

## Annual Town Meeting 2022 – Finance Committee Recommendations

The Finance Committee has a responsibility for creating the budget for the Town, as well as providing for recommendations on articles in the Town Meeting Warrant. The committee reviews each article on the Warrant, listens to presentations, asks questions, discusses and finally votes for a recommendation. While our recommendations are printed in the warrant, we are presenting additional information about our recommendations in advance of Town Meeting. It is our hope and goal that making this additional information available will be of benefit to the voters.

### Article 2 – Debate Rules

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Recommend: Approval 8-0-0  
(3/10/22 Meeting)

This article proposes the adoption of procedures for Town Meeting. These are the usual procedures under which we operate Town Meeting. They provide a means by which an orderly and efficient meeting may be run.

The Finance Committee recommends approval of this article.

### Article 3 – Consent Article

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Recommend: Approval 7-0-0

This article represents a number of items which have been regularly voted upon in prior Town Meetings and need yearly approval. It also provides for the ongoing ability to conduct short-term borrowing, if necessary, in anticipation of revenue, as well as funds for the annual financial audit. Additionally, it accepts state law provisions for property tax exemptions, and it allows the Selectmen to accept easements on behalf of the Town without the necessity of scheduling a Town Meeting to do so.

### Article 4 – Bills of Prior Year

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Recommend: Recommendation to be given at Annual Town Meeting 7-0-0

At this time, no Bills of Prior Year have been presented for consideration.

## Article 5 – Revolving Funds Expenditure Limits

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Recommend: Approval

7-0-0

This article would establish the Fiscal Year 2023 expenditure limits for the Town’s revolving funds as authorized under Article 13, Section 13.4.4 of the General Bylaws of the Town. The limits set are consistent with the use of the funds, and annual procedure for setting said limits and as recommended by the Department of Revenue. These expenditure limits are based on a high-end estimate of what might be collected in and expected use of these funds in a busy year, per the best-practice of the Massachusetts Department of Revenue.

The Finance Committee recommends approval of this article.

## Article 6– Community Preservation Budget – Fiscal Year 2023

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Recommend: Approval

8-0-0 Items 1 to 11 and 14-18; 5-3-0 Item 12

Recommend: Recommendation to be given at Annual Town Meeting Item 13

6-2-0

The Community Preservation Committee presented its FY2023 budget to the Finance Committee. The Finance Committee unanimously recommends that Items 1 to 11 and 14 to 18 be approved at Annual Town Meeting. Three members voted “no” on Item 12, the Minuteman Bikeway Extension Project; one member stating concern that it could have a detrimental effect on high school cross country runners. The Finance Committee will give its recommendation at Annual Town Meeting for Item 13, Municipal Affordable Housing Trust. Some members stated that perhaps enough resources were already dedicated to affordable housing. Others disliked that the expenditure would fund a reserve account.

## Article 7 – Proposed Fiscal Year 2023 Capital Projects Plan

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Recommend: Approval

Items 23-01 through 23-25

8-0-0

Items 23-28 through 23-33

8-0-0

Items 23-35 through 23-38

8-0-0

Items 23-26; 23-27; 23-34

7-1-0

This article would appropriate \$2,108,601 from the FY 2023 Free Cash to partially fund the proposed FY2023 capital projects plan in amount of \$9,315,010 The remaining \$7,206,409, if approved, would be funded through bonding, water/sewer rates, Chapter 90, Operating Budget, and Community Preservation. The Finance Committee discussed all FY2023 proposed Capital projects in detail. However, projects 23-27(School Info Tech Plan) and 23-34 (Vehicle and Equipment Replacement) required additional discussions regarding bonding as source of funds. Additional discussions were also required for project 26-26 (Financial System) which were centered around the project’s need and timing. After all discussions were complete the Committee believes that maintenance of capital assets is an important part of the Town’s financial health.

The Finance Committee recommends approval of this article.

## Article 8 – Land Acquisition for Fire Station – 139 The Great Road

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Recommend: Approval

7-0-0

Bedford needs a new fire station. The Finance Committee has confidence that the Town's multi-year exhaustive effort to find a viable location has resulted in the best possible solution, when considering numerous factors, such as emergency response time, lot size, cost, timely availability, and minimal adverse impact on the Town's center of activity.

The Finance Committee recommends approval of this article.

## Article 9 – Fire Station Design and Project Management – 139 The Great Road

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Recommend: Approval

7-1-0

A new fire station entails three distinct cost components: land acquisition, design, and construction. Given the anticipated useful life of the new station, bonding of all three components assures that the residents receiving the future benefit equitably share in its cost burden. The Finance Committee finds it beneficial to be able to initiate bonding for the three cost components over three distinct fiscal years, where the third and most expensive step, construction, is anticipated to come before Town Meeting in FY24. Current projections of future debt service indicate that the Town can undertake this significant, and necessary, combined investment within the guidelines of its fiscal policies, which limit annual debt service to no more than 10 percent of annual operating budget.

The Finance Committee recommends approval of this article.

## Article 10 – Bond Authorization Inflow/ Infiltration

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Recommend: Approval

8-0-0

This article proposes a bond authorization of \$300,000 for construction, reconstruction, investigation and design of sewers and related inflow/infiltration improvements. This work allows the Town to reduce the amount of rainwater (inflow) and groundwater (infiltration) entering the Town's sewer system. When these sources can be identified and removed, the quantity of flow entering the Bedford sewer system, our annual fees to MWRA and the risk of sewer backups and overflows will be reduced. Sewer system infrastructure is an important Town asset. The Finance Committee supports this expense related to proper maintenance and functioning of this asset.

The Finance Committee recommends approval of this article.

## Article 11 – Minuteman Bikeway Extension

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Recommend: Approval

5-3-0

This article authorizes the Select Board to acquire the property rights needed to finish the Minuteman Bikeway Extension project. This project envisions 10,465 feet of new paved trail from Loomis Street to Concord Road. The project was first proposed in 2005. Since then, there have been numerous studies, hearings, and meetings to solicit community input and move the project forward. \$10.2 million in participating federal funds have been secured. The Minuteman Bikeway is a valuable Town asset that is enjoyed by many. The concerns expressed by some were around paving of a cross country trail.

The Finance Committee recommends approval of this article.

## Article 12 – Land Acquisition – 33 Shawsheen Road

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Recommend: Recommendation to be given at Annual Town Meeting

7-1-0

This article if approved would authorize the purchase of an additional parcel adjacent to the cemetery. This property is being acquired to support a future expansion of the Shawsheen Cemetery. The Finance Committee is still awaiting information the details and status of this Article and will give our recommendation at Annual Town Meeting.

## Article 13 – PEG Access and Cable Expense Related Budget Fiscal Year 2023

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Recommend: Approval

8-0-0

This article presents the Town's operating budget for the Public Education Governmental (PEG) Access programming for the for the coming fiscal year. The budget is funded from the PEG Access and Cable Related Fund.

The Finance Committee recommends approval of this article.

## Article 14 – Supplement Operating Budget for Fiscal Year 2021 and Articles of the 2020 Annual Town Meeting

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Recommend: Recommendation to be given at Annual Town Meeting

8-0-0

The Finance Committee expects this article to be indefinitely postponed.

## Article 15 – Salary Administration Plan Bylaw Amendment – Classification & Wage Schedule

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Recommend: Approval  
(3/10/22 Meeting)

5-3-0

This article is presented annually and establishes pay ranges for non-school Town employees. The Article itself does not authorize pay raises to any current employees. Instead, the Article provides market-based wage ranges, by job category, for attracting and retaining employees. The Town reviews these ranges every few years to remain competitive with surrounding towns. The Finance Committee discussed that new employee salaries do not necessarily fall within the range provided. The finance committee supported this because it is one component of offering market base compensation. This article also addresses adjustments that have been made to reflect changes in minimum hourly wage state laws.

The Finance Committee recommends approval of this article.

## Article 16 – General Bylaw Amendment – Article 58 – Salary Administration Plan Bylaw

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Recommend: Approval

7-0-1

This Article modifies the vacation accrual method. These employees will accrue an additional vacation day per year rather than an additional five days after every five years of employment. The Article increases the number of paid holidays from 12 to 13, and changes one holiday name to match the 2021 ATM vote. The Article allows accrued vacation time to be carried over to the next year. Any vacation leave carried forward must be taken in the year to which it is carried or else the time will be forfeited. The finance committee supported this because it is one component of offering market base compensation.

The Finance Committee recommends approval of this article.

## Article 17– Operating Budgets-Fiscal Year 2023

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Recommend: Approval

8-0-0

The Finance Committee’s proposed FY2023 Budget meets all the goals, objectives and financial policy metrics the Town has established. The Budget is based on sound financial planning and careful review of departmental requests. The Finance Committee, Town Boards, Committees and Departments have attempted to find the appropriate balance between minimizing tax increases while maintaining the Town’s historically sound financial position.

As a starting point for each Town Department and Board, the Finance Committee determined initial budget guidelines by allocating available revenue based on a five-year average. This year, the Finance Committee recommended a guideline increase of 3.25% for the School Department and 2.5% for the Select Board, Board of Health, Library and Planning Board budgets over FY2022. We developed the final operating budget accommodating several changes justified by the departments and other known items, which included:

- A Select Board budget increased 2.91% overall from FY2022 which includes a new Energy and Sustainability position.
- Increase in the Non-Discretionary Budgets of 4.08% from FY2022.
- A School Department budget increase of 3.5%, or \$1,527,051, from FY2022.

The Finance Committee recommends that Town Meeting adopt a Fiscal Year 2023 operating budget of \$105,724,694 and a total budget of \$111,085,097 including all Articles and Assessments, and an Ambulance Enterprise Operating Budget of \$1,098,321, with a tax levy subsidy of \$20,000. With your continued thoughtful deliberation and support, Bedford maintains the highest rating of AAA from the Standard & Poor’s Rating Agency.

As a result of certain one-time funding items related to the COVID-19 Pandemic in FY 2022 that are not present in the FY 2023 budget, the proposed operating and total budgets are projected to increase less than 2% from FY 2022 to FY 2023.

The Finance Committee recommends approval of this article.

### Article 18 – Ambulance Enterprise Budget-Fiscal Year 2023

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Recommend: Approval 8-0-0

This article presents the Town’s operating budget for the ambulance service for the coming fiscal year. This budget is generally self-supporting, with a modest \$20,000 subsidy from the Town's General Fund.

The Finance Committee recommends approval of this article.

### Article 19 – Salary Plan Additional Funding [EM]

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Recommend: Approval 8-0-0

This article is presented annually and provides funding for the FY 2023 compensation increases for non-school and non-union personnel. This year the appropriation represents an economic adjustment of for the non-union managerial professionals and administrative employees of the Town. The finance committee approves of this appropriation because it is the only source of funding for compensation increases based on merit and performance for these employees.

The Finance Committee recommends approval of this article.

## Article 20 Appropriate Funds for Bargaining Agreement–FY2022-2024

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Recommend: Recommendation to be given at Annual Town Meeting

8-0-0

## Article 21 – Supplement Accrued Leave Fund

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Recommend: Approval

8-0-0

This article appropriates \$150,000 to a Sick Leave Buyback fund to support the buyback of accrued, but unused, sick leave when an employee retires. This is a forward-looking exercise, to ensure that sufficient funds are available as they are needed. An analysis is done each year to determine the likely amount of funding that will be needed over the next 12 months. The Finance Director calculates this amount, which is based on the Town's expected liability.

The Finance Committee recommends approval of this article.

## Article 22 – Stabilization Fund Appropriation

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Recommend: Approval  
(3/10/22 Meeting)

8-0-0

The Town maintains a Stabilization Fund, a type of “rainy-day” fund, to help in times of financial stress. Since 2013, we have augmented this Fund in line with its purpose. Our financial policies outline a fund balance goal of between 2% and 6% of the Operating Budget. The Stabilization Fund has a balance of \$4,080,105. This is at the middle of our target range of the operating budget which is approximately \$2.1M-\$6.3M. We are recommending a funding article of \$500,000 in FY2023 to increase this balance as we work back towards the top-end of this range.

## Article 23 – Other Post-Employment Benefits Liability Trust Fund Appropriation [KD]

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Recommend: Approval  
(3/10/22 Meeting)

8-0-0

This article appropriates \$969,190 towards the Town’s unfunded liability for OPEB. This amount is an increase of 3.5% plus \$100,000 over Fiscal Year 2020’s appropriation. The Town’s Financial Policies propose an annual contribution to this fund. The COVID-19 pandemic, however, created uncertainty around the Town’s budget and the decision was made to not make contributions in FY 2021 and FY 2022. While there is still uncertainty in the economy, the Town and the Finance Committee believe there has been sufficient leveling of the pandemic’s impact on our budget to make this contribution this year.

The most recent actuarial study estimates the Town’s Actuarial Accrued Liability is approximately \$61.6 million and the current balance in the OPEB Trust Fund is \$11.1 million. This leaves an unfunded liability of \$50.5 million, and our Funding Ratio is 18%. Bedford has been proactive in managing this liability and

compares favorably to other Massachusetts communities on this measure. The current contribution formula will be re-evaluated next year.

The Finance Committee Recommends approval of this article.

#### [Article 24 – Appropriate Funds for Transportation Infrastructure Funds \[??\]](#)

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Recommend: Approval 8-0-0  
(3/10/22 Meeting)

This article authorizes the Town to appropriate money received from the Commonwealth. The funds come from the Commonwealth Transportation Infrastructure fund and will be used by the Town for transportation services. The funds cannot be used by the Town until a vote to appropriate has been passed. We support being able to use these funds and, therefore, their appropriation to allow it.

The Finance Committee recommends approval of this article.

#### [Article 25 – 300<sup>th</sup> Anniversary Stabilization Fund Appropriation](#)

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Recommend: Approval 8-0-0  
(3/10/22 Meeting)

The stabilization fund for the 300<sup>th</sup> anniversary was established at the Special Town meeting in the fall of 2019. The Finance Committee recognizes community value in celebrating special anniversaries and finds it prudent and responsible to accrue for associated expenses well in advance.

The Finance Committee recommends approval of this article.

#### [Article 26 – Free Cash](#)

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Recommend: Recommendation to be given at Annual Town Meeting 8-0-0

The term “free cash” represents unspent funds and unexpected revenue from prior years. It is prudent financial policy, and it is recommended by the State Department of Revenue, that “free cash” be used for one-time (non-recurring) items within the budget. Our fiscal policy states "An ample Free Cash balance shall be maintained to provide the Town with financial flexibility and stability for the future".

Certified Free Cash from Fiscal Year 2021 the last completed operating year, was \$9,761,621. Our policy is to leave an amount equal to a minimum of 1% of the operating budget for FY2023 estimated at \$1,057,447 in order to mitigate uncertainty in estimates for various budget items including, but not limited to, local receipts and State Aid. This year, we intend to recommend using \$6,100,000 of Free Cash thus leaving \$3,661,621, well above our minimum guideline.

Respectfully Submitted,

Stephen Carluccio, Chair  
Ben Thomas  
David Powell

Elizabeth McClung, Vice Chair  
Paul Mortenson  
Stephen Steele

Karen Dunn, Clerk  
Erica Liu