



TOWN OF EASTON
MASSACHUSETTS
Office of the Town Administrator

DAVID A. COLTON
Town Administrator

Interoffice Memorandum

To: Board of Selectmen
Cc: Finance Committee
Department Heads
Board and Committee Chairs
From: David A. Colton, Town Administrator *DAC*
Subject: Fiscal 2010 Amended Budget Memorandum
Date: 8/31/09

This amends the budget memoranda dated February 9, 2009, April 6, 2009 and June 1, 2009. As you know, a balanced budget was adopted by Town Meeting on June 8, 2009. This budget was based on estimated local aid which had not yet been adopted by the Legislature and Governor. At the close of fiscal year 2009 Governor Patrick signed the state budget which reduced local aid to Easton by an additional \$587,068. In response, I implemented 5 scheduled layoffs of Police Officers and Fire Fighters that we had hoped to avoid through adoption of the budget at Town Meeting.

Since that time we have been re-evaluating the Town's financial condition especially with regard to actual collection of receipts through June 30, 2009. To that end, please find attached a spreadsheet entitled FY 2010 General Fund Revenue Projections for your review. Please note, that in addition to the reduction in State Aid, projected local receipts have been reduced by \$119,000 due to underperforming

revenues in FY 2009. This brings our projected FY 2010 General Fund Revenue to \$58,953,530 or \$706,068 below the amount projected at Town Meeting. Add to that a \$5,777 increase in cherry sheet charges to the Town and our shortfall becomes \$711,845. Mitigating this shortfall is a grant from Federal Stimulus Funds to the School Department of \$112,390 which will be applied to offset a portion of the \$195,885 cut in Chapter 70 aid to education and a \$75,000 reduction in the cost of health insurance from changes in the town's contribution towards retiree plans. Therefore, the Town must either cut, or appropriate from available sources **\$524,455**. Article 2 of the Special Town Meeting Warrant is proposed to address this shortfall.

By agreement, the shortfall will be absorbed 60% (\$314,673) by the School Department and 40% (\$209,782) by the general town government. For the Town's part, cuts beyond the five public safety lay-offs are unlikely to be necessary.

Article 1 is the local option meals excise of 0.75%. This local option would generate, according to Department of Revenue estimates, \$121,696. Again by agreement, this will be split 60/40 with the school department leaving \$48,678 for general town government which I would apply to rehiring one of the police officers or firefighters that was laid off in June.

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

Description	FY 2008 Actual	FY 2009 Budget	FY 2009 Actual (Draft)	FY 2010 Projected at Annual TM	FY 2010 Revised Budget	Increase/ Decrease
Taxation:						
Real Estate & Personal Property	34,538,904	35,931,913	36,169,895	37,221,831	37,221,831	-
Other Taxes	201,245	-	409,632	-	-	-
2 1/2 % (budget/projection only)		898,785		930,546	930,546	-
New Growth	621,330	371,633	371,633	200,000	200,000	-
Operational Override						-
Exempt Debt	1,723,328	2,230,931	2,230,931	2,773,076	2,773,076	-
Total Tax Levy	37,084,807	39,433,262	39,182,091	41,125,453	41,125,453	-
Local Receipts:						
Motor Vehicle Excise	3,115,660	2,950,000	2,804,310	2,700,000	2,700,000	-
Penalties & Interest on Taxes & Excise	189,486	185,000	264,161	185,000	200,000	15,000
Licenses & Permits	608,209	605,000	454,778	605,000	450,000	(155,000)
Fees	872,098	870,000	920,055	870,000	870,000	-
Fines & Forfeitures	56,679	56,000	38,494	56,000	38,000	(18,000)
Investment Income	135,147	75,000	56,841	75,000	55,000	(20,000)
Ames Fund	250,000	335,000	335,000	200,000	250,000	50,000
Medicare Part D Subsidy	141,692	141,000	152,363	141,000	145,000	4,000
Other Miscellaneous Income	120,111	102,765	140,007	75,000	100,000	25,000
School Resource Officer Reimb	35,000	50,000	50,000	50,000	50,000	-
Medicaid Reimbursement	103,588	100,000	131,453	50,000	50,000	-
Chapter 46, Supplemental Tax	65,087	50,000	30,156	50,000	30,000	(20,000)
	5,692,757	5,519,765	5,377,618	5,057,000	4,938,000	(119,000)
State Revenue:						
State Aid Chapter 70 *	8,764,374	9,794,246	9,794,246	9,794,246	9,598,361	(195,885)
Charter Tuition Reimbursement	51,169	53,331	37,929	72,267	66,890	(5,377)
Lottery/General Unrestricted Aid	2,725,472	2,363,583	2,097,996	1,947,386	1,929,409	(17,977)
General Fund Lottery Subsidy		361,889	361,889	309,673		(309,673)
Revenues from Meals Tax Increase				-		-
Revenues from Rooms Tax Increase				-		-
Police Career Incentive	152,612	158,202	154,535	77,536	31,015	(46,521)
Veterans Benefits	96,289	132,760	125,876	141,011	136,429	(4,582)
State Owned Land	66,808	71,633	71,633	71,585	64,532	(7,053)
Exemp: Vets, Blind, Surv Sp & Elderly	117,797	71,982	84,573	79,461	79,461	-
Supplemental Distribution				-		-
School Construction	1,245,934	983,980	983,980	983,980	983,980	-
	13,220,455	13,991,606	13,712,657	13,477,145	12,890,077	(567,068)
Total General Fund Revenue	55,998,019	58,944,633	58,272,366	59,659,598	58,953,530	(706,068)
Increase in Cherry Sheet Charges						(5,777)
Adjust for Retiree PPO Contribution						75,000
Total Variance						(636,845)

* FY09 Chapter 70 actual amount adjusted for ARRA payment of \$1,030,005 for comparison purposes.

ARRA funding of \$112,390 is available in FY10 for school dept as a grant.

If town meeting approves the meals tax increase, estimated revenues can be increased by \$121,696 for FY10, which represents the estimate of 5 months of collections for an increase implemented on January 1, 2010.