

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

**February 8, 2010**

One year ago I began the preliminary budget memo: “There is little to be gained by recounting all of the various economic pressures being faced in these times. Suffice to say that the current recession has created economic conditions the likes of which have not been experienced since the Great Depression of the 1930’s....” Well, we are not out of the woods yet and FY 2011 will be another challenging year.

The first building block of any budget is revenue. The Town receives revenue from a variety of sources such as taxes, fees, and local aid. Property tax growth is limited to 2 ½ percent over the prior year, plus any new growth in taxable real estate. New real estate growth, as a result of the recession, has dwindled considerably. Many fees (such as building permits) and some taxes (such as excise tax) are influenced by economic activity and as such are expected to fall in the coming year. Local aid to the Town of Easton has been level funded in the Governor’s budget (House 2), but skeptics warn that this level of funding may not be achievable. After reviewing local receipts, property, and excises taxes with the Town Accountant and other financial officers of the Town we expect total general fund revenue to be \$63,693,060 or 2.69% over fiscal year 2010. In addition, other recurring and non-recurring revenues (largely Free Cash and Stabilization) total \$1,722,224 for a total available for FY 2011 of \$65,415,284.

The expense side of the budget, if service levels are to be maintained, will continue to grow. Constraining that growth to match projected revenues is a challenge because certain expenses are not fully in the control of the Town. Health insurance, pensions, energy, and liability insurance, for example, are costs that continue to grow beyond our means each year. Wages are set through a process of collective bargaining that affords Town management little control over the outcome, particularly with public safety unions who are eligible for binding arbitration. The result is often that operational departments must reduce services even when their budgets increase if that increase doesn’t keep pace with the cost of labor, energy and insurance.

To meet the fiscal 2011 challenges, department heads were asked to submit level service budgets, i.e., budgets that provide the same level of service as the current year. They have met that challenge by submitting budget requests in the aggregate which are only 3.28% above 2010 including negotiated wage increases. I have assigned the School Department a 4% increase as a place holder only. The School Committee and Superintendent must proceed with their budget process and the budget subcommittee has yet to meet this year. I will be calling a meeting of the budget subcommittee in the next few weeks. The resulting preliminary expenditure projection totals \$66,372,314 or a deficit of \$957,030. In the coming weeks I will meet with each department head to further hone the numbers. Wendy Nightingale and I will bring these preliminary estimates to the Finance Committee on Wednesday night. In addition final costs will be coming in regarding employee health insurance and other uncontrollable costs. Please note that these projections represent actual pension costs, but estimated regional school budget assessments.

I am optimistic that through working with you, the Finance and School Committees and the department heads we will be able to bridge this gap provided local aid holds firm. Please review the attached budget summary sheets which I am available to discuss at your convenience.

**TOWN OF EASTON  
FY 2011 GENERAL FUND REVENUE PROJECTIONS**

Description	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2009 Budget	FY 2010 Budget	FY 2011 Projected	Increase/Decrease	% Chg
<b>Taxation:</b>								
Real Estate & Personal Property	29,687,080	34,538,904	36,153,391	35,931,913	37,197,673	38,512,475	1,314,802	
Other Taxes	267,816	201,245	416,571	-	-	-	-	
2 1/2 % (budget/projection only)				898,785	930,546	962,812	32,266	
New Growth	1,014,056	621,330	371,633	371,633	360,098	300,000	(60,098)	
Operational Override	3,400,000							
Exempt Debt	1,598,321	1,723,328	2,230,931	2,230,931	2,773,076	2,907,097	134,021	
Total Tax Levy	35,967,273	37,084,807	39,172,526	39,433,262	41,261,393	42,682,384	1,420,991	3.44%
<b>Local Receipts:</b>								
Motor Vehicle Excise	2,771,420	3,115,660	2,822,055	2,950,000	2,700,000	2,700,000	-	0.00%
Penalties & Interest on Taxes & Excise	170,783	189,486	265,688	185,000	200,000	200,000	-	0.00%
Licenses & Permits	524,114	608,209	454,848	605,000	450,000	500,000	50,000	11.11%
Fees	862,696	872,098	920,929	870,000	870,000	870,000	-	0.00%
Fines & Forfeitures	60,157	56,679	38,494	56,000	38,000	38,000	-	0.00%
Investment Income	334,376	135,147	56,833	75,000	55,000	55,000	-	0.00%
Ames Fund	200,000	250,000	335,000	335,000	140,000	140,000	-	0.00%
Medicare Part D Subsidy	80,004	141,692	152,363	141,000	145,000	145,000	-	0.00%
Other Miscellaneous Income	190,061	120,111	798,114	102,765	100,000	100,000	-	0.00%
School Resource Officer Reimb		35,000	50,000	50,000	50,000	50,000	-	0.00%
Medicaid Reimbursement	138,931	103,588	133,566	100,000	50,000	75,000	25,000	50.00%
Local Option Meals Tax					121,696	232,088	110,392	0.00%
Chapter 46, Supplemental Tax		65,087	30,156	50,000	30,000	30,000	-	0.00%
	5,332,542	5,692,757	6,058,046	5,519,765	4,949,696	5,135,088	185,392	3.75%
<b>State Revenue:</b>								
State Aid Chapter 70	8,115,511	8,764,374	8,764,241	9,794,246	9,598,361	9,710,751	112,390	1.17%
Charter Tuition Reimbursement	36,153	51,169	37,929	53,331	66,890	11,192	(55,698)	-83.27%
Lottery	2,679,163	2,725,472	2,097,996	2,363,583	1,929,409	1,929,409	-	0.00%
General Fund Lottery Subsidy			361,889	361,889	-	-	-	0.00%
Revenues from Meals Tax Increase					-	-	-	0.00%
Revenues from Rooms Tax Increase					-	-	-	0.00%
Police Career Incentive	155,126	152,612	154,535	158,202	31,015	16,139	(14,876)	-47.96%
Veterans Benefits	105,423	96,289	125,876	132,760	136,429	164,460	28,031	20.55%
State Owned Land	59,797	66,808	71,633	71,633	64,532	69,199	4,667	7.23%
Exemp: Vets, Blind, Surv Sp & Elderly	45,806	117,797	84,573	71,982	79,461	84,071	4,610	5.80%
Supplemental Distribution	-	-	-	-	-	-	-	0.00%
School Construction	1,245,934	1,245,934	983,980	983,980	983,980	983,980	-	0.00%
	12,442,913	13,220,455	12,682,652	13,991,606	12,890,077	12,969,201	79,124	0.61%
<b>Total General Fund Revenue</b>	<b>53,742,728</b>	<b>55,998,019</b>	<b>57,913,224</b>	<b>58,944,633</b>	<b>59,101,166</b>	<b>60,786,673</b>	<b>1,685,507</b>	<b>2.85%</b>
Exempt Debt Adjustments:								
Exempt Debt Raised by Taxation	(1,598,321)	(1,723,328)	(2,230,931)	(2,230,931)	(2,773,076)	(2,907,097)	(134,021)	4.83%
Reduction in School Constr Aid								
<b>Net General Fund Revenue</b>	<b>52,144,407</b>	<b>54,274,691</b>	<b>55,682,293</b>	<b>56,713,702</b>	<b>56,328,090</b>	<b>57,879,576</b>	<b>1,551,486</b>	<b>2.75%</b>

**Net General Fund Revenue:** 1,551,486

**Reserves/One-Time Revenues Increases/(Decreases) FY10-FY11:**

Free Cash	(300,000)
Stabilization Fund	300,000
Recurring: Revolving / Conservation	(2,931)
<b>Subtotal reserves/one-time revenues</b>	<b>(2,931)</b>

**Subtotal available funds increase** 1,548,555

**Uncontrollable Cost (Increases)/Decreases FY10-FY11:**

Change in Unappropriated Expenses	76,795
Change in SE Regional School Assessment	(116,994)
Change in debt within Prop 2 1/2 (non-exempt)	-
Change in Health Insurance	(586,167)
Change in Pension Assessment	(151,821)
Change in Worker's Comp Insurance	(3,434)
Change in General Insurance	-
Change in Medicare Taxes	(60,000)
<b>Subtotal uncontrollable cost increases</b>	<b>(841,621)</b>

**Net Deficit Before for FY11 Budget Increases** 706,934

Less: General Government Increases	3.28%	(426,436)
School Budget Increase	4.00%	(1,237,528)

**Surplus (Deficit)** **(957,030)**

**TOWN OF EASTON  
BUDGET COMPARISON SUMMARY**

	FY 2011 ATM Budget	Comparative Amounts		
		FY 2010 Budget	Increase/ Decrease	% Chg
<b>Revenues:</b>				
<b>Operating Revenue:</b>				
Taxation	42,682,384	41,261,393	1,420,991	3.44%
State Aid	12,969,201	12,890,077	79,124	0.61%
Local Receipts	5,135,088	4,949,696	185,392	3.75%
Water Receipts	2,906,387	2,922,513	(16,126)	-0.55%
<i>Sub-total Operating</i>	63,693,060	62,023,679	1,669,381	2.69%
<b>Reserves/One-Time Revenues:</b>				
<b>Non-recurring:</b>				
Free Cash	383,046	683,046	(300,000)	-43.92%
Stabilization Fund	1,200,000	900,000	300,000	33.33%
Sale of Real Estate Account		-	-	0.00%
Surplus Article Balances		-	-	0.00%
Other		-	-	0.00%
<i>Sub-total Non-recurring</i>	1,583,046	1,583,046	-	0.00%
<b>Recurring:</b>				
Revolving Accounts	75,000	75,000	-	0.00%
Conservation Fund	64,178	67,109	(2,931)	-4.37%
<i>Sub-total Recurring</i>	139,178	142,109	(2,931)	-2.06%
<i>Sub-total Reserves</i>	1,722,224	1,725,155	(2,931)	-0.17%
<b>Total Operating Revenues/Reserves</b>	<b>65,415,284</b>	<b>63,748,834</b>	<b>1,666,450</b>	<b>2.61%</b>
<b>Expenditures:</b>				
Unappropriated Expenses (detail on pg. 2)	1,384,068	1,460,863	(76,795)	-5.26%
Transfer to Stabilization Fund (taxation amt)	-	-	-	0.00%
120 Selectmen	334,423	317,319	17,104	5.39%
131 Finance Committee	2,000	2,000	-	0.00%
132 Reserve Fund	50,000	60,000	(10,000)	-16.67%
135 Accountant	187,528	180,384	7,144	3.96%
140 Assessors	216,648	201,599	15,049	7.46%
145 Collector /Treasurer	270,314	283,798	(13,484)	-4.75%
150 Town Counsel	170,000	160,000	10,000	6.25%
155 Data Processing	187,200	209,913	(22,713)	-10.82%
160 Town Clerk	223,532	196,154	27,378	13.96%
175 Planning and Community Development	235,966	220,671	15,295	6.93%
210 Police	3,855,317	3,707,036	148,281	4.00%
220 Fire	2,814,482	2,845,668	(31,186)	-1.10%
231 Ambulance	411,107	346,773	64,334	18.55%
240 Inspectional Services	283,106	271,561	11,545	4.25%
310 SE Regional School	896,957	779,963	116,994	15.00%
400's DPW Admin	2,688,636	2,690,673	(2,037)	-0.08%
510 Board of Health	213,661	220,028	(6,367)	-2.89%
541 Council on Aging	235,999	211,045	24,954	11.82%
543 Veterans Department	261,095	255,884	5,211	2.04%
610 Library	449,681	434,707	14,974	3.44%
630 Recreation Department	82,578	82,624	(46)	-0.06%
700 Debt & Interest (detail on pg. 2)	5,116,567	4,982,546	134,021	2.69%
910 EE Benefits & Insurance (detail on pg.2)	11,156,496	10,205,074	951,422	9.32%
920 Other General Government	110,600	109,600	1,000	0.91%
61-450 Water Division	2,358,634	2,374,760	(16,126)	-0.68%
300 School Department	32,175,719	30,938,191	1,237,528	4.00%
<b>Total Budget</b>	<b>66,372,314</b>	<b>63,748,834</b>	<b>2,623,480</b>	<b>4.12%</b>
<b>Surplus/(Deficit)</b>	<b>(957,030)</b>	<b>-</b>	<b>(957,030)</b>	

Free Cash Balance	688,651.00	Certified balance 7/1/09.
Stabilization Fund Balance	2,045,744	As of 1/31/10.
Water Surplus	791,847	Net of appropriations voted at the 10/05/09 STM.

**TOWN OF EASTON  
BUDGET COMPARISON SUMMARY**

<b>UNAPPROPRIATED EXPENSE DETAIL</b>				
	<b>FY 2011 ATM Budget</b>	<b>Comparative Amounts</b>		
		<b>FY 2010 Budget</b>	<b>Increase/ Decrease</b>	<b>% Chg</b>
<b>Cherry Sheet Charges/Assessments</b>				
County Assessment	271,406	264,787	6,619	2.50%
Retired EE Health Ins	-	-	-	0.00%
Mosquito Control	76,567	41,274	35,293	85.51%
Air Pollution Districts	6,603	6,421	182	2.83%
Old Colony Planning Council	7,327	7,108	219	3.08%
RMV Non-Renewal Surcharge	15,560	14,000	1,560	11.14%
MBTA	146,849	146,310	539	0.37%
Special Education	10,255	21,125	(10,870)	-51.46%
Charter Schools/School Choice	149,501	234,714	(85,213)	-36.31%
Sub-total	684,068	735,739	(51,671)	-7.02%
<b>Other Unappropriated Expenses</b>				
Overlay	350,000	375,919	(25,919)	-6.89%
Snow & Ice Overexpended	350,000	349,205	795	0.23%
Other (Appropriation/Overlay Deficit)	-	-	-	0.00%
Sub-total	700,000	725,124	(25,124)	-3.46%
<b>Total Unappropriated Expenditures</b>	<b>1,384,068</b>	<b>1,460,863</b>	<b>(76,795)</b>	<b>-5.26%</b>

<b>DEBT &amp; INTEREST BUDGET</b>				
	<b>FY 2011 ATM Budget</b>	<b>Comparative Amounts</b>		
		<b>FY 2010 Budget</b>	<b>Increase/ Decrease</b>	<b>% Chg</b>
<b>Non-exempt Debt</b>				
School Principal	160,000	170,000	(10,000)	-5.88%
School LT Debt Interest	65,700	-	65,700	0.00%
School ST Debt Interest	-	24,147	(24,147)	0.00%
	225,700	194,147	31,553	16.25%
Town Principal	788,516	838,145	(49,629)	-5.92%
Town LT Debt Interest	176,566	180,131	(3,565)	-1.98%
Town ST Debt Interest	2,000	13,067	(11,067)	-84.69%
Capital Budget Reserve	32,708	-	32,708	0.00%
	999,790	1,031,343	(31,553)	-3.06%
Total Non-exempt Debt	1,225,490	1,225,490	-	0.00%
<b>Exempt Debt</b>				
School Principal	2,420,000	2,455,000	(35,000)	-1.43%
School LT Debt Interest	1,471,077	1,197,326	273,751	22.86%
School ST Debt Interest	-	104,730	(104,730)	-100.00%
Total Exempt Debt	3,891,077	3,757,056	134,021	3.57%
<b>Total Debt &amp; Interest Budget</b>	<b>5,116,567</b>	<b>4,982,546</b>	<b>134,021</b>	<b>2.69%</b>

<b>EMPLOYEE BENEFITS &amp; INSURANCE DETAIL</b>				
	<b>FY 2011 ATM Budget</b>	<b>Comparative Amounts</b>		
		<b>FY 2010 Budget</b>	<b>Increase/ Decrease</b>	<b>% Chg</b>
EE Health Insurance - Town	2,325,504	2,133,490	192,014	9.00%
EE Health Insurance - School	4,773,635	4,379,482	394,153	9.00%
Executive Loss Control Committee	2,500	2,500	-	0.00%
Retirement Assessment - County	2,680,330	2,528,509	151,821	6.00%
Reserve for Salary Increase	150,000	-	150,000	0.00%
General Insurance - Town	231,875	231,875	-	0.00%
General Insurance - School	227,521	227,521	-	0.00%
Worker's Comp - Town	95,000	91,566	3,434	3.75%
Worker's Comp - School	157,631	157,631	-	0.00%
Tuition	1,500	1,500	-	0.00%
Medicare - Town Share	150,000	135,000	15,000	11.11%
Medicare - School Share	360,000	315,000	45,000	14.29%
Noncontributory Pension	1,000	1,000	-	0.00%
<b>Total Employee Benefits &amp; Insurance</b>	<b>11,156,496</b>	<b>10,205,074</b>	<b>951,422</b>	<b>9.32%</b>