



Office of the Town Manager

TOWN OF ACTON

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April 12, 2021

Honorable Select Board Members:

I am pleased to present this summary of the updated Town Manager's Recommended FY22 Operating for your consideration. If approved, this budget will be transmitted to the Finance Committee at least 60 days before Town Meeting as required by Town Charter. In a typical year, we would already have had our Annual Town Meeting by now. Due to the pandemic, the Town Meeting was postponed to June 21, 2021, and the schedule for the budget process was modified accordingly. On March 1, 2021, I presented the Town Manager's proposed budget for Fiscal Year 2022 to the Board. This document is available online at <http://www.actonma.gov/townmanager>. The presentation of Acton's first 10-year Capital Improvement Plan was on March 29th and the Budget Workshop with the Finance Committee and Select Board was held on April 6th. I look forward to the budget process returning to a more typical timeline next year.

This budget is reflective of the goals of the Select Board and is responsive to the needs of the community. Highlights in the FY22 budget includes investments consistent with goals related to infrastructure and public safety. Also included are sustainability measures, creating new resources to support diversity and equity efforts, increased resources to address mental health needs, funding for non-participating items for the Kelley's Corner Infrastructure project, economic development initiatives, continued funding towards the Other Post Employment Benefits (OPEB) liability, and sustaining excellent service levels. Also included is funding necessary for matching funds to support the Town seeking a grant to remove the hazardous portions of the dam on River Street.

COVID-19 Impact on Acton and the FY22 Budget

Through a combination of hard work and innovation, we have persevered through a once-in-a-generation public health crisis and found ways to effectively operate in a new normal. Due to the COVID-19 pandemic we have implemented several budget controls including a hiring freeze and spending freeze since March of 2020. These controls helped to secure a substantial expense turn back at the end of FY20 which has helped to shore up our reserves. These controls also left many positions unfilled, and many normal expenses and programs deferred or discontinued. These disruptions have been challenging for all of us. I am proud of the way that this organization has met these challenges and have continued to provide excellent services to our community. In the budget book published on March 1, 2021 we included a special collection of images and photos in called "Acton Response to Covid-19 Pandemic".

We received from the federal government a direct allocation of CARES Coronavirus Relief Funds in the amount \$2,092,925. We were able to utilize this funding to cover all unbudgeted expenses related to

responding to the pandemic. Since this pandemic was also a declared federal disaster, we were able to seek reimbursement from FEMA for many of our response expenses. As a result of this funding support and the significant financial controls reference earlier, we are projecting a turn-back at the end of FY21 which will help support the replenishment of our reserves. We have also been notified that through recently adopted American Rescue Plan Act (ARPA) that Acton may be receiving more than \$6M in direct relief to help support our response and recovery efforts over the next three years. Additional details are expected to be released on how these funds may be used and we intend to work with the Select Board to invest this new resource in the highest areas of need.

FY22 Budget

The recommended municipal operating budget including subsidies for FY22 is \$36,992,835, a 2.69% increase over FY21. The operating budget addresses multiple challenges as discussed further below and is generally consistent with Finance Committee recommendations related to operating budget increases. As part of the recommended FY22 Capital Improvement Plan we are proposing to seek borrowing authorization for \$3,117,000 General Fund projects which would result in debt service costs in the amount of \$213,997. Additionally we are proposing \$601,000 in capital projects to be funded from existing reserves along with continuing to fund maintenance items within the operating budget and targeted investments in capital from other sources as described in more detail below. As shown in the table below, the total request, when factoring recommended capital, and subsidies to enterprise funds, is \$37,807,832, a 2.56% increase over the total Town appropriations for FY21.

	FY22	FY21	\$ Change	% Change
Municipal Operations:	\$36,617,835	\$35,615,202	\$1,002,633	2.82%
Subsidies:	375,000	410,000	(35,000)	-8.54%
Municipal Operating Budget:	36,992,835	36,025,202	951,418	2.69%
Capital:	814,997	840,000	(25,003)	
Total	\$37,807,832	\$36,865,202	\$942,630	2.56%

Proposed FY22-FY31 Capital Improvement Plan

The Town of Acton’s ten-year Capital Improvement Plan (CIP) comprises three main components: the FY22 capital budget and the mid- and long-term project plans. The proposed FY22 capital budget (as detailed below) is actionable and will be considered by Town Meeting and, if approved, expended in the upcoming fiscal year. The CIP itself does not authorize expenditures, but instead serves as a roadmap for future investments and a foundation upon which to build longer term planning efforts. Each year, as part of the annual capital budgeting process, Town leadership and department staff will review the CIP and adjust the scope, cost, and timing of projects as needed. While the long-term CIP can contain planned replacements of major assets with known lifespans, such as a fire pumper truck, it also can include anticipated replacement of assets based on observed trends and expected deterioration, as is often the case with bridges and roadways

where annual inspections allow for trend-based projections. Trends in expenditures are also used to project future capital replacement and maintenance needs as well; while a specific need may not yet be identifiable, the Town can realistically assume that a certain amount of funding for building maintenance and fleet replacement will be an annual requirement. In addition to equipment and infrastructure that is funded annually in the operating budget, the tables below show the individual new proposed projects for FY22 by funding source.

Items Funded by General Fund Borrowing		
	Construction of Acton Town Center Redesign	\$ 886,000
	Public Works Facility Improvement Design (General Fund)	\$ 800,000
	Kelley's Corner Pedestrian Lights (General Fund Portion)	\$ 500,000
	53 River Street Dam Removal Grant Match	\$ 250,000
	<i>Total Project Debt Authorization</i>	<i>\$ 2,436,000</i>
	FY22 Debt Service Cost	\$ 213,997

Items Funded by Free Cash		
	Diversity Officer Study and Implementation	\$ 85,000
	Tree Assessment	\$ 30,000
	Dog Park Grant Match	\$ 21,000
	Vacant Storefront Program	\$ 20,000
	Total Projects Funded by Free Cash	\$ 156,000

Items Funded by Stabilization		
	Sidewalks	\$ 90,000
	Brush Chipper	\$ 70,000
	Net Zero Vehicle Replacement Program	\$ 50,000
	Complete Streets	\$ 50,000
	Fire Alarm System	\$ 50,000
	Sustainability Program	\$ 50,000
	Fire Tools	\$ 30,000
	Forklift	\$ 30,000
	Police Technology	\$ 25,000
	Sub-Total Capital Projects Funded by Stabilization	\$ 445,000

Investing in Community Priorities

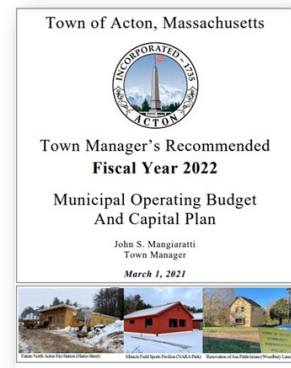
We used caution as we planned for the FY22 budget. While revenues through the first two quarters of FY2021 are stable, there is still economic uncertainty that may impact our budget. Additionally, there are needs of the organization that were either expressed previously or that have emerged recently related to new goals and policy directives.

Funding was limited as we developed this budget but we maximized our utilization of resources, made adjustments to better align resources with needs, and as result were able to identify resources to invest in programs and initiatives that are community priorities. In the budget book which is found online at

<http://www.actonma.gov/townmanager> we highlighted and provided detail about ten of these investments as well as other new features described further below.

New Features in the FY2022 Budget:

Last year we implemented a web-based solution called ClearGov which provides easy-to-understand, interactive view of our budget demographics and more. Visit www.actonma.cleargov.com to view this tool. As part of this budget, I am pleased to announce the availability of several new features to improve transparency for residents to learn more about our budget and expenditures



1. A comprehensive 10-Year Capital Improvement Plan contains detailed information about infrastructure and recommended investments over the next ten years based on a town-wide needs analysis.
2. Enhanced departmental information in the budget book including changes to the department and divisions pages to reflect the actual organization structure of the organization and make it easier to review all of the programs in each budget
3. New performance metrics from each department showing trends year over year
4. Enhanced org charts and reporting on number of employees shown as full time equivalents (FTE) for each department
5. A new section on revenue assumptions and financial analysis
6. A new section showing all grants received and a new [Grant Tracker tool](#) that is updated regularly and shows all of the grants we have received.

The following is a description of the process we used to develop the FY22 Budget.

Budget Process

This budget process required hard work and creativity to develop a recommendation that meets the needs of the community while minimizing increases reflective of the current economic uncertainty. The goal given to Departments was to build on the current climate of innovation and continue to leverage the resourcefulness displayed by our team to produce an FY22 budget that delivers our current services with a target maximum overall operating budget increase of 2% over the FY21 budget. This 2% overall target increase will include contractual and non-union compensation increases. This budget process required hard work and creativity to develop a recommendation that meets the needs of the community while minimizing increases reflective of the current economic uncertainty. The Departments were successful in accomplishing the goals and budget directives outlined at right and we have a Town Manager's Recommended budget that is 2.5% over FY21.

This proposed budget is consistent the Finance Committee recommendation to limit the operating expense increase. For FY22 we will maintain or improve upon our current level of services and plan to continue with additional efficiency measures, such as aggressively pursuing grants for capital expenditures. The above measures along with the ongoing fiscally responsible efforts of management will allow Acton to continue to offer exceptional services, maintain the Towns AAA bond rating, eliminate our OPEB liability in less than 13 years and makes Acton a vibrant, diverse, desirable place to live, play and work.

During the course of the current fiscal year, we have successfully:

- Transformed our organization into 100% remote working capable
- Established a new service called the Acton Town Services Hotline
- Created the Acton Boxborough Littleton Maynard Westford Regional Grant Program to distribute \$1.6M in CDBG-CV funding awarded from the Department of Housing and Community Development
- Reorganized Cross Town Connect to reduce costs of services
- Successfully and safely held four elections
- Hired Acton's first Sustainability Director
- Maintained the Town's AAA Bond rating
- Provided nearly \$165,000 in grants to 43 small businesses in Acton that were negatively impacted by COVID-19
- Celebrated ground breaking at the new North Acton Fire Station on Harris Street
- Celebrated grand opening with a ribbon cutting NARA Park Sports Pavilion
- We are conducting study to improve parking infrastructure at our busy South Acton Commuter Rail Station. The town purchased a property next to the station last year and most of this work is focused on how to best utilize this new property for parking and potentially other needs for commuters.

The proposed FY22 budget will continue these successful initiatives and allow for new initiatives led by our talented and dedicated staff and volunteers.

Maximizing resources through reorganization and realignment, and reenvisioning services

The FY22 budget maximizes the resources available by continuing to reshape and reenvision how we deliver services. We continue to work towards identifying opportunities to consolidate resources, share services, supplies, and in some cases personnel to achieve cost savings while maintaining high-level service. A reorganization of the administrative staff in public works led to establishment of a business office with dedicated support for all public works divisions without increasing personnel. A reallocation of staffing resources in the Green Advisory and Emergency Management, Fire Department budgets created capacity to fund the recently created Sustainability Director position and better aligns our organizational structure with the needs of the organization. The continued collaboration on Veterans services with the Town of Boxborough helps offset the cost of providing services to Acton as Boxborough covers a portion of salary and expenses. Other regionalization opportunities are continually being explored including a feasibility study to regionalize public safety communications with the Town of Concord.

Bucket Truck for Tree Work

Another example is our proposal to change how we fund tree maintenance services. Over the last several fiscal years we spent about \$31,000 annually for contracted bucket truck work at a rate of \$700 per day. The current rate structure for the bucket truck and operator is almost a 100% increase due to the need to have an additional contracted crew member accompany the truck. As a result we will only be able to perform about half of the bucket truck work typically completed in prior fiscal years unless we drastically increase our

contractual line item to account for this price increase. We are proposing to purchase a bucket truck (a total of \$150,000) on a lease to own basis utilizing funding of (\$30,000) typically budgeted for contracted tree work. The acquisition of the bucket truck also improves the efficiency of the Tree & Grounds crew, now that work can be scheduled without coordinating with a contractor's availability.

Dog Park Construction and Maintenance

In 2019, the Board approved a \$2 per dog increase for dog licensing to help fund future maintenance needs at a proposed future dog park. This new revenue is supporting a \$4,000 increase to Natural Resources maintenance budget. This funding will be dedicated for dog park needs. Through the capital program we are also proposing an additional \$21,000 in FY22 for a total of \$25,000 to serve as a match for the proposed Stanton Foundation Grant which will be sought for design and construction of the dog park.

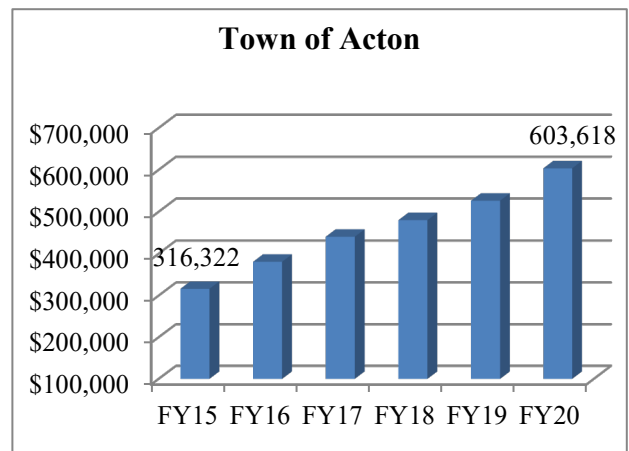
Leveraging Grants and External Funding to Offset Local Investments

Departments have also worked hard to pursue grants and we continue to leverage substantial resources to reduce the need to rely on local taxation. The Kelley's Corner Project is an example of how we are leveraging external resources to make substantial investments in Acton. Also, the Town of Acton has been awarded a \$2.75 million grant provided by the MassWorks Infrastructure Grant Program to support the development of affordable housing at Powder Mill Place. With the grant funding, the Town will work to make intersection, sidewalk and streetscape improvements, along with upgrades to the Middle Fort Pond Wastewater Treatment Facility. The funds will help support the connection of the 230 unit housing development to existing wastewater systems, as well as make additional infrastructure improvements that will allow for better traffic flow and improved pedestrian and motorist safety. This work aligns with a [Powder Mill Road Corridor Study](#) underway with the Town of Maynard.

A \$160,000 dispatch grant and \$30,000 tax and livery grant will help fund public transportation programs for Acton and its regional partners. To view a full list of grants recently awarded to the town go to our new Grant Tracker which may be found at <http://www.actonma.gov/grant>

Property Tax Relief

There are several tax relief options available to residents that are overseen by the Assessor's Office. The chart (at right) shows a 90% increase in dollars granted for tax exemptions in the last five years. We also have a tax deferral program for seniors with income of not more than \$40,000 per year. There is a "Temporary Hardship" exemption that allows for temporary relief during difficult times. This temporary relief is granted under the

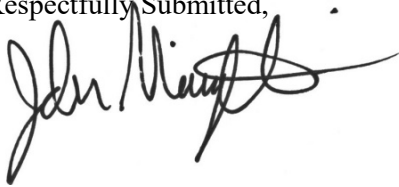


discretion of the Board of Assessors which considers age, income, and other circumstances. The Board of Assessor generally reviews the situation to determine whether it's a long-term or short-term hardship and acts accordingly. Go to actonma.gov/taxrelief to view a comprehensive resource for all of the property tax exemptions available to Acton residents. We intend to continue to advertise the availability of all of these programs to assist those in need. If you have any question about these tax relief programs please contact the Assessor's office 978-929-6621.

Summary

I would like to thank the Select Board for its leadership and the Town's Department and Division Heads, and staff for their professionalism and work to prepare this budget. I look forward to your feedback as we continue the budget process leading up to the Annual Town Meeting.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John Mangiaratti". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John S. Mangiaratti
Town Manager