



FY23 Draft Budget Document

This budget has been shaped by both local and national events. The Town of Blandford went through a period of transition with the departure of the full-time Town Administrator in September 2021. The Town's budget process, which normally begins in late October or early November, subsequently did not begin to advance until February 2022. Given the compressed time frame, Departments were asked to submit requests reflecting a level-funded budget and a 2.25% increase for wages and salaries.

A conservative approach to the budget was warranted by events at the national level. While economic impacts from the COVID-19 pandemic in the form of lockdowns and temporary shuttering of businesses have receded as of early spring 2022, the Fiscal Year 2023 budget will very much be shaped by macroeconomic trends. Concerns over inflation and disruptions to the global supply chain have been compounded by fuel and energy price increases. The result is a financial climate with a high degree of uncertainty that is best approached at the local level by building reserves and approaching larger changes to the operating budget cautiously.

Other important developments that played a role in the creation of this proposed budget include:

- Robust new growth from Payment-In-Lieu-of-Taxes (PILOT) agreements with solar developments that are accounted for under Personal Property Taxes
- The release of a Compensation & Classification study report on the Town with recommendations on approaches to salaries, wages, and stipends
- Major capital projects on the horizon, most prominently the construction of new Highway and Fire garages, as well as the longer-term project of expanding the Porter Memorial Library

Goals & Objectives of the Budget

Continue best practices with respect to building reserves and transfers for capital expenditures

While the Town does not have a formal Capital Improvement Plan in place, in recent budgets decisionmakers have relied on best practices identified by the Division of Local Services (DLS) to guide use of Free Cash and the maintenance of Reserve and Stabilization Funds.

Begin implementation of a wage and salary schedule, and fund stipends at a level that can be set in bylaw

The Collins Center report provides a basis for setting wages, salaries and stipends. While it may not be possible in FY23, one recommendation set out in the report is to fund stipends at a level that can be set in bylaw for all regulatory boards and commissions. Ensuring all wages for posted positions are competitive and attractive to ensure the Town continues to professionalize is also critical.



Recognize that the community's appetite for largescale commercial and industrial development may be sated for the moment

The Town saw a great deal of interest from firms looking to develop solar and cannabis operations over the last few years. The planning process and oversight of these developments has been a burden, particularly on at least two of the Town's unpaid regulatory bodies: the Planning Board, and the Conservation Commission. While continuing to grow the Town's commercial and industrial tax base has been a longstanding community development goal for Blandford, how to accomplish that without exhausting the time and resources of our local volunteers will need to be considered.

Set the stage for creation of a Capital Improvement Plan that will document Department needs with respect to capital assets and guide future spending

The Town has received funding to launch the development of a Capital Improvement Plan (CIP) this coming fall. A CIP will be crucial to managing the needs of multiple Town Departments particularly as major construction and renovation projects loom. There is also potential to build a long-term strategy around managing the Town's biggest capital asset: our land and natural resources.

Mitigate the impact that major changes in spending on education have on the overall operating budget

The operating budget's single biggest line item continues to be the assessment paid to Gateway Regional. The Town has employed several budgeting strategies in the past to ensure consistency even with significant swings in the assessment amount from year to year. A proposed Education Stabilization Fund will allow for more accurate budgeting while greatly lowering the risk of facing unforeseen increases to the operating budget.

Estimated Revenue

New growth, driven by Payment-In-Lieu-of-Taxes (PILOT) agreements with solar developments, continued to be robust in FY22.

Revenues	FY22	FY23
Previous Year Levy Limit	\$3,184,498.00	\$3,819,963.00
Add-2-1/2% Tax Levy Increase	\$79,612.00	\$95,499.08
Add-New Growth	\$555,853.00	
New Levy Limit	\$3,819,963.00	\$3,915,462.08
Add-Debt Exclusion	\$77,778.00	\$75,000.00
Maximum Allowable Levy	\$3,897,741.00	\$3,990,462.08
Less-Overlay	-\$25,025.64	-\$25,000.00
Less-Surplus Levy	-\$564,051.50	-\$400,000.00
Net Levy	\$3,308,663.86	\$3,565,462.08
Local Receipts	\$635,258.00	\$622,269.50



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State Receipts	\$217,662.00	\$220,877.00
Net State Receipts (after assessments)	\$209,054.00	\$211,511.00
Enterprise Indirect Cost Payment	\$38,747.85	\$38,747.85
Net Budget Receipts	\$4,191,723.71	\$4,437,990.43

The Finance Committee also included in the budget strategic investments for the Town in stabilization accounts, reserve account, and capital projects – important budgeting tools to provide greater flexibility for the town to invest in its capital infrastructure and respond to unforeseen circumstances and emergencies. Reserves were budgeted through appropriation at 1% of the total anticipated budget which was identified as a best practice through the Massachusetts Division of Local Services. Reserves are controlled by the Finance Committee and typically funds unforeseen and unbudgeted circumstances. Investments for capital projects and stabilization accounts were from what was available in free cash. This includes:

Free Cash and Retained Earnings Transfers

Fund	Fiscal Year 2022 Total	Transfer Source	Transfers	New Fiscal Year 2023 Total
Emergency Stabilization	\$603,856.67	Free Cash	\$25,000.00	\$603,856.67
Building Stabilization	\$679,748.33	Free Cash	\$25,000.00	\$704,748.33
Library Building Stabilization	\$125,000.00	Free Cash	\$25,000.00	\$150,000.00
Water Stabilization	\$112,413.05	Retained Earnings	\$5,000.00	\$117,413.05
Water Capital Projects	\$166,412.30	Retained Earnings	\$125,998.00	\$292,410.30

Additionally, \$50,000 was transferred from Free Cash to defray Broadband operating expenses. \$150,000 of Free Cash was transferred to the Capital Projects Account for the local match required by the MassWorks grant to make improvements to North Blandford Road, continue the Tree Warden's ash tree removal project and fund other public works and library capital projects.

New Item: Education Stabilization Fund

As mentioned, the largest single line item in the Town's operating budget is the account to pay the annual Gateway Regional School District assessment. This assessment has fluctuated widely in recent years, as shown in below.



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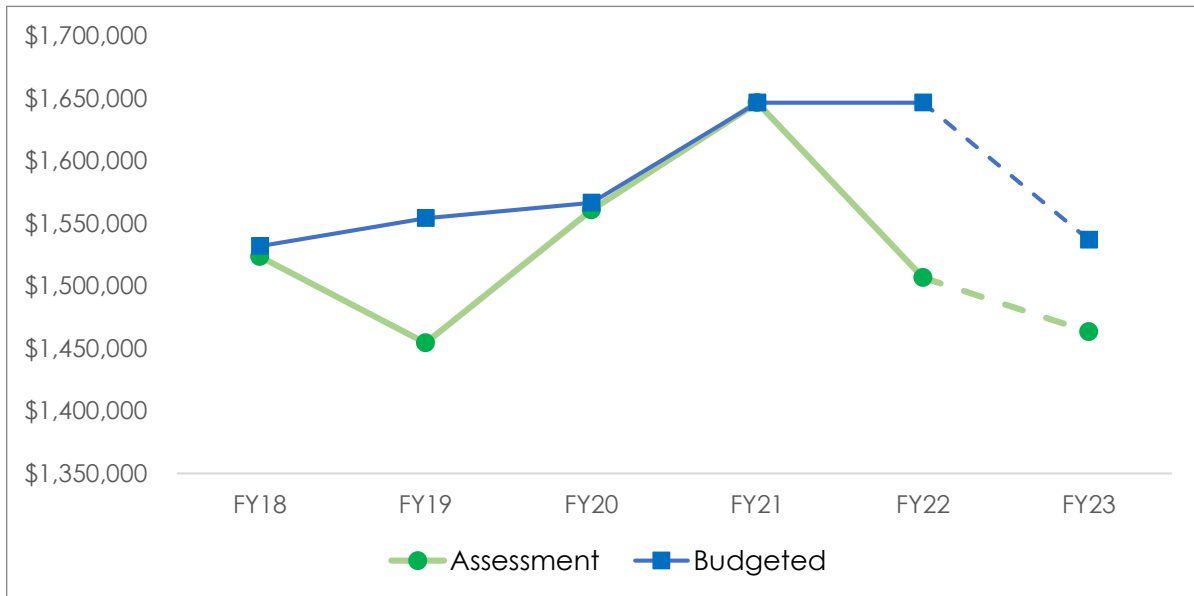
Gateway Regional School District has two methods of assessing town contributions: Statutory and Alternative.

The **Statutory** assessment can be ratified by four of the six member towns while the **Alternative** distributes increases evenly across the six member towns and must be ratified by all six.

The Town has chosen to budget for the Alternative in recent years but because of the higher threshold required to pass, the Statutory assessment generally prevails which results in a lower assessment for Blandford. In FY22, the Town chose to maintain a budget that reflects the peak assessment level even with a precipitous fall in the actual assessment amount.



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At Town Meeting, an Education Stabilization Fund was established using the following approach.

- The FY22 gap between the budgeted and assessed amounts was \$140,108.
 - At Annual Town Meeting, half of that gap (\$70,054) was placed in the new Education Stabilization Fund (Article 2).
 - The other half was used to cover the overdrawn Vocational Education account (Article 6)
- The FY23 gap between the Alternative assessment and Statutory assessment is \$73,774
 - As the Statutory assessment again prevailed based on the member town votes, half of this FY23 gap (\$36,887) was placed in the Fund (Article 4)
- This gives the Fund a starting amount of **\$106,941** in FY23 which is on par with the average increase amount for the assessment since FY15: \$103,752



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