



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

DATE: March 13, 2023
TO: Select Board
FROM: Brendan Sweeney, Assistant Town Administrator
RE: **FY24 Draft Budget Update**

On February 3rd, I presented the first draft of the Town of Boxford’s Fiscal Year 2024 (FY24) Operating Budget to the Finance Committee (FINCOM). At that time, the proposed budget was \$40,609,947, a \$2,812,185 (+7.44%) increase above FY23. Since then, the FINCOM has been working with the Town Administrator’s office and department heads, including the Elementary Schools and Masconomet, to reduce the amount of the FY24 budget increase above FY23.

Currently, the draft Town of Boxford FY24 budget stands at **\$39,948,292**, a **\$2,150,530 (+5.69%) increase above FY23**. The details of the current proposal are shown in the table below:

	Original Approved FY23 Budget	FY24 Budget Proposal	Current FY24 Budget Proposal	\$ Change vs. Original Proposal	\$ Change FY23 to FY24	% Change FY23 to FY24
Education						
Elementary Schools	13,505,697	14,722,097	14,434,691	(287,406)	928,994	6.88%
Masconomet Regional Assessment	11,131,422	12,117,265	12,003,413	(113,852)	871,991	7.83%
Essex Technical School Assessment	407,347	407,347	380,512	(26,835)	(26,835)	-6.59%
Town Government	9,561,586	10,141,469	10,007,907	(133,561)	446,321	4.67%
Essex Regional Retirement Assessment	1,551,592	1,742,530	1,742,530	-	190,938	12.31%
Debt Service						
Non-Excluded	593,585	588,749	588,749	-	(4,836)	-0.81%
Excluded	746,533	590,490	590,490	-	(156,043)	-20.90%
Other Post Employment Benefits (OPEB)	300,000	300,000	200,000	(100,000)	(100,000)	-33.33%
TOTAL BUDGET	37,797,762	40,609,947	39,948,292	(661,654)	2,150,530	5.69%

For the three components of the Town’s Education budget, the following changes have been made between February 3rd and today:

- The Elementary Schools reduced their budget by \$287,406 during their School Committee meeting on March 9th. The details of these reductions are on pages 6 – 7 of this memo.

- The original Masconomet FY24 assessment figure included the estimated amount (at the time) of \$235,281 for Boxford’s share of the design costs for a new turf field. That amount has since been reduced to \$167,451 and will be funded through a free cash appropriation, if approved at Town Meeting through a separate Warrant Article.
 - The net difference in the \$235,281 reduction from the original proposal and the \$113,852 reduction shown is the increase to the Town of Boxford’s assessment due to a change in the factors that determine the “net school spending” for Boxford, Middleton, and Topsfield (the other two towns saw a decrease in net school spending).
- Boxford’s FY24 assessment for Essex North Shore came in below the FY23 assessment, which we were using as an estimate for FY24 in lieu of the actual assessment that was received last week.

For the FY24 Town Government budget, the current proposal is now **\$10,007,907, a \$446,321 (+4.67%) increase above FY23**. The \$133,561 reduction from the original FY24 budget presentation is tied to the following changes:

Reductions from Original FY24 Town Government Budget Presentation

-\$75,000	Removal of Fire Department Medical Response Pilot Program from Operating Budget (to be presented as a separate warrant article)
-\$18,730	Level funding of Fuel Depot account instead of originally proposed funding increase
-\$10,000	Reduction of Town Counsel account to match prior years' spending
-\$8,098	Reduction of proposed Fire OT to align with historical data for previous 3 FYs
-\$5,726	Maintaining current split of partial grant funding for recently added Dispatch operator position
-\$16,007	Sum of other reductions/adjustments
-\$132,991	TOTAL

Notably, this draft proposal does not include the \$75,000 necessary to maintain the Fire Department’s operation of the Medical Response Pilot Program, as is shown in the table above. Currently, the Town Administrator’s office is planning for this program to be put before Town Meeting for approval through a separate warrant article. 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 +0.24% increase to the tax levy.

As was outlined in the February 3rd memo to the FINCOM, much of the FY24 Town Government budget increase is due to the implementation of the compensation plan for non-union, benefitted employees. Additionally, other notable increases include assumptions regarding the ongoing collective bargaining process that the Town is engaging in with five of our municipal unions and increased health insurance costs. Of the \$446,321 increase in the current proposal of the FY24 Town Government budget, **\$297,893 – 67% of the total FY24 increase – is for these “non-discretionary” payroll and benefits cost increases.**

During their meeting on March 7th, the FINCOM issued revised guidance for the Town and two school districts of a **4.67% increase above FY23**; the FINCOM's original guidance in December of 2022 was a 2% increase above FY23. With this in mind, it is the *tentative* recommendation of the FINCOM to put any increases above 4.67% before Town Meeting and the voters in the form of an operational override.¹ As currently proposed, this would mean that an operational override of **\$352,154 for Masconomet and \$298,278 for the Elementary Schools** would be required to bridge the gap between a 4.67% increase above FY23 and their currently proposed FY24 budgets, a total operational override request of **\$650,432 between the two**. The FY24 revenue/expense forecast on pages 8 – 9 illustrates this in greater detail.

Though this matter has not yet been discussed with the FINCOM (the Elementary Schools will be presenting to the FINCOM tomorrow evening, March 14th), the Town Administrator's office has been working with the Treasurer to determine the impact that taxpayers may need to bear if a debt exclusion is approved by both Town Meeting and the voters to finance the Cole Elementary School Site Project. Based on the Treasurer's latest projection, if the Town were to borrow \$4 M with a 20-year repayment schedule, Boxford taxpayers would need to fund **\$380,000 in total principal and interest in FY24, which translates to an additional +1.18% increase to their FY24 tax bills** (this number would vary for each homeowner depending on individual valuations and other factors). This increase, as well as the tax bill implications of the spending increases outlined in the table on page 1, are shown on pages 10 – 11.

Included in this memo is a more detailed breakdown of the currently proposed Town of Boxford FY24 budget on pages 4 – 5, the reductions made by the School Committee during their March 9th meeting on pages 6 – 7, an FY24 revenue/expense forecast on pages 8 – 9, and a series of tables demonstrating the proposed tax increases for the median and average home owner on page 10.

¹ No FINCOM votes on this matter have been taken yet, though this approach was generally agreed to by the membership during their March 7th meeting.

FY24 Town Budget

As it will appear on Town Meeting Warrant

As of 3/13/2023

	Actual		Approved	Draft		
	Expended	Budget	Budget	Budget	\$ Change	% Change
	FY21	FY22	FY23	FY24	FY23 to FY24	FY23 to FY24
General Government						
Select Board & Administrator	325,833	306,794	329,663	351,284	21,621	6.56%
Legal	136,899	82,447	98,361	88,361	-10,000	-10.17%
Technology	220,400	220,421	226,576	264,616	38,040	16.79%
Town Clerk	128,920	124,275	131,213	140,748	9,535	7.27%
Land Committee	0	0	500	500	0	0.00%
Land Use	88,868	91,238	93,958	104,874	10,916	11.62%
Utilities & General Maintenance	331,341	361,897	332,007	356,041	24,034	7.24%
Other Insurance	383,829	395,144	421,780	432,325	10,545	2.50%
Total General Government	1,616,090	1,582,217	1,634,058	1,738,748	104,690	6.41%
Financial Administration						
Finance Committee	0	179	1,010	1,010	0	0.00%
Finance Committee Reserve	175,000	175,000	175,000	175,000	0	0.00%
Municipal Finance Departments	459,379	495,884	541,556	515,392	-26,165	-4.83%
Total Financial Administration	634,379	671,063	717,566	691,402	-26,165	-3.65%
Public Safety						
Police Salary	1,264,032	1,282,172	1,379,937	1,443,348	63,411	4.60%
Police Non Salary Expenses	88,769	84,208	104,020	111,045	7,025	6.75%
Fire Salary	649,651	654,579	688,530	711,760	23,230	3.37%
Fire Non Salary Expenses	83,903	96,239	107,009	112,063	5,054	4.72%
Fire Medical Response Pilot Program	0	0	0	0	0	#DIV/0!
Building Inspection/Zoning Bd	146,609	164,743	169,821	178,159	8,338	4.91%
Sealer of Weights & Measures	431	425	431	431	0	0.00%
Animal Inspector	5,279	5,335	5,830	0	-5,830	-100.00%
Animal Control Officer	36,963	32,633	45,722	57,000	11,278	24.67%
Communications Salary	398,344	477,540	445,374	459,793	14,419	3.24%
Communications Non Salary Exp.	103,518	80,694	108,511	110,538	2,027	1.87%
Total Public Safety	2,777,498	2,878,569	3,055,185	3,184,137	128,952	4.22%
Education						
Elementary Schools	12,802,280	13,122,122	13,505,697	14,434,691	928,994	6.88%
Essex NS Agricultural/Technical School	274,070	402,602	407,347	380,512	-26,835	-6.59%
Masconomet Operational Assessment	10,961,352	10,773,426	11,131,422	12,003,413	871,991	7.83%
Total Education	24,037,702	24,298,150	25,044,466	26,818,616	1,774,150	7.08%

FY24 Town Budget

As it will appear on Town Meeting Warrant

As of 3/13/2023

	Actual		Approved	Draft		
	Expended FY21	Budget FY22	Budget FY23	Budget FY24	\$ Change FY23 to FY24	% Change FY23 to FY24
Public Works						
Cemeteries	994	142	500	500	0	0.00%
Trash/Recycling Pickup & Disposal	720,684	691,800	737,382	778,984	41,602	5.64%
Snow & Ice Removal	376,360	403,000	133,000	133,000	0	0.00%
Fuel Depot	58,764	93,730	75,000	75,000	0	0.00%
DPW Salaries	610,042	648,533	678,357	716,124	37,767	5.57%
DPW Non Salary Expense	378,736	395,976	433,364	439,842	6,478	1.49%
Total Public Works	2,145,579	2,233,180	2,057,603	2,143,450	85,847	4.17%
Human Services						
Board of Health	150,741	160,929	179,817	186,329	6,512	3.62%
Council on Aging	130,984	141,763	171,910	182,932	11,022	6.41%
Veterans' Benefits	47,000	40,703	45,000	48,564	3,564	7.92%
HAWC Program	2,000	2,000	2,000	2,000	0	0.00%
Tri Town Council	29,614	31,095	31,095	31,095	0	0.00%
Total Human Services	360,339	376,490	429,822	450,921	21,099	4.91%
Culture & Recreation						
Library Salaries	319,414	356,431	374,952	385,088	10,136	2.70%
Library Non Salary Expense	110,150	126,557	134,184	135,544	1,360	1.01%
Celebrations/Events	3,904	4,425	4,425	4,425	0	0.00%
Cultural Council	0	3,000	3,000	3,000	0	0.00%
Historic District Commission	0	0	375	375	0	0.00%
Total Culture & Recreation	433,468	490,412	516,936	528,432	11,496	2.22%
Employee Benefits						
Health Insurance (non school)	668,836	657,629	815,913	888,529	72,616	8.90%
OPEB Contribution	300,000	300,000	300,000	200,000	-100,000	-33.33%
Essex Retirement Assessment	1,423,044	1,523,087	1,551,592	1,742,530	190,938	12.31%
Medicare/Life Ins (Town/School)	194,193	202,146	209,503	217,288	7,785	3.72%
Unemployment Insurance	15,595	13,371	15,000	15,000	0	0.00%
Salary Reserve	0	0	110,000	150,000	40,000	36.36%
Total Employee Benefits	2,601,668	2,696,233	3,002,008	3,213,348	211,340	7.04%
Debt Service						
Permanent Debt Service	852,459	875,702	1,340,118	1,179,239	-160,879	-12.00%
Masconomet Debt Assessment	111,736	105,545	0	0	0	#DIV/0!
Total Debt Service	964,195	981,247	1,340,118	1,179,239	-160,879	-12.00%
Total Budget	35,570,917	36,207,561	37,797,762	39,948,292	2,150,530	5.69%
(Less Excluded Debt)			(746,533)	(590,490)		
Revised Total Budget			37,051,229	39,357,802	2,306,573	6.23%

**Boxford Elementary Schools
Budget Overview**

Updated: 3/9/2023

Approved FY2023 Budget	13,505,697		
Add: Fincom Guideline	<u>630,716</u>	4.67%	298,277.95
FY2024 Guideline Budget	14,136,413		

Starting Point - Pre Draft I Proposed FY24 Budget **14,722,097** **1,216,400** **9.01%**

Proposed Budget Requests					
Salary Items	Proposed Adjustment	Change to Budget Increase	Budget Increase %	Comments	School Committee Action
Operations Supervisor	35,150.00	1,181,250.00	8.75%		APPROVED 3/9/23
Facilities Utility Truck - Operations & Maintenance	6,738.00	1,174,512.00	8.70%		APPROVED 3/9/23
Use Additional Esser III Funds	80,000.00	1,094,512.00	8.10%		APPROVED 3/9/23
Non Public Tuition	100,000.00	994,512.00	7.36%		APPROVED 3/9/23
.50 FTE Psychologist	51,205.00	943,307.00	6.98%		APPROVED 3/9/23
Nurse Assistant	14,000.00	929,307.00	6.88%		APPROVED 3/9/23
Insurance Premium	(16,937.00)	946,244.00	7.01%	Premium is 8.9% versus 8.0%	APPROVED 3/9/23
Adjustment Counselor .20 FTE		946,244.00	7.01%	To be covered by a grant 19,233	HOLD
Science from Scientists	15,000.00	931,244.00	6.90%	Look at alternate funding source	APPROVED 3/9/23
Travel Expense	250.00	930,994.00	6.89%		APPROVED 3/9/23
Districtwide - Other Non - Employee Expenses	2,000.00	928,994.00	6.88%		APPROVED 3/9/23

Salary Items	Proposed Adjustment	Change to Budget Increase	Budget Increase %	Comments	School Committee Action
		928,994.00	6.88%		
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		928,994.00	6.88%		

FY24 Revenue/Expense Projection - Current FY24 Budget Proposal (with Operational Overrides)

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Estimated	FY24 Forecast	Comments
Revenue							
*Tax Levy (before excluded debt)	28,223,169	29,259,250	29,943,000	30,969,271	32,075,815	33,048,357	2.5% increase above (FY23 Tax Levy + New Growth)
Excuded Debt Added Tax Levy	1,236,303	1,159,689	610,168	691,782	746,533	590,490	
New Growth added to tax rate	227,546	191,761	219,222	310,699	166,484	166,484	FY23 Actuals
Unrestricted State Aid	502,630	516,201	516,201	534,268	563,118	574,380	FY24 Governor's Budget Proposal
Other State Receipts	180,561	203,236	197,869	228,091	285,317	308,296	FY24 Governor's Budget Proposal
Chapter 70	1,726,753	1,750,975	1,747,903	1,768,093	1,811,833	1,833,463	FY24 Governor's Budget Proposal
Motor Vehicle Excise Tax	1,726,665	1,627,627	1,619,559	1,500,000	1,600,000	1,700,000	Estimate
Trash Sticker Revenue	261,708	261,807	325,881	321,729	330,000	23,520	\$6 sticker, less \$1/bag pickup fee for WM and \$0.10 estimated production cost, multiplied by estimated 2 overflow bags per year for 2,400 households (estimate based on current curbside collection usage data from Waste Management)
Other Local Receipts	778,741	818,134	965,318	777,646	770,000	775,000	Estimate based on FY22 actual and first quarter FY23 receipts
Other (Masco debt reimb FY23)	431,993	-	150,000	-	183,169	-	
Subtotal	35,296,069	35,788,680	36,295,121	37,101,579	38,532,269	39,019,990	
Less Local Receipts to Replenish Free Cash	300,000	200,000	100,000	200,000	200,000	100,000	Reduction per FINCOM recommendation
Total Revenue Estimate	34,996,069	35,588,680	36,195,121	36,901,579	38,332,269	38,919,990	
Excess Levy Capacity	1,520,493	1,435,870	1,738,252	1,734,999	1,730,799	1,737,095	

FY24 Revenue/Expense Projection - Current FY24 Budget Proposal (with Operational Overrides)

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Budget	FY24 Forecast	Comments
Adjustments to Revenue							
Snow & Ice Deficit Previous Year	196,290	187,172	199,969	200,661	200,000	200,000	Estimate
Essex Technical High School	289,030	304,486	269,300	402,602	407,347	380,512	Current FY24 draft assessment for Boxford
Reserved for Abatements	149,331	145,832	155,951	161,378	150,000	150,000	Estimate
State Charges	152,733	168,077	172,759	180,236	174,489	191,954	FY24 Governor's Budget Proposal
Subtotal	787,384	805,567	797,979	944,877	931,836	922,466	
Excluded Debt:							
MASCO Debt (excluded)	410,037	409,017	111,736	105,545	-	-	
Other Excluded Debt (Permanent)	540,282	522,765	498,432	586,237	710,091	590,490	
Other Excluded Debt (BAN ESTIMATE)	225,871	168,794	-	-	36,442	-	
Subtotal	1,176,190	1,100,576	610,168	691,782	746,533	590,490	
Total Committed Expenses	1,963,574	1,906,143	1,408,147	1,636,659	1,678,369	1,512,956	

Other Appropriations:	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Budget	FY24 Draft	
Masconomet Budget	10,206,544	10,668,997	10,961,352	10,773,426	11,131,422	11,651,259	+4.67% vs. FY23. Does not include \$167,451 Town of Boxford assessment for design costs of a new turf field
Elementary School Budget	12,218,594	12,513,767	12,702,686	13,079,977	13,505,697	14,136,413	+4.67% vs. FY23
Town Departmental Budget	8,188,414	8,506,596	8,454,541	8,777,365	9,561,586	10,007,907	Current proposal (+4.67% vs. FY23)
Other Post-Employment Benefits (OPEB)	350,000	300,000	300,000	300,000	300,000	200,000	Reduction per FINCOM recommendation
Non-Excluded Debt Service	116,297	30,369	92,613	167,628	593,585	588,749	
Essex Regional Retirement Assessment	1,268,935	1,339,233	1,423,044	1,523,087	1,551,592	1,742,530	
Total Town & School Budgets	32,348,784	33,358,962	33,934,236	34,621,483	36,643,882	38,326,859	

Total Estimated Expenses 34,312,358 35,265,105 35,342,382 36,258,142 38,322,251 39,839,815

Balance	683,711	323,575	852,738	643,437	10,018	-919,825
Amount to draw from Excess Levy Capacity	0	0	0	0	0	919,825
Available Excess Levy Capacity	1,520,493	1,435,870	1,738,252	1,734,999	1,730,799	1,737,095
Remaining Amount to be Raised Above Excess Levy Capacity	0	0	0	0	0	0

% Increase of Tax Levy Above +2.5%

2.85%

Revised Total % Increase of Tax Levy Above FY23

5.35%

**Required
Override**

352,154 Override required to balance current FY24 budget proposal
 298,278 Override required to balance current FY24 budget proposal
650,432 Total Required Override Amount

4.87% % Increase of Tax Levy Above +2.5% if override passes

7.37% Revised Total % Increase of Tax Levy Above FY23 if override passes

Property Tax Impact of Proposed FY24 Budget

	FY23 Value	FY23 Tax Rate	FY23 Tax Bill	1% of FY23 Tax Bill
Median Home Value	\$782,200	\$13.84/thousand	\$10,825.65	\$108.26
Average Home Value	\$840,866	\$13.84/thousand	\$11,637.59	\$116.38

Current Proposal	Assumed 2.5% Increase over FY23	Incremental Increase Above 2.5% (+4.87%)	Proposed FY24 Tax Bill Increase (+7.37%)	Proposed FY24 Tax Bill
Median Home Value	\$270.64	\$527.21	\$797.85	\$11,623.50
Average Home Value	\$290.94	\$566.75	\$857.69	\$12,495.28

4.67% Town and Schools Spending Increase Cap	Assumed 2.5% Increase over FY23	Incremental Increase Above 2.5% (+2.85%)	Initial Proposed FY24 Tax Bill Increase (+5.35%)	Initial Proposed FY24 Tax Bill	Incremental FY24 Tax Bill Increase if Overrides Pass (+2.02%)	Revised FY24 Tax Bill if Overrides Pass
Median Home Value	\$270.64	\$308.53	\$579.17	\$11,404.82	\$218.68	\$11,623.50
Average Home Value	\$290.94	\$331.67	\$622.61	\$12,260.20	\$235.08	\$12,495.28

Cole School Site Project Debt Exclusion	FY24 Tax Bill Increase if Overrides Pass	Additional FY24 Tax Bill Increase for Cole School Debt Exclusion (+1.18%)	Total FY24 Tax Increase if Overrides and Debt Exclusion Pass (+8.55%)	Revised FY24 Tax Bill if Overrides and Debt Exclusion Pass
Median Home Value	\$11,623.50	\$127.74	\$925.59	\$11,857.33
Average Home Value	\$12,495.28	\$137.32	\$995.01	\$12,746.65

	Average Trash Sticker Spending Per Household Currently	% of Tax Bill Increase Tied to "Trash Sticker Savings" with no Overrides or Debt Exclusion	% of Tax Bill Increase Tied to "Trash Sticker Savings" if <u>only</u> Overrides Pass	% of Tax Bill Increase Tied to "Trash Sticker Savings" if <u>Overrides and Debt Exclusion</u> Pass
Median Home Value	\$134.05	23%	17%	14%
Average Home Value	\$134.05	22%	16%	13%