



TOWN OF EASTON
MASSACHUSETTS
Office of the Town Administrator

DAVID A. COLTON
Town Administrator

Fiscal Year 2011
Amended Budget Memorandum
Town of Easton
David A Colton
Town Administrator

May 10, 2010

This is to follow-up the Preliminary FY 2011 Budget Memorandum issued February 8, 2010 and the update issued April 23, 2010.

As of the April 23 memorandum the projected FY 2011 budget deficit stood at **\$585,315**. Since that time we have taken steps to balance the budget by taking the following steps:

1. On April 29 we received two proposals for the Towns general and workers compensation insurance from our current provider MIIA and a competitive quote from the Travelers. As a result of bidding the insurance portfolio, we were able to achieve an approximate \$50,000 reduction in our premium with MIIA. MIIA's bid of \$557,752 beat our current premium of \$605,660 and Traveler's bid of \$597,467. This reduced the projected deficit to **\$535,315**.
2. After further review of our revenue sources we have identified an additional \$210,000 that can be taken from the Ames fund further reducing the projected deficit to **\$325,315**.
3. After discussions with the Superintendent of Schools it has been agreed that we will pursue a split of the remaining deficit on a 60% school/40% general government split. Unless additional revenues are made available through a smaller cut in state aid than expected, the Superintendent's recommended budget will be reduced by an additional **\$195,189** and the General Government budget will be reduced by **\$130,126**.
4. **These cuts will result in total expenditures of \$65,104,732, which represents an increase of 2.13% over FY 2010.**
5. I recommend that, to make up this deficit, the General Government budget be cut as follows:
 - a. Recreation \$66,028
 - b. Council on Aging \$8,772
 - c. Police \$21,970
 - d. Library \$ 4,106
 - e. Veteran's Services \$29,250

Unfortunately, this will require that the Recreation Director be let go on September 30, 2010 unless new funding is found before that date. The Council on Aging cut will be taken from expenses related to Frothingham Hall utilities & maintenance. Instead, those costs will be absorbed by the

Building and Grounds budget in DPW. This has the effect of a cut in the DPW budget that will be absorbed through attrition. The Police cut will not result in any reduction of staff; however the library cut will require a waiver from the State. We are confident about receiving the waiver because although the budget will not meet minimum requirements it is still receiving a small increase over last year. Finally, although the Veteran's Services budget will remain intact, it is anticipated that regionalization efforts being pursued by the Boards of Selectmen in both Easton and Norton will result in a reimbursement from the Town of Norton to offset the budgetary cost.

It appears that consideration of the budget by Town meeting will be delayed until June 14th. In the meantime, we are continuing to review revenue projections for any room for increase. Motor vehicle excise is a concern for the current year as collections may fall short of our conservative projection and would therefore make a reduction in our FY 2011 projection necessary.

While the currently projected budget is not ideal, it is a reasonable outcome given the fiscal condition of the Commonwealth of Massachusetts and the general economy of the nation.