

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

**April 23, 2010**

This is to follow-up the Preliminary FY 2011 Budget Memorandum issued February 8, 2010. First the good news:

- Revenue:
  - Tax Levy is predicted to increase by 3.44% to \$1,420,991
  - Local receipts are predicted to increase by 3.75% to \$5,135,088
- Expenses:
  - The employee health insurance costs increase is less than 5%
  - Our pension contribution increase is less than 4%
  - The SE Regional School budget will increase by \$25
  - Town departments have limited their overall budget increases to 2.9%
  - We expect the school department to bring their request in at 3.5%

If this were the whole story we would be able to balance this budget with limited impact on the services we provide to the Town of Easton. Now the bad news:

- Revenue:
  - State Aid as proposed by the Massachusetts House is down \$386,958
  - As a result total revenue is up only 1.93%

The net effect of this is a current projected **deficit of \$585,315 (inclusive of a reduction in the school department's current budget proposal of ½ of 1%)** which is beyond our ability to balance without cuts to direct services.

We are continuing to revue revenue projects for any room for increase, but motor vehicle excise is a concern for the current year as collections are just barely making our conservative projection making it unlikely that a substantial change in our FY 11 revenue projections are supportable. In addition, we are carefully evaluating the current year's appropriation for projected surpluses at the close of FY 2010 that can be used to reduce the snow and ice deficit of \$225,845. After that the only remaining options will involve some reduction in staff. Given the lay-offs in Police and Fire last year we are examining lay-off possibilities in other general government departments at Town Hall and the DPW, as well as, additional cuts to the school budget.

I am hopeful that our productive working relationship with the Finance and School Committees will continue to aid us as we struggle towards a balanced budget.