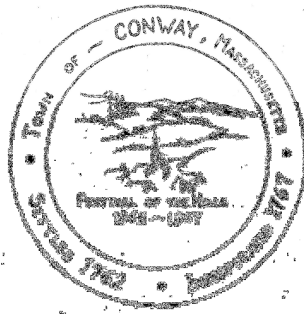


# Town of Conway



## Fiscal Year 2020 Budget

*March 4, 2019*

**TOWN OF CONWAY**  
**BUDGET FOR FISCAL YEAR 2020**

*March 4, 2019*

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## TOWN OF CONWAY BUDGET FOR FISCAL YEAR 2020

### Message from the Town Administrator

Conway’s finances are again in very good shape, after a few years of bumping up against the Proposition 2½ levy limit. This is due to a combination free cash and new growth in utility personal property. This situation is not permanent, however, and the Town will have to pay close attention to future revenues in order to manage its spending well. As always, most of the increases in the budget come from items that are not directly under Town administrative control, primarily schools and health care.

This budget continues funding for current services and provides some improvements, but only minimal operational increases—recent budget increases to bolster the capacity of the Town are peaking, so the overall budget should be relatively level after fiscal year 2020 (with the usual larger increases for the schools, and this year, some capital expenses, which are paid for through the capital stabilization fund and free cash). The result, in brief: operating revenues available are projected at \$7,377,982, with estimated expenses of \$7,112,774, for a budget that is \$265,158 in the black. A 2.5% general staff pay rise would cost an additional \$14,566 beyond that.

Total school budgets are a little more than 60% of the Town budget. The total school budget increase for Conway is \$151,689, a 4.16% rise, is about 78.4% of the total rise in Article 2, \$193,560. (See page 42 for more on the school budget.)

For purposes of the Town’s fiscal health, the chart below uses the Town’s levy limit, not the amount needed to be raised by taxes; see pp. 16-17 for the actual revenue breakdown.

### Projected Total Possible Revenues and Expenses Fiscal Year 2020: Summary

<b>Total Possible Revenue (\$)</b>	
Estimated Levy Limit	5,189,435
Estimated State Aid (net of offset receipts)	1,089,222
Estimated Local Receipts	277,000
<i>Other Available Funds Used:</i>	
Free Cash	337,576
Stabilization Funds	596,710
Ambulance Receipts Reserved:	42,664
Overlay	10,000
<b>TOTAL POSSIBLE REVENUE</b>	<b>7,542,607</b>
<b>Expenses (\$)</b>	
<i>Annual articles</i>	
Highway – replace 1998 Volvo Autocar	200,000
Design and cost analysis for Highway facility	196,000
Capital Stabilization	150,000
Highway Garage Stabilization	100,000
Fire – replace SCBA	55,710

*Town of Conway Budget for Fiscal Year 2020*

Conway Grammar School Capital Stabilization	25,000
Conway Grammar School capital expenses	25,000
Highway – replace mini-excavator	45,000
Ambulance – operations	22,664
Ambulance – stabilization	20,000
Transfer Station – replace compactor	22,000
Highway – replace 1-ton pickup	20,000
Highway – replace compact loader	20,000
Other Post-Employment Benefits (health)	20,000
Grant match fund (new)	20,000
Design for Town Hall lift	15,000
Audit fund begin biennial funding	12,000
Highway – replace tractor with heated cab	6,000
Assessors – five-year recertification	5,000
Assessors – software conversion	5,000
Required Town contribution - Library	2,576
<b>Total special article expense</b>	<b>986,950</b>
Article 2 – operating budget	<b>6,035,832</b>
<i>Other</i>	
Cherry Sheet Charges	<b>89,992</b>
<b>TOTAL POSSIBLE REVENUE</b>	<b>7,542,607</b>
<b>TOTAL EXPENSES</b>	<b>7,112,774</b>
<b>Anticipated Excess Levy Capacity FY 2020</b>	<b>429,833</b>

**Free Cash**

Conway’s total free cash for FY 2019 has been certified by the Department of Revenue as \$438,689. Three of the major factors in this high amount are:

- receipts came in \$83,082 over what was intentionally conservatively estimated (including an extra \$35,000 in miscellaneous non-recurring revenue, over \$29,900 of which was Medicare reimbursements, which we will not see again, and a \$2,600 sale of property as well); \$26,000 extra in motor vehicle excises; \$9,000 extra in fees; and \$4,000 extra in investment income);
- a one-time amount of \$67,150 from closing out old special revenue funds (about \$30,000 from pipeline articles); and
- \$15,830 unappropriated free cash from FY18 (rolled over into FY19). These three items alone come to \$166,062 more than budget overages. This leaves \$272,627, a more normal figure for free cash, though still up from FY18’s \$205,000.

The free cash calculation was as follows:

BEGIN:		\$
Unreserved, undesignated fund balance		475,412

*Town of Conway Budget for Fiscal Year 2020*

LESS:		
Personal Property Taxes Receivable		982
Real Estate Taxes Receivable		54,606
OTHER RECEIVABLE, OVERDRAWN ACCOUNTS, DEFICITS		
EMPG Grant		197
SPED Assist.		2,324
School Lunch		3,522
M. B. Germain		5,668
META grant		30
TOTAL		11,742
ADD:		
Deferred Revenue (credit balance is positive; debit balance is negative)		30,607
<b>TOTAL FREE CASH</b>		<b>438,689</b>

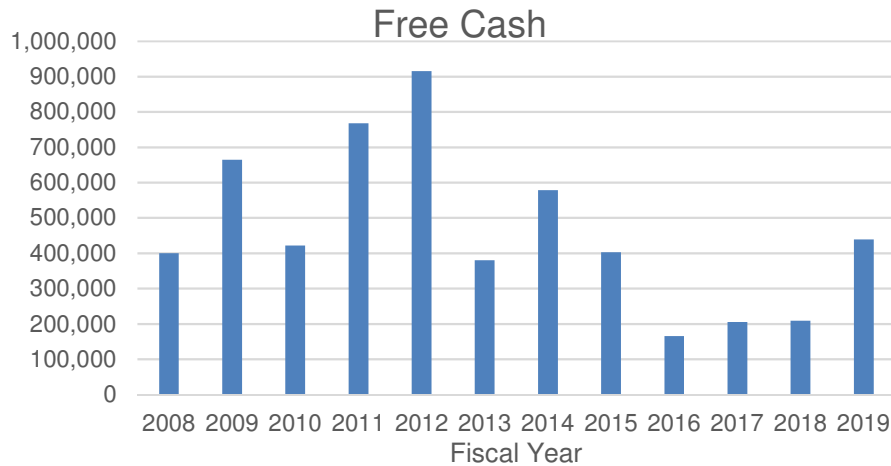
As of January, 2019, there has been no special Town meeting in the current fiscal year (FY 2019) that appropriated any of the available free cash. If that circumstance holds, the amount of free cash left over for the annual Town Meeting for FY 2020 on May 13, 2019 will be the total above, \$438,689. It is prudent to allow some free cash to roll over to the next year, to provide for either general use or emergency cash (if necessary) between the time of Town Meeting and the time free cash is certified, usually in October. I am proposing that about \$80,000 be allowed to roll over to the next fiscal year.

In recent years, Conway has funded its capital expenses through a combination of free cash and capital stabilization funds. (Free cash comes from a variety of resources—partly money appropriated but not spent from the previous year, and partly a number of smaller revenue sources, including state funds, unanticipated revenue, and the sale of foreclosed properties.)

A few years ago, free cash reached a very high level and a concerted effort was made to lower it. That effort succeeded, to the degree that there has not been enough free cash to fully fund the town’s historical level of additions to its stabilization funds. That trend has changed this year—certified free cash for Fiscal Year (FY) 2019 is high, at \$438,689, considerably more than last year’s \$208,685, and certainly recovered from FY 2016’s unhealthy low of about \$164,803.

The Department of Revenue’s suggested target for free cash is 3-5% of the Town’s budget, which is about \$6.5 million, so this would be between \$195,000 and \$325,000 for Conway at this time. Taking away just the one-time close-outs of special revenue funds and the sale of property, totaling \$69,750, this leaves \$368,939, or 5.68% of the total Town budget, slightly high of the target.

*Town of Conway Budget for Fiscal Year 2020*



Free cash is also necessary for any mid-year expenses approved by special Town Meetings. Once the tax rate is set, no more money can be raised until the following spring, for the next fiscal year. (It is possible for a summer special Town Meeting to add to the amount raised by taxation for the current fiscal year, as the tax rate is set in the fall.) Again, it is fiscally prudent to allow some of that money to roll over to the next year.

While the Town has a general stabilization fund, this is meant for emergencies, and it could be that maintenance work, equipment, or other projects or purchases prove necessary for the Town in the interim between annual Town Meetings. Without a healthy amount of free cash, the Town might not be able to make any unanticipated payments, which would put it in a potentially precarious financial position. Ultimately, Conway will need to fund a substantial portion of its capital and other non-operating expenses either through raising tax appropriation for its stabilization funds or through both debt and capital exclusions (neither of which add permanently to the tax base).

The Finance Committee has also favored funding major capital projects from capital stabilization, which requires a two-thirds vote at town meeting. In this system, which was used in FY 2016, free cash is voted into capital stabilization, and then voted out for specific projects.

**I am proposing in this budget to raise the target for the annual appropriation for capital stabilization from \$125,000 to \$150,000; the Conway Grammar School will probably request about \$25,000 per year, once their capital plan, currently being developed, is in place. Together, these total \$175,000.**

*Retiree Health-Care Benefits*

Another item the Town has funded from free cash in the past is a partial payment for health benefits for retirees, termed “other post-employment benefits,” or OPEB. Health-care benefits for retirees are “other” than the standard post-employment benefit, a pension. Conway and other small towns have traditionally funded OPEB on an annual basis as part of its operating budget; in Conway, OPEB is currently less than 0.5% of the annual operating budget (less than \$30,000).

## *Town of Conway Budget for Fiscal Year 2020*

Total OPEB liability, however, is currently \$1,469,196 (the figure changes as staff changes). Because some cities and towns have an extraordinary OPEB liability, the non-governmental General Accounting Standards Board has decided that all cities and towns must include this figure as a current liability to be considered financially sound. (Why this should be treated differently from the Town's other responsibilities, such as providing passable roads into the indefinite future, is not clear.)

The Town responded to this new mandate by creating a trust fund (as per Massachusetts law) to hold some funds in an account which can be used only for OPEB. The positive side of this is that it will raise the Town's credit rating in case of borrowing; the negative side is that it freezes money which could otherwise be used for current projects.

I will always propose that OPEB be funded at a relatively low but constant pace, due to the perception of banks that good Town financial planning includes such regular investment, which is then reflected in the interest rate offered if and when the Town chooses to borrow money. I believe that a good argument can be made to a lender, based on the low percentage of the Town's annual OPEB costs relative to the operating budget, that holding just a few years' worth of OPEB funds in the escrow account is more financially sound than raising taxes simply to tie up money which is easily raised each year. If the Town also pays OPEB costs from this account each year, the argument will become increasingly strong.

Containing the rise in health-care costs is outside of the scope of what the Town can solve locally, though the consequences of higher levels of government delaying action means a continuing and rising cost to the Town.

### *Excess Levy Capacity*

Conway currently has substantial "excess levy capacity," meaning the Town is not taxing its residents to the full extent allowed by law. In FY 2020, with this budget—if all the proposed changes are made, including a general staff pay raise—Conway will have approximately \$429,833 in excess levy capacity. Recent expense increases, partly due to staffing increases, have leveled off, and continue to provide better support for departments, committees, and residents. There is one addition in this budget, a part-time clerk for the Assessors to provide some much-needed back-up for the technically advanced duties of the Administrative Assessor.

Of course, expenses continue to rise in general. The amount of free cash was used in the past as a natural limit to capital spending, and since it is currently more limited than in the past, and since capital spending—investment in the Town's capital stock—must continue regardless of its source, not all requests can necessarily be met. As there is very little "fat" to trim in the budget, if any, any major capital expenses in the future could be subject to either debt-excluded borrowing (a "capital exclusion") or Proposition 2½ overrides of the Town's levy limit.

New growth includes Comcast's "personal property" due to the cable build-out of the town, as well as money from the dam and other utility money. There is some good news—the operating budget is set to rise just \$193,560, or 3.21%, down 1.53% from last year's 4.74%, with major drivers still being the schools, along with a modest but still substantial increase in employee and retiree health care. Annual appropriations for the General Stabilization, Garage Stabilization, and

## *Town of Conway Budget for Fiscal Year 2020*

Conway Grammar School Stabilization Funds are now \$275,000, because in this budget I propose raising capital stabilization \$25,000, from \$125,000 to \$150,000, as the Town starts to plan for building, bridge, and transfer station investments, which have not been planned for in the past. Garage Stabilization investment remains at \$100,000 and Grammar School Stabilization, currently at its target of \$250,000, is reduced to \$25,000, about the same as expected capital expenses.

The final prioritization and control of expenses rests with the majority of Conway citizens, as Town Meeting is responsible for the budget and articles it passes. Town officials recognize and appreciate taxpayers' concerns and will continue both to provide relevant information to all and to bring only responsible spending proposals to Town Meeting.

### *Projected Revenues*

As above, new growth is still sluggish, still not having recovered the rate of increase prior to the "great recession." In FY 2020, we will have another infusion of Comcast's personal property taxes from their wiring of over a quarter of the Town's residences, but this is obviously the end of that source of new growth.

Revenue projections are always difficult, as even estimates are not available to towns before the last week of January (usually), when the Governor presents his budget, let alone the final state budget, which is presented well after Town Meeting. State revenues are on target for the state budget, so there seems to be little chance of mid-year ("9C") funding cuts.

After the Governor's budget is proposed, the House and Senate weigh in with their own versions, and a final version will not be resolved in conference until well after Town Meeting. Final state aid figures will not be known till then; the best practice is to use past years' experience and take some small percentage off. Since Conway is not experiencing substantial new growth, there will not be much revenue from new growth. Any truly substantial new revenues will have to be approved through raising taxes.

### *Projected Expenses*

Projected expenses are also preliminary, but are close. Please refer to the last page of this budget for a *draft* Article 2 for the May 13, 2019 annual Conway Town Meeting.

There are four broad categories of spending: general government; public safety; public works; and education, health and human services.

Current expense projections within these four categories are below:

**General Government** includes the most line items: budgets for the Moderator; Board of Selectmen; Finance Committee; Reserve Fund; Audit; Assessors; Treasurer/Collector (under "Treasurer"); Assistant Treasurer/Collector (under "Collector"); Town Administrator; Legal; Town Clerk; Board of Registrars; Elections; Finance (Bonds; Insurance; Debt; Employee Benefits); committees with budgets (Personnel; Parks, Recreation, and Trails; and the Historical Commission); the permitting bodies—the Conservation Commission, Planning Board, and the



*Town of Conway Budget for Fiscal Year 2020*

Zoning Board of Appeals—and finally, the Franklin Regional Council of Governments. The combined budget for this category is \$1,250,275.

**Public Safety** includes Police; Fire; Ambulance; Emergency Management; and the Animal Control Officer. The combined budget for this category is \$238,515.

**Public Works** includes Highway; Building Maintenance; and the Tree Warden. The combined budget for this category is \$708,264.

**Education, Health and Human Services** includes the Conway Grammar School (Operating and Transportation); the Technical Schools (Franklin Regional Technical School and Smith Vocational and Agricultural High School); Frontier Regional High School (Operating and Transportation); the Board of Health; the Council on Aging; and Veterans' Services. Conway Grammar School expenses, the largest single item in our operating budget, are rising \$53,298, about 2.84%. Frontier's budget has been presented with a large 12.06% increase, largely due to the increase in Conway's value, which is part of the "foundation budget" calculation. Final figures for education expenses are not yet complete, but, the combined budget for this category is estimated at \$3,647,063.

In addition, the free cash sum is relatively high this year, \$438,689. This is normally spent largely on stabilization and capital items. The proposed Town operating budget is \$6,035,832, a \$184,322, or 3.15%, rise from last year. That rise is down from the rise of 4.74% from the 2018 fiscal year to the current fiscal year (FY 2019).

It may be that increases in Town costs will outpace local, state, and national economic growth for some years to come. This would increase the likelihood of having to pass Proposition 2½ overrides—not just debt exclusions—to maintain, for example, Town investment in its capital stock, let alone improving it.

## **Capital Items**

### *Capital Improvements Planning Committee*

The Capital Improvements Planning Committee (originally authorized by Town Meeting in 2008) is charged with keeping an inventory of Town capital stock and maintaining a comprehensive plan for the replacement of vehicles, town buildings (including mechanical systems), and other town capital assets. Their job includes recommending appropriations based on that plan, making budgeting for capital expenses much easier. At this point, it seems necessary to dedicate substantially more money to the capital stabilization fund than has been the case in the recent past. I am proposing in this budget to raise the target from \$125,000 to \$150,000 per year, to begin to include building, bridge, and transfer station costs. Once capital costs for maintaining these investments are projected, a considerable amount more may be needed. Happily, the Conway Grammar School Capital Stabilization Fund has reached its target of \$250,000, so appropriations for that should be reduced to an average of about \$25,000 per year rather than the recent \$50,000. The Ambulance Stabilization fund, for Ambulance Department capital expenses (including the ambulance itself) continues to be funded entirely through its receipts.

*Town of Conway Budget for Fiscal Year 2020*

*Conway's Stabilization Funds*

The town has a general stabilization fund for emergencies, a garage stabilization fund, a general capital stabilization fund, and a Conway Grammar School capital stabilization fund. I will note that the Grammar School is twenty-five years old, so regular investment in its capital stabilization fund is more necessary than ever.

Balances as of September 30, 2018 were:

General Stabilization:	\$414,486.06
Capital Stabilization:	\$405,084.78
Garage Stabilization:	\$960,450.64
Grammar School Stabilization:	\$259,453.99
Ambulance Stabilization:	\$153,691.45*

*\*Funded through ambulance receipts*

There have been no expenses since then, and some slight rise from interest.

Regarding the Garage Stabilization fund, the Town previously rejected the garage at the level of funding available (\$1,975,000 raised through taxes and \$646,591 from the garage stabilization fund), due mainly to the amount by which taxes would be raised (\$58.38 per \$100,000 of property value, or \$175.14 for an approximately average \$300,000 property). So the garage stabilization fund has built up an additional amount in order to ensure a comparable or lower tax increase than before, and should therefore help to result in a positive vote. The Town had a straw vote at the May, 2017 annual Town Meeting indicating a readiness to proceed. The new Highway Facility Committee has been re-formed, and is ready to proceed this year with a proposal for design (which will include a cost estimate for construction as a matter of course).

I have proposed \$25,000 for the Grammar School Capital Stabilization Fund, in line with the expectation of approximately the same amount in requests from the School. At the time of printing, this office had not received any list of capital requests from the Conway Grammar School.

Recent investments in the capital stabilization fund have been \$125,000 each year, on departmental vehicles and equipment alone, with long-term building maintenance not included so far; this is a current topic of deliberation within the Capital Improvements Planning Committee. It is becoming clearer by the year that state funds may not be available for bridge replacement. Conway has 13 bridges, each with a replacement cost of at least \$1.5 million, and these should be replaced every 50-75 years. Bridge engineering fees alone could be \$100,000 per bridge, and the Town is responsible for those fees. I have in the past proposed investing \$30,000 per year for new bridge engineering to meet that need over time; however, given the re-invigoration of our new Capital Improvements Planning Committee, which will be reviewing Town capital expenses as a whole and recommending an investment plan, I am withdrawing that request for the present. The need remains, though, and should be considered as a permanent part of Conway's capital investment strategy. I would further recommend the investigation into the replacement of all or most current bridges with covered bridges, both as more easily replaceable

## *Town of Conway Budget for Fiscal Year 2020*

with local resources (over the long-term, with less state money being available each year) and as a potential tourist draw.

### *Three Possible Future Capital Projects*

1. As noted above, the Town is still considering a **new Highway Facility**. The May 8, 2017 annual Town Meeting included a straw vote that indicated the Town was ready to move ahead after rejecting the garage in 2014. Again, the Town's FY 2014 negative vote indicated that less money should come from borrowing and more from pre-paid stabilization. Taxpayers should understand that the state expects towns to pay for this kind of project out of their own funds, so there are no grant programs for this kind of construction. I would like to emphasize that the design presented in 2014 was the lowest cost possible, so any future design, especially if there are any design changes, will be more expensive.

In funding the Highway garage through annual investments in the stabilization fund rather than borrowing, some borrowing costs are saved, but this is at the expense of the continued investment in Town operations and especially capital, which needs more, rather than less, investment (see below for more discussion on this). I agree with the voters at the last annual Town Meeting that work on a new garage should proceed; however, the committee currently lacks the optimal make-up to help move the project forward.

2. The Town Hall has been insulated, using Green Communities money, which will improve its functionality, and the upstairs gym is being used as temporary space by various Town boards and committees. There is an article this year requesting funds for the **design of a lift**, which, if implemented, would make the second floor handicapped-accessible. Existing office space is very tight, with no additional room for storage, and the former gym upstairs seems the only possible location for new offices. An overall **Town Hall Improvement Project** would also involve making the upstairs accessible to all, which would require installing a lift (an elevator would be much more expensive). These improvements would provide the Town with an accessible police station; separate, lockable offices for Town staff; and increased storage space for a growing number of historical documents. A reasonable design cost for complete renovation could be \$30,000 or less.

3. The Wastewater Committee did *not* receive the MassWorks grant it applied for, which would have included funds for the construction of a **community septic system**, and is reviewing its options. However, the concern will remain to keep downtown housing affordable in the face of possible septic field re-builds or the widespread installation of tight tanks.

### **Notes on selected FY 2019 Special (Money) Articles**

At this point, it seems the authorization to borrow for repairing a bridge on North Poland Road is not necessary—the state has put the bridge on its repair list for 2023, and the Highway Superintendent believes he can keep it in operation until then.

The Police Cruiser has been replaced, and the old cruiser is in use by the Fire Chief. The old Fire Chief vehicle was traded in as part of the purchase of the new Police Cruiser.

*Town of Conway Budget for Fiscal Year 2020*

The Conway Grammar School well was replaced early, as it failed. The replacement caused an issue of chemicals in the water, though, and the school had to make do with bottled water for the first half of the school year. The lining is planned for replacement this summer.

The Ambulance Department has purchased the cardio-pulmonary resuscitation unit and at the time of writing, is scheduling training for EMDs.

**Significant Budgetary Items and Trends**

*Note on borrowing*

It is easy to understand why the Town might think it better to pay as much as possible from a stabilization fund rather than borrowing, as interest payments are avoided; please see the box below for a different perspective. Any major expenditures should employ more money from borrowing and less from stabilization.

**Note:** Conway has very little debt, which can be seen by ratings agencies as a warning sign that it is not investing sufficiently in its infrastructure, and might therefore be subject to unexpected large expenses. It is therefore a red flag to financial managers that there might be a sudden need, or sudden competing needs, stemming from deferred investment. With borrowing for the school roof being paid off in FY 2018, new borrowing for a Fire Department pumper truck will add a similar amount to the Town’s debt load, but it still represents only about 1% of the Town’s operating budget. Conway’s debt policy is to keep debt service between 3 and 10 percent of the operating budget. **A financial manager looking at Conway’s current debt service would conclude that the Town is not investing enough in infrastructure.**

*Notes on the tax rate*

The estimated increase in operating expenses (see Projected Article 2 at the end of this budget, up \$184,322), though this year without any additional funds raised and appropriated through warrant “money” articles, would mean an approximate \$0.45 **lowering** of the tax rate.

The more important figure is the average tax bill. Below is Conway’s average single-family tax bill. After a period of steady raises, the increase is leveling off.

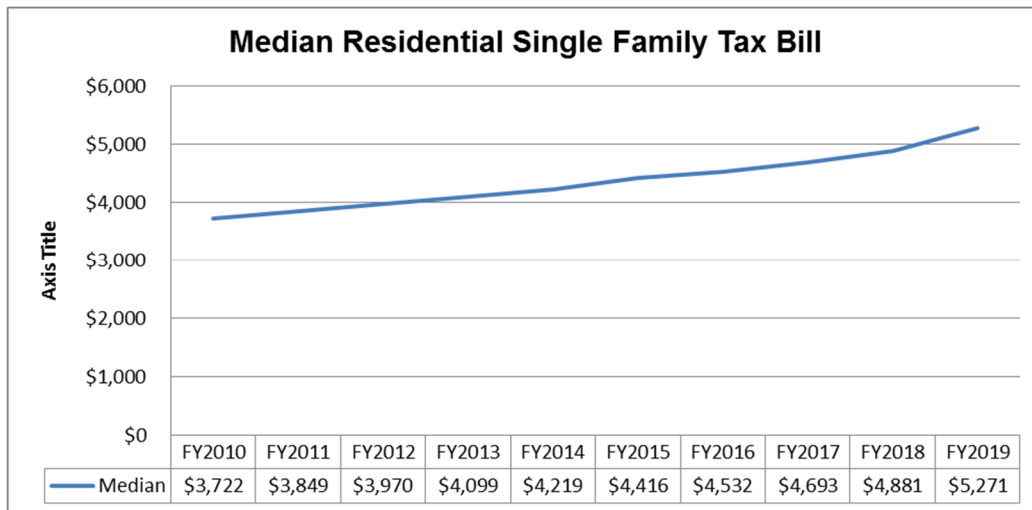
**Average Single-Family Tax Bill: Conway**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
4,586	4,719	5,163	5,236	5,319

For comparison, the state-wide median tax bill shows slightly lower figures than Conway’s, with the growth in Conway’s average bill rising slower than the state’s (from a \$170 difference in FY 2015 to a \$48 difference in 2019):

**State Wide**

Town of Conway Budget for Fiscal Year 2020



(from the Department of Revenue's Division of Local Services)

For comparison around the county, Conway is third highest, behind Leverett and Shutesbury (latest data available) and the highest in West County:

<b>Municipality (alphabetical)</b>	<b>2017 Average Single Family Tax Bill</b>	<b>Municipality (by tax bill)</b>	<b>2017 Average Single Family Tax Bill</b>
Ashfield	4,094	Leverett	6,397
Bernardston	4,036	Shutesbury	5,529
Buckland	3,748	Conway	5,163
Charlemont	3,994	Whately	4,621
Colrain	3,463	Deerfield	4,275
Conway	5,163	Ashfield	4,094
Deerfield	4,275	Bernardston	4,036
Erving	1,289	Charlemont	3,994
Gill	3,303	Sunderland	3,989
Greenfield	3,960	Greenfield	3,960
Hawley	3,540	Leyden	3,909
Heath	3,641	Buckland	3,748
Leverett	6,397	Heath	3,641
Leyden	3,909	Shelburne	3,616
Monroe	1,167	New Salem	3,573
Montague	3,218	Hawley	3,540
New Salem	3,573	Colrain	3,463
Northfield	3,397	Northfield	3,397
Orange	3,100	Warwick	3,357
Rowe	1,298	Gill	3,303
Shelburne	3,616	Montague	3,218
Shutesbury	5,529	Wendell	3,149

*Town of Conway Budget for Fiscal Year 2020*

Sunderland	3,989	Orange	3,100
Warwick	3,357	Rowe	1,298
Wendell	3,149	Erving	1,289
Whately	4,621	Monroe	1,167

*(from the Department of Revenue’s Division of Local Services)*

One very useful website to see trends in Conway’s finances is: <https://www.mass.gov/service-details/municipal-finance-trend-dashboard>.

*Grants received or in operation*

The Town received \$9,600 from the Massachusetts Office on Disability (MOD) to renovate the downstairs bathroom in the Town Hall, making it accessible for use by disabled people (including those in wheelchairs). The plumbing fixtures were also changed, as was the door. The MOD provides 60% funding for approved projects. I intend to apply for the next round for a planning grant for the design for a lift for Town Hall. If approved, implementing the design could cost about \$100,000, and the implementation grant program (which funded the bathroom renovation) could pay 60% of that. In turn, that would make an overall Town Hall renovation project much less expensive.

The Town received two Community Compact “best practice” grants over the past few years, one for long-term financial planning and one to assess and implement best practices in information technology. The Town has recently applied for two more grants as the lead community—one in collaboration with the Franklin Regional Council of Governments to create a training program for municipal accountants, and one in collaboration with the Frontier Regional School District, Deerfield, Sunderland, and Whately, to study the possibility of a new Human Resources position covering Frontier and the four towns. If funded, the study would show what was necessary for creating a new position; the particulars would still have to be ironed out between all parties.

We have received a \$7,500 grant from the Federal Emergency Management Administration for updating our five-year Multi-Hazard Mitigation Plan, which allows us to apply for FEMA hazard mitigation grants. We also completed a state Municipal Vulnerability plan focused on mitigating effects of climate change.

Because we have a Multi-Hazard Mitigation Plan, we have applied for a FEMA hazard mitigation grant for Delabarre Avenue to stabilize sections of the slope leading down to the South River. The grant would pay 75% of the cost of the project, with in-kind contributions by the Highway Department making up the rest of the cost.

*Education*

Education costs are, as usual, higher this year. Please see below, under ***Education, Health, and Human Services***, for a more detailed treatment. The percentage rise in Frontier Regional High School should drop over the next few years as relative enrollment (calculated over a five-year period) drops.

*Payroll*

Currently, Conway pays in the median range of comparable towns, though it is not actually competitive—meaning relatively well-paying—for most positions. In order to pay Conway

*Town of Conway Budget for Fiscal Year 2020*

employees competitively, which would promote retention and improve the quality of job applicants, total payroll should rise, though not by a great deal. I will not propose a commensurate rise, though, until there is agreement among the Personnel Committee and the Select Board in how best to implement a comprehensive compensation plan. Currently, the debate is between a standard step-and-grade system and a performance- or merit-based system, with pros and cons evident for each. For now, we will simply strive to stay within the pay ranges of comparable towns, using surveys as necessary.

*Health Care*

Health care is for once projected to be lower than the previous year; below are budgeted amounts for employee health insurance:

<b>Fiscal year</b>	<b>Amount budgeted</b>	<b>Dollar difference from previous year</b>	<b>Percentage difference from previous year</b>
2015	334,774	--	--
2016	364,000	29,226	8.03
2017	385,000	21,000	5.45
2018	428,693	43,693	10.19
2019	452,896	24,203	5.34
2020	435,501	(17,395)	(3.99)

*Financial Policies*

As part of its participation in Governor Baker’s Commonwealth Community Compact program, the Town has developed long-term financial planning policies and procedures. These reflect a consensus between the Select Board, Finance Committee, Capital Improvement Planning Committee, and staff for all the areas of Town finance, including the definition and maintenance of capital equipment; the spending of free cash; and the appropriate level of debt. They are available of the Town website at <http://townofconway.com/conway-longrangeplan-9-7-17-2/>.

*The Budget Process*

The Town Administrator starts working on the budget in October, preparing the timeline (below) and sending a memo in November to all departments for line items included in the Town Meeting Article 2 operations budget (though regional budgets, and the Conway Grammar School Budget, come in later). Capital items are the first to be requested; the Capital Improvements Planning Committee gets the requests soon after they are due (this year, December 14).

At the same time, the Town Administrator prepares operating budget request forms for each department, showing the past three year’s expenses and the current year’s budget. Departments receive up-to-date expenses from the accountant.

The schedule for FY 2020 budget development is fairly self-explanatory. Here is this year’s budget memo, updated and sent annually by the Town Administrator; it is followed a few days later by the same scheduling information but with budget worksheets attached, which are due December 21:

MEMORANDUM

To: Select Board  
Town Clerk  
Moderator  
Committee and Board chairs  
Department Heads  
Assistant to the Town Administrator

From: Tom Hutcheson, Town Administrator

Date: November 14, 2018

Re: **Budget countdown** to 2019 Annual Town Meeting (FY 2020) and  
**Capital Request form**

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Below are the dates for the countdown to the 2019 annual Town Meeting. *Please mark your calendars as appropriate.* Please note the two different timelines for capital expenditure requests (the form is attached), and departmental budget requests, for which a form will be sent soon.

1) Please submit your budget **electronically** to [selectboard@townofconway.com](mailto:selectboard@townofconway.com) by **filling out the Excel spreadsheet** you receive. If you would like assistance in doing that, please contact Lisa Turowsky, Assistant to the Town Administrator, at 369-4235, x0.

2) Please include **text** explaining any *changes* in funding from 2018. This will be included, perhaps with some editing, in the Town Administrator’s preliminary 2020 budget. If you have no changes, or just minimal changes adjusting for higher or lower costs for items already in the budget, you don’t need to include any text.

**3) Any budgets which are not submitted by the end of the calendar year will be level funded unless the department requests a hearing with the Select Board.**

Monday, Nov. 19 Capital expenditure request form sent to all departments. **Return to Town Administrator**, who will forward them to the Capital Improvements Planning Committee with a recommendation. Departments must meet with Town Administrator in advance of the deadline if they have a capital request. (Deadline: Friday, December 14.)

Monday, Nov. 19 **Budget request forms** sent to all departments with a deadline of Friday, December 21.

**Friday, Dec. 14** **Deadline for capital expenditure requests.** (Due to Town Administrator for review and forwarding to the Capital Improvements Planning



*Town of Conway Budget for Fiscal Year 2020*

Committee. Capital Planning Committee to forward a recommendation to the Select Board by Monday, February 11 for consideration.)

**Friday,  
Dec. 21**

**Deadline for budget submissions.**

Monday,  
Jan. 7

Select Board opens the warrant. Deadline is Friday, March 8.

Joint Select Board and Finance Committee budget meetings begin.

Request for annual submissions for the FY 2018 Town Report sent to all departments and committees, with a deadline of Friday, February 8.

**Friday,  
Feb. 8**

**Deadline for submissions for the Town Report.** E-mail your budget to the Assistant to the Town Administrator (assistant@townofconway.com).

**Monday,  
Feb. 11**

**Deadline for Capital Improvements Planning Committee report.**

Monday,  
Feb. 25

Preliminary budget completed and distributed.

**Monday,  
Mar. 11**

**Warrant closes.**

Mar. 18-22

School budgets presented; final budgets completed. Draft warrant and motions completed and sent for legal review.

Monday,  
Apr. 1

Legal review is complete. All articles and motions are in final form. Finance Committee recommendations are complete and incorporated into warrant.

**Monday,  
Apr. 8**

**Select Board signs warrant. Warrant and Town Report sent to printer next day.**

Friday,  
Apr. 19

**Warrant and Town Report mailed to all households.**

**Monday,  
May 13**

**Annual Town Meeting.**

*Town of Conway Budget for Fiscal Year 2020*

**REVENUES**

The discussion below uses the actual proposed levy rather than the levy limit as shown on p. 1, hence the lower total figure. By not taxing to the levy limit, the Town reserves some taxing capacity for unforeseen expenses.

Local taxes are by far the main source of Town revenues (see chart below). The FY 2019 tax rate is \$18.65 per thousand (the FY 2020 tax rate will be set in the fall of 2019). This is the figure which represents the total taxable property value of the town Taxes divided by the amount of expenditure voted at Town Meeting. The tax levy below is considered as the levy limit, the maximum that can be raised in any given year based on the tax-limiting Proposition 2½. State aid, still known as “the cherry sheet,” is one source of *non-tax* revenue; others are new growth in the prior fiscal year; local receipts such as fees; money transferred from stabilization accounts; the Assessors’ overlay surplus account; and “free cash,” which is mostly any unspent money from the prior fiscal year plus higher-than-budgeted revenues. Town officials always estimate revenues lower than expected and expenses higher than expected in order to assure the Town of solvency; this is referred to as “conservative” budgeting.

Projected revenue figures (conservatively estimated) for FY 2020 are below:

<b>Revenue Summary</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Projected</b>	<b>FY 2020 Projected</b>
<b>Table 1: Property Tax Levy</b>				<i>(actual levy for FY19)</i>	
Tax Levy	4,097,394	4,619,735	4,781,522	4,916,080	4,756,932
Prop 2.5%	106,367	109,702	119,739	119,538	126,084
New Growth	27,016	145,372	30,347	134,040	20,000
Debt Exclusions	73,071	63,710	330,000	0	0
<u>Subtotal</u>	<u>4,303,848</u>	<u>4,938,519</u>	<u>5,261,608</u>	<u>5,169,658</u>	<u>4,903,016</u>
<b>Table 2: State Aid</b>					
Chapter 70	610,004	617,374	620,884	623,884	625,604
Charter School Reimbursement	40,440	2,679	24,832	893	0
<i>Offsets (School Lunch, School Choice)</i>	<i>126,837</i>	<i>124,095</i>	<i>161,393</i>	<i>235,057</i>	<i>226,781</i>
Unrestricted General Government Aid	164,753	171,837	178,539	184,788	189,777
Veterans' Benefits	4,430	2,840	2,907	4,293	4,292
Exemptions: VBS, Elderly	9,791	0	9,216	9,718	0
State PILOT	35,061	34,645	39,272	40,575	42,768
<i>Library offset</i>	<i>2,439</i>	<i>2,414</i>	<i>2,502</i>	<i>2,570</i>	<i>2,670</i>
<u>Subtotal</u>	<u>993,755</u>	<u>955,884</u>	<u>1,039,545</u>	<u>1,101,778</u>	<u>1,091,892</u>
<u>Subtotal without offsets</u>	<u>864,479</u>	<u>829,375</u>	<u>875,650</u>	<u>864,151</u>	<u>1,089,222</u>
<b>Table 3: Local Receipts</b>					
Motor Vehicle	235,971	252,346	241,442	215,000	225,000
Interest & Penalties	16,186	19,627	20,743	15,000	15,000
PILOT (other than Cherry Sheet)	0	0	0	0	0
Dept. charges	25,405	26,157	20,464	22,000	0*
Rental	300	-	-	-	0

*Town of Conway Budget for Fiscal Year 2020*

Licenses, Permits, Fees	3,051	1,701	12,504	1,000	30,000*
Fines and Forfeits	5,458	4,625	1,770	1,000	2,000
Investment Income	5,688	6,279	8,615	5,000	5,000
Miscellaneous Non-recurring	34,970	69,447	39,284	1,102	<u>0</u>
<u>Subtotal</u>	<u>327,910</u>	<u>380,183</u>	<u>344,822</u>	<u>260,102</u>	<u>277,000</u>
<b>Table 4: Available Receipts</b>					
Free Cash	164,803	205,332	208,685	438,689	337,576
General Stabilization	25,000	20,000	19,677	0	120,000
Ambulance Reserve	31,247	24,131	21,528	31,528	42,664
Capital Stabilization Fund	125,000	125,000	125,000	125,000	255,710
Garage Stabilization Fund	50,000	100,000	(R&A)	100,000	196,000
CGS Stabilization Fund	50,000	0	25,000	50,000	25,000
Overlay Reserve	7,500	10,000	0	0	10,000
<u>Subtotal</u>	<u>453,550</u>	<u>484,463</u>	<u>399,890</u>	<u>472,870</u>	<u>1,088,063</u>
<b>Operating Revenues</b>	<b>6,684,133</b>	<b>6,629,866</b>	<b>7,045,865</b>	<b>7,004,408</b>	<b>7,359,971</b>
<i>Operating Revenues without offsets</i>	5,949,787	6,632,540	6,881,970	6,766,781	7,357,301

\* Dept. charges now included under Licenses, fees, permits

It is important to note that as property owners in the Town continue to add land to tax-exempt or tax-reduced status, the tax burden is increased on the properties that continue to pay taxes—even with a level budget. With approximately 4,500 acres out of 24,500, or about 18%, of potentially taxable property (excluding state forests, etc.) fully tax-exempt, and the current zoning by-laws excluding major residential development, additional growth in the tax rolls will be difficult to achieve. Together with the general lack of commercial development, the growth in revenue comes mainly from residential taxpayers.

Without substantial new growth, even normal rises in expenses due to inflation will require a steady rise in the tax rate, eventually to the levy limit, at which point debt or capital exclusions or even overrides will be necessary just to keep pace with inflation. The alternative is to plan for reduced services, including allowing paved roads to return to gravel, which are more difficult to maintain, so this does not represent the savings it might seem to at first glance.

## EXPENSES

### Non-capital expenses – warrant articles

Following are some brief explanations of selected non-capital warrant articles:

1. Frontier Capital Borrowing: The Frontier Regional School District has developed a capital spending plan for the next ten years. The plan was developed due to a combination of deferred maintenance and current and expected needs. The \$356,705 figure is the total borrowing *authority*; since Frontier is doing the borrowing, the Town itself does not borrow, but pays an assessment as part of the overall budget for the Frontier Regional School District.
2. Garage Stabilization: This is the annual article to add \$100,000 for an eventual new Highway facility. The more money that gets put into this account, the less the final project will cost.
3. Ambulance operations: This \$22,264 is an annual request to use money from FY 2019 receipts to supplement the annual appropriation in the omnibus spending article, Article 2.
4. Grant match: This \$20,000 would assist the Town Administrator in applying for mid-year grant proposals, many of which require a Town match (for instance, accessibility grants require a 40% Town match). The fund would be replenished annually as needed.
5. Other Post-Employment Benefits: the Town should contribute some every year in order to maintain a good credit rating; this contribution would give the Town about two years' funding of retiree health care (at 50% of the premium, the current amount the Town pays, per state law). \$20,000 is a relatively small contribution compared with a plan intended to fully fund the obligation. With OPEB annual costs at less than 0.5% of the operating budget, Conway's exposure to this liability is low.
6. Design for a Town Hall lift: this \$15,000 would provide a design and cost calculation for installing a lift, which would make the second floor of the Town Hall accessible and able to be used for public meetings. It would also substantially lower the cost of any future renovation. There is a competitive grant available for this work that would pay 60% of the construction cost.
7. Assessors re-certification: this \$5,000 is an annual request, usually paid for by money retained by the assessors in their overlay account, which is the remainder of the estimated amount in their budget that might be paid for various tax exemptions and other factors.
8. Assessors conversion: although this was expected to be completed by FY 2020, the Assessors are requesting \$5,000 money for final conversion of their software program, the prior version of which is no longer being supported by the developer.
9. Library: Each year, the Town must appropriate a certain minimal amount for the Library in order for it to maintain its accreditation, which allows it to be part of the regional network and participate in inter-library loans. This year, the figure is \$2,576.

**Capital expenses and other financial warrant articles**

The first item is always a contribution to the Capital Stabilization Fund. This has been an annual contribution of \$125,000, but this year I am proposing a raise to \$150,000, which better reflects the recent inclusion of buildings and bridges in the responsibilities of town.

For FY 2020, the Highway Superintendent submitted five requests to the Capital Improvements Planning Committee; the Board of Health is proposing a new compactor for the Transfer Station; and the Fire Department is asking for a replacement of its self-contained breathing units, which includes the containers of air used.

For Highway, one is for a new six-wheel truck with plows; that’s the largest item, for \$200,000. There is also a new mini-excavator, for \$45,000, a new compact loader, for \$20,000, a new one-ton pick-up, for \$20,000, and a new tractor with cab for \$6,000. These total \$291,000; with the Board of Health compactor for \$22,000, the total would then be \$313,000. The Fire Department is also asking for \$85,000 to replace self-containing breathing apparatuses, for a final total of capital expenditures of \$398,000.

The current balance in the capital stabilization fund is about \$405,085, with liabilities of \$79,677, leaving \$325,408 available for expenditures. I am proposing to use \$285,000, leaving \$120,084. I am not only proposing to fund some of these items through free cash, as the Town has regularly done, and especially since we have a higher-than-average free cash figure for FY 2020, but I am also proposing to begin a higher annual contribution to the capital stabilization fund, \$150,000, up from \$125,000, in anticipation of a broader range of capital planning.

The Conway Grammar School has its own capital stabilization account and is in the process of creating a capital plan. This has so far been considered separate from the Town capital plan and fund, which makes sense, given Conway’s financial health, for the school to compete with the town for capital spending. If there ever were such competition, the attractiveness of the Town to parents would decrease substantially, and Conway might be forced to re-visit the question of closing its school. This has so far been widely opposed, not least because it is considered a factor in drawing new and younger residents to the town.

**Projected FY 2019 Special (Money) Articles**

<i>By department and item:</i>		
<b>Department</b>	<b>Notes</b>	<b>Amount (\$)</b>
Capital/Money Item		
<b>Town Administrator</b>		
Capital Stabilization	Maintain each year	150,000
Garage Stabilization	Additional preparatory funding	100,000

*Town of Conway Budget for Fiscal Year 2020*

Other Post-Employment Benefits (OPEB)	Should put some in every year to maintain a good credit rating; this puts us close to two years' funding of retiree health care (at 50% of the premium)	20,000
Grant match account	Would assist with mid-year grant proposals	20,000
Design for TH lift	Prepare to make upstairs accessible	15,000
Audit fund	Budget annually for biennial payment to smooth budget	12,000
<b>Conway Grammar School</b>		
CGS Capital Stabilization Fund	New annual investment amount	25,000
CGS Capital expenses	List from Conway Grammar School	25,000
<b>Highway</b>		
Design and cost analysis for facility	Design highway facility; provide bid documents including cost	200,000
Replace 1998 Volvo Autocar	Scheduled replacement of six-wheel truck	200,000
Replace mini-excavator	Scheduled replacement of 2013 Volvo ECR 58D	45,000
Replace 1-ton pickup	Scheduled replacement of 2014 Ram 3500	20,000
Replace compact loader	Scheduled replacement of 2014 Volvo MCT 110-C	20,000
Replace tractor with heated cab	Scheduled replacement of 2012 Kubota B-2920	6,000
<b>Ambulance</b>		
Ambulance Operations	Regular transfer for Ambulance Operations from Ambulance Receipts Reserved	22,664
Ambulance Stabilization	Regular transfer for Ambulance Stabilization from Ambulance Receipts Reserved	20,000
<b>Board of Assessors</b>		
Five-year recertification	In past years, \$7,000 for "triennial revaluation portion," now every five years	5,000
Software conversion	Final year of conversion	5,000
<b>Board of Health</b>		
Replace trash compactor	Current one giving out	22,000
<b>Fire Department</b>		

*Town of Conway Budget for Fiscal Year 2020*

Replace SCBA units	Replacement of 9 self-contained breathing apparatus units and air bottles	85,000
<b>Library</b>		
Required Town contribution	Necessary for state accreditation	2,576
<b>TOTAL</b>		<b>1,020,240</b>
<b>By source of funds:</b>		
<i>Please note that 337,576 is slated to come from free cash, leaving 101,113 out of the 438,689 total.</i>		
<b>General Stabilization</b>		
Capital Stabilization	Maintain each year	120,000
<b>Free Cash</b>		
Capital Stabilization	Portion of usual investment	30,000
Garage Stabilization	Additional preparatory funding	100,000
Replace mini-excavator	Scheduled replacement of 2013 Volvo ECR 58D	45,000
CGS Capital Stabilization Fund	New annual investment amount	25,000
Transfer Station compactor	Repairs have reached their maximum utility; replacement is necessary	22,000
Other Post-Employment Benefits (OPEB)	Should put some in every year to maintain a good credit rating; this puts us close to two years' funding of retiree health care (at 50% of the premium)	20,000
Replace 1-ton pickup	Scheduled replacement of 2014 Ram 3500	20,000
Replace compact loader	Scheduled replacement of 2014 Volvo MCT 110-C	20,000
Grant match account	Would assist with mid-year grant proposals	20,000
Design for TH lift	Prepare to make upstairs accessible	15,000
Audit fund	Budget for biennial audit to smooth budget	12,000
Replace tractor with heated cab	Scheduled replacement of 2012 Kubota B-2920	6,000
Library	Necessary for state accreditation	2,576
<b>Garage Stabilization</b>		
Design facility	Design highway facility; provide bid documents, including cost	200,000

*Town of Conway Budget for Fiscal Year 2020*

<b>Capital Stabilization</b>		
Replace 1998 Volvo Autocar	Scheduled replacement of six-wheel truck	200,000
Fire Department SCBA units	Expense to be incurred once every 12-15 years	85,000
<b>Ambulance Receipts Reserved</b>		
Ambulance Operations	Regular transfer for Ambulance Operations from Ambulance Receipts Reserved	22,664
Ambulance Stabilization	Regular transfer for Ambulance Stabilization from Ambulance Receipts Reserved	20,000
<b>CGS Capital Stabilization</b>		
List from CGS	Conway Grammar School capital expenses	25,000
<b>Overlay Account</b>		
Five-year recertification	In past year, \$7,000 for “triennial revaluation portion”	5,000
Assessors’ software conversion	Final year of conversion	5,000
<b>TOTAL</b>		<b>1,020,240</b>

**Operating Expenses**

Overall, FY 2020 operating expenses are expected to rise between 3.21%. Rises in operating expenses have been reasonable but volatile, but are becoming more stable.

<b>Between Fiscal Years:</b>	<b>This was the percentage rise in the operating budget:</b>	<b>Which represents a dollar rise of:</b>
13-14	5.84	279,141
14-15	3.22	159,021
15-16	1.41	70,464
16-17	5.57	295,841
17-18	4.96	277,125
18-19	4.74	264,744
19-20	3.21	193,560

Total school cost (Conway Grammar School, Frontier Regional High School, and both technical schools) is rising about 4.16%, which is high, and has a substantial impact, as about 60.5% of the Town’s total budget. The Town’s health agent, the Hampshire County Group Insurance Trust, may change its health care plans, which has precipitated a major discussion regarding the future



## *Town of Conway Budget for Fiscal Year 2020*

of Conway's health plans, still ongoing as this budget is being published, though the final cost will not be more than what is budgeted.

The costs for health care (including school health care) will rise next year, and we have budgeted for the second-lowest plan. Of course, health care costs also affect the school budget, and that considerably more than the rest of the Town's health care costs, due to the greater number of school employees.

Although the new Municipal Modernization Act now allows money to move into stabilization funds with just a majority vote, rather than the previous two-thirds vote; a two-thirds vote is still needed to move money out of stabilization fund. Since we are including major building expenses in capital improvements planning, we can no longer assume that capital expenses will be met solely from the capital stabilization account, at least in the next few years, as we adjust finances to this new and better financial picture. It would be best to keep our free cash adjusted to a higher level, one which can take care of the investments in capital stabilization that should be automatic.

A related implication is that the lower amount of free cash is clearly not sufficient to pay for the Town's capital expenses over the long term. The Town should invest at least \$150,000 in the Capital Stabilization Fund each year, just to take care of vehicles and equipment, as well as \$25,000 annually for the Conway Grammar School. The Town should add \$100,000 to the Garage Stabilization Fund annually as well. The Capital Improvements Planning Committee is working on plans which will include buildings and grounds as well, and perhaps even bridges (or at least bridge engineering), as State support for bridge repair and replacement has decreased.

On a similar note, Town borrowing will be less expensive if we put away more money toward retirement health-care benefits; this budget includes \$20,000 for FY 2020. This means that \$295,000 per year should be put toward future uses.

### **2020 Budgets by Category and Department**

I have grouped various accounts together to give a broader view of Town spending. These include the four overall categories of General Government; Public Safety; Public Works; and Education, Health and Human Services.

**General Government** includes the most line items, and includes the budgets for the Moderator; Board of Selectmen; Finance Committee; Reserve Fund; Audit; Assessors; Treasurer/Collector (under "Treasurer"); Assistant Treasurer/Collector (under "Collector"); Town Administrator; Legal; Town Clerk; Board of Registrars; Elections; Finance (Bonds; Insurance; Debt; Employee Benefits); committees with budgets (Personnel; Parks, Recreation, and Trails; Historical Commission); the permitting bodies—the Conservation Commission, Planning Board, and the Zoning Board of Appeals; and the Franklin Regional Council of Governments (FRCOG). The budget for this category is \$1,251,634.

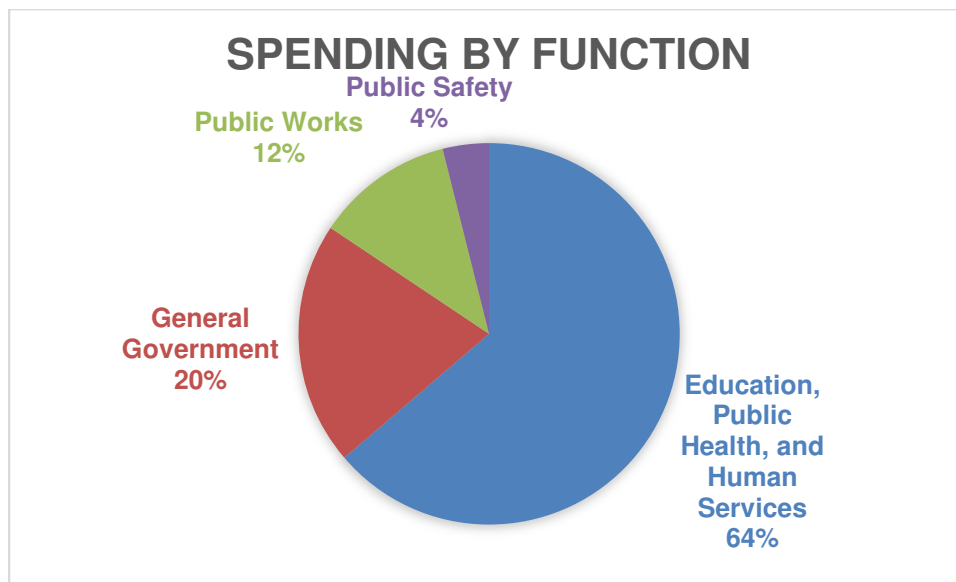
**Public Safety** includes Police; Fire; Ambulance; Emergency Management; and the Animal Control Officer. The combined budget for this category is \$238,475.

*Town of Conway Budget for Fiscal Year 2020*

**Public Works** includes Highway; Building Maintenance; and the Tree Warden. The combined budget for this category is \$708,264.

**Education, Health and Human Services** includes the Conway Grammar School (Operating and Transportation); the Technical Schools (Franklin Regional Technical School and Smith Vocational and Agricultural High School); Frontier Regional High School (Operating and Transportation); the Board of Health; the Council on Aging; and Veterans’ Services. Although final figures for all education expenses are not yet in, the combined budget for this category is estimated at \$3,861,218.

**Please note that FY 2018 expenses are generally not available in the categories below due to a change in the accounting software.**



<b>Rises in Costs by Category</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>\$ change</b>	<b>% change</b>
General Government (64%)	1,240,315	1,250,275	9,960	0.80
Public Safety (4%)	237,925	238,515	590	0.25
Public Works (12%)	671,283	708,264	36,981	5.22
Educ., Health and Human Services (20%)	3,696,090	3,861,218	165,128	4.28

Each entry below shows budgeted amounts starting from FY 2015. **Tentative amounts are put in italics**; this includes salary levels, shown only in order to help create a realistic bottom line. It is understood that any increases in salary are subject to Finance Committee review.

**PLEASE NOTE regarding salaries:** All amounts below in *italics* are either *estimates* or *salary lines waiting for a decision on a general pay raise*. The numbers below do *not* reflect any *overall* pay raise, though there is a contractual raise for the Town Administrator. Also, the Board of Health and Town Clerk have written pay increases into their budgets. If the Finance Committee recommends a salary rise of 2.5% for other budgets, this would mean an additional \$14,566 under Article 2. (A 3.0% increase would cost \$17,479; a 2.0% increase, \$11,653.)

*Town of Conway Budget for Fiscal Year 2020*

**General Government**

The total general government budget, without any pay raises, is proposed to be approximately \$1,251,634, not including any general rise in employee pay.

For the major budgets in this category, the highest single figure is over half that total, as is usual for employee benefits, at \$680,619. The next several highest figures are town administration, at \$106,980 (covering salaries, the Town Report, office expenses, technical services, and more); insurance, estimated at approximately \$73,000; the Treasurer/Collector’s budget, at \$75,563; the Assessors budget, at \$69,281; the Franklin Regional Council of Governments, at \$51,992 (which does not include the cost for the Town Nurse in the Board of Health budget); the Town Clerk’s office, at \$47,521; the reserve fund, at \$40,000; and debt service, at \$65,178. The legal budget is \$11,000. Other items are less than that.

*Please note that FY 2018 expenses are generally not available in the categories below due to a change in the accounting software.*

**Moderator and Board of Selectmen**

No changes are proposed for either the Moderator’s or the Select Board’s budget.

<b>Moderator -- 114</b>	FY 2016		FY 2017		FY 2018		FY 2019	FY 2020
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Moderator	350	350	350	350	350	350	350	350
<b>TOTAL</b>	350	350	350	350	350	350	350	<b>350</b>

<b>Select Board -- 122</b>	FY 2016		FY 2017		FY 2018		FY 2019	FY 2020
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salaries	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Dues	600	525	600	535	600	582	600	600
Conferences	500	137	500	25	500	75	500	500
<b>TOTAL</b>	6,500	6,062	6,500	5,960	6,500	6,057	6,500	<b>6,500</b>

**Finance Committee, Reserve Fund, and Audit**

The Finance Committee and Reserve Fund are level funded.

<b><u>Finance Committee – 131</u></b>	FY2015		FY2016		FY2017		FY2018	FY2019
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
	200	129	200	129	200	0	200	<b>300</b>

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<b>Reserve Fund - 132</b>	FY2015		FY2016		FY2017		FY2018	FY2019
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
	40,000	34,905	40,000	27,902	40,000	12,260	40,000	<b>40,000</b>

**Town Audits**

Beginning this year, the biennial audit will be funded through a special article rather than the operating budget, each year asking for half the money, which will help to smooth out budget volatility. The total will also include funds sufficient to pay for the triennial single audit of the Conway Grammar School.

<b><u>Audits - 135</u></b>	FY 2016		FY 2017		FY 2018		FY 2019	FY2020
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Expense	0	15,500	13,000	0	13,000	0	21,500	<b>0</b>

**Assessors**

Aside from an increase in postage, the Assessors budget is level funded, with one major exception. They are requesting funds for a new assistant, who would be able to assist the Administrative Assessor at a professional level, and who could be a potential replacement when that time comes.

Please also note that under Assessor Tax Map Maintenance, the FY 2019 figure included the GIS website with maps, which is now separated for FY 2020.

Finally, please note that FY 2018 expenses are not available due to a change in the accounting software.

<b>Assessors - 141</b>	FY 2016		FY 2017		FY 2018		FY 2019	FY 2020
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary			4,200	4,200	4,200	4,200	4,200	<i>4,800</i>
Clerical			39,948	36,898	40,746	36,370	42,200	<i>52,551</i>
<i>salary and clerical are broken down in the chart below</i>								
Deeds/Plans	25	0	25	0	25		25	25
Postage	25	0	25	267	25		340	500
Dues	300	186	300	240	300		300	300
Tuition/Mtgs	500	26	500	0	400		400	400
Office Supplies	1,000	900	1,000	1,220	1,108		1,125	1,000
Equipment Repair	750	838	750	0	750		750	750
Software Support	3,000	4,125	3,713	3,713	3,713		750	4,555
Tax Map Maint.	4,500	1,200	3,100	1,800	3,100		4,000	2,000
<b>TOTAL</b>	<b>54,248</b>	<b>48,373</b>	<b>54,359</b>	<b>47,809</b>	<b>55,821</b>		<b>56,208</b>	<b>69,281</b>

*Town of Conway Budget for Fiscal Year 2020*

The salary for the Administrative Assessor and the wages are broken down as follows:

**Assessors, Salary and Wages**

*The numbers of hours for each category of employee are sufficient.  
There will be no cyclical inspections needed in FY 2020.*

	<u># hrs./wk.</u>	<u>FY19 Rate</u>	<u># Weeks</u>	
Clerk	19	15.01	52	14,830
Extra Employee		10.00	10	0
Adm. Assr. Trainee	6	15.00	26	2,340
Adm. Assr. (incl. time to train)	30	22.36	52	34,881
Other: mileage, miscellaneous hours				500
<b>TOTAL</b>				<b>52,551</b>

**Treasurer/ Collector**

The Treasurer/Collector’s budget is rising slightly.

The Treasurer/Collector has in the recent past submitted separately both the Treasurer’s budget and the Collector’s budget. This year, as last year, they are combined, as they are in Article 2 of the annual Town Meeting warrant, hence the two-year history presented here.

Please note that FY 2018 expenses are not available due to a change in the accounting software.

<u>Collector/ Treasurer – 145/146</u>	<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Requested
Salary, wages	57,249		57,253	58,685
Mileage	400		500	500
Postage	3,620		4,094	4,557
Dues/Mtgs	500		500	500
Office Supply	925		1,000	1,000
Software Support	8,515		9,468	10,321
<b>TOTAL</b>	71,209		<b>74,337</b>	<b>75,563</b>

**Town Administrator, Legal, and IT**

Please note that FY 2018 expenses are not available in the categories below due to a change in the accounting software.

Also please note that the Town Administrator account covers not only expenses for the Town Administrator and his Assistant, but also general expenses for the Town Offices, including office supplies, fax, copier expenses, the Town report, and other, smaller items.

The largest rise in this budget is \$5,000 for a new copier. Quotes came in under that, including one for \$4,500, so the \$5,000 is a maximum figure.

*Town of Conway Budget for Fiscal Year 2020*

The Town Administrator’s contract calls for a \$3,000 raise this year, accounting for the rise in that line item. There is also a wage increase for his assistant, to \$20 per hour, and a promotion to 20 hours per week, based on increased responsibilities.

Mileage is up based on current year spending; as below, I am attending more meetings out of town. Postage is up due to a coming rise in postage costs.

Dues and conferences are down \$1,330, as the Town Administrator will have finished procurement training. Some additional money has been left for conferences; as a member of the Board of Directors of the Massachusetts Municipal Association and a member of the Executive Committee of the Massachusetts Municipal Management Association, the Town Administrator is strongly encouraged to attend their monthly meetings and annual conferences.

The Town Report is up based on last year’s expense. We have always been behind in Town Report expenses; the current year’s actual expenses are never known till the following year’s budget has been finalized.

Office supplies are up due to a request from the accountant for an additional \$250; and the other \$250 is for the Town Academy.

The Professional/Technical line item has been reduced, as it no longer pays for any IT or Building Maintenance work. Pre-employment physicals are still paid from this account and some funds should be retained for any urgent work requiring professional help.

<b>Town Administrator – 150</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	54,631	54,631	56,270	56,270	62,000		65,000	68,000
Hourly	12,813	12,427	15,854	12,378	18,252		18,708	20,280
Mileage	400	494	500	754	600		750	1,000
Postage	1,300	1,095	1,300	1,028	1,200		1,200	1,400
Dues/Conf	400	690	750	1,099	1,750		2,835	1,500
Telephone	2,500	4,031	3,650	3,116	4,100		<i>to 159</i>	
Copier	1,000	716	1,000	677	800		700	5,000
Advertising	500	62	500	439	300		500	300
Town Report	3,000	3,489	3,000	4,220	3,600		4,500	5,250
Supplies	2,000	4,692	2,500	3,103	3,000		3,500	4,000
Prof/Tech Serv	2,500	5,200	3,750	426	500		500	250
<b>TOTAL</b>	<b>85,044</b>	<b>91,313</b>	<b>89,074</b>	<b>83,510</b>	<b>96,102</b>		<b>97,737</b>	<b>106,980</b>

**Legal**

The budget for Town Counsel is proposed to come down to \$11,000, based on recent experience.

*Town of Conway Budget for Fiscal Year 2020*

Legal – 151	FY 2016		FY 2017		FY 2018		FY 2019	FY 2020
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
<b>TOTAL</b>	6,000	7,568	10,000	9,351	10,000		12,000	<b>11,000</b>

**Information Technology and Telephone**

The Information Technology, or IT, budget is level funded.

The IT budget is in its fourth year of existence, so we now have a realistic picture of what it means for a town of Conway’s size and relative lack of complexity. This includes not only general functionality but also robust security, both of which in turn require oversight and maintenance.

This account includes both our subscription to our internet service provider (ISP), which provides access to the internet, and more comprehensive IT services: maintenance; replacement of equipment; and updating of general Town software. Software that is specific to various departments is part of their own budgets.

IT&T - 159	FY2017		FY2018		FY 2019	FY 2020
	Budget	Expense	Budget	Expense	Budget	Requested
Maintenance <sup>1</sup>	6,100	4,193	5,400		5,800	5,800
Software and subscriptions <sup>2</sup>	3,900	8,205	7,400		15,240	15,240
Equipment and supplies <sup>3</sup>	3,000	1,364	2,000		1,940	1,940
Professional-Technical expenses <sup>4</sup>	7,000	6,161	7,000		7,000	7,000
<b>TOTAL</b>	<b>20,000</b>	<b>19,923</b>	<b>21,800</b>		<b>29,980</b>	<b>29,980</b>

<sup>1</sup> Maintenance includes regular updates, backups, switch-outs/configuration, monitoring, compliance, etc.

<sup>2</sup> Includes Internet Service Provider fees (\$3,500), telephone, e-mail accounts, and Windows 365 for each computer

<sup>3</sup> Includes a plan to replace each computer every three years

<sup>4</sup> Professional-Technical expenses include troubleshooting and other support beyond maintenance

**Town Clerk, Board of Registrars, and Elections**

Please note that FY 2018 expenses are not available in the categories below due to a change in the accounting software.

The Clerk fulfills five discrete administrative roles: legislative administrator; chief election officer; chief public information administrator; public records and licensing administrator; and census and voter registration administration. Each role is strictly defined by State law.

The hourly line item has been increased due to the expected retirement of the current Town Clerk, who is willing to make herself available to the new Town Clerk for eight hours a week for six months, a minimal time for transition.

Clerk – 161	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020

*Town of Conway Budget for Fiscal Year 2020*

	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	26,117	26,499	27,030	27,030	*32,850		33,671	33,671
Hourly	0	0	0	0	**4,000		4,100	10,000
Fees	50	0	50	0	50		50	50
Postage	200	68	200	179	200		200	400
Dues	100	35	100	45	100		100	200
Tuition/Mtgs	75	0	75	0	75		75	500
Subscriptions	100	0	100	0	100		100	100
Advertising	750	865	1,700	545	1,700		1,700	1,700
Supplies	400	0	400	33	400		400	400
New Equipment	200	0	200	0	200		200	500
<b>TOTAL</b>	<b>27,992</b>	<b>27,467</b>	<b>29,855</b>	<b>27,832</b>	<b>39,675</b>		<b>40,596</b>	<b>47,521</b>

\* this brought the Town Clerk salary up to the regional median for 25 hrs./wk.    \*\*for an assistant at 8 hrs./wk.

The Board of Registrars notes that this line item has been level funded from 1994 to last year. This year, however, office supplies have risen, as some of the “making do” of the past is not expected to be sufficient for the needs of the future.

<b>Board of Registrars - 162</b>	<b>FY2015</b>		<b>FY2016</b>		<b>FY2017</b>		<b>FY2018</b>	<b>FY2019</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	850	780	850	328	850	835	850	850
Office Supplies	400	0	400	0	400	0	400	1,500
<b>TOTAL</b>	<b>1,250</b>	<b>780</b>	<b>1,250</b>	<b>328</b>	<b>1,250</b>	<b>835</b>	<b>1,250</b>	<b>2,350</b>

For Elections, there is a decrease due to there being no state or federal elections. Please note that election workers are currently paid \$8.50 per hour, and that the last rate increase was in FY 2010.

<b>Elections - 163</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	4,420	2,698	5,715	3,718	1,700		5,095	3,600
Office Supplies	1,500	75	2,700	77	1,700		3,000	3,000
<b>TOTAL</b>	<b>5,920</b>	<b>2,773</b>	<b>8,415</b>	<b>3,795</b>	<b>3,400</b>		<b>8,095</b>	<b>6,600</b>

Elections cost chart (FY 2020):

<b>Date</b>	<b>Election</b>		<b>Hourly Cost</b>	<b>Other costs</b>		<b>Expected Total Cost</b>
3/3/2020	Presidential Primary		\$1,600.00			
		Extended Polling hours		Legal advertisements	\$150.00	



*Town of Conway Budget for Fiscal Year 2020*

				extra workers	\$150.00	\$1,900.00
05/01/20	Town Election		\$850.00			\$850.00
(if necessary)	Special Town Election		\$850.00			\$850.00
<b>TOTAL</b>						<b>\$3,600.00</b>

Office supplies chart:

Office Supplies include Postage, ballots, and other items relevant to the conduct of an election				\$500.00
	mandatory \$1,000 allowance per local election for programming			
		electronic voting equipment.		\$2,000.00
	equipment maintenance and repair			\$500.00
<b>TOTAL</b>				<b>\$3,000.00</b>

**Debt Service, Town Insurance, and Employee Benefits**

Please note that FY 2018 expenses are not available in the categories below due to a change in the accounting software.

Please also note that the largest single line item aside from schools, employee health insurance, is covered under 900 – Employee Benefits.

The new expense under Frontier is for their capital plan, addressed also through the authorization for borrowing in the May 13, 2019 annual Town Meeting warrant.

<b>Debt – 710/750</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
School Roof Repair Bond	63,710	62,355	63,456	63,709	0		0	
Short Term Interest	1	0	1	0	1		33,588	32,691
Fire Truck	0	0	0	0	33,588		550	750
<b>TOTAL</b>	<b>63,711</b>	<b>62,355</b>	<b>63,457</b>	<b>63,709</b>	<b>39,839</b>		<b>34,138</b>	<b>33,441</b>

General liability insurance and workers compensation have not reached the levels anticipated, so the total has been substantially reduced.

<b>Town Insurance – 193</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested

*Town of Conway Budget for Fiscal Year 2020*

General Liability Insurance	28,500	33,907	30,390	35,863	32,000		45,000	36,000
Worker's Comp Insurance	28,000	19,790	31,860	20,534	33,000		27,000	21,000
Insurance Police & Fire	15,000	11,900	15,000	12,204	13,000		14,000	15,000
Bonds	752	645	600	745	700		900	1000
<b>TOTAL</b>	<b>72,252</b>	<b>66,242</b>	<b>77,850</b>	<b>69,346</b>	<b>78,700</b>		<b>86,900</b>	<b>73,000</b>

For Employee Benefits, as usual, the Treasurer has budgeted conservatively for an additional Employee+1 and a family plan in case the Town has any additional enrollments. Medicare contributions are up and continue to rise as wages increase. Health insurance costs are anticipated to rise 3.02%, a considerably lower percentage than last year's 9.4% for HMO plans and 10.8% for PPO plans.

The overall increase in the 900 line item is minimal.

<b>Employee Benefits -- 900</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Exp.	Budget	Exp.	Budget	Exp.	Budget	Requested
Franklin County Retirement	147,412		155,386		165,999		175,407	191,043
Unemployment Insurance	6,700		4,000		4,029		4,172	4,144
Group Insurance-Health	364,000		385,000		428,693		442,049	435,501
Group Insurance-Life	1,800		1,800		1,800		1,800	1,800
Medicare & Social Security	30,169		35,000		38,951		40,325	38,131
	MTA Mitigation for plan chgs						8,081	10,000
<b>TOTAL</b>	<b>550,081</b>	<b>550,081</b>	<b>581,186</b>	<b>585,888</b>	<b>639,472</b>		<b>678,253</b>	<b>680,619</b>

***Committees with budgets***

Please note that FY 2018 expenses are not available in the categories below due to a change in the accounting software.

**Personnel Committee**

Funding for the Personnel Committee is proposed to rise to \$200, in case they would like to send a town-wide mailing.

*Town of Conway Budget for Fiscal Year 2020*

<b>Personnel Committee – 190</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Expenses	100	0	100	0	100	0	100	<b>200</b>

**Parks, Recreation, and Trails**

The Parks, Recreation, and Trails Committee is proposed to rise slightly, to \$8,000.

<b>Parks, Recreation, and Trails – 630</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
<b>TOTAL</b>	6,305	5,173	7,755	7,461	7,755		7,755	<b>8,000</b>

**Historical Commission**

The Historical Commission is proposed to be level funded.

<b>Historical Commission – 691</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Historical Commission	400	400	400	400	400	400	400	<b>400</b>

*“170 Series” - Permitting Bodies, Agriculture Commission, and Open Space Committee*

**“170 Series” – Permitting Bodies: Conservation Commission, Planning Board, and the Zoning Board of Appeals**

The Conservation Commission proposes an increase to account for the work of an administrative assistant in their work to enforce the state’s Wetlands Act. Please note that any resident who is willing to serve and feels qualified is welcome to contact the Chair, Bruton Strange.

<b>Conservation Commission – 171</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Postage	50	6	50	0	50		50	50
Dues	179	183	200	0	200		200	200
Training	500	0	500	95	500		405	500
Office Supplies	200	137	200	0	200		200	100
Prof & Tech	0	0	100	0	100		25	936
<b>TOTAL</b>	929	326	1,050	95	1,050		955	<b>1,786</b>

*Town of Conway Budget for Fiscal Year 2020*

**Agricultural Commission**

The Agricultural Commission, new in FY 2017, successfully proposed a “Right-to-Farm” by-law, and is now working on other ways to promote and protect Conway agriculture. It is proposing level funding.

<b>Agricultural Commission – 172</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
<b>TOTAL</b>	--	--	250	0	250		500	<b>500</b>

**Open Space Committee**

The Open Space Committee proposes level funding.

<b>Open Space Committee – 173</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
<b>TOTAL</b>			400	0	400	0	400	<b>400</b>

The Planning Board is proposed proposes an increase to account for the work of an administrative assistant in their work to enforce the town’s Protective By-laws.

<b>Planning Board – 175</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Expense	3,160	8,849	3,160	367	2,075	328	3,210	4,470
Salary - Admin. Assistant								2,520
Travel							100	100
Dues							260	260
Tuition/Meetings							360	360
Advertising							480	480
Office supplies							250	250
New equipment							500	500
<b>TOTAL</b>						328	1,950	<b>4,470</b>

Zoning Board of Appeals expenses rose to \$300 last year to be able to cover two appeals per year for variances from the zoning regulations and an increased number of petitions, and that will rise another \$100 this year to account for the work of an administrative assistant in their work.

<b>Zoning Board of Appeals – 176</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Expense	175	0	1	44	100	0	300	<b>400</b>

**Regional Services**

**Franklin Regional Council of Governments (FRCOG)**

Both the statutory assessment and the regional assessment of the Franklin Regional Council of Governments (FRCOG) are down slightly; programs, however, are up slightly.

Membership in the FRCOG remains a good investment, as Conway is taking advantage of a number of discretionary programs, including accounting services; highway materials procurement; the cooperative inspection program; and the cooperative health program (for nursing services only). We also work actively with the FRCOG in most major procurement matters; their accounting, public nursing (first Friday of the month mornings at the Town Hall), and cooperative building inspection programs; natural hazard mitigation planning; water quality grants (such as the DEP 319 grant for South River flood prevention work); GIS work with the Assessors, Highway Department, Pipeline Task Force, Historical Commission, and Town Administrator; regional emergency management; and most recently, assistance meeting our Community Compact goals of implementing best practices for information technology and long-term financial planning. In addition, many Town board and committee members have taken advantage of free trainings sponsored by the FRCOG.

FRCOG – 830	FY 2016		FY 2017		FY 2018		FY 2019	FY 2020
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Statutory			1,094		1,213		1,008	930
Regional			15,038		15,285		14,876	15,610
Programs*			39,453		33,616		34,299	35,452
<b>TOTAL</b>	53,538		55,585	48,475	50,114		<b>50,183</b>	<b>51,992</b>

\* the first-Friday Town Nurse service is paid for under the Board of Health budget

*Town of Conway Budget for Fiscal Year 2020*

**Public Safety**

***Please note that FY 2018 expenses are not available in the categories below due to a change in the accounting software.***

The Public Safety category covers Police, Fire, Ambulance, Emergency Management, and the Animal Control Officer, a position that includes all the duties of a former Dog Warden or Officer as well as dealing with all other problematic wild animals in town. Total spending is projected to be \$238,515 (prior to any salary adjustment, so that could easily bring the figures up), with over half of that, \$126,072, going to the Police Department. It is quite possible that as Conway approaches a population of 2,000, the town could use a second full-time police officer rather than a regular half-time officer, but that additional support is not deemed necessary at this time.

**Police**

Police spending is very slightly higher to fund an outside expense, software maintenance, which is expected to rise (just \$400). Personnel is currently adequate, with a regular part-time officer for at least 20 hours per week, along with more occasional officers; the only shortages are for special events.

Police Department – 210	FY 2016		FY 2017		FY 2018		FY 2019	FY 2020
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salaries	65,682	65,682	66,996	66,995	68,671	69,853	70,388	70,388
Hourly	36,798	35,787	37,534	40,301	37,534	35,436	37,534	37,534
Radio Fees	2,000	1,666	2,000	1,692	2,592	2,591	3,000	3,000
Postage	50	43	50	43	50	0	50	50
Dues	300	150	300	180	300	180	300	300
Training	1,400	2,020	1,400	1,402	2,400	1,181	2,400	2,400
Gasoline	7,000	3,159	7,000	3,410	5,500	3,237	5,500	5,500
Supplies	600	494	1,300	124	2,000	874	2,000	2,000
Vehicle Maint.	2,000	2,172	2,000	585	2,000	4,372	2,000	2,000
Software	1,620	1,255	1,620	1,320	1,420	1,385	1,500	1,900
Uniforms	1,000	669	1,000	772	1,000	689	1,000	1,000
<b>TOTAL</b>	<b>118,450</b>	<b>113,097</b>	<b>118,450</b>	<b>116,824</b>	<b>123,467</b>	<b>120,859</b>	<b>125,672</b>	<b>126,072</b>

**Fire**

**FY 2018 expenses are based on Department records. Thank you to the Fire Chief for keeping complete and accurate records.**

The Fire Department’s proposed budget is level funded (without salary increases). Vehicle Maintenance expenses still include valve repairs. As most training is free, the training budget has been used for educational materials. Please note that the Gasoline/Fuel line is used not only for

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the cruiser and brush truck, but for generators, chain saws, and pumps as well. Equipment includes fire hoses, valves, fittings, adapters, and water-proof radios. SCBA maintenance includes annual certification and testing; there is also a capital request this year for replacements. Turn-out gear includes all fire department clothing—coats, helmets, gloves, hoods, boots, and forestry clothing.

<b>Fire –220</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	7,390	7,388	7,538	7,536	7,726	7,725	7,919	7,919
Clerical	805	804	821	821	842	849	863	863
Labor	10,957	7,144	11,176	11,955	11,455	11,105	11,741	11,741
Radio Fees	3,200	3,200	3,200	2,902	5,095	3,621	5,595	5,595
Dues	500	500	500	375	500	450	500	500
Training	0	972	1,000	1,000	1,000	1,000	1,000	1,000
Phone Rental	300	296	300	296	300	75	300	300
Cell Phone	528	528	528	622	650	1,290	1,350	1,350
Gasoline/ Fuel	1,000	212	500	283	300	210	300	300
Supplies	4,000	2,853	3,000	3,184	3,000	2,899	3,000	3,000
Vehicle Maint.	6,300	6,199	6,300	10,300	6,300	830	7,500	7,500
Equipment	10,000	6,355	10,000	5,606	10,000	10,036	10,000	10,000
SCBA Maintenance	1,000	1,000	1,000	1,024	1,000		1,000	1,000
Turnout Gear	6,400	4,904	6,400	6,292	6,400		6,400	6,400
<b>TOTAL</b>	<b>52,380</b>	<b>42,355</b>	<b>52,380</b>	<b>52,196</b>	<b>54,568</b>	<b>41,442</b>	<b>57,468</b>	<b>57,468</b>

**Ambulance**

Radios and software support are the only items rising in this year’s Ambulance Department budget.

<b>Ambulance - 231</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	6,417	6,312	6,260	6,260	6,417		6,577	6,577
Assistant Dir. Salary	2,050	534	2,091	545	2,143		2,197	2,197
Clerk Wages	328	116	335	0	335		343	200
Hourly Employee	8,918	7,524	9,096	6,265	9,323		9,556	9,556
Radios	2,000	1,666	1,692	1,692	1,692		2,000	2,700
Postage	35	25	25	3	25		10	10
Training	1,000	600	750	3,896	950		1,500	1,500
Lic/ Exam	3,600	1,515	1,451	1,466	7,500		7,500	7,500
Telephone/ Cell	600	448	600	161	300		300	200
Transfer/Intercep	11,000	6,230	7,000	6,253	8,000		8,000	8,000
Office Supplies	200	49	100	0	100		100	100
Other Supplies	2,400	3,219	2,450	2,412	2,700		2,700	2,700
Maint/Repair	750	235	250	488	250		500	500
Software Support	2,500	2,150	2,500	2,214	2,500		2,300	2,500

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Uniforms	100	0	100	217	100		100	100
New Equipment	1,850	1,663	1,500	1,234	1,500		1,500	1,500
Billing Charges	2,500	1,576	1,750	1,764	1,750		1,800	1,600
<b>TOTAL</b>	<b>46,248</b>	<b>33,862</b>	<b>37,950</b>	<b>34,870</b>	<b>45,585</b>		<b>46,983</b>	<b>47,440</b>

**“290 Series” – Emergency Management; Animal Control Officer; Tree Warden**

The Emergency Management Director (EMD) is requesting level funding. The EMD is responsible for keeping the Town compliant with all state requirements and maintaining Town readiness for emergencies. Equipment includes supplies for emergency shelter readiness.

<b>Emergency Management – 291</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Mileage	250	48	250	306	250	0	250	250
Emergency Alert System	1,500	1,326	1,500	1,326	1,500	1,326	1,500	1,500
Equipment	500	0	500	218	500		500	500
<b>TOTAL</b>	<b>4,250</b>	<b>3,374</b>	<b>4,250</b>	<b>3,850</b>	<b>4,250</b>	<b>3,403</b>	<b>4,250</b>	<b>4,250</b>

Please note that the position formerly known as Dog Warden or Dog Officer is now, due to State legislation, called Animal Control Officer (ACO). This position is proposed to be level funded.

<b>Animal Control Officer (Dog Officer) – 292</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	350	635	350		1,600	1,600	1,600	1,600
Mileage	400	257	600		500		835	835
Kennel exp.*	300	0	350		350	258	350	350
Training (hrly)	200	0	600		100		100	100
Equipment	400	0	100		100		100	100
<b>TOTAL</b>	<b>1,050</b>	<b>892</b>	<b>1,650</b>	<b>0</b>	<b>2,650</b>	<b>2,400</b>	<b>2,985</b>	<b>2,985</b>

The Tree Warden budget was raised last year to allow the Tree Warden to be a member of the professional association and to attend its annual conference. This year, it is level-funded.

<b>Tree Warden – 294</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	300	300	300	497	300	300	300	300
Mileage	0	0	0	0	50	0	50	0
Dues/Conference	75	0	335	0	285	0	235	0
<b>TOTAL</b>	<b>375</b>	<b>300</b>	<b>635</b>	<b>497</b>	<b>635</b>	<b>300</b>	<b>585</b>	<b>300</b>



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Since each of the items in the “290 series” is level funded except the Tree Warden budget, which is slightly reduced, the total expense proposed for this series is \$7,535, slightly down from last year.

**Public Works**

**FY 2018 expenses are based on Departmental records. Thank you to the Highway Superintendent for keeping complete and accurate records.**

The Public Works category includes Highway and Winter Roads as the main categories, together with Building Maintenance and the Tree Warden. The Highway Department is requesting \$634,766, up \$29,925, or 4.7% from last year’s \$604,841. The \$708,264 total public works budget (Highway and Building Maintenance) for FY 2020 is similarly up, though Building Maintenance is level funded.

**Highway and Winter Roads**

The Highway budget is increased, mostly due to increased expected repairs and rentals, and also subcontracting (“Sublet”). Rentals include \$10,000 for the lift proposed and approved at Town Meeting last May, when Town Meeting made it clear that renting the equipment was preferred over buying a used unit for \$20,000. The Highway Department is using a rented lift mostly to clear overhanging branches from roads.

The Winter Roads budget has been proposed to be level-funded.

<b>Highway – 422</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Salary	58,263	58,262	60,338	61,502	63,041	63,040	64,616	64,616
Hourly Wages	149,755	145,466	158,501	136,839	170,688	168,541	184,804	184,804
Part-Time Help	1,000	1,020	1,000	0	1,000	0	1,000	1,000
Overtime Pay	2,050	456	2,050	1,524	2,075	1,603	2,075	4,000
<b>Sub-Total LABOR</b>	<b>211,068</b>	<b>205,204</b>	<b>221,889</b>	<b>199,865</b>	<b>236,804</b>	<b>233,183</b>	<b>252,495</b>	<b>254,420</b>
<b>Regular</b>								
Rentals	7,500	7,542	7,500	0	7,500	7,675	7,500	17,500
Materials	95,000	91,171	104,863	114,456	102,033	65,761	105,000	105,000
Sublet	20,000	19,650	21,358	42,831	20,000	14,538	20,000	25,000
Fuel	25,000	18,049	23,040	11,593	18,000	15,714	20,000	20,000
Office	5,000	6,384	5,000	4,541	5,000	7,624	5,000	6,000
Dept Supplies	10,000	6,410	10,000	9,637	10,000	10,877	10,000	10,000
Repairs	60,000	75,656	50,000	53,098	85,000	98,916	50,000	60,000
Uniforms	3,000	2,834	2,500	2,410	2,500	2,500	2,500	2,500

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New Equipment	10,000	13,885	10,000	15,064	10,000	12,496	10,000	10,000
<b>Sub-Total REGULAR</b>	<b>235,500</b>	<b>241,581</b>	<b>234,261</b>	<b>253,630</b>	<b>260,033</b>	<b>236,102</b>	<b>230,000</b>	<b>256,000</b>
<b>TOTAL REGULAR AND LABOR - 422</b>	<b>446,568</b>	<b>446,785</b>	<b>456,150</b>	<b>453,495</b>	<b>496,837</b>	<b>469,285</b>	<b>482,495</b>	<b>510,420</b>

<b>Winter - 423</b>	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Temp Employ	3,000	0	3,000	1,724	3,075	1,233	3,152	3,152
Overtime Pay	15,112	5,848	15,414	15,976	15,799	19,512	16,194	16,194
Diesel	15,000	12,826	15,000	13,258	15,000	15,376	15,000	15,000
Sand	20,000	8,998	20,000	11,492	20,000	13,429	20,000	20,000
Salt	60,000	40,879	60,000	41,322	60,000	56,414	60,000	60,000
Supplies	8,000	10,277	8,000	12,237	8,000	12,887	8,000	10,000
New Equipment	0	0	0	0	0		0	
<b>TOTAL WINTER - 423</b>	<b>121,112</b>	<b>78,828</b>	<b>121,414</b>	<b>96,009</b>	<b>121,874</b>	<b>118,851</b>	<b>122,346</b>	<b>124,346</b>

**Building Maintenance**

Building Maintenance is level funded, though a general pay raise would raise the Custodian's salary. The sheep barn is no longer available for rental at an affordable price. Several other sub-accounts have been modified based on currently available figures, leaving the total level.

<b>Building Maintenance - 192</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Custodian Salary	16,234	16,304	16,559	16,684	16,973	16,980	17,398	17,398
Electricity - Buildings	9,100	7,461	9,100	6,813	9,100	8,298	7,500	8,500
Electricity - Outdoors	10,400	7,571	8,000	6,636	8,000	7,378	7,500	8,000
Building Maintenance	5,000	4,289	5,000	3,767	5,000	2,252	5,000	5,000
Rent - Sheep Barn	3,000	3,000	3,000	3,000	3,000	3,000	3,000	0
Heat Oil	8,000	4,653	8,000	3,904	8,000	4,525	6,000	6,000
Heat Propane	12,000	9,590	12,000	9,715	12,000	7,669	11,000	9,000
Building Repairs	2,500	833	3,500	7,517	3,500	13,740	7,600	8,100
Custodial Supplies	500	198	500	296	500	1,971	1,500	1,500

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Grounds Maintenance	4,500	4,919	7,000	14,257	7,000	6,524	7,000	10,000
<b>TOTAL</b>	<b>71,234</b>	<b>58,818</b>	<b>71,234</b>	<b>72,589</b>	<b>73,073</b>	<b>72,337</b>	<b>73,498</b>	<b>73,498</b>

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***Education, Public Health, and Human Services***

The Education, Public Health, and Human Services budget includes the Board of Health (with a budget of \$200,437); the Council on Aging (just \$1,200); Veterans' Services (\$12,518); totaling \$214,155, and all of the schools: Conway Grammar School, Frontier Regional High School and both the Franklin County Technical School and the Smith Vocational and Agricultural High School (see below). At \$3,647,063 as the total for all schools, that makes total spending for this category \$3,861,218.

**Education**

**Please note that all school figures are estimates.**

For the school budgets, final budgets for both the Conway Grammar School, Frontier Regional High School, and the technical schools have not yet been approved, but preliminary budgets have been made available. Total school spending (including transportation) is estimated at \$3,647,063, up \$151,689 from last year's \$3,495,374, or about 4.16%.

Although costs have dropped substantially for the Franklin County Technical School (and somewhat for Smith Vocational and Technical High School as well), this is expected to rise even more next year. There is nothing we can do to smooth out the volatility of this line item, unless we budgeted considerably more than needed in years with low attendance. While this would increase free cash the following year, the costs are great enough so that it seems better to accept the volatility.

<b>Schools – 300A, 300B, 320, 892A, 892B</b>	<b>Total assessment FY 2018</b>	<b>Total assessment FY 2019 (estimated)</b>	<b>%</b>	<b>FY 2020 Requested</b>	<b>Increase (decrease) FY 19 to FY 20</b>	<b>% Increase (decrease)</b>
<b>Conway Grammar School – 300</b>						
CGS Operating (A)	1,766,938	1,825,454	3.21	1,878,752	53,298	2.84
CGS Transportation (B)	77,762	83,362	6.72	83,520	158	0.19
<i>CGS sub-total:</i>	1,844,700	1,908,816	3.36	<b>1,962,272</b>	53,456	2.72
<b>Frontier Regional High School – 892</b>						
FRHS Operating (A)	1,256,921	1,344,781	6.53	1,478,594	133,813	9.05
FRHS Transport (B)	19,122	23,472	18.53	54,729	31,257	57.11
<i>Frontier sub-total:</i>	1,276,043	1,368,253	6.74	<b>1,533,323</b>	165,070	10.77
<b>Franklin Regional Technical School – 320</b>						
Tuition	122,619	170,295	28.00	112,380	(57,915)	(34.01)
Capital (bond payment)	0	0	(new)	7,888	7,888	100
<i>FCTS sub-total</i>	122,619	170,295	28.00	120,268	50,027	(29.38)
<b>Smith Vocational and Agricultural – 320</b>						
Tuition	35,360	35,360	0.00	18,500	16,860	(47.68)
SVAHS transportation	12,600	12,650	0.40	12,700	50	0.39
<i>SVAHS sub-total:</i>	47,960	48,010	0.10	31,200	16,810	(35.01)

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<i>Tech. schools sub-total:</i>	170,579	218,305	21.86	<b>151,468</b>	66,837	(30.62)
<b>TOTAL est.</b>	3,291,322	3,495,374	5.84	<b>3,647,063</b>	151,689	4.16

*Charter Schools*

As a footnote, there has been a good deal of concern about charter schools and their effect on Town finances.

Here is the chart of charter school attendance and costs. The enrollment list is a moving target through the spring and summer; students may get picked in the February lottery but change their minds later, allowing students on the waiting list to get an offer of admission in the spring or summer. The schools do not know their final count till the first day of school (late August, 2019).

Due to acceptance being based on a lottery, it is possible that no Conway applicants would get an offer; or conversely, all of them might get an offer.

All figures are for the school year 2018-19.

<b>Commonwealth Charter School</b>	<b>Location</b>	<b>FTE pupils at the charter</b>	<b>Conway students attending</b>	<b>Total operating expenditures per pupil</b>	<b>Total charges</b>	<b>State reimbursement per student</b>
Four Rivers Charter Public School	Greenfield	219	11	15,876	162,243	<i>not known at time of publication</i>
Pioneer Valley Performing Arts Charter Public School	South Hadley	402	7	15,964	56,232	<i>not known at time of publication</i>
Pioneer Valley Chinese Immersion Charter School	Hadley	470	2	15,396	43,206	<i>not known at time of publication</i>

**Health and Human Services**

**Board of Health**

There is a moderate reduction in costs in the Board of Health budget, mainly due to projected lower tipping fees.

BOH “Other Services”—items paid under line item 512-380—include the following items, though this is not a complete listing as it often includes unanticipated expenses: the DEP-required annual Transfer Station site inspection (separate from 512-240 which covers only the detailed well inspections and testing required for the capped wood-waste disposal site); the porta-potty at the Transfer Station; landfill cap mowing and maintenance; scrap metal hauling; freon collection and disposal; equipment repair and maintenance; tire pick-up and disposal; electronics pick-up and disposal; propane, helium and other canisters pick-up and disposal; and fire extinguisher inspection and service.

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Please also note that in this request, a 2½% increase in salary and wage levels is included.

<b>Board of Health – 512</b>	<b>FY2016</b>		<b>FY2017</b>		<b>FY2018</b>		<b>FY2019</b>	<b>FY2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended*	Budget	Requested
Hourly Employ	28,425	33,686	29,718	36,957	37,775		38,720	39,688
Clerical	11,254	11,595	11,775	11,575	12,070		12,372	12,681
Animal Inspect	1,300	1,300	1,600	1,600	1,800		2,000	2,050
Stipends	5,480	5,477	5,617	5,468	5,757		5,901	6,050
Electric	2,100	1,672	2,165	1,886	2,165		2,165	2,165
Mileage	500	120	500	192	500		500	500
Dump Main.	4,000	3,925	4,000	0	4,000		4,000	4,000
Postage	100	94	100	106	100		100	100
Dues	5,500	5,650	6,550	4,913	6,600		9,150	10,000
Tuition/ Meetings	500	358	500	0	500		500	500
FCSWMD	6,227	6,227	6,524	6,524	6,532		6,808	7,003
Telephone	300	291	300	285	300		300	300
Other Services	8,000	12,582	9,000	6,338	10,000		10,000	10,000
Advertising	100	0	300	0	100		100	100
Trucking	41,330	31,553	41,330	36,634	43,000		45,000	45,000
Disposal/ Tip	38,000	28,441	38,000	31,127	38,000		48,000	45,000
Hazard Waste	5,000	3,121	5,000	3,604	5,000		7,500	7,500
Office Supply	500	0	500	0	500		500	500
Other Supply	2,000	2,934	2,500	1,830	3,500		3,500	3,500
Building Repairs	2,000	1,053	2,000	0	2,000		2,000	2,000
VBD**	750	600	750	745	1,800		1,800	1,800
<b>TOTAL</b>	<b>163,366</b>	<b>150,679</b>	<b>168,729</b>	<b>149,784</b>	<b>181,999</b>	<b>183,576</b>	<b>200,916</b>	

\*expenses were not easily trackable by sub-account due to changes in accounting software

\*\*vector-borne disease, e.g., tick testing; was just "rabies"

**“540 Series” – Council on Aging, Veterans’ Services**

The Council on Aging has requested level funding; the Veterans’ Services budget has been increased to include funding for one additional veteran to receive services.

<b>Council on Aging – 541</b>	<b>FY 2016</b>		<b>FY 2017</b>		<b>FY 2018</b>		<b>FY 2019</b>	<b>FY 2020</b>
	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Expense	400	300	1,600	1,160	400	304	1,200	<b>1,200</b>

<b>Veterans’ Services – 543</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
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	Budget	Expended	Budget	Expended	Budget	Expended	Budget	Requested
Benefits	5,500	3,473	6,533	6,619	5,500	3,629	5,500	8,568
Operating	4,020	4,371	3,033	0	3,610	3,609	3,610	3,700
Flags	200	0	200	0	200	186	200	250
<b>TOTAL</b>	9,720	7,844	<b>9,766</b>	<b>6,619</b>	<b>9,310</b>	<b>7,424</b>	<b>9,310</b>	<b>12,518</b>

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Town of Conway Organizational Chart

