

FY23 Budget Process

**Town Administrator Presentation to
Selectboard
2/15/2022**

Upcoming Schedule

- February 15 - Selectboard meeting; initial round of ARPA fund requests due; Dept Capital requests due
 - February 23 - Capital Planning Committee
 - March 1, 15, 22 - Selectboard meetings with budget and ARPA discussions
 - February 17, March 3 - School Committee meetings with budget discussions
 - March 17 - School Committee Public Budget Hearing and vote on budget request
 - March - May - Appropriations Committee meetings
 - March - May - Capital Planning Committee meetings
 - March - May - Bylaw Review Committee meetings
 - April - Warrant sent to Town Meeting members
 - April - May - Precinct meetings TBD
 - April - Town Administrator Hearing(s)
 - May 11 - Town Meeting
-

Budget - Annual Objectives

Communication/Community Relations: newsletter, meetings, website, board support

Diversity, Equity and Inclusion: master plan, hiring practices, programming, Women & Minority business initiative

Policy Development: procurement, capital, maintenance, housing, sustainability

Innovation (projects/initiatives/streamlining): human rights commission, free senior transportation, mental health, public health

Fiscal management: preventative maintenance, insurance bids, capital investments

Revenues

- Total increase in state estimated receipts is \$1,141,823; Total increase in assessments and charges is \$224,095; Net from state is \$917,728
 - Property taxes - a 2.5% increase adds about \$747k in FY23 (FY22 \$29.9m)
 - New growth was conservatively estimated at \$200,000 for FY23, but the final figure will be set after reviewing new parcels and construction (about \$250k in FY22, \$267k in FY21)
 - Local receipts came in just over \$2.5m in FY19, 20 and 21. Budgeted at \$25k higher in FY22 than in FY21 at \$2.58m. Estimates for FY23 still in development.
 - Total budget revenue increase is estimated at \$1.8 - \$1.9m (3.8 - 3.9%)
-

Expenses

General

- Health insurance - could be as much as \$18k per new hire.
- Facility budget - any changes to be determined. Need to negotiate MOA with schools.
- General insurance increase to be determined.
- School Dept budget - seeking to add 12 positions plus possible hires under ESSR funding may be moved to budget

Department

- Public Works - 1 FT parks (4 to 5), 1 FT Highway (9 to 10), increase temp hours (spring and fall cleanup, winter shoveling, etc). (~\$100k)
 - Collective Bargaining Agreements expiring June 2022: Police and Public Works. If contracts not negotiated before budget deadline, then cost will be incorporated into separate wage line item.
 - Behavioral health and public health - obtained multi-year grants
-

Capital Planning - Requests as of 2/15/22

\$1.5m in FY23 General Fund Capital Requests. \$600k of that could be funded via ARPA*. \$400k in WWTP request. Waiting for School Requests. Funding sources: budget, free cash, grants

- COA \$65k-\$85k for vehicle - also seeking earmark through state
 - DPW \$232k for vehicles/equipment (Over \$500k so far in FY24 requests for DPW)
 - Town Hall \$300k for repointing
 - IT \$63k in various requests
 - Ledges \$210k for river pump replacement and sprinklers at clubhouse*
 - Library \$35k in improvements*
 - Housing \$40k for Housing production plan*
 - Planning/Conservation projects \$140k
 - Police \$350k - vehicles, roof*, HVAC*, LED lights
-

ARPA - Requests as of 2/15/22

- South Hadley will receive a total of \$5,268,233
- \$936,074.13 approved
- \$4,332,158.87 to be allocated
- \$7.5m requests received to date
 - Roughly half are in Category 10 - water, sewer and broadband, including \$2.3m for Judd Brook project (also applying for MassWorks grant)
 - Schools - requesting \$500k for HVAC
 - Public Health - \$350,000

Next steps: Town Administrator will review applications for completeness, accuracy, eligibility. TA will also see if there stakeholders that have not submitted proposals and will reach out to them. A report will be presented to Selectboard at the March 1 Selectboard, then a public comment period. Applications approved on a rolling basis.
