

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.

