



TOWN OF EASTON
MASSACHUSETTS
Office of the Town Administrator

DAVID A. COLTON

Town Administrator

Fiscal Year 2010
Amended Annual Budget Memorandum
David A. Colton
Town Administrator
Town of Easton

June 1, 2009

As you know, a preliminary budget for fiscal year 2010 was submitted on February 9, 2009 and amended on April 6, 2009. Although unbalanced, these budget memorandums have been undergoing review by both the Board of Selectmen and the Finance Committee. In accordance with my responsibility under the Town of Easton Charter I am presenting this revision which balances the budget at **\$63,629,074**. This budget was discussed with the Budget Subcommittee on Friday May 29 where general agreement on its contents was reached.

This budget is based, in part, on local aid as provided in the House version of the State Budget and assumes that the concessions on Health Insurance are **not** ratified by the employee unions. As you are aware, the Teachers' Union and the School Department have reached a tentative agreement that is scheduled for a ratification vote on June 8, shortly before Town Meeting resumes. The DPW, Steelworkers, Clerical and Dispatchers unions have agreed to the package of concessions. The Police Association will be voting on a similar agreement this week and the Firefighters' Union remains unresolved. Should ratification occur, we are prepared to revise departmental budgets such that the bottom line appropriation will not change.

Although the budget is detailed on the attached pages I call your attention to the following departmental budgets:

- The School Department budget has been further reduced by **\$305,684**.
- The Fire Department budget has been set at **\$2,724,451** which is a 3.43% reduction from fiscal year 2009 and will require the layoff of 6 firefighters.
- The projected Police Department budget has been set at **\$3,626,188** which is a 2.05% reduction from fiscal year 2009 and will require the layoff of 4 police officers.
- The Library budget has been further reduced by **\$15,757** which results in a 7.2% cut from fiscal year 2009.

These additional cuts which total **\$631,441** will be restored by transfer from the employee benefits and insurance budget if the labor unions ratify concessions proposed by the Town. In that case, layoff notices will be rescinded.

Despite these concessions, many departments will face serious cuts which have been described in the two previous budget memoranda. One budget that has been the subject of some controversy is the Board of Health. Please note that I have restored the Board of Health as a budget line item. I hope that this helps people understand that our intent has never been to eliminate the Board of Health, only how it is managed. I am withdrawing my proposal to merge the department with the Department of Inspectional Services. Instead, I will direct the two departments to enter into a cooperative arrangement that will provide office coverage, administrative and clerical support for both departments. Similar arrangements exist between the Town Administrator and Town Clerk's offices and the Town Clerk and Treasurer's offices. In the current economic climate no department can afford to be an island unto itself.

On the revenue side, we are proposing that the use of free cash be set at **\$600,000** and that **\$900,000** in stabilization funds be expended. After town meeting, this will leave free cash and stabilization balances of **\$430,777** and **\$2,006,504** respectively. We will review free cash once again after it is certified for FY10 in the fall to determine whether it makes sense to transfer some amount to stabilization.

The major unknown factor is state aid. We do not expect that a state budget will be enacted prior to Town meeting and therefore a special town meeting may be required early in the fall to make adjustments prior to setting the tax rate.

The enclosed budget summary information represents my final budget recommendation for fiscal year 2010.

**TOWN OF EASTON
FY 2010 GENERAL FUND REVENUE PROJECTIONS**

Description	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2010 Projected	Increase/ Decrease	% Chg
Taxation:								
Real Estate & Personal Property	26,884,466	28,380,518	29,687,080	34,538,904	35,931,913	37,221,831	1,289,918	
Other Taxes	120,970	131,011	267,618	201,245	-	-	-	
2 1/2 % (budget/projection only)					898,785	930,546	31,761	
New Growth	961,817	548,394	1,014,056	821,330	371,633	200,000	(171,633)	
Operational Override			3,400,000					
Exempt Debt	960,065	2,039,510	1,598,321	1,723,328	2,230,931	2,773,076	542,145	
Total Tax Levy	28,927,338	31,099,431	35,967,273	37,084,807	39,433,262	41,125,453	1,692,191	4.29%
Local Receipts:								
Motor Vehicle Excise	3,027,053	3,095,979	2,771,420	3,115,860	2,950,000	2,700,000	(250,000)	-8.47%
Penalties & Interest on Taxes & Excise	167,764	141,858	170,783	189,486	185,000	185,000	-	0.00%
Licenses & Permits	625,718	592,759	524,114	808,209	605,000	605,000	-	0.00%
Fees	789,418	856,227	862,696	872,098	870,000	870,000	-	0.00%
Fines & Forfeitures	56,696	62,201	60,157	56,679	56,000	56,000	-	0.00%
Investment Income	430,166	502,213	334,376	135,147	75,000	75,000	-	0.00%
Ames Fund	300,000	250,000	200,000	250,000	335,000	200,000	(135,000)	-40.30%
Medicare Part D Subsidy	-	-	80,004	141,892	141,000	141,000	-	0.00%
Other Miscellaneous Income	214,098	303,103	190,061	120,111	102,765	75,000	(27,765)	-27.02%
School Resource Officer Reimb				35,000	50,000	50,000	-	0.00%
Medicaid Reimbursement	27,839	126,492	138,931	103,588	100,000	50,000	(50,000)	-50.00%
Chapter 46, Supplemental Tax	75,380	1,661		65,087	50,000	50,000	-	0.00%
	5,694,132	5,952,493	5,332,542	5,692,757	5,519,765	5,057,000	(462,765)	-8.38%
State Revenue:								
State Aid Chapter 70	7,481,507	7,668,207	8,115,511	8,764,374	9,794,246	9,794,246	-	0.00%
Charter Tuition Reimbursement	48,469	46,644	36,153	51,169	53,331	72,267	18,936	35.51%
Lottery	1,683,909	2,189,049	2,679,163	2,725,472	2,363,583	1,947,388	(416,187)	-17.61%
General Fund Lottery Subsidy					361,889	309,873	(52,016)	0.00%
Revenues from Meals Tax Increase							-	0.00%
Revenues from Rooms Tax Increase							-	0.00%
Police Career Incentive	157,833	136,252	155,126	152,612	158,202	77,536	(80,666)	-50.99%
Veterans Benefits	56,814	129,423	105,423	98,289	132,760	141,011	8,251	6.21%
State Owned Land	52,499	88,717	59,797	66,808	71,833	71,585	(48)	-0.07%
Exemp: Vets, Blind, Surv Sp & Elderly	45,304	26,606	45,806	117,797	71,962	79,481	7,479	10.39%
Supplemental Distribution	222,405	-	-	-	-	-	-	0.00%
School Construction	1,245,934	1,245,934	1,245,934	1,245,934	983,980	983,980	-	0.00%
	11,194,674	11,510,832	12,442,913	13,220,455	13,991,606	13,477,145	(514,461)	-3.68%
Total General Fund Revenue	45,616,144	48,662,766	63,742,726	66,998,019	68,944,633	69,669,598	714,965	1.21%
Exempt Debt Adjustments:								
Exempt Debt Raised by Taxation	(960,065)	(2,039,510)	(1,598,321)	(1,723,328)	(2,230,931)	(2,773,076)	(542,145)	24.30%
Reduction in School Constr Aid								
Net General Fund Revenue	44,656,079	46,623,256	62,144,407	65,274,691	66,713,702	66,896,522	172,820	0.30%

Net General Fund Revenue:

172,820

Reserves/One-Time Revenues Increases/(Decreases) FY09-FY10:

Free Cash	(13,590)
Stabilization Fund	650,000
Recurring: Revolving / Conservation	(38,405)
Subtotal reserves/one-time revenues	598,005

Subtotal available funds increase

770,825

Uncontrollable Cost (Increases)/Decreases FY09-FY10:

Change in Unappropriated Expenses	(121,305)
Change in SE Regional School Assessment	(63,212)
Change in debt within Prop 2 1/2 (non-exempt)	80,959
Change in Health Insurance	(867,160)
Change in Pension Assessment	(325,124)
Change in Worker's Comp Insurance	-
Change in General Insurance	-
Change in Medicare Taxes	(20,000)
Subtotal uncontrollable cost increases	(1,115,842)

Net Deficit Before for FY10 Budget Increases

(345,017)

Less: General Government Increases
School Budget Increase

-4.85%
1.00%

850,703
(305,686)

Surplus (Deficit)

-

**TOWN OF EASTON
BUDGET COMPARISON SUMMARY**

	FY 2010		FY 2010	% of Tot Budget	Comparative Amounts		
	Preliminary Budget	Budget Adjustments	Adj Prelim Budget		FY 2009 Budget	Increase/ Decrease	% Chg
Revenues:							
Operating Revenue:							
Taxation	41,290,723	(165,270)	41,125,453	63.22%	39,433,262	1,692,191	4.29%
State Aid	13,473,249	3,896	13,477,145	20.72%	13,991,606	(514,461)	-3.68%
Local Receipts	5,057,000		5,057,000	7.77%	5,519,765	(462,765)	-8.38%
Water Receipts	2,947,114	(24,601)	2,922,513	4.49%	3,040,413	(117,900)	-3.88%
Trash Receipts	834,000		834,000	1.28%	834,000	-	0.00%
<i>Sub-total Operating</i>	63,602,086	(185,975)	63,416,111	97.48%	62,819,046	597,065	0.95%
Reserves/One-Time Revenues:							
Non-recurring:							
Free Cash	613,590	(13,590)	600,000	0.92%	613,590	(13,590)	-2.21%
Stabilization Fund	250,000	650,000	900,000	1.38%	250,000	650,000	260.00%
Sale of Real Estate Account				0.00%	-	-	0.00%
Surplus Article Balances				0.00%	-	-	0.00%
Other				0.00%	-	-	0.00%
<i>Sub-total Non-recurring</i>	863,590	636,410	1,500,000	2.30%	863,590	636,410	73.69%
Recurring:							
Revolving Accounts	75,000		75,000	0.12%	75,000	-	0.00%
Conservation Fund	67,109		67,109	0.10%	105,514	(38,405)	-36.40%
<i>Sub-total Recurring</i>	142,109	-	142,109	0.22%	180,514	(38,405)	-21.28%
<i>Sub-total Reserves</i>	1,005,699	636,410	1,642,109	2.52%	1,044,104	598,005	57.27%
Total Operating Revenues/Reserves	64,607,785	450,435	65,058,220	100.00%	63,863,150	1,195,070	1.87%
Expenditures:							
Unappropriated Expenses (detail on pg. 2)	1,322,200	106,848	1,429,148	2.20%	1,307,841	121,305	9.28%
Transfer to Stabilization Fund (taxation amt)	-		-	0.00%	-	-	0.00%
120 (003) Selectmen	288,484	26,835	317,319	0.49%	291,166	26,153	8.98%
131 (011) Finance Committee	3,000	(1,000)	2,000	0.00%	3,000	(1,000)	-33.33%
132 (013) Reserve Fund	80,000	(20,000)	60,000	0.09%	40,000	20,000	50.00%
135 (025) Accountant	184,144	(3,760)	180,384	0.28%	182,588	(2,204)	-1.21%
140 (029) Assessors	210,540	(6,941)	201,599	0.31%	217,779	(16,180)	-7.43%
145 (033) Collector /Treasurer	283,332	(9,534)	283,798	0.44%	269,702	(5,904)	-2.04%
150 (007) Town Counsel	160,000	(20,000)	160,000	0.25%	160,000	-	0.00%
155 (051) Data Processing	250,358	(40,445)	209,913	0.32%	247,212	(37,299)	-15.09%
160 (039) Town Clerk	199,573	(3,419)	198,154	0.30%	229,721	(33,567)	-14.61%
175 (080) Planning and Community Development	266,910	(76,239)	220,671	0.34%	288,644	(65,973)	-23.02%
210 (101) Police	3,785,317	(139,129)	3,626,188	5.57%	3,701,901	(75,713)	-2.05%
220 (103) Fire	2,904,951	(180,500)	2,724,451	4.19%	2,821,269	(96,818)	-3.43%
221 (105) Fire Alarm	-		-	0.00%	21,792	(21,792)	-100.00%
231 (104) Ambulance	416,473	(1,750)	414,723	0.64%	391,014	23,709	6.06%
240 (113) Inspectional Services	279,278	(7,717)	271,561	0.42%	271,136	425	0.16%
310 (225) SE Regional School	788,427	(8,464)	779,963	1.20%	716,751	63,212	8.82%
400's (300's) DPW Admin	2,726,530	(35,857)	2,690,673	4.14%	2,906,764	(218,091)	-7.50%
510 (501) Board of Health	226,967	(69,985)	138,982	0.21%	220,356	(63,376)	-37.84%
541 (531) Council on Aging	217,833	(6,788)	211,045	0.32%	211,056	(13)	-0.01%
543 (551) Veterans Department	258,195	(2,311)	255,884	0.39%	239,788	18,116	6.72%
610 (625) Library	451,485	(32,515)	418,950	0.64%	451,485	(32,515)	-7.20%
630 (600) Recreation Department	99,079	(16,455)	82,624	0.13%	96,204	(13,580)	-14.12%
700 (700) Debt & Interest (detail on pg. 2)	5,212,765	(230,219)	4,982,546	7.66%	4,521,360	461,188	10.20%
910 (750) EE Benefits & Insurance (detail on pg.2)	11,161,854	(152,530)	11,009,124	16.92%	10,028,211	980,913	9.78%
920 (760) Other General Government	109,600		109,600	0.17%	111,310	(1,710)	-1.54%
61-450 (61-500) Water Division	2,399,361	(24,801)	2,374,760	3.65%	2,492,660	(117,900)	-4.73%
62-430 Solid Waste & Recycling	834,000		834,000	1.28%	834,000	-	0.00%
300 (200) School Department	31,485,530	(611,368)	30,874,162	47.45%	30,568,476	305,686	1.00%
Total Budget	66,645,966	(1,587,746)	65,058,220	100.00%	63,863,150	1,195,070	1.87%
Surplus/(Deficit)	(2,038,181)	2,038,181	-		-	-	

Other Information:

Free Cash Balance	1,097,277.00	Net of appropriations voted at the 11/17/08 STM, does not include any proposed amount to fund FY10 budget above.
Stabilization Fund Balance	2,906,504.34	As of 4/30/09.
Water Surplus	778,841	Net of appropriations voted at the 11/17/08 STM.

**TOWN OF EASTON
BUDGET COMPARISON SUMMARY**

UNAPPROPRIATED EXPENSE DETAIL							
	FY 2010		FY 2010	% of Total	Comparative Amounts		
	Preliminary Budget	Budget Adjustments	Adj Prelim Budget		FY 2009 Budget	Increase/Decrease	% Chg
Cherry Sheet Charges/Assessments							
County Assessment	264,787		264,787	18.53%	259,219	5,568	2.15%
Retired EE Health Ins	-		-	0.00%	-	0	0.00%
Mosquito Control	58,209		58,209	4.07%	58,321	(112)	-0.19%
Air Pollution Districts	6,421		6,421	0.45%	8,264	157	2.51%
Old Colony Planning Council	7,108		7,108	0.50%	8,906	202	2.92%
RMV Non-Renewal Surcharge	14,000		14,000	0.98%	16,420	(2,420)	-14.74%
MBTA	146,310		148,310	10.24%	148,035	275	0.19%
Special Education	21,402		21,402	1.50%	18,713	4,689	28.06%
Charter Schools/School Choice	153,963	57,762	211,725	14.81%	207,595	4,130	1.99%
Sub-total	672,200	57,762	729,962	51.08%	717,473	12,489	1.74%
Other Unappropriated Expenses							
Overlay	350,000		350,000	24.51%	330,500	19,500	5.90%
Snow & Ice Overexpended	300,000	49,184	349,184	24.43%	259,868	89,316	34.37%
Other (Appropriation/Overlay Deficit)				0.00%	-	0	0.00%
Sub-total	650,000	49,184	699,184	48.94%	590,368	108,816	18.43%
Total Unappropriated Expenditures	1,322,200	106,946	1,429,146	100.02%	1,307,841	121,305	9.28%

DEBT & INTEREST BUDGET							
	FY 2010		FY 2010	% of Total	Comparative Amounts		
	Preliminary Budget	Budget Adjustments	Adj Prelim Budget		FY 2009 Budget	Increase/Decrease	% Chg
Non-exempt Debt							
School Principal	170,000		170,000	3.41%	155,000	15,000	9.68%
School LT Debt Interest	-		-	0.00%	-	0	0.00%
School ST Debt Interest	66,638	(44,491)	24,147	0.48%	15,725	8,422	0.00%
	238,638	(44,491)	194,147	3.89%	170,725	23,422	13.72%
Town Principal	838,145		838,145	16.82%	896,762	(58,617)	-6.54%
Town LT Debt Interest	180,131		180,131	3.62%	207,499	(27,368)	-13.19%
Town ST Debt Interest	33,525	(20,458)	13,067	0.26%	31,463	(18,396)	-58.47%
	1,051,801	(20,458)	1,031,343	20.70%	1,135,724	(104,381)	-9.19%
Total Non-exempt Debt	1,290,439	(64,949)	1,225,490	24.59%	1,306,449	(80,959)	-6.20%
Exempt Debt							
School Principal	2,455,000		2,455,000	49.26%	2,340,000	115,000	4.91%
School LT Debt Interest	1,197,326		1,197,326	24.03%	819,911	577,415	93.14%
School ST Debt Interest	270,000	(165,270)	104,730	2.10%	255,000	(150,270)	-58.93%
Total Exempt Debt	3,922,326	(165,270)	3,757,056	75.39%	3,214,911	542,145	18.86%
Total Debt & Interest Budget	5,212,765	(230,219)	4,982,546	99.98%	4,521,360	461,186	10.20%

EMPLOYEE BENEFITS & INSURANCE DETAIL							
	FY 2010		FY 2010	% of Total	Comparative Amounts		
	Preliminary Budget	Budget Adjustments	Adj Prelim Budget		FY 2009 Budget	Increase/Decrease	% Chg
EE Health Insurance - Town	2,387,274	(100,640)	2,286,634	20.77%	2,093,772	192,862	9.21%
EE Health Insurance - School	5,082,278	(51,890)	5,030,388	45.70%	4,556,090	474,298	10.41%
Executive Loss Control Committee	2,500		2,500	0.02%	5,000	(2,500)	-50.00%
Retirement Assessment - County	2,528,509		2,528,509	22.97%	2,203,385	325,124	14.76%
Reserve for Union Pay Increases	-		-	0.00%	22,701	(22,701)	-100.00%
Reserve for Salary Increase	-		-	0.00%	2,305	(2,305)	-100.00%
General Insurance - Town	231,875		231,875	2.11%	231,875	0	0.00%
General Insurance - School	227,521		227,521	2.07%	227,521	0	0.00%
Worker's Comp - Town	91,566		91,566	0.83%	91,566	0	0.00%
Worker's Comp - School	157,631		157,631	1.43%	157,631	0	0.00%
Tuition	1,500		1,500	0.01%	5,000	(3,500)	-70.00%
Medicare - Town Share	135,000		135,000	1.23%	130,000	5,000	3.85%
Medicare - School Share	315,000		315,000	2.86%	300,000	15,000	5.00%
Noncontributory Pension	1,000		1,000	0.01%	1,365	(365)	-26.74%
Total Employee Benefits & Insurance	11,181,654	(152,530)	11,029,124	100.01%	10,028,211	980,913	9.78%

TOWN OF EASTON
ANNUAL TOWN MEETING 5/18/2009 ADJOURNED TO 6/8/09
ARTICLE 12: TOWN OPERATING BUDGETS BY DEPARTMENT

FD-DPT	DEPARTMENT NAME	Budget with no Health Plan Changes	Amendments with Health Plan Chgs	Amended Budget
01-120	SELECTMEN	\$ 317,319		\$ 317,319
01-131	FINANCE COMMITTEE	2,000		2,000
01-132	RESERVE FUND	60,000		60,000
01-135	ACCOUNTANT	180,384		180,384
01-140	ASSESSORS	201,599		201,599
01-145	TOWN COLLECTOR/TREASURER	283,798		283,798
01-150	TOWN COUNSEL	160,000		160,000
01-155	DATA PROCESSING	209,913		209,913
01-160	TOWN CLERK	196,154		196,154
01-175	PLANNING AND COMMUNITY DEVELOPMENT	220,671		220,671
01-210	POLICE	3,626,188	133,000	3,759,188
01-220	FIRE	2,724,451	177,000	2,901,451
01-231	AMBULANCE	414,723		414,723
01-240	INSPECTIONAL SERVICES	271,561		271,561
01-310	SOUTHEASTERN REGIONAL SCHOOL	779,963		779,963
01-400	DPW ADMINISTRATION	2,690,673		2,690,673
01-510	BOARD OF HEALTH	136,982		136,982
01-541	COUNCIL ON AGING	211,045		211,045
01-543	VETERANS DEPARTMENT	255,884		255,884
01-610	LIBRARY	418,950	15,757	434,707
01-630	RECREATION DEPARTMENT	82,624		82,624
01-700	MATURING DEBT & INTEREST	4,982,546		4,982,546
01-910	EMPLOYEE BENEFITS & INSURANCE	11,009,124	(631,441)	10,377,683
01-920	OTHER GENERAL GOVERNMENT	109,600		109,600
61-450	WATER DIVISION	2,374,760		2,374,760
62-430	SOLID WASTE & RECYCLING	834,000		834,000
01-300	SCHOOL DEPARTMENT	30,874,162	305,684	31,179,846
	TOTAL FY 2010 BUDGET	\$ 63,629,074	\$ -	\$ 63,629,074

Summary by Function

General Government	\$ 1,941,438	\$ -	\$ 1,941,438
Public Safety	7,036,923	310,000	7,346,923
Education	31,654,125	305,684	31,959,809
Public Works	2,690,673	-	2,690,673
Enterprise Funds	3,208,760	-	3,208,760
Human Services/Culture & Recreation	1,105,485	15,757	1,121,242
Debt Service	4,982,546	-	4,982,546
Employee Benefits & Insurance	11,009,124	(631,441)	10,377,683
Subtotal	\$ 63,629,074	\$ -	\$ 63,629,074
Unappropriated	1,429,146		1,429,146
Grand Total	\$ 65,058,220	\$ -	\$ 65,058,220