

Roles & Responsibilities

- **The Financial Management Team (FMT) develops the budget with input from department heads and the Selectboard**
- **The FMT proposes a budget to the Selectboard (may be an iterative process)**
- **The Selectboard votes to approve the budget that will go to voters at Annual Town Meeting**
- **Voters approve the proposed *or amended* budget at Town Meeting**
- **Today's meeting is run by the FMT and is an opportunity for them to hear resident feedback on the budget**

What will be Discussed Today?

- **Why the Selectboard postponed ATM**
- **What the FMT is still waiting for**
- **Assumptions the FMT has made**
- **Changes since last meeting**

Why did the Selectboard postpone ATM?

The FMT asked the Selectboard to postpone ATM because:

- **WRSD has not had their Excess and Deficiency (their version of free cash) amount certified yet. If it is high enough, they may choose to apply some to reduce town assessments.**
- **The State budget may be closer to final (supposed to be final by 7/1)**
- **We need additional time to scrub the budget and ensure we are only asking for what we feel is absolutely necessary.**
- **The Police Union contract is under negotiation and a delay gives us more time to incorporate final wage numbers into the budget.**

What are we still waiting for?

- **Tighe & Bond's proposal for their services for PFAS**
- **WRSD capital requests (and perhaps update to operating budget for capital and/or use of excess and deficiency)**
- **Responses to RFP for management of Town Hall and TPS public water systems (Town taking over management of TPS system in FY24)**
- **Selectboard, at the Chair's request, will be discussing using ARPA funds for design and construction documents for the new public safety building at their next meeting**

Assumptions we have made

- **Employees without a contract and outside the police union will receive at least a 3% cost of living adjustment. Some employees will receive more to be brought up to the minimum of the range recommended for their position by the Collins Center.**
- **Police will not be adding a lieutenant but will be adding 1 or 2 patrol officers and a 16-hour/week assistant to the Chief.**
- **Selectboard will approve options for employee health plan with lower deductibles which also reduces our increase to ½% (win/win)**
- **We are adding an assistant to the Town Administrator (19 hrs/wk) to handle necessary administrative work in various departments and other special projects**

Assumptions we have made - continued

- **We are adding an EMT or Medic overnight (5pm-7am), 365 days/yr, to decrease our response times during that time period (approx. \$128k)**
- **We are using ARPA funds for a few of the large capital items (replace ambulance \$393k, replace fire turnout gear \$30k, security system for TPS \$50k, truck lift for Highway \$13k, and a generator for the Highway fuel pump \$15k) and transferring a similar amount from either free cash or the “sale of town owned land” funds into the public safety building fund.**
- **Unused ARPA funds of \$250k (PFAS) and \$50k (matching funds no longer needed since we didn’t get MassWorks grant for Worcester Rd project) reclaimed**
- **We will lease a backhoe (\$125k) and a replacement police cruiser (\$65k) with first payments due in FY25. No new borrowing is proposed.**

Assumptions we have made - continued

- **Assuming 3% police union wage increase (contract under negotiation)**
- **PFAS spending left at FY23 level**
- **Placeholder for public water supply management of \$12k**
- **COA will continue to try to fill their outreach position**
- **Parks & Rec director will be given 5 more hours per week.**

Changes since last budget meeting (where these 4 departments were discussed)

- **Highway – removed \$100k from the road budget (good grant availability). Updated wages.**
- **Police – removed Lieutenant, added 16 hour per week assistant to the Chief, and provided numbers for either 1 or 2 additional patrol officers**
- **Fire – reduced management salary increase to 3% (contract under negotiation)**
- **Ambulance – no change**

Fund Balances

	Current Balance	Currently Proposed for FY24	Ending Balance	
Stabilization	\$713,080		\$713,0080	
Infrastructure Stabilization	\$441,382		\$441,382	
Public Safety Building Fund	\$472,850		\$872,850	
Free Cash	\$527,710	\$325,000	\$202,710	Plow blades and road sensor, mini excavator, public safety building fund (200k)
ARPA (corrected to add back in \$300k in "reclaimed" ARPA funds)	\$807,692	\$501,000	\$306,692	Ambulance, turnout gear, tps security system, hwy gen pack and truck lift

Breakdown by Department - Preliminary

Department	FY24 Budget	Increase from FY23	% Increase from FY23	% of Total Operating Budget
Education	\$ 6,120,987	\$244,686	4.16%	48%
Highway	\$ 1,061,793	\$ 36,682	3.58%	8%
Fire	\$ 328,688	\$ 46,842	16.62%	3%
Ambulance	\$ 266,335	\$ 18,750	7.57%	2%
Police – 1 new off.	\$ 1,222,405	\$170,108	16.17%	10%
Police – 2 new off.	\$ 1,295,539	\$243,242	23.12%	
Other	\$ 3,670,949	\$489,967		29%
Total	\$12,671,157	\$1,007,035	8.63%	

Highway

- **Operating budget up 3.58% over last year to \$1,061,793.**
On 3/6, we said \$1,171,110 and up 14.24%.
- **Equipment repairs/maintenance up 22% (\$10k)**
- **Includes \$10k at request of Selectboard for 2 radar speed signs and 6 posted speed limit signs**
- **Capital (not part of operating budget): plow blade & road sensor (\$40k with \$20k grant possibility), mini excavator (\$85k)**
- **Lease backhoe (\$125k) with first payment in FY25**

Ambulance - background

Ambulance needs replacement (frequent, expensive problems; out-of-service too often)

Poor response rate overnight (12am-7am):

- **Of 17 overnight calls in last 6 months, 13 had to be handled by mutual aid (11 of these, 1 person responded but needed to wait for mutual aid to transport. 3 of these, nobody responded)**
- **Response time averaged 20 minutes (vs 3 during the day with station manned by 2 people)**

Ambulance call volume increasing

For-profit ambulances failing (struggling)

- **Availability of Mutual Aid decreasing (other towns are often handling calls in Worcester, Fitchburg, and Leominster).**
- **We are handling more calls at the ski area.**

Ambulance – background, continued

Ambulance reimbursement not keeping up with costs

- **Medicaid reimbursement biggest problem**
- **Frequent requests to “not transport” – though we still bill, collection rate is low**

Fire – background

Officer response on weekends low (need officer for supervision)

Call volume up

Insufficient number of firefighters on roster

Fire / Ambulance

Capital Requests:

- **Defibrillators (\$19k) – how fund?**

Operating Budget Highlights:

- **Adding medic or EMT at station from 5pm-7am, 7 days a week**
- **Adding on-call stipend for an officer each weekend**
- **Hiring 2 more firefighters (training and gear cost)**

Ambulance budget up \$46,842 or 7.57%

On 3/6, we said up 52%

Fire up 16.62%

On 3/6, we said up 20%

Police – Budget with 1 additional patrol officer

Budget up 16% from FY23

On 3/6, we said up 32%

Non-union salaries up \$31,438 (17.5%) (chief, admin)

On 3/6, we said up 56%

Union salaries up \$80,250 (12.7%) (assumes 3% increase, contract in negotiation)

On 3/6, we said up 56%

Non-salary items up by \$53,605 (13.6%)

Regional dispatch up \$4,814 (5.5%)

Police – Budget with 2 additional patrol officers

Budget up 23% from FY23

On 3/6, we said up 32%

Non-union salaries up \$31,438 (17.5)% (chief, admin)

On 3/6, we said up 56%

Union salaries up \$145,645 (23%) (assumes 3% increase, contract in negotiation)

On 3/6, we said up 56%

Non-salary items up by \$61,345 (40%)

Regional dispatch up \$4,814 (5.5%)

Unfunded Pension Liabilities

Princeton is part of the Worcester Regional Retirement System (WRRS)

- WRRS has a goal to be fully funded by 2035 (State requires by 2040)
- Princeton's Unfunded Actuarial Liability (UAL) is \$6.5m (includes PMLD)
- We are X% funded
- Our FY24 payment toward the UAL will be \$255,445 (PMLD's \$161,361)

A rough estimate of Princeton's share of WRSD's UAL is \$2m. WRSD is X% funded and it faces the requirement to be fully funded by 2040.

OPEB (other post-retirement benefits)

OPEB is primarily retiree health benefits (we pay 50% of premiums)

As of 6/30/22, we have a UAL of \$1.168m and we are 43.17% funded

In recent years, we have contributed \$10k/year to OPEB

There is no State requirement to be fully funded

Based on latest report (12/31/21), there are only 5 communities in MA that have a higher percentage of funding.

A rough estimate of Princeton's share of WRSD's OPEB is over \$6m

What's next?

- tbd: Almost Final Presentation of Budget to Residents (good numbers, funding decisions incorporated, preview of some budget-related warrant articles)
- 5/23: Advisory Committee Hearing
- 6/20: Annual Town Meeting