



# *Town of Ashland, Massachusetts*

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**BOARD OF SELECTMEN**  
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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 costs (i.e. health insurance, utilities) to elicit savings
2. Reinvesting those savings into service enhancements
3. Budgeting conservatively
4. Establishing and more importantly 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 for not only departmental and operational costs but also community development initiatives to enhance quality of life and private investment in the town.

Accordingly, the first two years focused on restructuring our fixed costs, which has led to historic investments in our schools and municipal departments. At the same time, we worked to gather consensus among various stakeholders on a set of policies and values that ensured that we would work collaboratively to make Ashland the best community in Metrowest. 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 our upward 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 strong 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 center on 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 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 placed upon it.

**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 8.3% 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. This will be especially critical as we look to develop a net zero energy plan for the future.

**Local Support for Arts and Cultural Activities** - The FY20 budget also contains \$5,000 in the Town Manager's Contractual Services line to help support arts and cultural activities through the Ashland Cultural Council.

**New Diversity Initiative** - New to the budget this year is \$5,000 in the Town Manager's Contractual Services line to support diversity initiatives throughout town. The first town-sponsored project will actually occur in May 2019, "Showcase India", at the Ashland High School which will highlight the uniqueness of fifteen of India's thirty states.

**Enhanced Legal Budget** - The Legal Services budget increased significantly in anticipation of several legal challenges ahead related to land use and the Eversource Gas Transmission Line project.

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 \$3,309,807 or an increase of 14.6%. 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 \$116,706, or an increase of 3.7%.

The fiscal year beginning July 1, 2019 is also the first full year for the stormwater enterprise fund budget. This budget as proposed totals \$303,031. 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**

The FY20-24 capital program is the most ambitious ever, and continues the exciting and regenerative investments made in our community. 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 the construction sidewalks, and complete the engineering of the downtown improvement project, and numerous school repairs among other things.

The cornerstones of this year’s plan center on two long-discussed, planned, and dreamed about projects: the start of the reconstruction of Rt.126 into a village-based commercial district and the transformative improvement of downtown Ashland.

The Pond Street project takes advantage of almost \$16,000,000 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 of local funding in “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 discussed for decades, with substantive planning and engineering occurring in 2016 through 2019. It includes wider sidewalks, newly designed

crosswalks and traffic signals, bicycling amenities, undergrounding utilities and placemaking amenities for Main Street from Pine Hill Road to Summer/Homer and Front Street from the intersection of Main to the Ashland Lumber site. It too, takes advantage of significant state funding (\$4 million) and designed to create a walkable, vibrant downtown that becomes a destination as opposed to a pass-through. 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>

We have a number of smaller projects and departmental equipment, including trucks for DPW, Fire, and smaller but important items such as large-scale carpet replacements and generators.

## 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 that experienced during the early 2000's. Even during this recent 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 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, work, and visit, 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, interest in how all of our departments can be successful, and interest in the town as a whole. One of the most enjoyable parts of my job is both building and being a part of a team that can accomplish ambitious goals that could not be accomplished individually. That spirit of teamwork is evident here.

Finally, I would like to thank the department heads for their professionalism and the work they have done in assembling their budget presentations and the work they do in general. 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, 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 the confidence and optimism both in and for Ashland expressed by the 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