



Town of Stow
Office of the
Town Administrator

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To: Select Board, Finance Committee, and Stow Residents

From: Denise M. Dembkoski, Town Administrator

Re: FY23 Budget Recommendations

Date: April 1, 2022

The Fiscal Year 2023 (FY23) Operating Budget process provided an opportunity for management to, once again, undertake an honest assessment of town functions to determine what is working and what changes are necessary. Some of the recommended changes contained within this memorandum will have cost implications for the FY23 budget. Beginning in the FY22 budget, we started making some necessary staffing changes, which would bring the needed staffing levels up to par on an operational standpoint. This FY23 budget includes some new or modified staffing to take the next step towards our goal of providing the most resources to our residents, while maintaining a streamlined and efficient budget.

Like last year, we are still getting out from under the accumulation of years of conservative budgeting, which while assisting the town in limiting our expenditure outlay and increased our Unused Levy Capacity to \$2.4M, created other operational issues within the Town. We took a major step with the addition of an Assistant Town Administrator to function as the Human Resources Director, and were also able to add highway and library staff. This year, the focus is on facilities and community services.

At the 2021 Annual Town Meeting, I presented changes to the Wage & Classification Schedules after a consultant was brought in to review the salaries of non-union staff. These new schedules now include the \$145,000 in funding that was previously voted as a separate warrant article for an education incentive. When reviewing the budget, it will look like there was a tremendous increase given to employees. That, however, is not accurate. The budget now properly includes all wages paid to employees, inclusive of the education incentive and any stipends. A 3% Cost of Living Adjustment was provided to all employees and those who were eligible to increase a Step, did so. While it looks like a big impact, in FY21, \$225,000 was approved in warrant articles to account for the education incentive and implementation of the new schedules. These were approved as separate articles and now they are fully incorporated into the budget. While it may look like a lot, the net of these changes is minor.

There are, however, a few new personnel related changes that I am recommending for FY23, which are articulated below.

In this budget, I am recommending the following staffing changes:

- Adding One (1) full-time custodian
- Promoting existing custodian to a Maintenance Craftsman
- Adding Two (2) part-time administrative staffers to cover the front desk at the Pompositticut Community Center
- Increasing the part-time police administrative assistant to a full-time position

Full – Time Custodian and Promotion of Existing Custodian

During a recent review of the facilities department, it was determined that we are lacking resources to properly clean and maintain the six (6) municipal buildings. With current staffing of 1 ½ employees, there are not enough hours budgeted for to properly cover the square footage of the buildings. Additionally, there is no backup coverage during employee leave (sick, vacation). When the full-time custodian is out, buildings are not cleaned for days. This is unacceptable to employees and patrons. All buildings are open to the public and should be serviced and maintained up to set standards.

With the addition of one (1) employee, we will have proper coverage to clean and maintain all facilities weekly and enough backup coverage when someone is out. Additionally, I have assigned the Assistant Facilities Manager to be the primary contact with all facilities maintenance and cleaning matters streamlining the process with Department Heads when they have a problem or concern. I am also recommending to create a new position for the existing custodian, of Maintenance Craftsman. Our existing custodian makes repairs, paints, oversees the mechanics in the buildings and does so much more than just cleaning and he should be recognized accordingly.

The cost associated with these changes is: \$ 43,925 or a .0014% increase

Adding Two (2) part-time administrative staffers to cover the front desk at the Pompositticut Community Center

Since my arrival here it has been evident that the Council on Aging's handling of the front desk has been remarkable. They were utilizing Senior Tax Work-off residents to cover the desk, triage questions and visitors, and assist with basic daily tasks. With Pompo fully reopen in this post-pandemic world, the needs have greatly increased. Pompo covers the COA, Recreation, Veterans Services, the Town Social Worker, and the Community Center. While the Senior Tax Work-Off staff has been fantastic, it is time we prioritize this essential need and provide proper resources for those calling and entering Pompo, and freeing up the COA staff to focus on their respective jobs, instead of constantly having to oversee the front desk.

The cost associated with these changes is: \$ 39,375 or a .0013%

Increasing the police part-time administrative assistant to full-time

Increasing the administrative assistant hours at the Police Station has become a needed change. Over the years, we have been very lucky to have the admin, that we have, filling this role, but it is evident that we need more hours than she is able to give (as a result of being limited under retirement laws). Additionally, we are looking to broaden this role to handle much of the automation of the administration of the police department. Automating and modernizing processes, as well as maintaining the website, and updating forms and procedures to make it easier for the officers and the public. It also is not fiscally prudent to have the highest paid

member of the department, the Chief, working on administrative duties, since there are not enough admin hours to do what is required.

While there is a cost associated with these additional 14 hours, the impact is budget neutral, as there are other personnel cost savings within the department.

The cost associated with these changes is: \$ 0

DPW Unionization

In addition to these staffing changes, another big personnel-related change is in the formation of a DPW Union. As of July 1, 2021, the highway laborers and cemetery supervisor have joined the Teamsters Union. We negotiated over the course of several months and have tentatively finalized an agreement with the financial component taking effect on July 1, 2022. The increases to the Wages of the Highway and Cemetery Department are inclusive of all negotiated salaries and benefits on the new Collective Bargaining Agreement.

During the negotiation process, we determined that a number of employees were paid well below the market rate and needed to be brought up to a market-rate level.

Elections

Fiscal Year 2023 has three scheduled elections, with potential for a forth to be called. Every election has staffing needs and expenses to obtain the materials, program the ballot tabulators, etc. For FY23 those additional costs total almost \$40,000 over the FY22 budget.

Education

Unfortunately for us, this year we have received assessments from the two school districts (Nashoba Regional School and Minuteman Vocational) totaling more than \$1M combined. This more than One Million Dollar increase is an increase of more than 5.3% over the FY21 assessments and almost \$300,000 more than the increased tax revenue we project under Prop 2 ½.

The 35.7% assessment increase (or \$564,299) at Minuteman is mainly due to increased enrollment and less out-of-district students attending. Since the new school opened, Minuteman has seen an increase in applications, primarily from member towns. As a result of fewer out-of-district students attending, the member towns need to pay more to cover those costs. Additionally, over the last several years, Stow's enrollment at Minuteman has increased to 57 students up from just 16 students five years ago.

The Nashoba increase is not as cut and dry to articulate. They have established their budget with an overall increase of about 5% over FY22. There is not one driving factor that we can point to as the basis for the increase. As a result of their total budget increase, Stow's assessment has increased 2.64% (or \$476,072) over the FY22 assessment.

There were other small changes within the FY23 Budget Proposal, but all other budgetary impacts were minor, as there are no proposed new programs. During FY23, we will continue to look for ways to make doing business with the Town more efficient while also remaining cost effective.

The total FY23 Budget Request is increased by 6.38% over FY22. However, with the school's \$1M increase, they have increased the overall budget by 3.52% and the municipal budgets have increased by 2.86%.

When I include the general fund articles that are to be voted on, those have decreased by more than \$240k in total. Since the education incentive and funds to implement the classification study have been absorbed by the budget, it was expected that individually the budget requests would increase, while the article requests would decrease. When you combine the budget line items and articles for a total taxpayer impact, the schools have increased the funding by 3.44%, with the municipal side at 1.98%, with a total overall increase of 5.42% over FY22.

As I indicated in my letter last year, the Town is still in the process of catching up from years of static staffing levels, even though the number of residents has continued to grow. These few personnel changes will almost fully complement our needs. I do expect over the next few years to need to review our public safety personnel. As more and more developments are being built, the current staffing levels in police and fire/EMS will not be sufficient to keep up with the demand for service.

I believe this FY23 budget is necessary for effective Town operations and ask for your support. I welcome an opportunity to discuss the FY23 Budget and answer any questions anyone may have.

Thank you.