,350, down from \$51,850 (-4.8%) in FY22 based on a reduction in the amount going into the reserve fund for personnel and tax title expense.

The Finance Committee voted unanimously in favor of recommending Article Five.

Article Six: Mohawk K-12 School District Operating Assessment (OB line 86): A total of \$2,686,885, an increase of \$13,192 (0.5%). We refer you to the explanatory memo from our School Committee representatives for a detailed explanation of this item.

The Finance Committee voted unanimously in favor of recommending Article Six.

Article Seven: Mohawk K-12 School District Capital Assessment (CD lines 33–37): This capital assessment of \$61,240 reflects a decrease of \$38,499 (-38.6%) from FY22, and covers several already approved capital projects at the high school and at Buckland Shelburne Elementary (BSE) school. These payments are debt-excluded.

The Finance Committee voted unanimously in favor of recommending Article Seven.

Article Eight: Tuition and Transportation for Smith Vocational School (OB line 87): A total of \$55,000, an increase from FY22 of \$25,000 (83%) to cover required tuition and transportation costs for two Buckland students attending Smith Vocational School.

The Finance Committee voted unanimously in favor of recommending Article Eight.

Article Nine: Franklin County Technical School Operating Assessment (OB line 88): A total of \$225,345, an increase from FY22 of \$113,591 (101.6%), based primarily on the number of students (18, which is more than double last year) from Buckland enrolling at the vocational school.

The Finance Committee voted unanimously in favor of recommending Article Nine.

Article Ten: Franklin County Technical School Capital Assessment (CD line 38): A total of \$6,035, a decrease from FY22 of \$994 (-14.1%). This is for capital work on the school's roof. This annual payment is not debt-excluded and thus is part of our operating budget.

The Finance Committee voted unanimously in favor of recommending Article Ten.

Article Eleven: Operating Expenses for the Shelburne Falls Wastewater Treatment Plant (Enterprise Fund) (WWTP line 54): A total of \$324,458, an increase of \$7,593 (2.4%) from FY22. This includes Buckland's share of operating expenses. There has been an increase required by DEP in personnel expenses with the addition of a part-time person, but operational services have decreased. These costs are paid solely by the users of the sewer system.

The Finance Committee voted unanimously in favor of recommending Article Eleven.

Article Twelve: Capital Expenses for the Shelburne Falls Wastewater Treatment Plant (WWTP line 55): The \$92,000 in capital expense is the third and final payment for the Conway Street sewer system project associated with the road reconstruction. These costs are paid solely by the users of the sewer system.

The Finance Committee voted unanimously in favor of recommending Article Twelve.

Article Thirteen: Special Wastewater Treatment Plant Line Items (Carry Forward) (WWTP line 56): The \$12,800 for reedbed maintenance is shifted to this line item so that it will accrue each year. These costs are paid solely by the users of the sewer system.

The Finance Committee voted unanimously in favor of recommending Article Thirteen.

Article Fourteen: Town Debt Service (CD lines 31, 41): This article includes two debt items totaling \$159,325. One is the payment on the Town Hall renovation project (\$22,500), and the other is the short-term debt interest for the highway garage (\$136,825). Both of these items are debt excluded.

The Finance Committee voted unanimously in favor of recommending Article Fourteen.

Article Fifteen: Town Capital Expenses (CD Lines 14, 17, 18, 19, 20, 23): This article proposes total of \$605,000 for the purchase of a new truck, trailer, paving and road repair, a truck bed, document imaging, museum improvements, and a new salt shed to be allocated from Free Cash and General Stabilization.

The Finance Committee voted unanimously in favor of recommending Article Fifteen.

Article Sixteen: Funding for Other Post Employment Benefits (OPEB) Liability Trust Fund (CD line 25): We recommend allocating \$20,000 to offset our OPEB liability.

The Finance Committee voted unanimously in favor of recommending Article Sixteen.

Article Seventeen: Establish Grant Match Special Revenue Account.

We recommend a transfer of existing funds which have accrued in the CDBG grant fund account to this new revenue account that will allow the Town greater flexibility in the management of grants. No new appropriation is requested at this time.

The Finance Committee voted unanimously in favor of recommending Article Seventeen.

Article Eighteen: Establish a Recycling Revolving Account

The Town receives revenues for its recycling function, and this will segregate those funds from the General Fund to support Transfer Station capital improvement projects.

The Finance Committee voted unanimously in favor of recommending Article Eighteen.

Article Nineteen: William Street Easement

The Finance Committee voted unanimously in favor of recommending Article Nineteen.

Article Twenty: General Bylaw Amendment - Date of Town Election

Article Twenty-one: General Bylaw Amendment - Town Meeting Posting Requirements

Article Twenty-two: General Bylaw Amendment - Town Meeting Secret Ballot

Article Twenty-three: General Bylaw Amendment - Town Officers, Appointed

Article Twenty-four: General Bylaw Amendment - Town Officers, Elected

Article Twenty-five: General Bylaw Amendment - Finance Committee

This changes the name of the committee from Advisory Committee to Finance Committee and reduces the number of members from 6 to 5.

The Finance Committee voted unanimously in favor of recommending Article Twenty-five.

Article Twenty-six: General Bylaw Amendment - Recycling

Article Twenty-seven: Ability to Reduce Speed Limits to 25 mph

Article Twenty-eight: Ability to Establish Designated “Safety Zones”

Article Twenty-nine: Request for Special Legislation (West County Senior Services District).

The Finance Committee voted in favor of recommending Article Twenty-nine with one abstention.

Article Thirty: Prior Fiscal Year Invoices

We recommend the Town raise and appropriate a total of \$304.75 to pay three invoices from FY21.

The Finance Committee voted unanimously in favor of recommending Article Thirty.

Article Thirty-one: Amend the Mohawk Trail Regional School District – Regional District Agreement, Pupils Entitled to Attend Regional Elementary Schools

Article Thirty-two: Amend the Mohawk Trail Regional School District – Regional District Agreement, Apportionment of Capital Costs Grades pre-K–6

Article Thirty-three: Amend the Mohawk Trail Regional School District – Regional District Agreement, Effective Date

Article Thirty-four: Allow Mohawk Trail Regional School District to borrow a sum of Money for work at the Colrain Central School

