

# Town of Pepperell Select Board

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## FY2022 Budget Message

Staff,

As calendar 2020 comes to a much-needed end, it is already time for us to begin planning our fiscal year 2022 budgets. The past nine months have been truly unique for all of us and the next 6-18 will also have some uncharted territory. To the extent that is true, we should plan carefully for what we can expect and leave ourselves flexibility for what we cannot anticipate. Each of us has gained valuable experience in planning for the unknown and unpredictable in the past year, so this part, at least, should be easy!

I'd like to start by acknowledging the extra-ordinary efforts of all our staff members in the past nine months. Pepperell employees have always been a dedicated, professional, and hard-working group. The pandemic has stretched us thin and created incredible stresses and anxiety, both at work and in our personal lives. It has also forced us to continue our operations while changing how we conduct business - all in real time and without significant planning or resources. In the best of circumstances, we would struggle to manage change like this for a few days or weeks. You have been at it for more than nine months and the end is likely another six to nine months away. I applaud your efforts, your perseverance, and your continued commitment to the community of Pepperell. Thank you for your commitment each day.

As we begin planning for Fiscal Year 2022, we will use a process similar to last year. Statutorily, budgets must be submitted 90 days before our Town Meeting/Local Election date (whichever is earlier). This year, your budget submission should be returned to my office by January 22<sup>nd</sup>. By making the deadline later than in previous years, we hope you will have more time and better data to inform your FY2022 budget request.

We start with revenue and it is not a terrific outlook. While property tax collections are within normal ranges, steady increases in state aid and local receipts may be lower than in recent years due to the pandemic's impact on the statewide economy. New growth, always tricky to estimate at this point in the planning process, is conservatively projected near Pepperell's historic average of .78% of total property tax value. These combine to provide a challenging year ahead with a total budget increase of 2.15% which is only \$652,986.00. As the schools traditionally receive about 64% of the Town appropriation, the Town portion of the budget is projected to increase by just \$240,912.00. Fortunately, inflation has been low for several years providing some balance to our expense needs. We are hopeful that state aid and local receipts may be greater than current estimates, but with the information available today, this is a responsible start.

Many of you are aware that the Planning Board recently issued a Special Permit for a retail marijuana establishment. While we project significant new local receipts from this business, it is unclear today when those revenues will begin to be received, as the business is not yet open. These revenues are NOT in the current local receipts plan. When it is more predictable that

there will be revenues for some or all of FY2022 from this business, we will add an estimated value to the revenue projection.

Before beginning your budgeting process, please review the **Select Board 2021 Priorities** as well as the **2020 Master Plan**. Both are available on the Town website, here: [2021 Annual Priorities | Pepperell, MA - Official Website](#). Priorities and Recommendations from these documents should be considered in planning your budget submittal. The Select Board priorities for 2021 include an expectation that new spending initiatives (staff or expenses) are sustainable for the budget process and therefore should include the sustainable aspect or a justification explaining the cost / benefit of the new cost. For example, your department may be eliminating another cost with this new tool or the resource may be needed to fulfill a legal requirement. This detail should be included in the narrative section, see #4, below. To be clear, new spending is not the inflationary increase of existing spending, but the cost of something we don't currently pay for at all.

Like last year, submittals will be made on the Town network, for those with network access. Others may submit electronic versions via email to my attention. The entries will be made into an "FY2022 General Fund" Excel workbook which is based on the monthly expense reports, so it will be familiar in appearance. There are four sections of the budget submittal:

1. **Salary & Wages** - verify the contractual or wage table information for each employee in your department, including yourself, and enter the amount needed for FY2022 into the appropriate line item. Longevity, stipends, and Overtime lines, where applicable, must also be calculated and entered. The FY2022 Non-Union Wage Table and FY2022 Salary & Wage Cross Reference are in the on-line folder.

FY2022 COLAs have not yet been determined by the Select Board. For those with expiring contracts/collective bargaining agreements, use the current terms and we will adjust at the conclusion of negotiations. For Union staff, please refer to the current Collective Bargaining agreement for FY2022 adjustments. These can be found here:

[Local Union, Employment and Service Contracts | Pepperell, MA - Official Website](#)

2. **Expenses** - Budget only for contractual increases and level service for all expenses. If level service cost is estimated to be rising above 2%, provide a explanation in the Notes column. If changing the service level, a cost reduction is expected or a justification must be included.
3. **Capital items** - Using the "FY2022 Capital" Excel workbook, also on the network, enter any capital items desired for FY2022-2026 not already noted. Capital items are expected to last 5 or more years and cost at least \$5000.00 to purchase. Please focus on vehicle and equipment capital. We have conducted extensive facility assessments this year and will be populating the capital plan for our buildings from these assessments. The assessment report will be available in January and if you are a building manager you will have the opportunity to review and adjust the facility plan before it goes to the Capital Program Committee.

Update estimated / quoted costs for capital spending. For new capital items, submit a quotation or source of the estimated cost along with an explanation of the capital need. These documents, clearly labeled for the item, should be placed in the "FY2022 Capital Requests" folder on the network.

4. **Narrative** - Provide a brief overview of your department request with an emphasis on the following:
  - a. How your department budget is aligning with **Select Board priorities** and **Master Plan recommendations** .
  - b. **Grants** - The FINCOM, EDaC, and Select Board have all expressed an interest in maximizing our attainment of money from outside sources. Please include any grants you have now, or may apply for, that will continue into fiscal 2022.
  - c. **Unfunded needs** and the impact on the community.

Please label your budget narrative "Name of your Department FY2022 Narrative" and place it in the "FY2022 Narratives" folder on the network.

All the files and folders mentioned here will be available on the network **by January 4, 2021**. To get to the files, find this folder on the Town network -- copy and paste into a browser while logged into the Town network:

\\pepperell.pepperell.ma.us\Department Shares\TA\Public\FY2022 Budget Process

**Budgets are due on January 22, 2021** to the network file or directly to my email for those of you without network access. I will review submittals with each of you at our regularly scheduled monthly meeting or at a special meeting if time requires.

Department Heads will begin meeting with FINCOM between February 3, 2021 and March 24, 2021. Your slot will be determined shortly. Groups of departments will present each night, similar to last year. There will be separate presentation meetings for Public Safety, Public Works, Education, General Government, Human Services and Cultural, Debt and Capital.

There will be a 'GoToMeeting' for staff on January 6, 2021 at 12:30 - 1:30 to review this process.

On-line: <https://global.gotomeeting.com/join/676926109>

Phone: (646) 749-3122 and then Access Code: 676-926-109

In summary, following the outline above, you can enter your budget information in the files on the network beginning on January 4, 2021. On January 6, 2021 the process will be reviewed with time for questions and answers. Budget submittals are due on January 22, 2021.

Thank you for your efforts toward this critical process,



Andrew MacLean  
Town Administrator