

## *Changes This Year*

- **Selectboard asked Financial Management Team (FMT) to take a more prominent role in early stages of budget development**
- **Increased resident visibility into the development of budget**
- **Increased time between Advisory Committee Hearing and Annual Town Meeting**
- **More time for Advisory Committee and Selectboard to write their budget reports**

## *Financial Management Team*

- **Town Administrator (Sherry Patch)**
- **Treasurer/Collector (Jim Dunbar)**
- **Asst Treasurer/Collector (Melissa Hawthorne)**
- **Accountant (Jenny Lin)**
- **Advisory Committee Reps (Peter Giumette, Rick McCowan)**
- **Selectboard Rep (Karen Cruise)**

## ***Process***

- **Selectboard determines budget guidance for departments, boards & committees**
- **Departments, boards, committees update 5-year capital requests**
- **FMT reviews capital requests, asks for more information on some, begins thinking about funding sources**
- **Departments, boards, committees submit operating budgets**
- **FMT reviews budget requests and analyzes further information**

## ***FMT Team Roles***

- Melissa Hawthorne is the primary person for the capital plan. She works closely with department heads to ensure that everything is captured, quotes are provided, funding sources are documented, and the need is clearly stated.**
- Jim Dunbar worked with Melissa to reflect current debt obligations and future project obligations.**
- Jim Dunbar and Jenny Lin work together to ensure the team has final numbers for the last fiscal year and up-to-date numbers for the current fiscal year-to-date. They update revenue sources as information comes in.**

## ***FMT Team Roles, continued***

- **Sherry and Karen work together to make sure that Selectboard goals are reflected in the budget.**
- **Peter Giumette and Rick McCowan are the voice of the taxpayer. Are the numbers supported? Is need documented? Do funding sources make sense?**
- **All work to test the numbers, review the quotes, question the funding sources, and validate the needs.**
- **All work to make sure that town financial policies are adhered to or conscientiously waived.**

## ***Budget Drivers***

- **Budget up 5.56% over FY22**
- **Debt service increases 32% over last year. This is because we will start paying the principal on Bagg Hall Stabilization, Roads, and the Salt Shed. We also start payments on the lease on the front end loader approved last year.**
- **Princeton's share of WRSD budget up 4.19%.**
- **Police budget up 10.24% (*after* \$147k ARPA applied).**
- **Highway and Cemetery up 16%.**
- **PFAS budget up 11.3% (*after* \$250k ARPA applied).**
- **Health Insurance up 14.34% (assume 3 new full-time)**

## ***School Budget – up 3.32%***

### **WRSD:**

- **District-wide increase at 4.34% (2.59% paid by member towns),**
- **Princeton's increase highest of 5 towns at 4.19%.**
- **Princeton enrollment up by highest percentage (4.51%) in district (up at Thomas Prince, down at high school).**

**Monty Tech down 6.7%.**

**Smith Vocational still unknown – assume flat.**

## ***Police Budget – up 10.25% after 147k of ARPA funds allocated***

- **Police Reform legislation triggering increase in full-time staff from 5 to 7 (not including Chief).**
- **Hourly rate of full-time slightly less than 2x that of part-time officer.**
- **Town pays officers at Step 1 of full-time rate (plus benefits) to attend police recruit academy for 6 months. In the meantime, those officers are not available to cover shifts.**
- **Dispatch up 27%.**
- **Chief retiring on 12/31/22 and search for replacement begins in June.**

## ***Problems Facing Cemetery Department***

- Cemetery is struggling to hire and train seasonal help for minimal hours. The schedule has to be flexible to accommodate burials.**
- Cemetery is concerned about the long-term viability of contracting mowing services after the contract expires next year. Minimal control over cost and mowing frequency. Only two vendors responded to RFP in 2020.**
- Cemetery dependent on an outside contractor for full-body burials. A limited number of vendors are willing to do this work. Many towns require one day's notice for burials. Princeton requires three, but even this can be hard to coordinate.**
- Cemetery Supervisor needs to share knowledge with the team.**



## ***Problems Facing Highway and Buildings***

- **Highway could use another plow driver in the winter**
- **Highway could use another person to help with roads and mowing (Town Common, Krashes) done other times of the year**
- **Highway currently helping out with burials but stretched too thin**
- **Buildings needs a second set of hands occasionally**
- **Need to begin the transfer of knowledge from existing buildings employee**

## **Consolidation of Cemetery, Highway, Buildings, into DPW - advantages**

- **Easier to hire full-time employees**
- **Combining functions allow more flexible allocation of resources**
- **Larger department allows opportunities for cross-training and succession planning**
- **Bringing cemetery mowing back in house removes dependence upon contractors and improves responsiveness**
- **Bringing burials in house improves service to grieving families**

## **Consolidation of Cemetery, Highway, Buildings, into DPW – up 16%**

- **One new full-time employee is needed in FY23 (cemetery mowing contract until FY24) and another employee in FY24. These employees are eligible for benefits.**
- **DPW needs a mini excavator for burials (but roads will also benefit). Rental and borrowing are too uncertain for burials.**
- **Mini excavator requires a large trailer.**
- **High likelihood of receiving a \$100k grant to cover first-year costs of this consolidation, but budget assumes no funding received.**

## **PFAS – up 11.3%**

- **Legal budget of \$30k (line item under environmental)**
- **Tighe & Bond not-to-exceed contract of \$529k less \$250k of ARPA funds = \$279k**
- **Bottled Water & Carbon Replacement budgeted at \$25k**
- **Total PFAS budget without ARPA: \$584k**

## ***Use of ARPA Funds***

- **We have received \$521k in American Rescue Plan Act (ARPA funds) and will receive same again in June 2022**
- **Selectboard has allocated \$250k toward PFAS budget (this is in addition to the \$35k approved at STM for Bagg Hall system)**
- **\$147k allocated to offset initial costs of increasing police full-time force**
- **\$6800 for an HVAC assessment**
- **\$10k for a study on fire/ems operations**
- **\$6000 for library wifi extension**
- **\$2500 for COA keyless entry system**
- **(possible) \$87.5 deposit on replacement for engine #5**

## ***FY23 Capital – in process***

- **Record Documentation Digital Storage - \$27.3k free cash**
- **Replace fire engine #5 – 7 yr lease at 3.08%, 1<sup>st</sup> payment fy24.  
\$350k-87.5k deposit=\$262.5k**
- **Fire Station 2 driveway and apron – \$75k free cash**
- **6 wheel dump truck - \$44.7k free cash**
- **Mini excavator and Trailer - \$83k free cash (if no grant)**
- **Thomas Prince security upgrades (ALICE) - \$60k free cash**
- **Police Cruiser - \$63k, 3 yr lease at 3.09%, 1<sup>st</sup> payment fy24**

## ***Sources of Funds***

- **Certified free cash \$527,647**
- **Receipts from sale of town owned land \$628,000**
- **ARPA \$521,293.51**
- **Stabilization Funds not tapped this year**
- **Local Receipts \$1,006,500 (estimate)**
- **State Aid \$591,486 (estimate)**
- **Property taxes – for every 100k we spend, tax rate goes up 16 cents. If 500k house, additional \$80 in taxes per each 100k we spend. Given today's budget, 500k house tax increase \$512 ( $80 \times 6.4 = 512$ )**

## ***Adherence to Financial Policy Guidelines***

- **One-time, or nonrecurring, revenue will not be used to support recurring expenditures, but will be reserved for capital, emergency or other one-time costs. Free cash is nonrecurring. ✓**
- **The Town will make a best effort in presenting a balanced snow and ice budget based on multiple year experience. ✓**
- **Proposed capital projects, improvements and equipment that have a useful life of at least five (5) years and a cost over \$25,000 will be part of the Capital Improvement Plan. ✓**
- **The General Fund OPEB appropriation will be no less than two (2) percent of the town's OPEB liability. ✗**
  - **While we aren't in compliance with policy, we are one of the top 5 in the state for our funding and have level funded.**



## *Adherence to Financial Policy Guidelines – cont'd*

- It is the goal of the Town to annually appropriate approximately 3.50% of General Fund revenues to the Infrastructure Stabilization Funds. This would be about 420k. **TBD**
- The Town will annually fund the Reserve with an amount equal to at least 0.75 percent of the General Fund revenues. This would be about 90k. **TBD (at 75k)**
- The annual debt service on General Fund debt (including debt exclusions net of all subsidies, reimbursements and offsets) will not exceed seven (7) percent of the annual General Fund revenues. ✓ (think we are pretty close)
- Revenue projections will be conservative with the intent to maximize the Town's ability to build and maintain Free Cash levels. ✓
- Town administration will estimate its local receipts at no more than 85% of prior year actual receipts unless substantiated by a deliberate increase in set fee/permit rates. ✓

## ***Adherence to Financial Policy Guidelines – cont'd***

- Debt financing for projects supported by General Fund revenue will be reserved for capital projects and purchases which either cost in excess of \$250,000 or have an anticipated life span of five years or more. Smaller capital items may be financed via lease purchase financing agreements for a term up to the useful life of the capital item to be procured. ✓
- The CIP will seek to fund capital improvement expenditures at a level of at most seven (7) percent of the general fund revenues collected from the prior year to include all funding sources above. Will be watching as fy22 local receipts come in.
- The CIP will seek to fund road construction expenditures at a level of 3.50% of the general fund revenues. ✖ This would be \$425k. We are at \$350k.

## ***What's next?***

Dates are tentative:

- 3/28 and 3/29: Almost Final Presentation of Budget to Residents (good numbers, funding decisions incorporated, preview of some budget-related warrant articles)
- 4/12: Advisory Committee Hearing
- 5/10: Annual Town Meeting