

TOWN ADMINISTRATOR'S PRELIMINARY FISCAL YEAR 2019 BUDGET MEMORANDUM

**Delivered to the Board of Selectmen: Monday, February 5, 2018
Connor Read, Town Administrator**

Introduction

Fiscal Year 2019 will once again be a challenging year for the Town. Familiar challenges persist and constrain our ability to deliver quality services to our residents. New growth and local receipts continue to generate healthy revenue for the Town, while state aid continues to remain nearly flat. Preliminary departmental budgets fund only level services, with expense growth driven mainly by fixed costs such as insurances and county, regional and state assessments. Preliminary expenditure projections of \$83,438,037 exceed projected revenues of \$82,581,083 resulting in a preliminary projected deficit of \$856,954.

The preliminary projected deficit can and will be eliminated, but years of creative reductions, savings and reorganizations to mitigate the persistent structural revenue deficit continue to challenge our ability to provide quality services to our residents. The Town will continue to work collaboratively with Easton Public Schools to refine preliminary revenue and expense projections through the spring to bring a balanced budget to Town Meeting in May.

Revenue

Cities and towns in Massachusetts are limited in their ability to increase the property tax levy to 2 and ½ percent plus new growth each year. Easton has and will continue to levy property taxes to the extent allowed by Proposition 2 and ½, and has worked diligently to promote new growth to increase our tax base over the years. In addition to taxation, Easton obtains revenue from local receipts, state aid, and a combination of other funding sources. This memo will discuss the preliminary projections for each of these revenue categories, highlighting the many challenges before us.

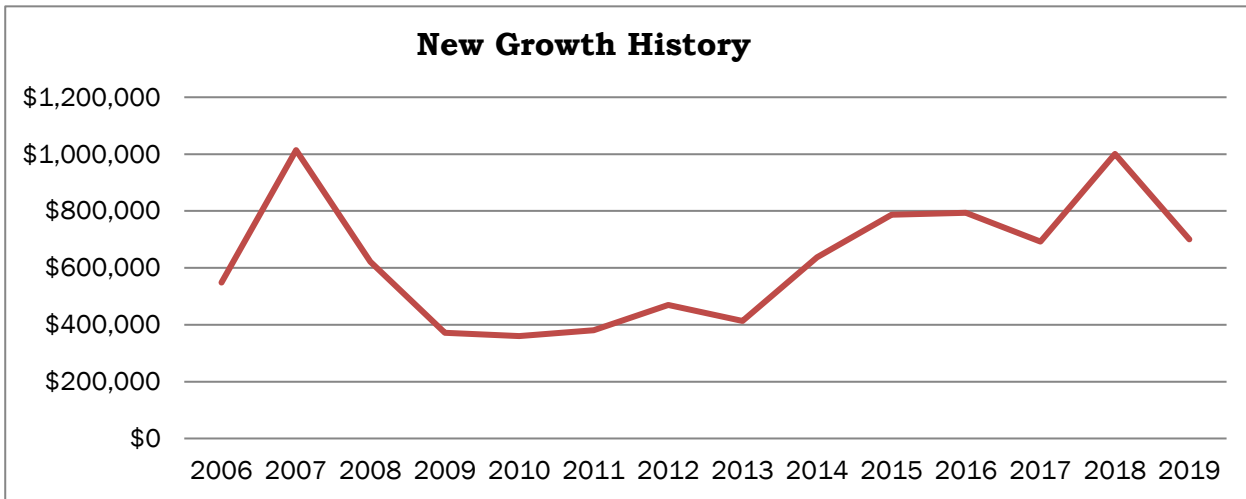
Revenue: Taxation

The preliminary FY2019 budget projects an increase in total taxation revenue of 3.04 percent, or \$1,666,383, yielding a total of \$56,411,173. Taxation is the largest source of revenue for the Town, and continues to grow as a total percentage of our revenue with each passing year. This trend is troubling as it continually increases our reliance on taxpayers and reserves to fund an increasing portion of our budget just to deliver level services. As time passes this reliance will only increase, placing a premium on the Town's ability to incentivize new growth. The following chart depicts taxation as a percentage of our total revenue over several years.

Taxation as a Percentage of General Fund Revenue				
	FY16 Budget	FY17 Budget	FY18 Budget	FY19 Projected
Taxation	50,747,504	52,499,660	54,744,790	56,411,173
State Aid*	13,047,167	13,416,080	13,559,708	12,726,232
Local Receipts	6,157,592	6,698,825	6,987,867	7,220,941
Other Funding Sources	2,664,251	2,206,009	2,324,698	1,729,263
Total	72,616,514	74,820,574	77,617,063	78,087,609
Taxation as % of Total	69.88%	70.17%	70.53%	72.24%

*State Aid in this figure includes MSBA funds for school construction that end in FY18.

New growth is a critical component municipal revenue because it provides an additional source of funds by expanding the tax base. It represents the value of new or significantly improved property subject to taxation¹. Expansion of infrastructure, adoption of improved zoning, and implementation of streamlined permitting all promote new growth². Some major infrastructure expansion priorities currently underway include the construction of the Queset Sewer District and planning for expansion of the Five Corners Sewer District. To put the significance of new growth into perspective, last year’s certified growth of \$1,001,211 was nearly equal to the operating budget for the department of Health and Community Services (\$1,024,631), which provides services to our senior and veteran populations in addition to providing recreational and public health programing.



As the Town becomes increasingly reliant on taxation to balance the budget, it is imperative that we foster an environment that encourages new growth. The steady increase in new growth since 2012 is indicative of the Town’s successful planning efforts thus far as well as improving market conditions on the state and national

¹ For more definitions of municipal terminology, see the Glossary of the Town of Easton Fiscal Year 2018 Budget, pages 205-213, available at www.easton.ma.us or by [clicking here](#).

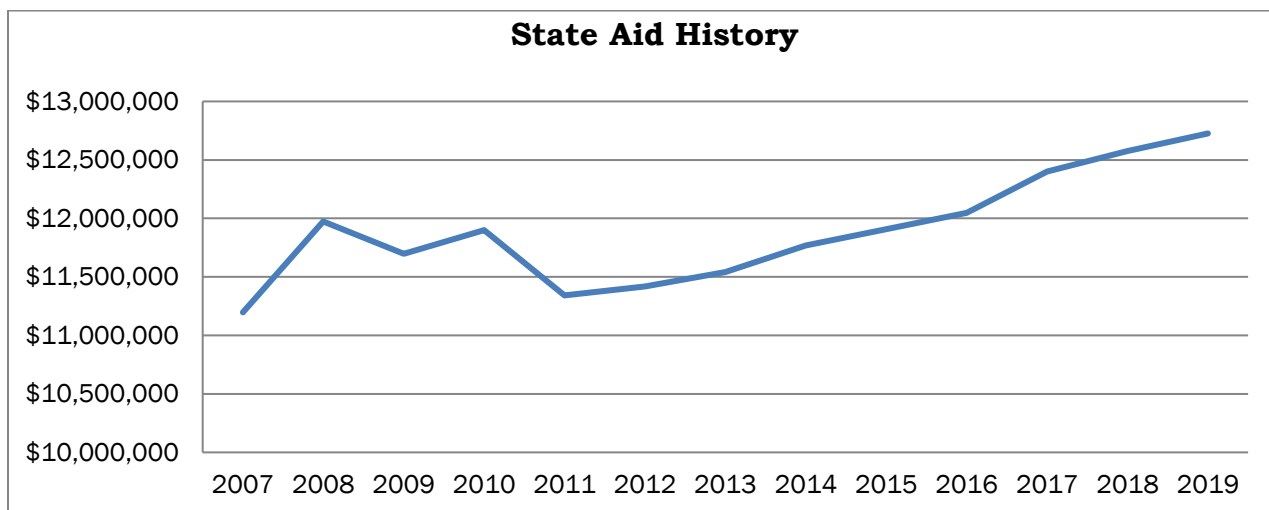
² See page 15-17 of the Town of Easton Fiscal Year 2017 Budget for more details on these initiatives by [clicking here](#).

level. The preliminary FY2019 budget is conservatively projecting new growth of \$700,000. Although this is considerably less than the growth actualized in fiscal 2018, it is reflective of a more modest average in years prior. This estimate will be revised as more information becomes available.

Revenue: Local Receipts and State Aid

Local receipts and state revenue comprise our third and second largest sources of revenue, respectively. Local receipts are composed of various fees and taxes such as motor vehicle excise tax, ambulance fees, and local meals taxes. Local receipts have been steadily growing in recent years, particularly excise taxes and ambulance receipts. The preliminary FY2019 budget projects an increase of \$233,074 (3.34 percent). This projection will be refined in the coming months but we must take care to be conservative in doing so. Our conservative estimation of local receipts has been one of the most significant contributors to our free cash and we anticipate growth in this revenue category to level off in the coming years. The projected increase brings local receipts in the preliminary FY2019 budget to \$7,220,941.

The most significant and persistent revenue challenge is the minimal growth to state aid following cuts during the recession. As the graph below illustrates, state aid reached a peak in FY2008 from which it declined until FY2012. Although state aid stopped declining in FY2012, revenue did not return to FY2008 levels until FY2016. During that same period, expenditures increased by approximately 28 percent. The preliminary budget projects a marginal increase to state aid of \$150,500 (1.20 percent) for a total of \$12,726,232 based on the Governor’s 2019 budget.



This marginal increase in state aid is offset entirely by increases in state assessments to the Town in the amount of \$159,949 (18.63 percent). This large increase is primarily due to a jump in the charter school assessment. The net result is a decrease in available state revenue to the Town in FY2019 of \$9,449. A net decrease

in available state revenue, coupled with cuts to federal and state education grants and continuing reductions to the state circuit breaker reimbursement formula for special needs education will exacerbate the Town’s existing structural revenue deficit and further constrain our ability to sustainably fund our public services.

State aid remains our second largest source of revenue, but minimal growth is reducing its proportionate share, creating increased reliance on property taxation. As shown in the table below, state aid will constitute 16.3 percent of our revenue in FY2019, which is down from nearly 25 percent a decade ago.

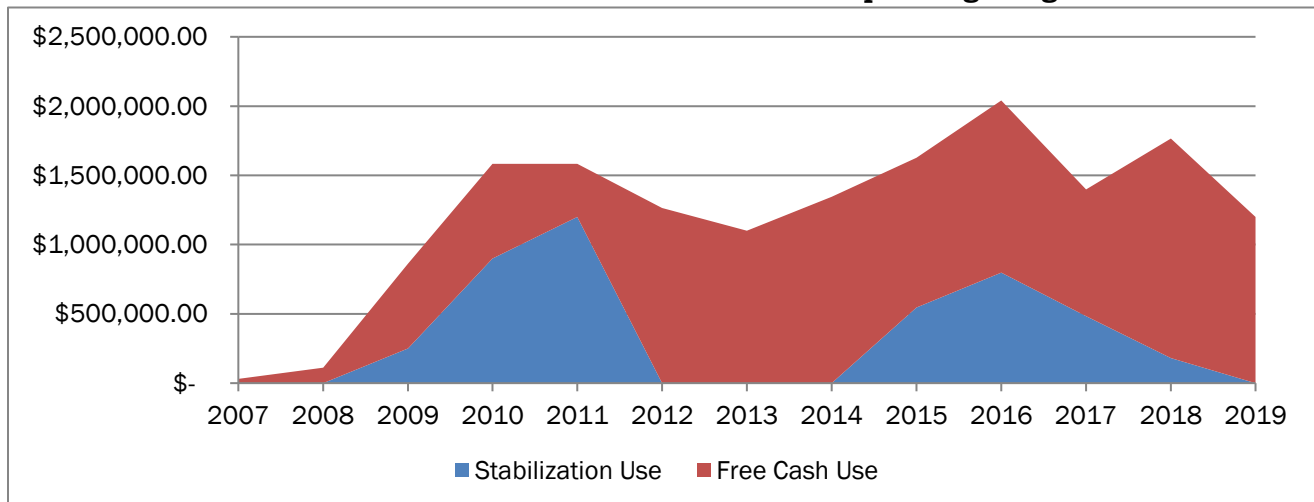
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Total	<u>72,616,514</u>	<u>74,820,574</u>	<u>77,617,063</u>	<u>78,087,609</u>
State Aid as % of Total	17.97%	17.93%	17.47%	16.30%

*State Aid in this figure includes MSBA funds for school construction that end in FY18.

Revenue: Reserves and Other Financing Sources

Since the onset of the recession and subsequent stagnation of state aid to the Town, we have been using reserve funds (free cash and stabilization funds) to close a structural revenue deficit at an unsustainable rate. The chart below illustrates the cumulative use of free cash and stabilization funds in each fiscal year. Note the absence of reserve fund use in FY2007, which directly followed the last Proposition 2 and ½ override, followed by an uptick in reserve use in FY2008 at the onset of the Great Recession, and a persistent trend of \$1,000,000 or more in reserve use annually following the recession-era cuts to state aid in FY2009.

Use of Free Cash & Stabilization Funds for Operating Budget



In FY2016, the Board of Selectmen adopted a series of Financial Management Guidelines outlining the intended use of free cash and stabilization funds to help limit this practice³. These guidelines recommend that the Town use no more than 50 percent of available free cash to fund the coming year's operating budget, and that a minimum of 25 percent of free cash be transferred to the stabilization fund. The Town has transferred 25 percent of free cash to the stabilization fund consistently in recent years in accordance with these guidelines, resulting in a current stabilization balance of \$2,214,388, the highest since 2010.

To honor the spirit of these guidelines, the preliminary FY2019 budget projects a decrease in other financing sources of \$595,435 (-25.61 percent) from the prior year. The result is the use of \$1,729,263 in reserves and other sources, which is the lowest budgeted amount in this category since FY2014. The bulk of this decrease is from a reduction of free cash use to \$1,200,214 and the elimination of stabilization funding for the first time since FY2014. The elimination of stabilization funds in this revenue category is reflective of the stated intent of the guidelines to limit the use of said funds for operational budgeting. However, given the net decrease in state aid and modest growth in our local receipts, the Town may wish to consider the continued partial implementation of these financial management guidelines, insofar as they pertain to the allocation of free cash.

Expenses

In recent years, the Town has had much success in reducing energy and health insurance costs, but challenges persist as these expenditures continue rise at rates that far outpace our revenue growth. One of the most difficult areas of the budget to contain are certain fixed costs over which we have very little to no immediate control. A sample of these fixed costs include debt and interest, insurance (particularly employee health insurance premiums), snow and ice deficit, pensions and the regional school assessment.

- **Debt and Interest.** Although it appears our debt service is going down significantly, the decrease is in the exempt school debt category due to the final payments on the Richardson/Olmsted school being made in the current fiscal year. This debt service was offset by state aid received from the Massachusetts School Building Authority and property taxes raised outside of the limitations of Proposition 2 and ½ and has no impact on the projected deficit.
- **Employee Health Insurance.** Three years ago, the Town changed insurance carriers and joined the state Group Insurance Commission (GIC) to save both the

³ See Policy 52A of the Board of Selectmen's Policy Book, available at www.easton.ma.us or by [clicking here](#).

Town and its employees money. The Town saved more than \$335,000 at the time of this switch⁴. The GIC is currently procuring insurance providers for the next three years, with FY2019 plans and rates expected in March. The preliminary FY2019 budget is projecting an increase of \$383,197 (4.76 percent). This estimate will be revised accordingly once the new rates are available and could potentially increase as a result.

- **Pensions.** The Bristol County Retirement Board has informed us that our pension assessment will increase by \$170,448 (4.2 percent) and is reflective of the early payment discount. Although this increase is much less than the 8 percent increase assessed last year, it still outpaces our revenue growth.
- **Snow and Ice.** The preliminary budget includes a \$300,000 allowance for a snow and ice deficit resulting from this winter. We will revisit this allowance in mid-April and finalize the amount to be raised at that time. Thankfully, the third and final \$298,035 payment of the amortized snow and ice deficit from winter 2014-15 occurred in FY2018 and will fall off the books in FY2019.
- **County and State Assessments.** These assessments are up by \$159,949 (18.63 percent) primarily due to an extremely large increase in the Town's charter school assessment. Charter schools continue to divert funds away from public schools as charter school reimbursements from the state only cover a fraction of the assessment.
- **Regional School Assessment.** Although the regional school assessment is preliminary, we are estimating a sizable increase of \$147,036 (15 percent) in part due to increased enrollment.
- **Contract Settlements.** Although not considered a "fixed cost", collective bargaining contracts for all unions are up for renewal and the cost will be sizable. Funds have been set aside for this purpose but only the outcome of contract negotiations will determine the exact amount needed.

The total increase in fixed costs, including the Regional School Assessment and excluding the decrease in exempt debt, amount to \$1,238,612. The significance of these increases cannot be understated, as they erode our projected \$470,546

⁴ Due to the size of its subscriber pool (approximately 450,000 state and municipal employees and retirees), the GIC is able to achieve competitive costs that smaller subscriber pools typically cannot. Nonetheless, during FY2018, the Town explored leaving the GIC should comparable health benefits be available at a better price point. The state's second largest provider of municipal employee and retiree health insurance was not able to achieve this. Accordingly, the Town will remain in the GIC through FY2019-20.

increase in general fund revenue and contribute to the preliminary projected deficit of \$856,954. The preliminary operating budgets summarized below reflect budgets as submitted by department heads.

FY2019 PRELIMINARY BUDGET SUMMARY

a. Revenue by source and % change over FY2018

i. Taxation	\$56,411,173	+3.04%
ii. Local Receipts	\$7,220,941	+3.34%
iii. Local Aid	\$12,726,232	+1.20%
iv. School Building	\$0	-100.00%
v. Other Sources	\$1,729,263	-25.61%
vi. Enterprise	\$4,493,474	+1.69%
vii. Total Revenue	<u>\$82,581,083</u>	<u>+0.66%</u>

b. Expenditures by use and % change over FY2018

i. Town Departments	\$16,979,447	+1.40%
ii. School Department	\$41,378,283	+3.50%
iii. Regional School	\$1,127,271	+15.00%
iv. Debt Service	\$3,860,638	-24.63%
v. EE Benefits, Etc.	\$14,428,284	+6.18%
vi. Other	\$1,728,393	+9.66%
vii. Enterprise	<u>\$3,935,721</u>	<u>+1.94%</u>
viii. Total Expenditures	<u>\$83,438,037</u>	<u>+1.71%</u>

Approaching a Balanced Budget

The preliminary FY2019 budget is currently projecting a deficit of \$856,954.

The Town has been in this position before and overcome larger deficits. These projections are preliminary at this stage, and can still vary in a positive way. We will continue to monitor revenue collections and adjust where possible to realize savings.

Recommendations

1. Continue to refine revenue estimates.

We will continue to monitor current year collections and update our revenue projections accordingly, while also keeping in mind the need to replenish certified free cash.

2. Consider partial implementation of financial management guidelines.

While it is a best practice that the Town adhere to clear financial management guidelines, it is also important to consider the impacts of sudden implementation versus a gradual roll out. Given the minimal increases in revenues, it may be in the best interest of the Town and its citizens to phase in the implementation of these

guidelines, similar to last year, and consider limited, responsible use of additional free cash to fund the FY2019 budget.

3. Continue to lobby for additional state aid.

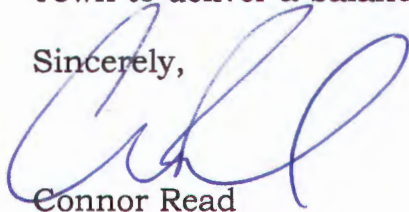
The state aid figures contained in the preliminary FY2019 budget are based on the Governor's proposal, and are not indicative of the final FY2019 state budget. Easton's state legislators are strong advocates with a record of securing additional state funding for the needs of the community. The Town will work collaboratively with our state legislators to articulate Easton's circumstances and needs.

4. Continue to refine expenditure budgets as more information becomes available.

We will collaborate with the school department in the coming months to refine budgets to the extent possible to reduce increases in operational expenditures.

These recommendations are merely the first steps in the budget process. We will continue to work closely with the school department to share information and refine this budget until it is balanced. Attached are preliminary FY2019 budget summary sheets that accompany this memo. I look forward to working with the Board and the Town to deliver a balanced budget to Town Meeting this May.

Sincerely,



Connor Read
Town Administrator

**TOWN OF EASTON
FY2019 PRELIMINARY BUDGET**

	FY15 Actual	FY15 Budget	FY16 Actual	FY16 Budget	FY17 Actual	FY17 Budget	FY18 Budget	FY19 Preliminary	FY19 Requested vs. FY18 Bud \$ Difference	FY19 Requested vs. FY18 Bud % Difference
REVENUES										
TAXATION										
Prior Year Levy Limit	43,884,820	44,467,167	45,904,976	46,381,975	48,046,950	48,330,878	50,236,853	52,493,985	2,257,132	4.49%
Proposition 2 1/2 levy limit increase	1,112,077	1,112,077	1,159,549	1,159,549	1,208,392	1,208,392	1,225,518	1,312,350	86,832	7.09%
New Growth	786,804	786,804	794,155	794,155	692,782	692,782	1,001,211	700,000	(301,211)	-30.08%
TAX LEVY LIMIT	45,783,701	46,366,048	47,858,680	48,335,679	49,948,124	50,232,052	52,463,582	54,506,335	2,042,753	3.89%
Debt Exclusion	2,575,814	2,575,814	2,411,825	2,411,825	2,267,608	2,267,608	2,281,208	1,904,838	(376,370)	-16.50%
Other Taxes	965,244	-	279,269	-	-	-	-	-	-	-
TOTAL TAXATION	49,324,759	48,941,862	50,270,505	50,747,504	52,215,732	52,499,660	54,744,790	56,411,173	1,666,383	3.04%
LOCAL RECEIPTS										
Motor Vehicle Excise	3,362,887	2,975,000	3,434,255	3,075,000	3,940,334	3,300,000	3,500,000	3,675,000	175,000	5.00%
Licenses & Permits	724,717	675,000	1,072,791	700,000	1,008,129	750,000	850,000	867,000	17,000	2.00%
Ambulance	1,310,509	1,025,000	1,595,298	1,100,000	1,501,148	1,310,000	1,450,000	1,464,500	14,500	1.00%
Fees	239,121	250,000	322,494	235,000	247,782	250,000	225,000	227,250	2,250	1.00%
Meals Tax	299,599	275,000	314,957	285,000	353,169	300,000	325,000	341,250	16,250	5.00%
Penalties and Interest	587,065	335,000	316,340	335,000	343,346	315,000	210,000	214,200	4,200	2.00%
Fines and Forfeitures	18,955	30,000	29,295	18,000	31,497	20,000	24,000	24,240	240	1.00%
Investment Income	26,691	20,000	34,473	25,000	42,050	30,000	30,000	30,300	300	1.00%
Medicare D. Subsidy	219,855	125,000	55,382	50,000	12,629	0	0	-	-	0.00%
Medicaid Reimbursement	173,200	100,000	169,762	100,000	172,964	165,000	172,000	173,720	1,720	1.00%
SE Regional School Reimb	50,000	50,000	50,000	50,000	0	0	40,500	40,500	-	0.00%
Supplemental Taxes	54,777	55,000	41,552	42,000	113,560	80,000	61,558	62,174	616	1.00%
Miscellaneous Revenue	244,958	101,797	246,345	142,592	280,636	178,825	99,809	100,807	998	1.00%
TOTAL: LOCAL RECEIPTS	7,312,334	6,016,797	7,682,944	6,157,592	8,047,244	6,698,825	6,987,867	7,220,941	233,074	3.34%
CHERRY SHEET REVENUE (STATE AID)										
State Aid Chapter 70	9,531,741	9,531,741	9,624,016	9,624,016	9,823,611	9,823,611	9,933,051	10,005,411	72,360	0.73%
Unrestricted General Government Aid	1,948,596	1,948,596	2,018,745	2,018,745	2,105,551	2,105,551	2,187,668	2,264,236	76,568	3.50%
Charter Tuition Reimbursement	28,908	9,823	10,702	39,867	12,138	34,733	11,285	34,073	22,788	201.93%
Veterans Benefits	193,094	196,741	217,236	195,066	257,961	289,160	265,661	243,624	(22,037)	-8.30%
State Owned Land	87,151	87,151	87,151	87,151	86,113	86,113	86,031	86,627	596	0.69%
Exemptions: Vets, Blind, Surv Sp & Elderly	98,956	97,114	85,484	98,342	105,129	92,932	92,036	92,261	225	0.24%
Homeless Transportation	19,369	0	5,408	0	10,659	0	0	-	-	0.00%
TOTAL: CHERRY SHEET REVENUE (STATE AID)	11,907,815	11,871,166	12,048,742	12,063,187	12,401,162	12,432,100	12,575,732	12,726,232	150,500	1.20%
SCHOOL BLDG ASSISTANCE	983,980	983,980	983,980	983,980	983,980	983,980	983,976	-	(983,976)	
OTHER FINANCIAL SOURCES (OFS) - RECURRING										
Transfer from Special Revenue (Ames Funds/Septic Bett)	610,527	610,527	523,685	623,685	713,715	710,501	553,669	528,851	(24,818)	-4.48%
Transfer from Trust Funds (Stabilization, Conservation)	551,239	551,239	797,278	797,278	489,751	489,751	185,525	(185,525)	(185,525)	-100.00%
Use of Free Cash	1,082,332	1,082,332	1,243,288	1,243,288	913,939	913,939	1,585,504	1,200,412	(385,092)	-24.29%
Other	12,729	12,729	0	0	91,818	91,818	-	-	-	0.00%
TOTAL: OTHER FINANCING SOURCES (OFS)	2,256,827	2,256,827	2,564,251	2,664,251	2,117,405	2,206,009	2,324,698	1,729,263	(595,435)	-25.61%
TOTAL GENERAL FUND REVENUE	71,785,715	70,070,632	73,550,422	72,616,514	75,765,523	74,820,574	77,617,063	78,087,609	470,546	0.61%
ENTERPRISE FUNDS										
Sewer Enterprise Fund	504,474	275,000	328,944	350,000	336,797	350,000	350,000	360,000	10,000	2.86%
Water Enterprise Fund	3,101,162	2,852,584	3,247,308	2,888,409	3,257,867	2,826,997	2,868,633	2,898,474	29,841	1.04%
Solid Waste & Recycling Enterprise Fund	1,076,399	1,020,000	1,125,113	1,019,000	1,163,794	1,200,000	1,200,000	1,235,000	35,000	2.92%
TOTAL ENTERPRISE FUND REVENUE	4,682,035	4,147,584	4,701,365	4,257,409	4,758,458	4,376,997	4,418,633	4,493,474	74,841	1.69%
GRAND TOTAL: ALL REVENUES	76,467,750	74,218,216	78,251,787	76,873,923	80,523,981	79,197,571	82,035,696	82,581,083	545,387	0.66%

**TOWN OF EASTON
FY2019 PRELIMINARY BUDGET**

	FY15 Actual	FY15 Budget	FY16 Actual	FY16 Budget	FY17 Actual	FY17 Budget	FY18 Budget	FY19 Preliminary	FY19 Requested vs. FY18 Bud \$ Difference	FY19 Requested vs. FY18 Bud % Difference
EXPENDITURES										
GENERAL GOVERNMENT - 100's										
Selectmen	350,484	350,506	360,931	361,021	397,435	398,025	561,710	412,286	(149,424)	-26.60%
Finance Committee	1,154	1,500	1,996	2,300	1,635	2,000	1,500	2,000	500	33.33%
Reserve Fund	-	60,000	-	60,000	-	515	60,000	60,000	-	0.00%
Town Accountant	202,893	204,237	217,886	218,081	222,833	222,833	231,685	237,990	6,305	2.72%
Assessors	242,842	244,076	233,908	244,076	245,333	245,718	256,047	256,705	658	0.26%
Treasurer/Collector	332,473	344,823	366,691	371,248	357,522	357,523	357,711	356,259	(1,452)	-0.41%
Town Counsel	139,916	140,000	155,825	157,000	182,857	182,858	170,000	170,000	-	0.00%
Information Technology	203,383	203,804	209,405	209,414	209,730	210,398	212,534	218,334	5,800	2.73%
Town Clerk	213,107	213,107	213,332	213,333	252,931	252,945	249,867	266,332	16,465	6.59%
Planning & Economic Development	268,079	268,121	268,872	271,029	272,512	292,321	316,505	322,172	5,667	1.79%
Other General Government	91,790	91,900	102,920	105,485	96,016	98,900	99,900	102,600	2,700	2.70%
TOTAL: GENERAL GOVERNMENT	2,046,121	2,122,074	2,131,766	2,212,987	2,238,804	2,264,036	2,517,459	2,404,678	(112,781)	-4.48%
PUBLIC SAFETY - 200's										
Police	3,907,807	3,908,285	3,972,792	4,046,737	3,879,529	4,136,992	4,231,541	4,287,793	56,252	1.33%
Public Safety Dispatch	557,646	588,439	516,524	578,887	560,166	632,387	604,765	620,547	15,782	2.61%
Fire	3,179,422	3,181,172	3,400,360	3,411,954	3,536,809	3,536,849	3,652,072	3,686,920	34,848	0.95%
Ambulance	585,527	607,127	594,678	572,801	607,899	607,901	691,703	765,376	73,673	10.65%
Inspectional Services	292,483	300,512	296,184	319,070	312,049	317,508	300,396	307,043	6,647	2.21%
TOTAL: PUBLIC SAFETY	8,522,885	8,585,535	8,780,538	8,929,449	8,896,452	9,231,637	9,480,477	9,667,679	187,202	1.97%
PUBLIC WORKS - 400's										
General Operating	533,312	559,509	500,544	562,475	493,240	576,427	567,492	580,740	13,248	2.33%
Buildings and Grounds	973,924	883,902	948,775	895,594	1,023,067	945,225	982,290	1,043,348	61,058	6.22%
Highway	980,131	1,043,978	1,097,307	1,096,586	1,095,785	1,116,317	1,165,723	1,180,617	14,894	1.28%
Snow and Ice	1,082,803	188,700	488,700	488,700	543,700	543,700	493,700	493,700	-	0.00%
TOTAL: PUBLIC WORKS	3,570,170	2,676,089	3,035,326	3,043,355	3,155,792	3,181,669	3,209,205	3,298,405	89,200	2.78%
HEALTH AND COMMUNITY SERVICES										
Health and Community Services	-	-	977,276	1,013,559	963,259	997,898	1,024,631	1,060,275	35,644	3.48%
Board of Health	218,189	225,618	-	-	-	-	-	-	-	-
Council on Aging	280,442	280,442	-	-	-	-	-	-	-	-
Veterans Agent	350,539	352,216	-	-	-	-	-	-	-	-
Recreation	41,950	41,950	-	-	-	-	-	-	-	-
TOTAL: HEALTH AND COMMUNITY SERVICES	891,120	900,226	977,276	1,013,559	963,259	997,898	1,024,631	1,060,275	35,644	3.48%
LIBRARY										
LIBRARY	478,964	478,964	520,981	520,981	500,649	500,649	512,703	548,410	35,707	6.96%
TOTAL: LIBRARY	478,964	478,964	520,981	520,981	500,649	500,649	512,703	548,410	35,707	6.96%
SUBTOTAL - TOWN DEPARTMENT COSTS	15,509,260	14,762,888	15,445,887	15,720,331	15,754,956	16,175,889	16,744,475	16,979,447	234,972	1.40%
EDUCATION										
School Department	36,727,461	36,799,137	37,866,897	38,157,137	38,763,402	38,924,060	39,979,017	41,378,283	1,399,266	3.50%
Southeastern Regional School Assessment	592,575	592,576	705,868	706,492	822,774	822,774	980,235	1,127,271	147,036	15.00%
SUBTOTAL - EDUCATION	37,320,036	37,391,713	38,572,765	38,863,629	39,586,176	39,746,834	40,959,252	42,505,554	1,546,302	3.78%
FIXED COSTS										
Debt and Interest										
Non-exempt Town	1,058,239	1,051,629	1,223,919	1,268,802	1,378,034	1,438,406	1,544,052	1,608,752	64,700	4.19%
Non-exempt School	189,818	212,007	217,305	218,298	305,137	310,841	312,889	347,048	34,159	10.92%
Exempt Town	-	-	-	-	-	-	-	-	-	0.00%
Exempt School	3,494,301	3,559,794	3,395,805	3,395,805	3,251,588	3,251,588	3,265,184	1,904,838	(1,360,346)	-41.66%
Capital Budget Reserve	-	431	-	0	0	0	0	-	-	0.00%
SUBTOTAL - Debt Service	4,742,358	4,823,861	4,837,029	4,882,905	4,934,759	5,000,835	5,122,125	3,860,638	(1,261,487)	-24.63%

**TOWN OF EASTON
FY2019 PRELIMINARY BUDGET**

	FY15 Actual	FY15 Budget	FY16 Actual	FY16 Budget	FY17 Actual	FY17 Budget	FY18 Budget	FY19 Preliminary	FY19 Requested vs. FY18 Bud \$ Difference	FY19 Requested vs. FY18 Bud % Difference
EMPLOYEE BENEFITS AND OTHER INSURANCE										
Employee Health Insurance	7,639,700	7,658,925	7,279,599	7,323,925	7,399,528	7,709,409	8,046,803	8,430,000	383,197	4.76%
Health Town Active	1,705,029	1,738,061	1,457,453	1,673,061	1,412,411	1,482,664	1,499,517	1,550,000	50,483	3.37%
Health School Active	4,014,515	3,947,377	3,557,879	3,772,377	3,611,447	3,636,840	3,887,395	4,005,000	117,605	3.03%
Health Town Retiree	617,149	614,342	659,743	584,342	726,066	724,609	827,047	930,000	102,953	12.45%
Health School Retiree	1,303,007	1,359,145	1,604,524	1,294,145	1,649,604	1,865,296	1,832,844	1,945,000	112,156	6.12%
Retirement Assessment	3,093,467	3,093,467	3,494,709	3,494,713	3,751,909	3,751,909	4,054,011	4,224,459	170,448	4.20%
Workers Compensation Insurance	168,881	210,000	278,897	260,000	289,352	312,995	326,145	345,475	19,330	5.93%
Town Employees	31,407	35,000	73,553	70,000	72,928	76,823	80,664	86,310	5,646	7.00%
School Employees	114,644	140,000	159,720	140,000	180,985	186,172	195,481	209,165	13,684	7.00%
Police IOD Medical	9,535	20,000	18,169	25,000	10,634	25,000	25,000	25,000	-	0.00%
Fire IOD Medical	13,295	15,000	27,455	25,000	24,805	25,000	25,000	25,000	-	0.00%
Property/Liability Insurance	408,170	405,000	390,997	420,000	474,479	427,072	448,426	470,850	22,424	5.00%
Town	228,873	220,000	229,963	230,000	277,801	236,670	248,504	260,930	12,426	5.00%
School	179,297	185,000	161,034	190,000	196,678	190,402	199,922	209,920	9,998	5.00%
Medicare-Town Share	169,050	170,000	177,957	170,000	184,237	195,000	200,000	210,000	10,000	5.00%
Medicare-School Share	410,282	420,000	428,869	440,000	445,700	455,000	470,000	485,000	15,000	3.19%
Collective Bargaining Reserve	-	-	-	39,059	-	-	40,000	260,000	220,000	550.00%
Other	3,584	2,500	3,735	2,500	22,972	27,500	2,500	2,500	-	0.00%
SUBTOTAL - EE BENEFITS AND OTHER INS.	11,893,134	11,959,892	12,054,763	12,150,197	12,568,177	12,878,885	13,587,885	14,428,284	840,399	6.18%
SUBTOTAL: GENERAL FUND APPROPRIATIONS	69,464,788	68,938,354	70,910,444	71,617,062	72,844,068	73,802,443	76,413,737	77,773,923	1,360,186	1.78%
OTHER EXPENDITURES										
County and State Assessments	811,201	747,784	807,459	836,671	836,127	847,651	858,444	1,018,393	159,949	18.63%
Other Amounts to be Raised	932,247	932,247	710,534	710,534	703,233	703,233	717,631	710,000	(7,631)	-1.06%
Snow & Ice Deficit/Other Deficits	523,174	523,174	300,534	300,534	298,034	298,034	298,034	300,000	1,966	0.66%
Overlay	409,073	409,073	410,000	410,000	405,199	405,199	419,597	410,000	(9,597)	-2.29%
Transfer to Trust Funds (Stabilization, etc.)	-	-	-	-	15,000	15,000	-	-	-	0.00%
TOTAL: OTHER EXPENDITURES	1,743,448	1,680,031	1,517,993	1,547,205	1,554,360	1,565,884	1,576,075	1,728,393	152,318	9.66%
CAPITAL BUDGET APPROPRIATION FROM TAXATION								185,004	(185,004)	
SUBTOTAL: GENERAL FUND	71,208,236	70,618,385	72,428,437	73,164,267	74,398,428	75,368,327	78,174,816	79,502,316	1,327,500	1.70%
ENTERPRISE										
Sewer	274,659	275,000	314,761	350,000	336,794	350,000	350,000	360,000	10,000	2.86%
Water	2,206,348	2,304,831	2,175,262	2,340,656	2,009,281	2,279,244	2,310,880	2,340,721	29,841	1.29%
Solid Waste & Recycling	1,011,669	1,020,000	1,134,190	1,019,000	1,149,660	1,200,000	1,200,000	1,235,000	35,000	2.92%
SUBTOTAL: ENTERPRISE	3,492,676	3,599,831	3,624,213	3,709,656	3,495,735	3,829,244	3,860,880	3,935,721	74,841	1.94%
GRAND TOTAL: ALL EXPENDITURES	74,700,912	74,218,216	76,052,650	76,873,923	77,894,163	79,197,571	82,035,696	83,438,037	1,402,341	1.71%
BUDGET GAP	1,766,838	-	2,199,137	-	2,629,818	-	-	(856,954)	(856,954)	