

Town of East Longmeadow

Fiscal Year 2022

Annual Budget





TOWN OF EAST LONGMEADOW
60 CENTER SQUARE
EAST LONGMEADOW, MA 01028

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DATE: April 27, 2021

Honorable Town Council Members and Citizens of East Longmeadow:

This year's final budget is essentially the same budget that was presented to the Town Council on March 30, 2021 with one change regarding Capital projects, a reduction of \$200,000. This change is explained on page 4 of this message. Because of this \$200,000 reduction, the figures on pages 1, 3, 12 and 14 of the Sources and Uses itemization (pages 1-19) have changed as those figures are the results of a formula. I have added a chart showing the tax rate for the last ten years as page 19. I have also included a glossary of terms for reference. I have repeated my earlier message of March 23, 2021 herein for ease of review.

This budget reflects the Town's cautious emergence from the shadow of the pandemic. Fortunately, the negative financial consequences which were anticipated during FY 21 were not as severe as originally feared. I am grateful to the many reliable individuals who were crucial to assembling this budget document, most notably the Director of Municipal Finance, Stephen Lonergan, and all other Department Heads and staff who contributed their time, insight, recommendations and ongoing cooperation during the process. A special note of thanks to the members of the Capital Advisory Committee, chaired by Ryan Quimby, who worked within a very restricted time frame to review, evaluate and recommend a number of capital project submissions. I am grateful to all of them for their diligent work, insight, and thoughtful evaluation of projects on behalf of the Town of East Longmeadow.

This budget is based on state revenue figures included in Governor Baker's submission, (January 2021), which represent a slight increase over last year. As of this date, there is no certain increase in this level of funding. When the legislature votes on the final budget, the revenue figures will reflect the changes included in that vote. With respect to local financial revenue, we anticipate new growth of \$350,000 (down from \$500,000 in FY21) as well as additional levy capacity resulting from Proposition 2.5% in the amount of \$1,148,230. We continue to anticipate lower meals tax revenue and motor vehicle excise tax when compared with pre-Covid receipts. The Town will also allocate \$50,000 to the stabilization fund and \$50,000 to the Other Post-Employment Benefits fund (OPEB) liability fund this year which were omitted from last year's budget.

Most Departments have reduced expenses from prior years where possible, or have submitted level funded budgets, but for contractually required wage increases. As was the case last year, the largest percentage increase in the budget is our third party expense for the Town's portion

of health and life insurance premiums. Presently, there are also two collective bargaining agreements which have expired or will expire on June 30, 2021. Therefore, no salary increases for the personnel in those Unions are included in this draft due to ongoing negotiations. Town employees who were furloughed last April have returned to full time status. Several Town Departments which struggled to maintain services last year due to vacant positions have filled those positions within their existing budgets.

This budget includes a plan to address some of the major goals I have to improve the Town's operational efficiency. The first goal is to accomplish more efficient management of the administrative and financial aspects of Town operations which I hope to achieve by the new position of Internal Auditor in Finance, discussed infra. The second goal is to address the management of numerous substantive issues and quality of life projects which are integral to the growth of the community but are not moving forward due to lack of funding or inability to devote necessary time and attention to them. Therefore, to meet this goal and address those needs, as well as to create a succession plan for my position, I propose a pilot program to hire a part-time Deputy Town Manager/Special Projects Coordinator. Ideally, duties of this position would include coordination and oversight of grants administration, including grant applications and general ombudsman services to Town Boards and Commissions as well as Westcomm and the Veterans Services District of Eastern Hampden County. Responsibility for development of special projects and potential savings in legal expenses are additional possibilities, depending on the candidate's qualifications. The experience gained in the first year would provide some evidence based data regarding the benefit that a full time position of this nature would provide. Currently, many of our Department Heads spend considerable time searching for and writing grant applications, efforts and time which could be devoted to their substantive responsibilities. COA, Planning, Fire, Police, Health, Recreation, IT and DPW are but a few of those Departments which are always in need of additional funding sources. Funding for this position in the Town Manager's office may be accomplished due to savings achieved by the recent hires in the Human Resources, COA and Planning Departments.

Expression of this need was further highlighted in focus group sessions conducted by our Master Plan consultant (whose services were obtained through a grant application) in early March of this year. Those sessions, conducted with key Department Heads and staff, revealed without a doubt, the inability of just about every Town Department, Board and Commission to address, and fund, the many special projects which are in the purview of the Town Manager and which deal with short and long term projects desired by the community. Topics ranged from historical and cultural preservation to agricultural and other environmental protections to Open Space and Recreation to Public Facilities and Public Safety and Transportation issues.

The Finance Department needs a new, temporary, part time position, to serve as an Internal Auditor. This position would immediately assist in the creation and memorialization of policies and procedures which will satisfy an audit finding from 2019. An Internal Auditor would identify areas of concern before they become audit findings, ensure compliance with proper internal controls and also ensure that all assets (fixed and cash) are properly accounted for, turned over and secure. The position would also verify compliance with state laws and General

Accounting Standards Board (GASB) procedures. Strengthening internal controls may result in lowering the Town's liability insurance costs.

It should be noted that the ratings agencies, (i.e. Moody's and Standard & Poor) look at the strength of financial controls when determining a municipality's bond rating. With an internal audit function, the rating agencies will see that our administration is committed to its fiduciary responsibilities. The inefficiencies in the Department, which were exacerbated by Covid and staff shortages, can be dramatically ameliorated by filling this position, again, on a pilot basis, for one year.

Additionally, this budget includes a request for two new management positions in the Public Safety Departments, Police Lieutenant and Deputy Fire Chief, respectively. The addition to the Police Department management staff has been requested for several prior years and in my opinion, is necessary to the overall improvement to Police operations, particularly in light of recent requirements of the Police Reform Bill. It is but one of several Departments that currently lack a succession plan. The Town recently hired a new Police Chief, Mark Williams, and approval of this new position will provide him with the management staff to proceed with the development of policies and procedures which are necessary in modern policing and will assist in obtaining certification and accreditation of the Department by the Mass. Police Association Commission. Implementation and training of officers as well as coordination of supervision and a number of other tasks which are essential to the Department are among the duties to be performed in this new position. This proposed addition to the management staff in the Police Department will also provide an opportunity for career growth and development within the Department, which is very limited at present. All of these issues were identified by Chief Williams as important to the success of a modern Police Department. The funding in this budget is for a six month period, to begin in January, 2022. This delay is necessary for several reasons, 1) to allow for a formal assessment of candidates and 2) to address Union concerns which may arise regarding staffing issues and other matters if the successful candidate is appointed from within.

The Fire Department's request for a Deputy Chief position is intended to assist the Department in its long term planning and operations obligations as well as to address the lack of a true succession plan which exists there also. The new deputy would be a non-Union position which would eliminate potential conflicts which now exist when management decisions and disciplinary matters are of concern. The exponential growth of the Department and its municipal ambulance service over the last several years and the concomitant improvement of public safety service to the community both prompts and supports the need for this additional management position.

Aside from the above referenced positions, the FY 22 budget for Town Departments represents only essential operational needs and describes available revenues and sources of those revenues. We continue to work diligently to seek ways to save on expenses, always looking for opportunities to minimize any increase in the tax burden. Evidence of this diligence is the fact that the FY 22 general fund uses for Town operations as presented in this budget represents a

.009 spending increase. The increase in dollars is \$538,315.00 Health and life insurance premium costs continue to rise annually, up \$545,491.38, or 7.6% this year and the Town's retirement assessment increased by \$181,698.55, an increase of 4.7%. We absorb these increases by savings elsewhere, for example, the recent decision to refinance outstanding bonds resulted in significant savings in the Town debt service costs this year and the Workers compensation premium has reduced by \$84,618.28.

In terms of specific department percentages of total spending, the East Longmeadow Public Schools budget represents approximately 52.9% of the total operating budget for the Town and is an increase of \$877,111 over last year. The School budget, as adopted by the School Committee, is included in the Town Manager budget presented tonight. The submission indicates that the 2.78% increase represents a level services budget, increased only by contractual obligations. Public Safety Departments, Police, Fire, and Building, together comprise an additional 8.5%. The DPW (all divisions) accounts for approximately 8% of the total budget.

We continue to move forward by planning for capital improvements. This year's final recommendations total just over one million fifty five thousand dollars, (\$1,055,117) and include the items listed on the Capital Plan budget for the current year which is included with this budget. This figure is reduced by \$200,000 from the draft capital budget due to the replacement of network hardware which was necessitated by the failure of the core network in early April. The comprehensive Capital Improvement Plan which incorporates more long term strategic planning is submitted under separate cover.

The Town's organizational chart (by Department) is incorporated as an attachment to the final budget. Several changes have occurred since the submission on March 30, 2021 and they are incorporated within.

I am hopeful that the taxpaying public is aware that every Town department listed in this year's budget has made sacrifices and would significantly benefit from an increase in their specific budget, but this budget represents what the Town can reasonably afford and makes every attempt to address needs and share sacrifice in an equitable manner. The budget attempts to reach a proper balance between identification and achievement of Town goals for education, public safety and all other core services and taxpayer ability and willingness to fund these services. We want to make progress on Town projects and improve our municipal operations while remaining mindful of the financial burden such initiatives impose on the taxpaying public.

Thank you for your patience, attention and support. If you have any questions, concerns or suggestions regarding the budget or other municipal matters, please contact me at Mary.McNally@eastlongmeadowma.gov or (413) 525-5400 extension 1101.

Respectfully,

Mary E. McNally

