



# **Town of Easton**

**Fiscal Year 2008**

**Town Administrator's  
Budget Message**

**March 12, 2007**

**Executive Summary.** The budget presented balances revenue and expense at \$59M and provides modest improvement in Town services; particularly public safety and planning. Also proposed is a capital budget of \$1,355,584 which is funded from one time sources and debt. The major changes in the operating budget are the addition of two firefighters, two dispatchers, and the reorganization of the land use and permitting department; a modest increase in the Town Administrators staff is also proposed. We are also including some changes in employee health insurance and Town liability insurance that will produce significant savings. On the revenue side, we are encouraged by Governor Patrick's budget that increases aid to Easton by 5.55% but caution that this aid is subject to a long legislative process that is yet to unfold.

**Introduction.** The budget that follows is intended to provide town government services with modest improvements along with some limited reorganization of operating departments to improve the Town's ability to manage growth and plan for the future. It also provides estimates of revenue from various sources, most importantly the property tax. The voters of the Town approved a \$3.4M operating override of proposition 2 ½ for fiscal 2007. As an operating override, the effect is to permanently increase the tax base of the Town. This budget is an attempt to manage within the level of revenue provided by the voters.

Along with the operating budgets there are expenses over which the Town has less control. In Massachusetts, we enjoy the highest standard of health care in the world at the cost of the highest insurance premiums. Providing the benefit of health insurance to our employees is perhaps the greatest budget challenge facing municipalities across the state. Double digit increases have plagued our annual budget for several years. Thanks to unprecedented cooperation from employee unions, the commitment of our elected officials, and the hard work of management staff, this will be the first year in many years that employee health insurance premiums will increase at a rate less than ten percent. In addition, changes in the way in which the town manages risk will result in less money being spent on other insurance premiums.

A capital budget incorporated into this annual budget will go a long way to address outstanding needs. The Capital Planning Committee has worked diligently to evaluate the various requests and prioritize the need. I endorse their recommendations. The most compelling reasons to fully address capital needs are that delays always cost more in the long-run and devalue the capital assets in which taxpayers have invested. Although we are unable to address all of the identified needs in a single fiscal year this budget takes a major step forward.

As is the case every year, a town budget presented in March is a work in progress. State aid and charges will not be set for some time and the Finance Committee's role in reviewing the budget is to come. The Board of Selectmen will also be exploring budget opportunities and challenges through meetings with department heads and me. Town meeting, of course, will set the final budget in May. However much change may occur, this budget is comprehensive and mindful of the limitations inherent in a taxpayer supported plan.

A budget, however, is more than a set of numbers. It should represent the values of the town and be a plan for providing benefits to its residents. It tells us how we value education, public safety, recreation and health. It delivers water in abundance, protects us from harm to our person and loss of our property, provides assistance to the vulnerable, and programs for young and old alike. The town budget says more about our community than any other single document.

**Revenue.** The proposed budget is based on a total increase in operating revenue of 4.76% or \$2,566,172. This is despite a \$514,056 reduction in new growth. Leading the way are projected \$1,486,690 and \$690,398 increases in total tax levy and state aid respectively. Although state aid is based on the Governor's budget (known as House 1) and the legislative process will result in some change, I am comfortable in basing our budget on these figures at this early stage.

### **Departmental Budgets.**

- **Town Administrator's staff.** The Town Administrator has a full plate. On top of the usual functions of being the Town's Chief Administrative Officer, the Town Administrator he is called upon to be the Human Resources Director (by-laws Chapter 59) and Chief Procurement Officer. Assisting the Town Administrator and Board of Selectmen are one and one half support positions. Some time ago, the position of Assistant Town Administrator was eliminated, and although I am not recommending that it be re-instated, there is need to increase staff availability. I am requesting that the staff be increased by ½ a position plus a student intern to work 12-15 hours per week assisting the some of the Selectmen appointed committees that have no other staff.
- **Land Use and Permitting.** The Land Use and Permitting Department was created in an attempt to coordinate all permitting functions of the Town. Legal mandates and jurisdictional responsibilities make this unrealistic. In addition, the department was to report, organizationally, to the (now defunct) position of Assistant Town Administrator. This has left a department with

three heads (Building, Planning, and Conservation); work together they have been left leaderless and unable to effectively perform their missions.

This budget does not include a Land Use and Permitting Department (LUP). Instead two departments are created in order to focus more clearly on their respective missions. The building inspection functions and staff have been split from the LUP and housed in an Inspectional Services department (IS). This change requires no additional positions or changes, except that the building inspector is now singularly in charge of the department and accountable for its work.

On the other hand, to promote a vibrant and healthy community through the application of contemporary planning methods the remainder of the department requires wholesale change. Currently, the Conservation Commission receives a high level of staff support and the Planning Board slightly less. Other Boards and Committees of the Town are left far too often with no support. To provide staff support and coordinate the activities and responsibilities of the Planning Board, Conservation Commission, Historic Commission, Cemetery Commission, Housing Partnership and other Boards and Committees of the Town organized to preserve the character of the Town and promote responsible change this budget organizes a Department of Planning and Community Development.

The result is a planning organization headed by a Director who will have the technical and administrative expertise at hand to effectively manage a program designed to implement the mission. A staff planner and a land use agent would work as a team with the staff planner most likely handling the office and board work while the land use agent would handle the field inspections. There would be significant cross training so that they could interchange as work load demands. In addition there is significant opportunity for cross disciplinary teams to be developed. Particularly among the staff planner, DPW technical specialist and our IT group who would work to enhance our use of technology and our effectiveness in permit compliance, as well as, in need identification.

- **Public Safety.** Our Police and Fire Departments continue to be understaffed. The Easton Detective Bureau consists of only 2 full time officers and a recent study conducted by Municipal Benchmarking, LLC shows that we spend \$9 less per capita on police than the median of 20 comparable Massachusetts communities. Meanwhile, we fall 2 firefighters per apparatus short

of the National Fire Protection Association standard and Chief Stone continues to struggle to keep a minimum of staffing at all three stations.

By adding two dispatchers, we increase by the equivalent number the availability of patrol officers. Even with this proposal we are two dispatchers short of insuring that uniformed officers never have to neglect other duties in order to perform dispatching, and we are well short of the FBI recommended 2 officers per 1000 people. In turn, adding two firefighters will give us a full complement of nine per work group insuring adequate coverage with minimum use of overtime to cover vacations and illnesses.

**Employee Benefits and Insurance.** Employee benefits have been the number one budget buster for most communities over the past few years. This year, however we have achieved some stability through the hard work of our managers, elected officials and employee unions. In addition, the Southeastern Regional Health Group has voted to adopt a plan with higher deductibles. These changes are a mandatory matter for bargaining with the unions, however when implemented result in 3.5% increase in premiums. Some funds have been set aside pending the result of collective bargaining. Taking the changes that were negotiated over the employer/employee split, the premium savings resulting from the new plan and the amounts set aside the total increase in employee health benefits is approximately 2%.

**Department Head Compensation.** Attached are a memorandum and report which address department head compensation. The first element of any decision around compensation for department heads ought to be performance. In this regard, I have implemented a performance appraisal system with department heads. I am pleased to be working with five strong professionals who are at the top of their game. The second element is comparison to others in the market. The Human Resources Board study has done an outstanding job of comparing our department heads to their peer group. Finally, we should look at pay adjustments provided to other public employees in town.

In fiscal year 2007 the minimum increase granted to union employees was 3% with many receiving 4%. Therefore, the budget contains the effect of a 3% cost of living for fiscal year 2007, but no cost of living for fiscal year 2008. I will revisit that issue after settling with the unions.

**Debt Service.** The Town is obligated to pay \$4,251,284 in principal and interest on long and short term debt. This includes payment on debt that is exempt from proposition 2 1/2 for school projects \$2,969,262. The

total debt service budget represents a \$272,632 increase over fiscal year 2007.

**Capital Budget.** The capital budget is important to improving and preserving the town's physical assets. Attached are the recommendations of the Capital Planning Committee which I wholeheartedly endorse. They recommend 27 projects be funded out of 46 that have been requested by department heads. The recommendation totals \$1,370,584 out of \$2,776,684 requested. Funding will be from a combination of sources including \$425,000 in new borrowing.

Included in the 2008 plan are needed equipment replacements for DPW, Police, School and other departments; new heating plant for an elementary school, a new roof for the DPW building, a record archival system for Town Hall, and new cafeteria tables for Moreau Hall. All of these recommendations benefit the Town by addressing critical needs that have been delayed for lack of funds in the past. A healthy free cash balance this fiscal year, in large measure, provides an opportunity to address these needs with minimal use of recurring revenues.

**Conclusion.** I am pleased that we have been able to present a balanced budget this early in the process. This means that the town can afford to provide services at or above current levels without seeking an over ride. I am also pleased that this can be done without reaching into the stabilization fund. The benefits to the taxpayer are obvious, but in addition we get the benefit of time. Time not spent fighting for a tax increase or time spent dealing with the absence of adequate funding. Instead we can focus on the future and in developing a shared vision for the Town that transcends money problems.