



Town of Dighton
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March 8, 2022

Kenneth J. Pacheco, Chairman
Leonard E. Hull, Jr., Clerk
Brett R. Zografos, Ph.D., Member
Dighton Board of Selectmen
979 Somerset Avenue
Dighton, MA 02715

Dear Honorable Board of Selectmen:

After thoughtful analysis and review, I hereby submit the proposed Town of Dighton Fiscal Year 2023 (FY23) budget recommendations, along with accompanying Departmental Requests, for your consideration, input and approval.

As you know, the development of the town's operating budget is a carefully-constructed process that includes regular meetings between the town's financial team—including the town administrator and executive assistant, town accountant, treasurer/collector, and assessor—and is shaped in partnership with department heads, boards and committees, and input from town residents.

We start the budget process in November assessing how current year revenue trends may help shape planning for the next fiscal year. In late December, we begin our departmental budget planning process where we invite all town departments, boards and committees to prepare and submit their individual budget requests. We devote significant efforts in January to revenue analysis and projection efforts, followed by the town accountant and I meeting with department heads throughout the month of February. Today begins the next phase of the budget process as we plan for this year's Annual Town Meeting. The Board will be making its recommendations on the accompanying budget proposal during the next few weeks before the Finance Committee begins its budget review and recommendation process during the month of April.

Fiscal Year 2023 Budget Overview

Efforts to plan for the next fiscal year have centered upon conservative, needs-based budgeting as we continue to confront and adapt to various fiscal challenges shaped by outside economic factors. The Town of Dighton Fiscal Year 2023 Operating Budget will be a recalibrated, core-services centered budget that continues our commitment to responsibly meet the needs of town residents.

A major tenet of this year's budget proposal involves adapting to much more modest local receipt revenues based on current economic and revenue collection trends as compared to what we have realized in previous years. This reset is especially evident in our current FY23 new growth revenue projection (decreased by \$167,837 from FY22) and related building licensing and permitting revenues (down by \$68,000 from FY22 projections and \$311,816 since FY21). It also relies on drawing back the town's reliance on ambulance fund revenues (by \$290,000) so that we are able to continue adhering to our ambulance replacement schedule to fund the first year of a three-year lease/purchase for a new ambulance and ensuring the long-term sustainability of the ambulance fund program.

When compared to current fiscal year operating budget, you will note that FY23 expenditures are initially proposed to increase by approximately \$1 million. It is important to note that significant portions of this increase have always been viewed as largely outside of the town's control. **Cost drivers in the accompanying budget currently include initial proposed increases in town education costs by approximately \$677,000, a \$100,000 increase in sanitation (trash/recycling pick-up and disposal) costs, \$96,000 for a one-percent (1%) increase in employee health insurance costs, and one-time retirement separation costs for various long-term town employees.** With regard to school-related expenses, it is also important to understand that the proposed education budget is based on the Dighton-Rehoboth Regional (D-R) School Committee's preliminary FY23 assessment and with no excess/deficiency funding applied. The D-R School Committee is continuing through its own budget process with a budget hearing scheduled for March 22, 2022. It is likely that the initial D-R assessment is only preliminary in nature and will evolve with the budget process.

Nonetheless, the above-illustrated revenue and expense trends represent a significant challenge to our budget sustainability not only in FY23, but especially in FY24 and beyond. **The efforts we propose taking to recalibrate, stabilize and adapt to current budgetary trends are the first in a multi-year plan to prioritize sustainable, financially-sound and forecast-driven budget planning to drive our efforts forward.** But the implementation of these goals will not come without challenges as they relate to the town's budget position and our ability to responsibly fund the town's long list of deferred capital needs. We expect these efforts to be further informed by the Financial Management Review being conducted by the state Department of Revenue's Division of Local Services, which we anticipate being completed later this spring. We also understand that we must look creatively at new opportunities to generate revenue and realize cost efficiencies whenever possible.

Proposed Budget Specifics

As indicated, the accompanying FY23 budget recommendations support conservative, needs-based budget priorities that continue the town's commitment to funding core town services to meet the needs of Dighton residents. The town accountant and I have devoted significant efforts during the last month to meet with department heads and board/committee liaisons to review submitted

departmental budgets in order to make the recommendations included in this proposal. With our fiscal challenges in mind, we met with a number of departments multiple times in order to identify areas where greater budget savings could be realized. At this time, you will find that my recommendations are \$42,843 less than those proposed in total departmental budget requests.

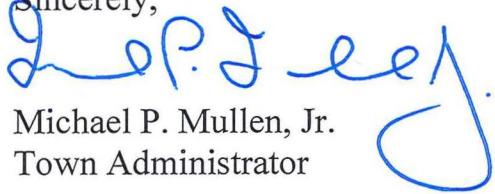
Specifically, my budget recommendations to date include the following:

- Funding for transition planning in the Treasurer/Collector's office, including for Fiscal Year 2022 close-out efforts;
- Proposed adjustment in wages for the Town Clerk and the Animal Control Officer, the latter of which currently makes less than minimum wage for hours worked;
- \$3,000 in savings in the Town Administrator's budget for not funding vacation buyback provision;
- Proposed fuel increases in various departments due to market increases;
- Proposed increases to waste collection/recycling based on planned new trash contract, acceptance fees increase, and bulky items costs; and
- Funding for the Council on Aging to expand programming for services to a greater number of Dighton seniors, along with maintaining adult supportive day programming as part of broader COA operations.

At this time, it should be noted that we are in negotiations with firefighter and highway employee unions. We anticipate soon entering into negotiations with our communications dispatch employees; and we remain in negotiations with a number of non-union employees. I will update the Board of Selectmen and accompanying budget recommendations as applicable as we go forward with the budget process.

Please do not hesitate to let me know if you have any questions. As always, thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink that reads "Michael P. Mullen, Jr." followed by a large, stylized "J".

Michael P. Mullen, Jr.
Town Administrator

cc: Janelle Vining, Town Accountant
Peter Roache, Finance Committee Chairman, and Members of the Finance Committee