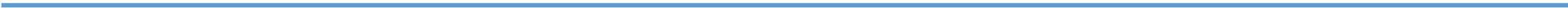
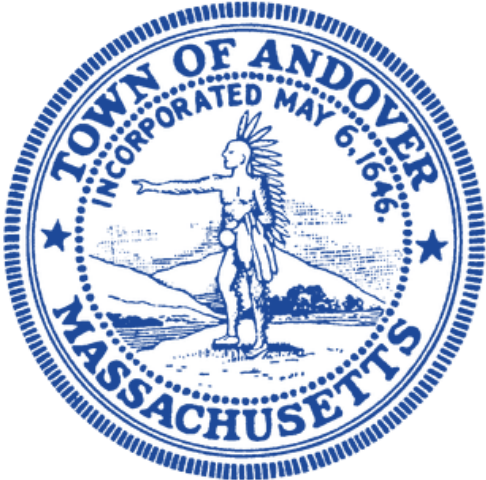


Tri-Board Select Board - Finance Committee - School Committee



December 7, 2022

FY2024 Preliminary Budget Assumptions



FY2024 Revenue Assumptions

Revenue Source	FY2024 Projection	Difference over FY2023	Assumption
Prior Year Levy Limit	169,062,036	+6,168,016 3.79%	Prior Year Levy Limit
2.5% Increase	4,226,551	+154,200 3.79%	Prior Year Levy Limit plus 2.5%
New Growth	1,931,422	- -	Adjusted Ten Year Average
Unused Excess Levy Capacity	(300,000)	+486,580 (61.86%)	Select Board Policy to tax to the levy limit less \$300,000
Reserved Unused Excess Levy Capacity	(2,326,399)	+163,754 7.57%	Per the Pension Obligation Bond Exempt Schedule
Exempt Debt Service	11,313,463	+2,656,551 30.69%	Exempt Debt Schedule
State Aid	15,157,237	+284,740 1.91%	Level funding for Ch. 70 2% increase for UGGA
Local Receipts	11,955,278	+321,087 2.76%	Trend analysis on individual accounts



FY2024 Expense Assumptions

Expense	FY2023 Approved	FY2024 Recommended	\$ Change	% Change
School Department	\$96,000,891	\$99,600,924	\$3,600,033	3.75%
Town Departments	\$46,442,329	\$47,735,193	\$1,292,864	2.78%*
Health Insurance	\$23,034,797	\$23,835,094	\$800,297	3.47%
Debt Service	\$23,333,892	\$25,503,634	\$2,169,742	9.30%
Retirement	\$6,253,955	\$7,124,644	\$870,689	13.92%
Water and Sewer	\$15,009,259	\$15,717,717	\$708,458	4.72%
Capital Projects Fund	\$2,756,500	\$2,890,000	\$133,500	4.84%
Offset Expenditures	\$2,097,531	\$2,127,531	\$30,000	1.43%

**Inclusive of the technology transfer from the School Department*



Projecting the Average Single Family Tax Bill

FY2023 Projected Tax Bill (Based on Uniform Increases)	
FY2022 Average Single Family Tax Bill	\$11,075
Increase to Tax Bill – Excluding New Exempt Debt	\$396
FY2023 Tax Bill – Excluding New Exempt Debt	\$11,471
<i>Percentage Increase – Excluding New Exempt Debt</i>	3.58%
<i>New Exempt Debt (Pension Obligation Bond and Initial West Elementary Borrowing)</i>	\$262
FY2023 Average Single Family Tax Bill	\$11,733
Total FY2023 Projected Tax Bill Increase (Based on Uniform Increases)	5.9%

FY2024 Projected Tax Bill (Retaining FY2023 Levy Shares)	
FY2023 Average Single Family Tax Bill	\$11,733
Increase to Tax Bill – Excluding New Exempt Debt	\$428
FY2024 Tax Bill – Excluding New Exempt Debt	\$12,161
<i>Percentage Increase – Excluding New Exempt Debt</i>	3.65%
<i>New Exempt Debt (West Elementary)</i>	\$243
FY2024 Average Single Family Tax Bill	\$12,404
Total FY2024 Projected Tax Bill Increase (Based on Uniform Increases)	5.7%

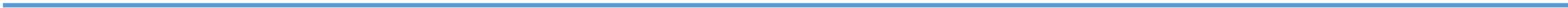
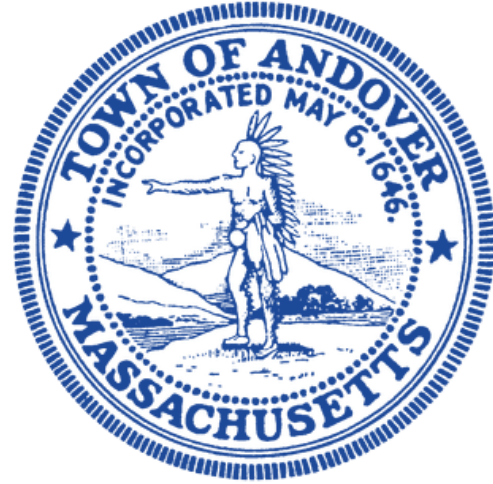


What factors impact projecting the Average Single Family Tax Bill?

- **Inconsistent value growth across tax classifications**
 - *In FY2022, residential values increased, while the value of commercial property and personal property decreased; this increased the share of the levy paid by residential taxpayers.*
 - *In FY2020, personal property values increased by 27%, while residential, commercial, and industrial values increased 4-5%; this increased the share of the levy paid by personal property taxpayers.*
- **Changes to the shift**
 - *Votes to set the residential factor determines how much of the tax burden is borne by each class of property.*



Town Manager's Recommended Capital Improvement Program



Establishing a Target

$$\begin{array}{c} \text{Prior Non-} \\ \text{Exempt Debt} \\ \text{Service} \\ + \\ \text{New Non-} \\ \text{Exempt Debt} \\ \text{Service} \\ + \\ \text{General Fund} \\ \text{Revenue} \\ = \\ \text{Total Non-} \\ \text{Exempt Plan} \end{array}$$

- Non-exempt target has been set at 5.72% of revenue
 - *The FY 2024 CIP is slightly less than target at 5.48% of revenue*



Capital Improvement Program

Funding Source	Total
General Fund Revenue	\$2,890,000
General Fund Borrowing	\$4,850,000
Use of Free Cash	\$1,919,128
Special Dedicated Funds	\$1,435,126
Water and Sewer Enterprise Funds	\$13,360,000
Total	\$24,454,254



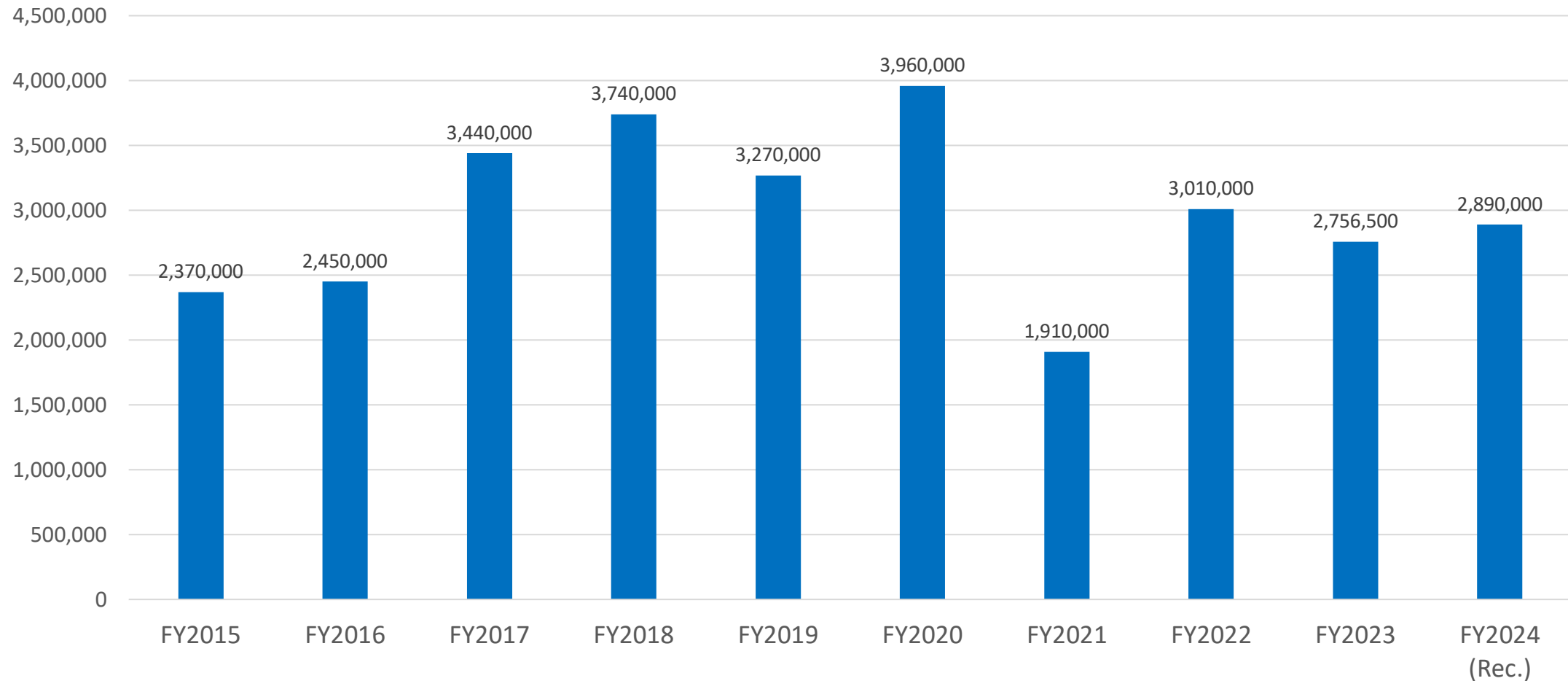
General Fund Revenue Projects

Total
\$2,890,000

Project #	Description	Amount
TM-1	Participatory Capital Budgeting	\$20,000
IT-4	Document Digitization	\$50,000
CDP-2	Improving Kiosks, Signage, and Interpretive Panels	\$25,000
POL-3	Accident Reconstruction Mapping Systems GNSS	\$40,000
FR-2	Radio Box Repeater System	\$165,000
FR-6	Emergency Services Call Box	\$20,000
DPW-7a	Public Works Vehicles - Small	\$82,000
DPW-28	Spring Grove Cemetery Maintenance	\$20,000
FAC-1	Town Projects - Building Division	\$475,000
FAC-2	Town Projects - Mechanical Electrical Division	\$420,000
FAC-3	Town and School Security Projects	\$130,000
FAC-4	Town Vehicles	\$105,000
SCH-1	School-Wide Maintenance Programs	\$950,000
SCH-2	School - Projects by Building	\$388,000



General Fund Revenue – Appropriation History



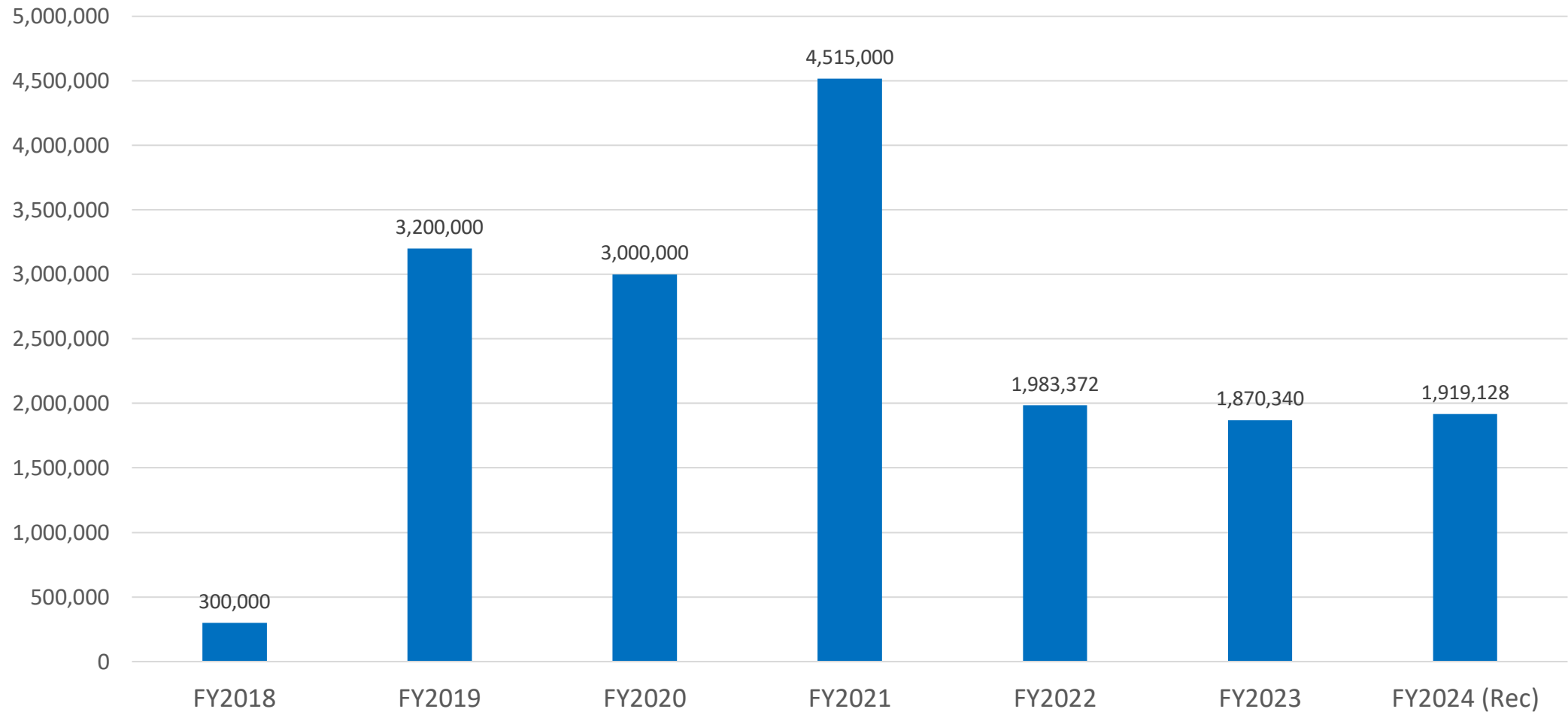
Free Cash

Total
\$1,919,128

Project #	Description	Amount
IT-1	Annual Staff Device Refresh	\$456,238
IT-2	Annual Student Device Refresh	\$257,890
POL-1	Police Vehicle Replacement	\$205,000
DPW-2	Minor Sidewalk Repairs	\$250,000
DPW-4	Town Sidewalk Program	\$750,000



Free Cash– Appropriation History



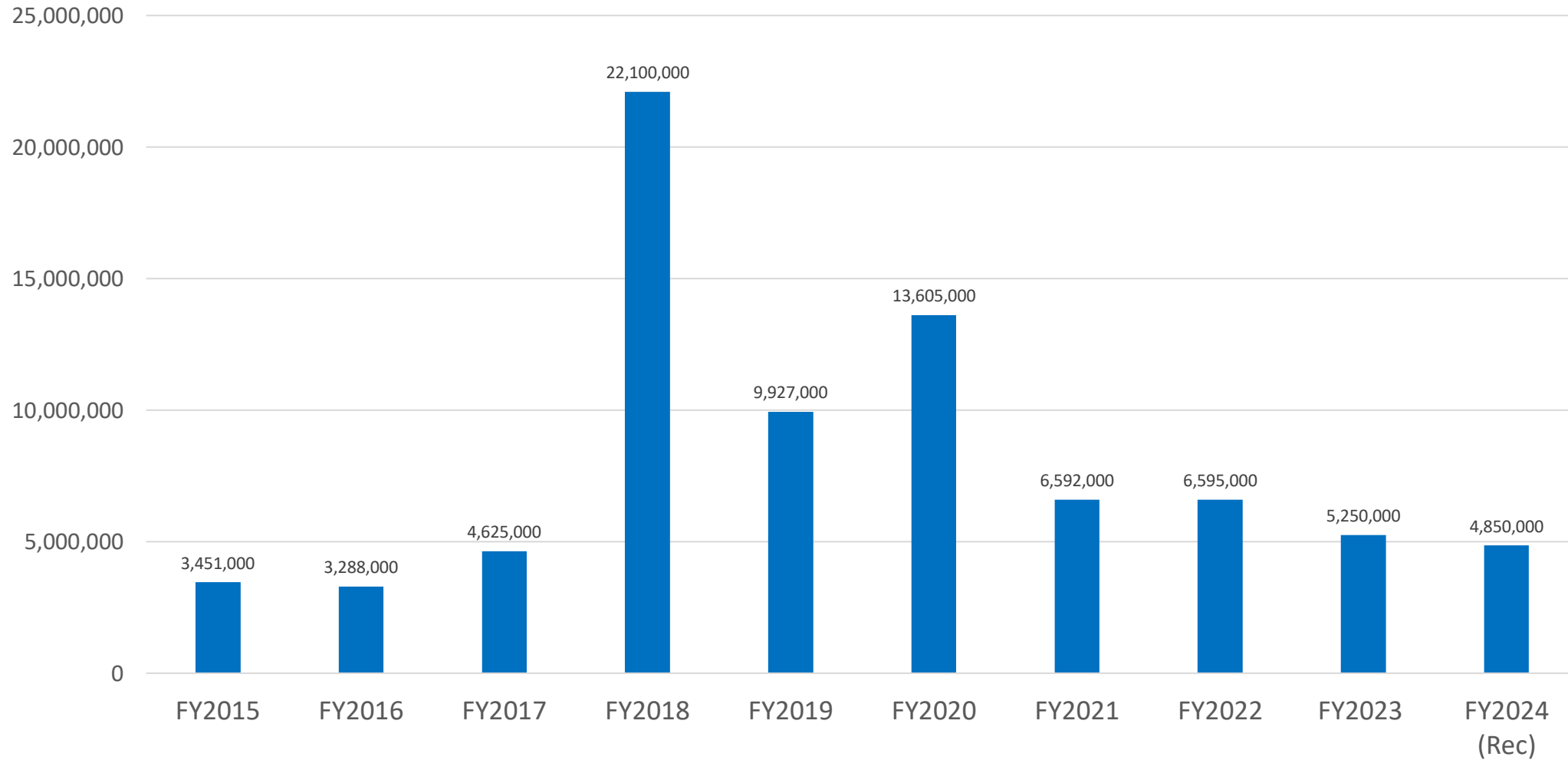
General Fund Borrowing

Total
\$4,850,000

Project #	Description	Amount
DPW-7b	Public Works Vehicles - Large	\$455,000
FAC-5	Town Parks and Playground Improvements	\$625,000
FAC-6	Major Town Projects	\$900,000
FAC-7	Town / School Energy Initiatives	\$470,000
FR-1	Fire Rescue Vehicles	\$975,000
IT-3	IT Infrastructure	\$300,000
SCH-5	Major School Projects	\$1,125,000



General Fund Borrowing – Appropriation History



Special Dedicated Funds

Project #	Description	Amount
DPW-1	Annual Road Maintenance	\$1,395,126
CDP-1	Active Transportation Plan	\$40,000

Total
\$1,435,126



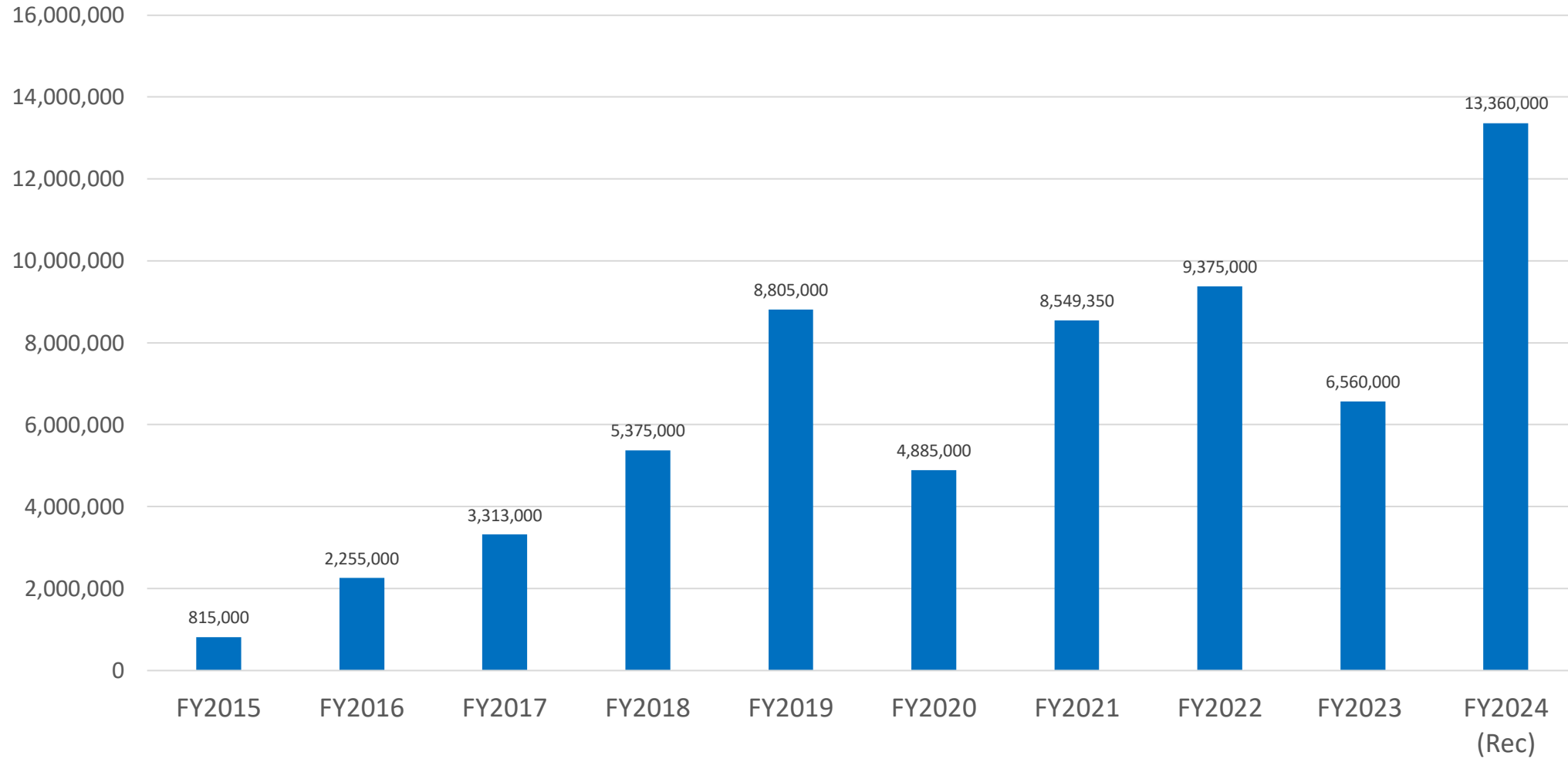
Water and Sewer Enterprise Funds

Total
\$13,360,000

Project #	Description	Amount
DPW-14	Major Water Main Replacement/ Distribution Improvements Project (WEB)	\$6,000,000
DPW-16	WTP Scada System Upgrades (WEB)	\$2,500,000
DPW-18	Water Treatment GAC Replacement (WEB)	\$560,000
DPW-25	Shawsheen River Sewer Interceptor Improvements (SEB)	\$2,200,000
DPW-30	Inflow/Infiltration (I/I) Removal Program (SER)	\$300,000
DPW-34	Lead Service Replacements (WEB)	\$1,800,000



Water & Sewer– Appropriation History



Town of Andover

Capital Improvement Program FY2024 – FY2028



On the Horizon

- Development of 138 & 140 Chandler Road
- Major investments to water treatment and distribution systems
 - Leveraging North Reading Water Agreement

