

**TOWN OF BOXFORD**  
**Office of the Town Administrator**  
 7A Spofford Road  
 Boxford, MA 01921

**DATE:** May 9, 2023  
**TO:** Town Meeting  
**FROM:** Boxford Town Administrator's Office  
**RE:** REVISED **FY24 Budget Proposal**

Last month, the Boxford Finance Committee (FINCOM) voted to sponsor and support a fiscal year 2024 (FY24) budget of \$39,343,454, a \$1,545,692 (+4.09%) increase above FY23 for consideration at Boxford's 2023 Annual Town Meeting. However, as is detailed in [this May 9<sup>th</sup> memo regarding the trash/recycling contract](#), that number has increased by \$250 K to **\$39,593,454, a \$1,795,692 (+4.75%) increase above FY23**. The Boxford Select Board has recommended that Town Meeting adopt this proposed FY24 budget. While a 4.75% increase above the Town's FY23 adopted budget is significant, it is worth noting that this proposal is \$781,211 less than the initial FY24 budget recommendation that was presented by the Town Administrator's office to the FINCOM in February. During the past few months, the FINCOM has worked closely with the Town Administrator's office and department heads, including the Boxford Elementary Schools and Masconomet Regional School District, to reduce the amount of the FY24 budget increase above FY23 to the figure listed above.

The details of the current proposal are shown in the table below:

	Approved FY23 Budget	FY24 Budget Proposal	\$ Change FY23 to FY24	% Change FY23 to FY24
<b>Education</b>				
Elementary Schools	13,505,697	14,136,413	630,716	4.67%
Masconomet Regional Assessment	11,131,422	11,651,259	519,837	4.67%
Essex Technical School Assessment	407,347	380,512	(26,835)	-6.59%
<b>Town Government</b>	9,561,586	10,253,501	691,915	7.24%
<b>Essex Regional Retirement Assessment</b>	1,551,592	1,742,530	190,938	12.31%
<b>Debt Service</b>				
Non-Excluded	593,585	588,749	(4,836)	-0.81%
Excluded	746,533	590,490	(156,043)	-20.90%
<b>Other Post Employment Benefits (OPEB)</b>	300,000	250,000	(50,000)	-16.67%
<b>TOTAL BUDGET</b>	<b>37,797,762</b>	<b>39,593,454</b>	<b>1,795,692</b>	<b>4.75%</b>

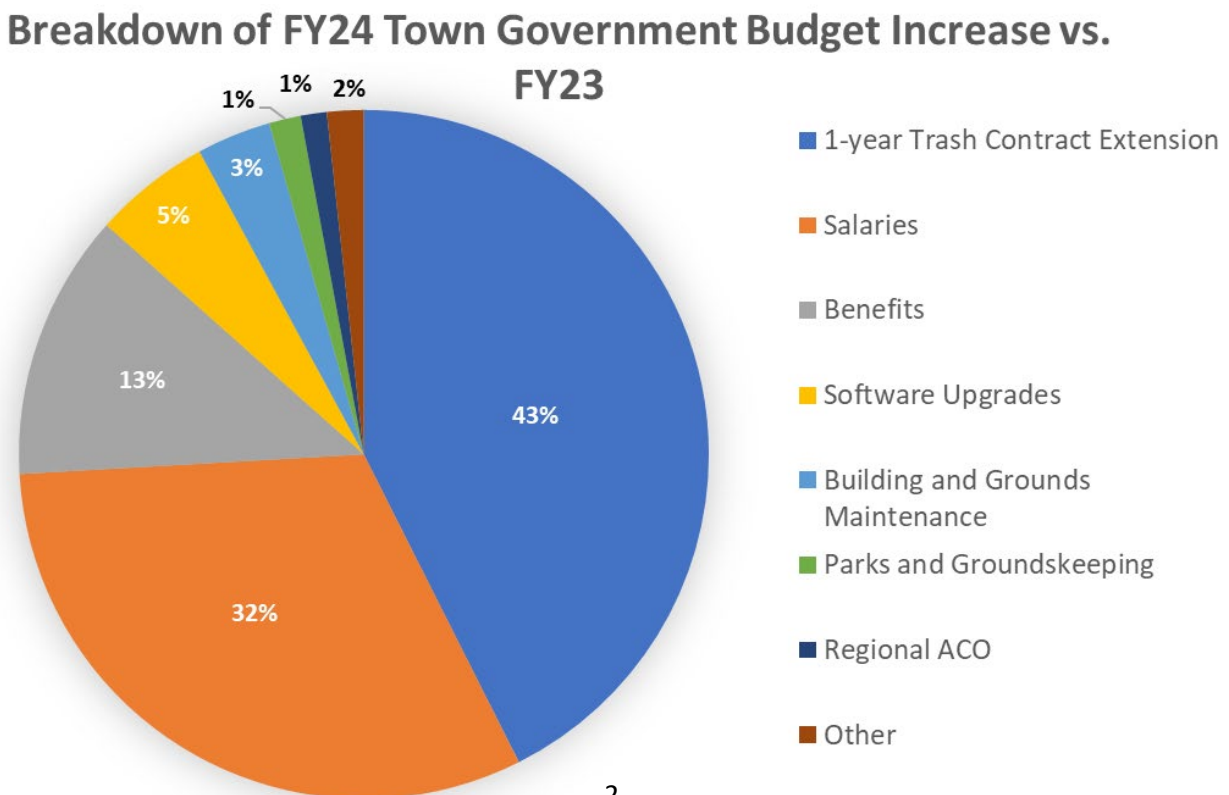
## Overview

Though the Town’s proposed total FY24 budget is increasing +4.75% above FY23, this is not due to an expansion of services or the addition of new staff. Rather, this increase is primarily driven by increases in the “cost of doing business”, such as increased non-union employee salaries to remain competitive with our peer communities, increased costs of health insurance for all Town employees, contractually-obligated salary and benefit increases for the Town’s union employees, and, notably, the increased cost of trash and recycling services (which is further explained in the [memo](#) referenced on the previous page).

Therefore, **this budget can best be categorized as a “level services” budget.** This means that, for the most part, the same services that have been provided to residents by the same Town employees in this current fiscal year will remain in place in this coming fiscal year (FY24), however, the cost of providing those services and paying the people who provide those services has increased. The only exceptions to this rule in the FY24 budget are increased funding for the new regional animal control officer and animal inspector program with the Town of Ipswich (primarily driven by the startup costs required to get the program off of the ground in July) and increased funding for the Department of Public Works to maintain athletic fields to a higher standard.

## Town Government

The FY24 Town Government budget proposal is **\$10,253,501, a \$691,915 (+7.24%) increase above FY23.** Much of the FY24 Town Government budget increase above FY23 is tied to “non-discretionary” spending increases. The breakdown of all increases in the FY24 Town Government budget is shown in the chart below:



- 1-year Trash Contract Extension: **+\$294,602 (43% of increase)**
  - *More information can be found within the [relevant supporting documents](#) for Town Meeting Warrant Article 10.*
- Salaries: **+\$218,046 (32% of increase)**
  - Includes implementation of compensation plan for non-union, benefitted employees.
  - Assumptions for current negotiations with 5 unions accounted for in this figure.
- Benefits: **+\$86,540 (13% of increase)**
  - This increase is largely due to health insurance costs (+\$68,210) increasing 8.36% above FY23.
- Software Upgrades: **+\$38,040 (5% of increase)**
  - The increases shown are for the addition of annual expenses for new Pro Phoenix Computer-aided Dispatch and Records Management Systems (CAD/RMS) software and OpenGov online permitting software, net against savings from the removal of old software systems currently in use.
- Building and Grounds Maintenance: **+\$24,033 (3% of increase)**
  - Estimated increases due to the new Center at 10 Elm.
- Parks and Groundskeeping: **+\$10,316 (1% of increase)**
  - Requested additional funds to improve quality of playing fields in Town.
- Regional Animal Control Officer and Animal Inspector: **+\$8,448 (1% of increase)**
  - Earlier this year, the Select Board voted to enter into an intermunicipal agreement for regional animal control and animal inspector services, provided by the Town of Ipswich. The increases shown here include the startup costs of the program, which will begin in July.
- All Other Spending Adjustments: **+\$11,890 (1% of increase)**
  - The +\$11,890 figure is the result of +\$31,781 in combined spending increases across 24 different line items, net against -\$9,891 in reductions to 9 separate line items, as well as the -\$10,000 reduction noted above.

Notably, the proposed FY24 Town Government budget does not include the \$75,000 necessary to maintain the Fire Department's operation of the Medical Response Pilot Program. That proposal will be up for consideration by Town Meeting in Article 5 of the Town Meeting warrant; the FINCOM has recommended that Town Meeting adopt Article 5. If approved, an additional \$75,000 in property tax revenue will need to be raised to support the program in FY24, amounting to an additional +0.23% increase to the tax levy. More information about the Medical Response Pilot Program can be found within the [supporting documents for Town Meeting Warrant Article 5](#).

## Education

In addition to asking Town Meeting to approve the FINCOM's proposed FY24 budget as presented above, **the FINCOM has also recommended that Town Meeting approve the Elementary School Committee's and Masconomet Regional District School Committee's requests to raise an additional \$265,216 and \$266,316, respectively, through Proposition 2 ½ overrides.**<sup>1</sup> These measures will need to both be approved by Town Meeting and again by the voters during the Town elections on Tuesday, May 16<sup>th</sup> in order to take effect.

Originally, the Boxford Elementary Schools' FY24 budget proposal was \$14,722,097, a \$1,216,400 (+9.01%) increase above their budget for FY23. Their original proposal is [linked here](#) and is also one of the [supporting materials for Town Meeting Warrant Article 4](#). This budget proposal was also a "level services" budget. Cost increases that are out of the Elementary Schools' direct control, such as the provision of important special education services and third-party transportation costs, drove a large portion of the proposed increase. Through reductions in proposed spending and use of federal grant funding, **the Boxford Elementary Schools' original FY24 budget proposal was reduced by \$320,468 to a revised proposal of \$14,401,629, a \$895,932 (+6.63%) increase above FY23.** The reductions made by the School Committee can be found [here](#).

However, during the FINCOM's deliberations in March and April, **the FINCOM made the decision that any increase in school spending greater than 4.67% would be subject to a Proposition 2 ½ override vote;**<sup>2</sup> the difference between the \$14,401,629 proposed by the Elementary Schools and the \$14,136,413 (+4.67% increase above FY23) figure in the FINCOM's proposed FY24 budget is the \$265,216 under consideration as a Proposition 2 ½ override in Article 6 of this year's Town Meeting warrant.

For the Masconomet Regional School District, Boxford's share (the Town's "assessment") of the District's original FY24 budget proposal was \$11,881,984, a \$750,562 (+6.74%) increase above the Town's share of the District's FY23 budget. While the District's total FY24 budget proposal was reduced from when the budget was originally presented to the Masconomet Regional District School Committee in January to when the Committee voted to adopt the FY24 proposed budget in March, the formula that dictates the proportion that each of Masconomet's three member towns must pay towards the total budget shifted in a way that negatively impacted Boxford. Therefore, **Boxford's assessment for the FY24 budget adopted by the Masconomet Regional District School Committee is \$11,917,575, a \$786,153 (+7.06%) increase above FY23.** More information about Masconomet's FY24 budget proposal can be found in [this one-pager](#).

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<sup>1</sup> Additional information about the parameters of Proposition 2 ½ and the override process can be found on the Massachusetts Division of Local Services webpage: <https://www.mass.gov/service-details/proposition-2-12-and-tax-rate-process>.

<sup>2</sup> This decision was based off of the proposed FY24 Town Government budget increase at the time, which was 4.67% above FY23. Eleventh hour changes to the trash contract (further detailed in [this memo](#)) resulted in the proposed FY24 Town Government budget increasing to 7.24% above FY23.

Due to the standard set by the FINCOM and outlined on the preceding page, the difference between the \$11,917,575 proposed by the Masconomet Regional School District and the \$11,651,259 (+4.67% increase above FY23) figure in the FINCOM's proposed FY24 budget is the \$266,316 under consideration as a Proposition 2 ½ override in Article 7 of this year's Town Meeting warrant.

### **Impact on the Tax Levy**

In order to balance the budget as required by state law, the FINCOM has proposed a **4.98% increase to the Town's total tax levy**. While this is greater than the 2.5% maximum annual increase typically allowed by the parameters of Proposition 2 ½, because the Town has not raised taxes by the allowable 2.5% annual increase in each of the recent fiscal years, the Town is allowed under state law to "reclaim" revenues up to the Town's "levy limit" before needing an override vote by Town Meeting and by the voters at the ballot box.<sup>3</sup> The difference between the Town's current tax levy and the Town's levy limit going into FY24 is \$1,737,095. However, because the FY24 budget as proposed by the FINCOM is "out of balance" by -\$798,939 after factoring in a 2.5% increase in the tax levy from FY23 to FY24, plus "new growth", the FINCOM proposed an additional 2.48% increase to the tax levy above and beyond the "standard" 2.5% increase, which totals the 4.98% increase cited above.

### **Anticipated Property Tax Increases**

In terms of what the FINCOM's proposed tax levy increase means for the taxpayer, a homeowner of a home with a value of \$782,200 (the median home value in Boxford in FY23) will pay \$10,825.65 in property taxes in this current fiscal year (FY23). **The 4.98% increase proposed by the FINCOM in the FY24 budget translates to an estimated increase of \$539.12 in property taxes for the median homeowner in FY24.**

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<sup>3</sup> The levy limit is essentially the Town's tax levy from when Proposition 2 ½ was originally implemented in the early 1980s compounded by 2.5% each year plus any "new growth" that has occurred between that time and now. A more detailed explanation can be found here: <https://www.mass.gov/doc/levy-limits-a-primer-on-proposition-2-12/download#:~:text=A%20levy%20limit%20is%20a,sonal%20property%20in%20the%20community>.