

Jeff Cyr, Chair
Andrea Miles, Vice Chair
Renee Sweeney, Clerk
Nicole Casolari
Carol Constant

Lisa Wong
Town Administrator

April 5, 2023

Dear Honorable Town Meeting members and residents of South Hadley:

I am pleased to submit an annual operating budget for Fiscal Year 2024 in the amount of \$54,266,925. I would like to thank our great municipal workforce and all the appointed and elected officials who played a part in the development of this budget through numerous meetings. The budget aims to address some short and long term needs, including those outlined below:

Workforce Attraction/Retention: The Town has received a grant for \$50,000 to conduct a wage and classification study of most town positions (up to 100 different positions) that will be conducted over the next year, and may be completed in time to make recommendations for the FY25 budget. The Town has not had a wage schedule for many years. The Town has completed negotiations with the unions for Police and Public Works, and the budget reflects the increase from FY22 to FY23 as well as from FY23 to FY24 as the contracts had not been finalized in time for the FY23 budget development. The Town will be negotiating with Unit A and B during FY24 for a new contract to begin July 1, 2024 (FY25).

Maintenance/Capital: The budget adds a Facilities Director level position and aims to create a department that serves the Town and the School Department. The Selectboard and School Committee recently voted to execute a Memorandum of Agreement to create a joint department and collaborate on the maintenance, repair, renovation and any new capital projects for all municipal facilities. A priority for the director will be to develop short and long term capital and maintenance plans. The FY24 budget does not include any increases that may result from those plans, and this will be reflected in the FY25 budget.

Operational Investments: The budget adds funding for animal control support as well as zoning enforcement/ funding for emergency public safety. Custodial services are being added to the Senior Center and Working Foreperson positions are being added to Parks and Highway in DPW to support infrastructure maintenance. The South Hadley Selectboard and Easthampton City Council both voted to eliminate the shared Veteran's District, and South Hadley will increase services and benefits to Veterans in the FY24 budget. Town Meeting will also be considering an article to adopt a local option to decrease property taxes for parents of service members that have died.

Sustained Community Initiatives: The operating budget maintains funding for the public health nurse that is partially covered by a grant for FY23 only, expands the free transportation program for seniors that started in April 2022 to include more medical locations, and funds for conservation. Public safety and public health are continuing to work on local and regional mental health initiatives, and if Town Meeting passes the article creating a Stabilization Fund to collect settlement funds for the opioid epidemic, then the Town will start to see projects sooner related to education, prevention and mitigation.

The Operating Budget increases \$2.4 million from Fiscal Year 2023 to 2024. (\$2.35m increase from 22-23)

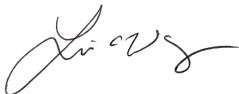
- \$800k State Aid increase
- \$1m Tax Levy increase
- \$100k Local receipts increase
- \$300k Enterprise funds increase (corresponds to expense increases in enterprises)
- \$200k Reimbursement from SHELD increase (corresponds to increases in salary/benefits)

The corresponding changes in expenditures includes:

- \$900k Increase School Budget
- \$325k Retirement (similar to previous years, increase should be less starting next year according to the Hampshire County Retirement System forecast schedule of annual appropriations)
- \$253k Health insurance
- \$150k General Government increase (add Director of Building Operations, increase animal control and zoning enforcement services, increase cost of utilities)
- \$197k Public works (new contracts, add Working forepersons, increase maintenance costs)
- \$73k Landfill increase (per contract)
- \$154k Wastewater increase (increased cost of materials)
- \$386k Public safety increase (new contracts)
- \$80k Council on Aging increase (add custodial services, funding for van drivers, utility costs)
- \$63k Veterans increase (full time Veterans director, increase in benefits for veterans)
- \$32k Ledges Golf Course - revenue also increasing
- -\$68k Decrease in Debt service
- -\$135k Decrease in Wage & Classification (funding moved to departments after contracts settled)

Thank you to the Selectboard, Appropriations Committee and the Capital Committee for their partnership in the financial and operational management of South Hadley. Thank you to the Accounting Department, School Department and Department Heads who have been instrumental. Additional background documents and links to meetings that have been a part of the budget development process can be found on the Town Website: <https://southhadley.org/679/Budget-Town-Meeting-Documents>

Sincerely,



Lisa Wong
Town Administrator, South Hadley