

Town of Chilmark
Finance Advisory Committee
Letter to Voters: FY22 Town Budget

April 20, 2020

This letter is a short summary of the Finance Advisory Committee and Select Board review of the proposed FY22 budget for the Town of Chilmark. Our normal review process was somewhat truncated this year due to the difficulty of meeting remotely via Zoom. However, the FinCom has established a system as part of our review process whereby members (liaisons) meet with the various town department heads and other funding requestors to go over (and sometimes alter) their budgets prior to the full-FinCom / Select Board meetings. This approach has been especially helpful this year. (This is also why many of our votes end up being unanimous.)

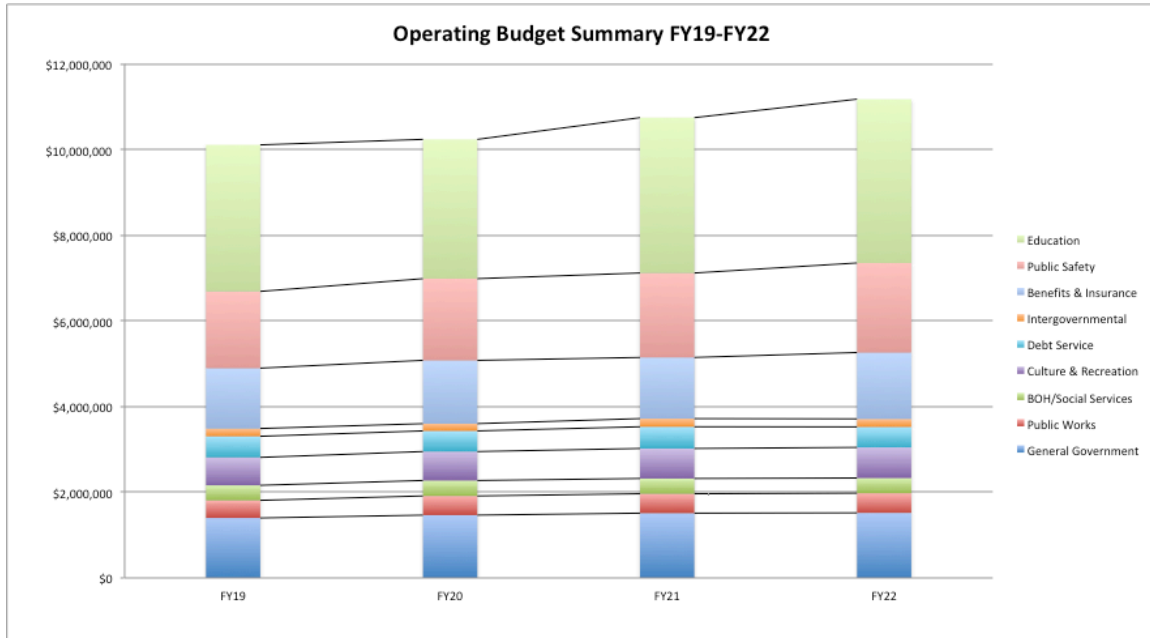
The past year has been extraordinarily challenging for all of us. Our community, our town officials and employees, and our hard-working volunteers have risen to the challenge! Thanks to all, and continue to stay strong and stay safe.

Chilmark Finance Advisory Committee:

Marshall Carroll
Vicki Divoll
Eric Glasgow
Bruce Golden
Rob Hannemann (chair)
Don Leopold
Susan Murphy

Proposed Operating Budget

The overall proposed operating budget for FY22 is **\$11,176,160**, an increase of 4.1% from the FY20 budget. A Proposition 2 ½ override is required to support this budget plus a number of one-time appropriation articles on this year's Annual Town Meeting warrant. The chart below breaks down the budget by major categories over the past 4 years:



	FY19	FY20	FY21	FY22	CAGR	FY22 Inc %
General Government	\$1,400,324	\$1,466,737	\$1,512,444	\$1,519,704	1.98%	0.15%
Public Works	\$411,386	\$447,713	\$453,483	\$459,124	2.78%	1.22%
BOH/Social Services	\$351,017	\$360,780	\$355,323	\$353,732	0.19%	-0.45%
Culture & Recreation	\$651,617	\$675,383	\$700,567	\$715,430	2.36%	2.12%
Debt Service	\$492,650	\$482,100	\$507,700	\$477,750	-0.76%	-5.90%
Intergovernmental	\$182,062	\$169,186	\$190,241	\$187,142	0.69%	-1.63%
Benefits & Insurance	\$1,408,761	\$1,477,592	\$1,428,006	\$1,548,946	2.40%	8.46%
Public Safety	\$1,791,370	\$1,907,107	\$1,971,013	\$2,090,727	3.94%	6.07%
Education	\$3,420,478	\$3,251,111	\$3,626,553	\$3,823,605	2.82%	5.43%

You will note that the three largest elements of the budget are also the categories with the greatest year-on-year growth as well as the 4-year growth rate (CAGR) leaders. (The rest of the budget actually declined by 0.3% in FY22 vs. FY21.)

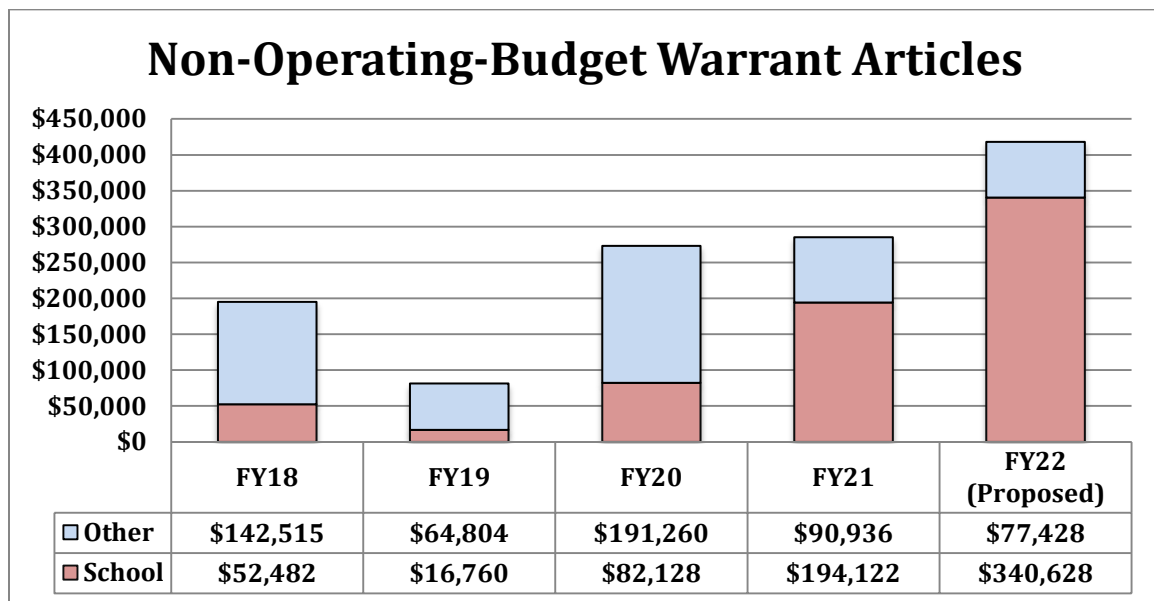
- The **education** assessment growth was primarily driven by the added costs associated with the COVID-19 pandemic. (The MVRHS budget increase was 6.0%, while the UIRSD increase was 5.2%.)

- The **public safety** category includes police, fire, and ambulance services. Here the budget growth was primarily associated with the police and fire departments as opposed to the Tri-town ambulance service. The proposed police budget increase is 7.9%, attributable to personnel costs and mandated by contract and step/grade increases. The fire department proposed budget increase is 10.1%, also associated mainly with personnel-related costs.
- Finally, there is a substantial increase in **benefits & insurance** costs – a Dukes County Retirement Board assessment increase and increases in employee health insurance and OPEB Trust catch-up contributions.

The Finance Advisory Committee recommends approval for the overall proposed budget.

Warrant Articles

Non-operating-budget warrant articles – for capital purchases, extraordinary maintenance of buildings and equipment, and so forth – represent approximately 3.3% of the total funding to be raised by taxes in FY22. As seen in the chart below, this funding varies year to year:



Education-related (“School”) articles have grown to dominate this spending category over the 5-year period shown in the chart above. A significant part of the upward trend here reflects the increased attention to maintenance and upgrades of our aging school buildings and equipment.

Finally, an article appears on the FY22 warrant to approve the major expenditure represented by the proposed public safety complex (fire and ambulance). There have been a number of public hearings that present and explain the proposed building project, including the financial ramifications and impact on the town property tax rate.

After review, the Finance Advisory Committee recommends approval for the warrant articles, including the public safety building article, excepting only those articles we chose to take no action on and articles 34, 35, and 37, which we have not voted on at the time of this writing.