



TOWN OF EASTON
MASSACHUSETTS
Office of the Town Administrator

DAVID A. COLTON
Town Administrator

**Fiscal Year 2012
Budget Memorandum Update
Town of Easton
David A. Colton
Town Administrator**

May 9, 2011

I have provided you with a Preliminary Budget Memo dated January 6, 2011, and updates dated March 28, 2011 and April 11, 2011. I am pleased to report that the fiscal year 2012 proposed budget is now in balance. The attached budget summary shows the adjustments made to bring the budget into balance at **\$66,894,757** which represents a 1.74% increase over the current fiscal year. These adjustments have been made primarily to the revenue side of the ledger. These increases in proposed revenue are sustainable and realistic. They do not involve a significant increase in our use of reserves.

The other side of the ledger is, of course, spending. The percentage change vs. 2011 on the expenditure side of the budget is proposed as follows:

- General Government -2.77%
- Public Safety -2.38%
- Public Works -5.30%
- Public Services -2.13%
- EE Benefits/Ins. +6.41%
- Education +1.08%

It should be kept in mind that these numbers are the result of three years of cuts. Over those three years we have seen shared sacrifice in all areas. We have eliminated or downgraded management positions, reduced clerical staff (in fact 18% of the town side cuts have come from the employees in the clerical union), laborers, professional staff, teachers, police and fire.

I hope that current legislation to remove limited health plan decision making from collective bargaining will be passed and signed by the Governor. Until the legislation becomes law I cannot predict the effect, but once it passes we will move quickly to make changes and apply them to FY 12. If that effort is unsuccessful we will formulate a plan which will seek significant concessions from the unions in FY 13 because a \$670,000 annual increase in employee benefits and insurance is simply not sustainable.

Thank you for your input and continued support throughout this very difficult budget process. I am prepared to discuss this at your convenience.

**TOWN OF EASTON
PRELIMINARY BUDGET SUMMARY**

	FY 2012 Adjusted as of 4/8/11	Budget Adjustments	Adjusted Budget 4/29/11	% of Tot Budget	Comparative Amounts		
					FY 2011 Budget	Increase/ Decrease	% Chg
Revenues:							
Operating Revenue:							
Taxation	43,961,666	50,000	44,011,666	65.79%	42,667,348	1,344,318	3.15%
State Aid	12,272,264	(6,916)	12,265,348	18.34%	12,318,933	(53,585)	-0.43%
Local Receipts	5,300,119	110,000	5,410,119	8.09%	5,291,339	118,780	2.24%
Enterprise Receipts	3,708,892		3,708,892	5.54%	3,716,887	(7,995)	-0.22%
<i>Sub-total Operating</i>	65,242,941	153,084	65,396,025	97.76%	63,994,507	1,401,518	2.19%
Reserves/One-Time Revenues:							
Non-recurring:							
Free Cash	1,240,000	25,000	1,265,000	1.89%	383,046	881,954	230.25%
Stabilization Fund	60,000	10,000	70,000	0.10%	1,200,000	(1,130,000)	-94.17%
Other (Septic Betterments RRFA)		76,675	76,675	0.11%		76,675	0.00%
Overlay Surplus			-	0.00%	35,000	(35,000)	0.00%
<i>Sub-total Non-recurring</i>	1,300,000	111,675	1,411,675	2.10%	1,618,046	(206,371)	-12.75%
Recurring:							
Revolving Accounts	-	26,000	26,000	0.04%	75,000	(49,000)	-65.33%
Conservation Fund	61,057		61,057	0.09%	64,178	(3,121)	-4.86%
<i>Sub-total Recurring</i>	61,057	26,000	87,057	0.13%	139,178	(52,121)	-37.45%
<i>Sub-total Reserves</i>	1,361,057	137,675	1,498,732	2.23%	1,757,224	(258,492)	-14.71%
Total Operating Revenues/Reserves	66,603,998	290,759	66,894,757	99.99%	65,751,731	1,143,026	1.74%
Expenditures:							
Unappropriated Expenses (detail on pg. 2)	1,617,179	32,324	1,649,503	2.47%	1,215,500	434,003	35.71%
Transfer to Stabilization Fund (taxation amt)	-		-	0.00%	-	-	0.00%
120 Selectmen	324,829		324,829	0.49%	334,423	(9,594)	-2.87%
131 Finance Committee	1,500		1,500	0.00%	2,000	(500)	-25.00%
132 Reserve Fund	60,000		60,000	0.09%	56,108	3,892	6.94%
135 Accountant	188,232		188,232	0.28%	189,278	(1,046)	-0.55%
140 Assessors	220,139		220,139	0.33%	220,278	(139)	-0.06%
145 Collector /Treasurer	306,357		306,357	0.46%	304,815	1,542	0.51%
150 Town Counsel	150,000		150,000	0.22%	160,000	(10,000)	-6.25%
155 Data Processing	183,167		183,167	0.27%	187,200	(4,033)	-2.15%
160 Town Clerk	193,549		193,549	0.29%	221,262	(27,713)	-12.52%
175 Planning and Community Development	235,430		235,430	0.35%	224,737	10,693	4.76%
210 Police	3,665,157		3,665,157	5.48%	3,824,749	(159,592)	-4.17%
220 Fire	2,856,778		2,856,778	4.27%	2,852,162	4,616	0.16%
231 Ambulance	412,501		412,501	0.62%	413,620	(1,119)	-0.27%
240 Inspectional Services	275,083		275,083	0.41%	285,566	(10,483)	-3.67%
310 SE Regional School	731,211		731,211	1.09%	779,978	(48,767)	-6.25%
400's DPW Admin	2,567,086		2,567,086	3.84%	2,710,636	(143,550)	-5.30%
510 Board of Health	201,972		201,972	0.30%	215,831	(13,859)	-6.42%
541 Council on Aging	220,934		220,934	0.33%	228,117	(7,183)	-3.15%
543 Veterans Department	298,426		298,426	0.45%	265,768	32,658	12.29%
610 Library	443,500		443,500	0.66%	448,997	(5,497)	-1.22%
630 Recreation Department	16,550		16,550	0.02%	18,725	(2,175)	-11.62%
700 Debt & Interest (detail on pg. 2)	4,936,444	-	4,936,444	7.38%	4,992,270	(55,826)	-1.12%
910 EE Benefits & Insurance (detail on pg.2)	11,152,094	(22,466)	11,129,628	16.64%	10,459,138	670,490	6.41%
920 Other General Government	102,100		102,100	0.15%	110,600	(8,500)	-7.69%
61-450 Water Division	2,350,639		2,350,639	3.51%	2,358,634	(7,995)	-0.34%
62-430 Solid Waste & Recycling	810,500		810,500	1.21%	810,500	-	0.00%
300 School Department	32,203,793	(251)	32,203,542	48.14%	31,860,839	342,703	1.08%
300 School Department (Buildings & Grounds)	160,000		160,000	0.23%		160,000	0.00%
Total Budget	66,885,150	9,607	66,894,757	99.98%	65,751,731	1,143,026	1.74%
Surplus/(Deficit)	(281,152)	281,152	-		-	-	

Free Cash Balance
Stabilization Fund Balance
Water Surplus

1,515,679.00 Certified balance 7/1/10
869,258.40 As of 2/28/11
575,085 Certified balance 7/1/10

**TOWN OF EASTON
PRELIMINARY BUDGET SUMMARY**

UNAPPROPRIATED EXPENSE DETAIL							
	Adjusted as of 4/8/11	Budget Adjustments	Adjusted Budget 4/29/11	% of Total	Comparative Amounts		
					FY 2011 Budget	Increase/ Decrease	% Chg
Cherry Sheet Charges/Assessments							
County Assessment	278,191	5,492	283,683	17.20%	271,406	12,277	4.52%
Retired EE Health Ins	-	-	-	0.00%	-	-	0.00%
Mosquito Control	42,102	34,077	76,179	4.62%	41,075	35,104	85.46%
Air Pollution Districts	6,757	(151)	6,606	0.40%	6,592	14	0.21%
Old Colony Planning Council	7,477	(116)	7,361	0.45%	7,295	66	0.90%
RMV Non-Renewal Surcharge	15,949	(7,469)	8,480	0.51%	15,560	(7,080)	-45.50%
MBTA	150,520	(7,489)	143,031	8.67%	146,849	(3,818)	-2.60%
Special Education	10,503	1,365	11,868	0.72%	10,247	1,621	15.82%
Charter Schools/School Choice	148,499	6,615	155,114	9.40%	144,877	10,237	7.07%
Sub-total	659,998	32,324	692,322	41.97%	643,901	48,421	7.52%
Other Unappropriated Expenses							
Overlay	350,000	-	350,000	21.21%	346,246	3,754	1.08%
Snow & Ice Overexpended	607,181	-	607,181	36.81%	225,353	381,828	169.44%
Other (Appropriation/Overlay Deficit)	-	-	-	0.00%	-	-	0.00%
Sub-total	957,181	-	957,181	58.02%	571,599	385,582	67.46%
Total Unappropriated Expenditures	1,617,179	32,324	1,649,503	99.99%	1,215,500	434,003	35.71%
DEBT & INTEREST BUDGET							
	Adjusted as of 4/8/11	Budget Adjustments	Adjusted Budget 4/29/11	% of Total	Comparative Amounts		
					FY 2011 Budget	Increase/ Decrease	% Chg
Non-exempt Debt							
School Principal	127,000	-	127,000	2.57%	120,000	7,000	5.83%
School LT Debt Interest	46,210	-	46,210	0.94%	48,713	(2,503)	0.00%
School ST Debt Interest	-	-	-	0.00%	-	0	0.00%
	173,210	-	173,210	3.51%	168,713	4,497	2.67%
Town Principal	790,418	-	790,418	16.01%	643,516	146,902	22.83%
Town LT Debt Interest	175,742	-	175,742	3.56%	177,379	(1,637)	-0.92%
Town ST Debt Interest	2,000	-	2,000	0.04%	2,000	0	0.00%
Capital Budget Reserve	51,412	-	51,412	1.04%	201,174	(149,762)	0.00%
	1,019,572	-	1,019,572	20.65%	1,024,069	(4,497)	-0.44%
Total Non-exempt Debt	1,192,782	-	1,192,782	24.16%	1,192,782	-	0.00%
Exempt Debt							
School Principal	2,460,000	-	2,460,000	49.83%	2,445,000	15,000	0.61%
School LT Debt Interest	1,283,662	-	1,283,662	26.00%	1,316,988	(33,326)	-2.53%
School ST Debt Interest	-	-	-	0.00%	37,500	(37,500)	-
Total Exempt Debt	3,743,662	-	3,743,662	75.83%	3,799,488	(55,826)	-1.47%
Total Debt & Interest Budget	4,936,444	-	4,936,444	99.99%	4,992,270	(55,826)	-1.12%
EMPLOYEE BENEFITS & INSURANCE DETAIL							
	Adjusted as of 4/8/11	Budget Adjustments	Adjusted Budget 4/29/11	% of Total	Comparative Amounts		
					FY 2011 Budget	Increase/ Decrease	% Chg
EE Health Insurance - Town	2,166,150	-	2,166,150	19.46%	2,123,686	42,464	2.00%
EE Health Insurance - School	5,077,708	-	5,077,708	45.62%	4,522,876	554,832	12.27%
Executive Loss Control Committee	2,500	-	2,500	0.02%	2,500	-	0.00%
Retirement Assessment - County	2,709,982	-	2,709,982	24.35%	2,628,249	81,733	3.11%
Reserve for Salary Increase	-	-	-	0.00%	7,300	(7,300)	0.00%
General Insurance - Town	215,754	(15,000)	200,754	1.80%	181,875	18,879	10.38%
General Insurance - School	200,000	(7,466)	192,534	1.73%	227,521	(34,987)	-15.38%
Worker's Comp - Town	95,000	-	95,000	0.85%	95,000	-	0.00%
Worker's Comp - School	115,000	-	115,000	1.03%	157,631	(42,631)	-27.04%
Tuition	-	-	-	0.00%	1,500	(1,500)	-100.00%
Medicare - Town Share	170,000	-	170,000	1.53%	150,000	20,000	13.33%
Medicare - School Share	400,000	-	400,000	3.59%	360,000	40,000	11.11%
Noncontributory Pension	-	-	-	0.00%	1,000	(1,000)	-100.00%
Total Employee Benefits & Insurance	11,152,094	(22,466)	11,129,628	99.98%	10,459,138	670,490	6.41%

**TOWN OF EASTON
FY 2012 GENERAL FUND REVENUE PROJECTIONS**

Description	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Actual	Variance	FY 2011 Budget	FY 2012 Proj. w/ HWM	Increase/ Decrease	% Chg
Taxation:										
Real Estate & Personal Property	29,687,080	34,538,904	36,153,391	37,197,673	37,474,928		38,512,475	39,855,594	1,343,119	
Other Taxes	267,816	201,245	416,571	-	162,899		-	-	-	
2 1/2 % (budget/projection only)				930,546			959,058	996,390	37,332	
New Growth	1,014,056	621,330	371,633	360,098	360,098		380,307	400,000	19,693	
Operational Override	3,400,000									
Exempt Debt	1,598,321	1,723,328	2,230,931	2,773,076	2,773,076		2,815,508	2,759,682	(55,826)	
Total Taxation	35,967,273	37,084,807	39,172,526	41,261,393	40,771,001	(490,392)	42,667,348	44,011,666	1,344,318	3.15%
State Revenue:										
State Aid Chapter 70	8,115,511	8,764,374	8,764,241	9,598,361	9,598,361	-	9,143,450	9,192,536	49,086	0.54%
Charter Tuition Reimbursement	36,153	51,169	37,929	66,890	25,143	(41,747)	10,716	20,322	9,606	89.64%
Lottery	2,679,163	2,725,472	2,097,996	1,929,409	1,929,409	-	1,852,233	1,718,309	(133,924)	-7.23%
General Fund Lottery Subsidy			361,889	-	-	-	-	-	-	0.00%
Police Career Incentive	155,126	152,612	154,535	31,015	32,197	1,182	16,139	-	(16,139)	-100.00%
Veterans Benefits	105,423	96,289	125,876	136,429	143,472	7,043	164,460	200,105	35,645	21.67%
State Owned Land	59,797	66,808	71,633	64,532	64,532	-	63,884	63,650	(234)	-0.37%
Exemp: Vets, Blind, Surv Sp & Elderly	45,806	117,797	84,573	79,461	86,948	7,487	84,071	86,446	2,375	2.82%
Supplemental Distribution	-	-	-	-	-	-	-	-	-	0.00%
School Construction	1,245,934	1,245,934	983,980	983,980	983,980	-	983,980	983,980	-	0.00%
Total State Revenue	12,442,913	13,220,455	12,682,652	12,890,077	12,864,042	(26,035)	12,318,933	12,265,348	(53,585)	-0.43%
Local Receipts:										
Motor Vehicle Excise	2,771,420	3,115,660	2,822,055	2,700,000	2,704,299	4,299	2,600,000	2,600,000	-	0.00%
Penalties & Interest on Taxes & Excise	170,783	189,486	265,688	200,000	297,046	97,046	250,000	250,000	-	0.00%
Licenses & Permits	524,114	608,209	454,848	450,000	713,821	263,821	550,000	550,000	-	0.00%
Fees	862,696	872,098	920,929	870,000	877,509	7,509	870,000	870,000	-	0.00%
Fines & Forfeitures	60,157	56,679	38,494	38,000	43,086	5,086	38,000	38,000	-	0.00%
Investment Income	334,376	135,147	56,833	55,000	33,871	(21,129)	30,000	30,000	-	0.00%
Ames Fund	200,000	250,000	335,000	140,000	140,000	-	300,000	400,000	100,000	33.33%
Medicare Part D Subsidy	80,004	141,692	152,363	145,000	213,403	68,403	170,000	170,000	-	0.00%
Other Miscellaneous Income	190,061	120,111	798,114	100,000	135,677	35,677	91,220	100,000	8,780	9.63%
School Resource Officer Reimb		35,000	50,000	50,000	50,000	-	50,000	50,000	-	0.00%
Veterans Agent Reimb						-	37,119	37,119	-	0.00%
Medicaid Reimbursement	138,931	103,588	133,566	50,000	99,656	49,656	75,000	75,000	-	0.00%
Local Option Meals Tax				121,696	91,420	(30,276)	200,000	200,000	-	0.00%
Chapter 46, Supplemental Tax		65,087	30,156	30,000	47,434	17,434	30,000	40,000	10,000	33.33%
Total Local Receipts	5,332,542	5,692,757	6,058,046	4,949,696	5,447,222	497,526	5,291,339	5,410,119	118,780	2.24%
Total General Fund Revenue	53,742,728	55,998,019	57,913,224	59,101,166	59,082,265	(18,901)	60,277,620	61,687,133	1,409,513	2.34%
Exempt Debt Adjustments:										
Exempt Debt Raised by Taxation	(1,598,321)	(1,723,328)	(2,230,931)	(2,773,076)	(2,773,076)	-	(2,815,508)	(2,759,682)	55,826	-1.98%
Net General Fund Revenue	52,144,407	54,274,691	55,682,293	56,328,090	56,309,189	(18,901)	57,462,112	58,927,451	1,465,339	2.55%

Net General Fund Revenue:

1,465,339

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

Free Cash	881,954
Stabilization Fund	(1,130,000)
Overlay Surplus	(35,000)
Other: Receipts Reserved for Appropriation	78,675
Recurring: Revolving / Conservation	(52,121)
Subtotal reserves/one-time revenues	(258,492)

Subtotal available funds increase (decrease)

1,206,847

Uncontrollable Cost (Increases)/Decreases FY10-FY11:

Change in Unappropriated Expenses	(434,003)
Change in SE Regional School Assessment	48,767
Change in debt within Prop 2 1/2 (non-exempt)	-
Change in Health Insurance	(597,296)
Change in Pension Assessment	(81,733)
Change in Worker's Comp Insurance	42,631
Change in General Insurance	16,108
Change in Medicare Taxes	(60,000)
Subtotal uncontrollable cost (Increases)/decreases	(1,065,526)

Net Surplus (Deficit) Before for FY11 Budget Increases

141,321

Less: General Government Increases
School Budget Increase

-2.72%
1.08%

361,382
(502,703)

Surplus (Deficit)

-