

# TOWN ADMINISTRATOR'S FISCAL YEAR 2018 BUDGET MEMORANDUM

## Budget Change Memorandum #2

Delivered to the Board of Selectmen: Monday, April 24, 2017

Connor Read, Acting Town Administrator

This memo summarizes additional changes that have been made to the preliminary budget since the first budget change memorandum was issued on March 20, 2017. Several changes have been made to revenue estimates and departmental operating budgets to eliminate the projected deficit of \$1,395,050 and produce a balanced budget.

### Revenue Changes - Local Receipts

Local receipts estimates have been increased by \$176,084. Adjustments were made to bring estimates more in line with actual collections.

<b>Revenue</b>	<b>Estimate 3/20/17</b>	<b>Estimate 4/24/17</b>	<b>Increase/ (Decrease)</b>
Motor Vehicle Excise	3,450,000	3,500,000	50,000
Licenses & Permits	714,070	850,000	135,930
Ambulance	1,339,000	1,450,000	111,000
Fees	239,724	225,000	(14,724)
Meals Tax	303,000	325,000	22,000
Penalties and Interest	341,734	210,000	(131,734)
Fines and Forfeitures	18,362	24,000	5,638
Investment Income	25,503	30,000	4,497
Medicaid Reimbursement	152,510	175,000	22,490
SE Regional School Reimb.	50,000	40,500	(9,500)
Supplemental Taxes	42,844	100,000	57,156
Miscellaneous Revenue	176,750	100,081	(76,669)
<b>Total</b>	<b>6,853,497</b>	<b>7,029,581</b>	<b>176,084</b>

### Revenue Changes - State Aid

State aid has been increased by \$24,283 to reflect the latest department of revenue "cherry sheet" estimates which are based on the House Ways and Means Committee budget proposal.

### Revenue Changes - Other Financing Sources

The balanced budget proposes using an additional \$245,754 in free cash which would bring total free cash usage from 50 to 59 percent of the July 1, 2016 certification. It also proposes using \$180,000 in stabilization funds, in accordance with the Financial Management Guidelines, to fund the contract settlement with the former town administrator. An additional transfer of \$31,098 from septic betterments receipts reserved for appropriation is also proposed to fund Clean Water Trust debt service for the septic loan program which was recently bonded by that agency.

### Revenue Changes - Water Enterprise

Water enterprise revenue has been increased by \$10,000

### Expenditure Changes - Departmental Operating Budgets

Selectmen Dept. 120 - Reductions of \$715 were made to reduce cost of living adjustments for nonunion personnel.

Town Accountant Dept. 135 - A reduction of \$541 was made to reduce cost of living adjustments for nonunion personnel.

Collector/Treasurer Dept. 145 - A reduction of \$428 was made to reduce cost of living adjustments for nonunion personnel.

Town Counsel Dept. 150 - The budget has been increased by \$20,000 to reflect anticipated increases in legal costs in FY 2018.

Planning & Economic Development Dept. 175 - The budget has been reduced by \$5,884 to reflect the actual salaries of recently hired personnel.

Police Dept. 210 - The budget has been reduced by the school department contribution to fund the school resource officer in the amount of \$32,000. The third patrolman position requested in the amount of \$64,132 has been eliminated and nonunion cost of living adjustments were reduced by \$1,118.

Dispatchers Dept. 211 - The budget has been reduced by \$36,399 to eliminate an unfilled position (32 hours per week).

Fire Dept. 220 - The budget has been reduced by \$77,790 to remove sick leave buybacks and transfer them to a separate warrant article and to reflect differential savings of \$26,008 that will occur by filling the proposed deputy fire chief position from within the department. Nonunion cost of living adjustments were also reduced by \$1,171.

Inspectional Services Dept. 240 - A reduction of \$159 was made to reduce cost of living adjustments for nonunion personnel.

School Department - The School Department has further reduced its budget request by \$150,000, to \$39,979,017 which represents a total decrease of \$667,000 from the original preliminary budget.

Southeastern Regional School Assessment Dept. 310 - A reduction of \$8,017 was made to reflect the actual final assessment.

Department of Public Works - Reductions in the amounts of \$61,668 and \$50,000 have been made in the building and grounds division to eliminate a proposed plumber position and increased overtime funding respectively. A reduction in the amount of \$15,000 was also made to eliminate the increase in overtime funding requested in the highway division. Nonunion cost of living adjustments were reduced by \$671 in DPW Administration.

Health and Community Services Dept. 500 - Adjustments totaling \$19,631 were made to reduce the nonunion cost of living adjustment and reduce veterans benefits based on current spending levels.

Maturing Debt and Interest Dept. 700 - This budget has increased by \$31,098 to include new debt service from the Massachusetts Clean Water Trust for the septic loan program which was recently bonded by that agency.

Employee Benefits and Other Insurance Dept. 910 - This budget has been reduced by \$170,000, most of which is related to employee and retiree health insurance costs based on further analysis of enrollments and actual rates for FY 2018, which are now available.

State and County Assessments have been reduced by \$57,597 to reflect the latest department of revenue "cherry sheet" estimates which are based on the House Ways and Means Committee budget proposal.

<u>Summary</u>	
Preliminary budget deficit revised 3/20/17	(\$1,395,050)
Overall increase in local receipt estimates	176,084
Adjust state aid to House Budget	24,283
Transfer from stabilization for employment settlement	180,000
Increase in use of free cash	245,754
Transfer from betterment receipts for new debt service	31,098
Increase in water receipts	10,000
Reduce Selectmen's budget	715
Reduce Accountant's Budget	541
Reduce Collector/Treasurer Budget	428
Increase Town Counsel budget	(20,000)
Reduce Planning and Economic Development budget	5,884
Reduce Police budget	97,250
Reduce Dispatch budget	36,399
Reduce Fire budget	104,969
Reduce Inspectional Services budget	159
Reduce School budget	150,000
Reduce Southeastern Regional School assessment	8,017
Reduce DPW Administration budget	671
Reduce DPW Buildings and Grounds budget	111,668
Reduce DPW Highway budget	15,000
Reduce Health and Community Services budget	19,631
Increase Maturing Debt and Interest budget	(31,098)
Reduce Employee Benefits and Other Insurance budget	170,000
Reduce State and County Assessments	57,597
Proposed budget variance 4/24/17	\$ 0