



Town of Ashland, Massachusetts

*Office of the Board of Selectmen
and Town Manager
101 Main Street, 01721-1191
(508) 881-0100*

Michael Herbert, *Town Manager, Ext 7911*
Jennifer Ball, *Assistant Town Manager, Ext 7901*
Susan K. Robie, *Executive Assistant, Ext. 7921*
Diane Mortensen, *Personnel and Financial Assistant, Ext. 7933*

BOARD OF SELECTMEN
Rob Scherer, *Chairman*
Steve Mitchell, *Vice Chairman*
Yolanda Greaves, *Clerk*
Joseph J Magnani, Jr., *Selectman*

March 1, 2019

To: Honorable Chair Robert Scherer and Members of the Board of Selectmen
Honorable Chair Adam Elbirt and Members of the Finance Committee

In accordance with the Town of Ashland Charter, Section 5-6 (i), I hereby transmit the proposed operating and capital budget for the fiscal year beginning July 1, 2019 (Fiscal Year 2020).

It is hard to believe that this is the seventh budget I have put together for the Town of Ashland (three as Finance Director and now four as Town Manager). The financial vision & blueprint proposed during those first few years still holds true today, and consist of:

1. Restructuring our fixed (i.e. health insurance, utilities) costs to elicit savings
2. Reinvesting those savings into service enhancements
3. Budgeting conservatively
4. Establishing and executing a plan to address long-term needs and obligations (rainy day funds, addressing our Other Post-Employment Benefit (or OPEB) liability) through structured policy
5. Developing and maintaining a capital program, designed not only for departmental costs but also community development initiatives to enhance quality of life

The first two years focused on restructuring our fixed costs, which has led to historic investments in our schools and municipal departments. Additionally by following the vision outlined above, we have been able move forward long-stalled projects like Cadillac Paint, downtown improvements, the Sudbury Riverwalk, and Rt. 126, the funding for the design public safety building, and new initiatives such as purchasing the Rail Transit District property and bringing a YMCA to Ashland, increasing the size of the Town Forest by almost 10%, and purchasing the Valentine Property and Warren District.

I am pleased to say that this budget continues that trajectory. The FY20 general fund budget as proposed is \$63,927,724, which includes both appropriated and non-appropriated expenses. This represents a 7.39% increase over FY19. This is a sizable increase, especially within the property tax constraints of Proposition 2.5. It is a result of an approximately \$1.7 million increase in Chapter 70 state aid, as outlined in the Governor's budget proposal in January of this year. Our legislative delegation, led by Senate President Karen Spilka have been vocal advocates for a restructuring of the Chapter 70 formula that is more equitable to communities such as Ashland. It appears that this year that advocacy is starting to bear fruit.

Our approach to adding services is centered around maintaining services through economic downturns, and which reflect the town's desires as defined by the Board of Selectmen. To that end, this budget seeks to enhance services in a number of different key areas. Specifically:

Ashland Police Department - The Ashland Police Department budget includes funding for one additional police officer as well as the potential conversion of a Lieutenant position to Deputy Chief. The additional officer brings us closer to the professionally recommended standard of 30 police officers for our community, and also gives us the opportunity to look at an additional specialty assignment such as a School Resource Officer (SRO).

Ashland Fire Department - Ashland is in the process of submitting a grant application for between two to four additional firefighters through the SAFER grant program. This grant will pay for 75% of eligible firefighter costs (including salary, equipment, benefits, etc) for the first two years of the grant period, and will be reduced to 35% of eligible costs in the third year. In the fourth and subsequent years the town will be responsible for 100% of the costs. Funding in this year's budget includes the town's first year contribution of 25% for up to four firefighters. We are also creating a Deputy Chief position to better align the outcomes of the department with the expectations.

Ashland Public Works - This year's budget includes funding to complete an ambitious tree trimming and removal program to enhance public safety and resiliency. Ironically, as we were in the process of developing this budget, the town experienced a significant wind storm that resulted in many downed trees causing a number of problems in town.

Ashland Public Schools - The Ashland Public Schools Budget is proposed at \$33,151,647, an approximately 8.5% increase from the previous year. The budget makes significant investments in literacy, electives, facility maintenance, English Language learners, and special education.

Sustainability Coordinator - The FY20 budget contains funding for a new Sustainability Coordinator position. This position, funded through a combination of the town's aggregation program and the solid waste budget will be important in achieving goals for the town's resiliency and clean energy programs.

Although for the most part considered "off budget", a portion of the Facilities Department will be dedicated towards the projects within the Warren District, and the Valentine Property in an effort to move forward those projects quickly.

ENTERPRISE FUNDS

The Water Enterprise fund budget totals \$3,459,807 or an increase of 20%. It contains funds to complete the replacement or relining of pipes on Main, Front, and Summer Streets as part of the downtown improvement project. Performing this work in conjunction with the other downtown improvements is an effective and efficient way to address our long-neglected infrastructure. At this time, I do not anticipate a rate increase to fund this budget due to utilizing retained earnings.

The Sewer Enterprise fund totals \$5,954,274, or a decrease of -0.1%. It does not include any increase in services for FY20 nor any major capital projects. At this time, I do not anticipate a rate increase to fund this budget.

The Solid Waste Enterprise fund totals \$1,270,101, an increase of 7.98%. The increase is attributable to two factors: an increase in the cost of recyclables, and partial funding for a Sustainability Coordinator.

The Fields Enterprise fund totals is \$65,369, or an increase of 4.55%.

The fiscal year beginning July 1, 2019 is also the first full year for the stormwater enterprise fund budget. This budget as proposed totals \$309,994. This budget will be funded through rates raised on commercial and residential properties established by the Department of Public Works and endorsed by the Board of Selectmen. These rates are offset through a \$30,000 general fund subsidy.

CAPITAL BUDGET

This year's capital program continues the exciting and regenerative investments made in our departments and the community as a whole. In the last two years, we have utilized our capital program to fund the demolition of buildings and soil remediation at the Cadillac paint site, fund sidewalks, and complete the engineering of the downtown improvement project, among other things.

We have a number of smaller projects and departmental equipment, including trucks for DPW, Fire, and smaller items such as large-scale carpet replacements and generators. But the hallmark of this year's capital plan are four very important items and include the renovation of downtown, the Rt. 126 project, a new fire engine, and additional modulars at the Warren School.

Both the downtown project and Pond Street project have been discussed for decades, and through a significant investment of time, money, and staff resources we are on the cusp of starting each of these transformative projects.

The Pond Street project takes advantage of almost \$15,000,000 in state funds, and includes the complete reconstruction of the road from Holliston to Framingham. It includes sidewalks, decorative lighting, and placemaking amenities that will spur private investment to make the twenty-year old dream of a village feel come to a reality. The capital budget includes \$1.3 million in what is known as non-participating costs to realize the vision that was completed during the 2014-2015 planning sessions. More information on the project here: <https://www.ashlandmass.com/523/Rehabilitation-of-Pond-St>

The downtown improvement project has been talked about for decades, with substantive planning and engineering occurring in 2018 and 2019. It includes wider sidewalks, newly designed crosswalks and traffic signals, bicycling amenities, undergrounding utilities and placemaking amenities for Main Street from Pine Hill to Summer/Homer and Front Street from the intersection of Main to the Ashland Lumber site. It too takes advantage of significant state funding (\$3 million) and is designed to create a walkable, vibrant downtown that becomes a destination as opposed to a passthrough. It also increases pedestrian and bicycle safety, and increases resiliency in times of extreme weather events. The capital budget includes \$5 million for this project. More information can be found here: <https://courbanize.com/projects/ashlanddowntown>

CONCLUSION

I now want to turn our eye toward the future. Economic cycles are a reality. After the Great Recession of 2008, we entered into a period of sustained growth, quite similar to what was experienced during the early 2000's. Even during this period of expansion, we have tried to keep these economic cycles in mind and have scheduled our growth responsibly. However, the normal economic cycle, combined with the town's conscious decision to retard growth and development in

recent years, will mean that in the near future our focus will be more toward the budget sustainability of our departments rather than growth in services. One key difference between now and before the last recession is that our rainy day stabilization fund is at a healthy 10% of operating revenue. This should help soften the blow of any economic downturn.

This budget also continues to include funding for the OPEB liability for new municipal employees, in addition to funding appropriated to OPEB through an allocation of free cash in the fall. However, we must start to think about ways to either reduce our liability or increase our allocations towards it each year. Similarly, we are seeing spikes in our pension assessment during certain years. The fact that we are part of a regionalized pension system reduces our ability to plan ahead and assess large swings in our pension obligations ahead of time and adjust accordingly, however in the future we should explore ways to mitigate the impact to our budget these swings take. In affirming our top AAA bond rating, Standard & Poor's expressed their concern in these liabilities, but also expressed their confidence in our ability to manage them. We should not give them any reason to doubt otherwise.

If we continue the path that we have forged, and ensure that our budget growth is responsible while at the same time make investments that make Ashland an attractive place to live and work, we can address these challenges and weather these storms.

In conclusion, I would like to thank the Board of Selectmen for their leadership and policy direction in developing this budget. I would also like to thank the Finance Committee for their persistent vetting and overall inquisitiveness during the budget process. The questions posed by both Boards help us rethink certain assumptions, approach things from different perspectives, and generally sharpen our pencils.

I would like to thank the School Committee, Superintendent of the Ashland Public Schools Jim Adams, and Assistant Superintendent Barbara Durand for the collaborative working relationship we have developed over the years. This collaboration is borne out of a mutual respect and interest in how all of our departments and interest in the town as a whole. As a result, our accomplishments speak for themselves.

Finally, I would like to thank the department heads for their professionalism and the work they have done in assembling their budget presentations. I am most indebted to Finance Director Brittany Iacaponi and Assistant Town Manager Jenn Ball in the development of the operating and capital budgets. Both have spent many hours outside of their regular working hours to produce this document.

I continue to be proud of the work our staff and amazing volunteers do on a daily basis. If you look at the level of service provided, accolades received, and consider the amount of "projects" that are managed and advanced by our small team, we are the best value in Metrowest today. I am grateful for both the confidence and optimism in and for Ashland that are expressed by a large majority of Ashland's residents based on what we have done and continue to do. However, I know that the best days for Ashland are ahead.

Sincerely,

Michael D. Herbert

Michael Herbert
Ashland Town Manager

General Fund Overview

Section 2-1

	2018 Actual	2019 Budget	2020 Budget
Prior Year Levy	39,892,889	42,012,504	44,355,642
2.5% Increase	997,322	1,050,313	1,108,891
New Growth	800,000	850,000	900,000
TOTAL TAX BASE	41,690,211	43,912,817	46,364,533
Excluded Debt	1,808,330	1,747,954	2,155,963
LEVY LIMIT	43,498,541	45,660,771	48,520,496
Actual Levy Used	43,878,471	45,660,771	
State Aid			
Education - Distirbutions & Reimbursements			
Chapter 70	6,012,213	6,115,970	7,790,533
Charter Tuition Reimbursement	23,355	20,539	21,411
Offsets - Reserved for Direct Expenditure			
School Choice Receiving Tuition	310,397	351,933	395,224
General Government - Distributions & Reimb.			
Unresetricted General Govt Aid	1,350,948	1,398,231	1,435,983
Veterans Benefits	81,174	39,148	39,464
Exemptions - VBS & Elderly	16,966	50,455	49,231
State Owned Land	71,109	87,129	95,407
General Government - Res. for Direct Exp.			
Public Libraries	22,176	22,609	23,033
Total State Aid	7,888,338	8,086,014	9,850,286
Local Receipts			
Local Receipts	4,556,150	4,220,000	4,239,125
Local Receipts - Meals Tax	232,805	220,500	0
Total Local Receipts	4,788,956	4,440,500	4,239,125
Other Sources			
Bond Proceeds/Refunding			
Bond Premium		41,841	41,841
Transfer In - SPED Stabilization	150,000		
Revolving/Receipts Reserved Accounts	134,948	100,019	80,000
Enterprise Funds - Transfer to General Fund	495,637	519,365	527,806
QECB Subsidy Payments	-	0	0
Community Preservation Funds - Debt	702,075	682,675	668,170
Free Cash	1,670,758		
Encumbrances	1,599,730		
Total Other Funds	4,753,148	1,343,900	1,317,817
TOTAL REVENUE	61,308,913	59,531,185	63,927,724

General Fund Overview

Section 2-2

Appropriated Expenses			
General Government	10,084,834	11,463,075	12,087,848
Ashland Public Schools	30,134,567	30,620,261	33,151,646
Keefe Tech	1,331,996	1,393,747	1,193,747
Non-Excluded Debt Service	3,293,869	1,623,593	1,995,003
Excluded Debt Service		1,747,954	2,155,963
Capital Outlay	1,499,019	750,000	750,000
Benefits & Insurance	9,092,054	9,894,756	10,565,242
Reserve Fund	-	450,000	450,000
Snow & Ice	746,439	285,200	285,200
Total Appropriated Expenses	56,182,778	58,228,586	62,634,649
Overlay		275,000	200,000
Offset - School Lunch			
Offset - School Choice	310,397	351,933	395,224
Offset - Library Aid	22,176	22,609	23,033
State Assessments & Charges	72,399	72,293	76,293
Transportation Authorities	114,095	117,335	178,078
Annual Charges Against Receipts	-	13,313	0
School Choice Sending Tuition	121,528	116,243	86,045
Charter School Sending Tuition	352,722	333,873	334,402
Snow & Ice Deficit			
Other Amounts to Be Raised			
Warrant Articles - Free Cash Transfer to Reserves	788,227		
Encumbrances	924,184		
Bond Refunding			
TOTAL ALL EXPENSES	58,888,506	59,531,185	63,927,724

Budget Summary Vote - All Funds

Section 2-3

DEPT. #	DEPARTMENT	2018 ACTUAL TOTAL	2019 ATM BUDGET TOTAL	2020 PROPOSED BUDGET	\$ CHANGE	% CHANGE
01123	TOWN MANAGER	474,334	508,009	546,538	38,529	7.58%
01138	CENTRAL PURCHASING	56,346	60,300	60,300	-	0.00%
01139	TELECOMMUNICATIONS	80,240	73,000	80,250	7,250	9.93%
01151	TOWN COUNSEL	272,000	210,000	275,000	65,000	30.95%
01155	DATA PROCESSING	476,973	503,112	503,416	305	0.06%
01161	TOWN CLERK	137,012	141,585	146,004	4,419	3.12%
01162	ELECTIONS/TOWN MEETING	11,542	55,655	55,950	295	0.53%
01163	BOARD OF REGISTRARS	7,416	8,000	8,240	240	3.00%
01182	ECONOMIC DEVELOPMENT	96,403	163,284	164,900	1,616	0.99%
01180	HUMAN RESOURCES	217,905	219,642	223,086	3,443	1.57%
SUBTOTAL: ADMINISTRATION		1,830,170	1,942,587	2,063,684	121,097	6.23%
01135	TOWN ACCOUNTANT	126,476	130,606	143,148	12,541	9.60%
01141	ASSESSORS OFFICE	225,933	205,345	232,148	26,803	13.05%
01145	TREASURER	172,921	173,301	179,653	6,352	3.67%
SUBTOTAL: FINANCE		525,330	509,251	554,948	45,697	8.97%
01171	CONSERVATION COMMISSION	82,793	72,750	69,076	(3,674)	-5.05%
01172	OPEN SPACE COMMITTEE	75	450	450	-	0.00%
01175	PLANNING BOARD	145,214	148,205	155,635	7,430	5.01%
01241	INSPECTION SERVICES DEP	314,874	259,015	212,195	(46,820)	-18.08%
SUBTOTAL: DEVELOPMENT SERVICES		542,956	480,420	437,356	(43,064)	-8.96%
01210	POLICE DEPT.	3,124,019	3,417,409	3,575,941	158,532	4.64%
01220	FIRE DEPARTMENT	2,086,734	2,285,433	2,484,431	198,997	8.71%
SUBTOTAL: PUBLIC SAFETY		5,210,753	5,702,842	6,060,371	357,529	6.27%
01510	BD. OF HEALTH	168,034	167,727	171,970	4,243	2.53%
01543	VETERAN'S SERVICES	99,147	94,705	119,280	24,575	25.95%
01544	COA/REC/YOUTH & FAM SERVICES	358,707	404,433	419,536	15,103	3.73%
01610	PUBLIC LIBRARY	352,409	373,942	389,606	15,664	4.19%
SUBTOTAL: HEALTH AND HUMAN SERVICES		978,297	1,040,808	1,100,392	59,584	5.72%
01192	PUBLIC BLDGS&PROP MAINT	471,615	475,198	478,017	2,819	0.59%
01421	DPW ADMINISTRATION	99,791	101,103	96,918	(4,185)	-4.14%
01422	HIGHWAY CONST & MAINT	443,376	503,434	600,484	97,050	19.28%
01423	SNOW & ICE REMOVAL	746,439	285,200	285,200	-	0.00%
01424	HWY-STREETLIGHTING	34,665	40,000	40,000	-	0.00%
01429	HWY COMBINED FUEL ACCOU	147,580	151,000	151,000	-	0.00%
01491	CEMETERY, PARKS & TREES	237,332	248,104	253,057	4,953	2.00%
SUBTOTAL: PUBLIC WORKS		2,180,798	1,804,039	1,904,676	100,637	5.58%
01300	SCHOOL DEPARTMENT	30,134,567	30,620,261	33,151,646	2,531,385	8.27%
01399	KEEFE TECH VOC SCHOOL	1,331,996	1,331,996	1,193,747	(138,249)	-10.38%
SUBTOTAL: EDUCATION		31,466,563	31,952,257	34,345,393	2,393,136	7.49%
01710	TOTAL DEBT	3,293,869	3,371,547	4,150,966	779,419	23.12%
	EXCLUDED DEBT	-	1,747,954	2,155,963	408,008	23.34%
	NON EXCLUDED DEBT	3,293,869	1,623,593	1,995,003	371,411	22.88%

Budget Summary Vote - All Funds

Section 2-4

01930	CAPITAL PROJECTS	1,499,019	750,000	750,000	-	0.00%
01911	EMPLOYEE RETIREMENT	2,757,454	2,922,071	3,126,617	204,546	7.00%
01912	WORKERS COMPENSATION	252,078	270,000	270,000	-	0.00%
01913	UNEMPLOYMENT COMPENSATION	20,956	75,000	60,000	(15,000)	-20.00%
01914	EMPLOYEE HEALTH FRINGES	5,859	5,000	5,000	-	0.00%
01915	GROUP HEALTH INSURANCE	5,560,658	5,991,735	6,472,675	480,940	8.03%
01945	OTHER INSURANCE	495,049	630,950	630,950	-	0.00%
	Subtotal: BENEFITS & INSURANCE	9,092,054	9,894,756	10,565,242	670,486	6.78%
01960	SALARY CONTINGENCY	-	184,978	226,621	41,643	22.51%
01965	MUNICIPAL EFFICIENCY PROGRAM	37,304	25,000	25,000	-	
01132	RESERVE FUND	-	450,000	450,000	-	0.00%
	TOTAL GENERAL FUND	56,657,112	58,108,485	62,634,649	4,526,164	7.79%