

TOWN ADMINISTRATOR'S FISCAL YEAR 2020 BUDGET MEMORANDUM

Budget Change Memorandum #1

Delivered to the Board of Selectmen: Thursday, March 21, 2019

Connor Read, Town Administrator

This memo summarizes changes that have been made to the preliminary budget since it was originally issued on February 11, 2019. Changes have been made to select departmental operating budgets as summarized below. These changes bring the preliminary budget deficit down from \$1,900,940 to \$1,031,122.

In light of the weather events this February and March, we are holding off on any revision to the estimated \$200,000 snow and ice deficit at this time, which will impact our ability to close the deficit in the short term.

FY2020 Expenditure Changes – Departmental Operating Budgets

Police Department Budget – Dept. 210 – The Police Department budget has been adjusted to properly reflect step placement of the Police Chief and reduced to reflect the elimination of a proposed 38th full time officer. This results in a net reduction of \$64,133.

Easton Public Schools Dept. 305 – The Easton Public Schools recently presented a proposed FY2020 budget that increases at 3.08 percent, which is below the preliminary budget placeholder of 4 percent. This represents a reduction of \$379,374.

Southeastern Regional School Assessment Dept. 310 – This budget has been adjusted to reflect the preliminary assessment based on the budget which was presented last week. This year's enrollment increased by one student. A decrease in the amount of \$123,549 will change the requested amount from \$1,302,615 to \$1,179,066.

Employee Benefits & Other Insurance Dept. 910 – GIC rates for FY2020 have been set and, thankfully, we are projecting another advantageous year with the total employee health insurance budget to increase by 1.28 percent rather than the preliminary estimate of 5 percent. This results in a decrease of \$302,762 to the Employee Benefits and Other Insurance budget.

Summary

Preliminary budget deficit 02/11/19	(\$1,900,940)
Reduce Police Department Budget	64,133
Reduce Easton Public Schools Budget	379,374
Reduce Employee Benefits & Insurance	302,762
Reduce Southeastern Regional School Budget	<u>123,549</u>
Preliminary budget deficit revised 03/21/19	<u>(\$1,031,122)</u>

Attached please find an updated preliminary FY2020 budget reflective of the changes noted herein.

**TOWN OF EASTON
FISCAL 2020 PRELIMINARY BUDGET SUMMARY**

	FY15 Actual	FY16 Actual	FY16 Budget	FY17 Actual	FY18 Actual	FY18 Budget	FY19 Budget	FY20 Revised Preliminary	FY20 Prelim vs. FY19 Bud \$ Difference	FY20 Prelim vs. FY19 Bud % Difference
REVENUES										
TAXATION										
Prior Year Levy Limit	43,884,820	45,904,976	46,381,975	48,046,950	50,335,580	50,236,853	52,494,567	54,672,072	2,177,505	4.15%
Proposition 2 1/2 levy limit increase	1,112,077	1,159,549	1,159,549	1,208,392	1,225,518	1,225,518	1,312,364	1,366,802	54,438	4.15%
New Growth	786,804	794,155	794,155	692,782	1,001,211	1,001,211	865,141	700,000	(165,141)	-19.09%
TAX LEVY LIMIT	45,783,701	47,858,680	48,335,679	49,948,124	52,562,309	52,463,582	54,672,072	56,738,874	2,066,802	3.78%
Debt Exclusion	2,575,814	2,411,825	2,411,825	2,267,608	2,281,208	2,281,208	1,904,838	1,887,438	(17,400)	-0.91%
Other Taxes	965,244	279,269	-	-	-	-	-	-	-	-
TOTAL TAXATION	49,324,759	50,270,505	50,747,504	52,215,732	54,843,517	54,744,790	56,576,910	58,626,312	2,049,402	3.62%
LOCAL RECEIPTS										
Motor Vehicle Excise	3,362,887	3,434,255	3,075,000	3,940,334	3,960,900	3,500,000	3,750,000	3,825,000	75,000	2.00%
Licenses & Permits	724,717	1,072,791	700,000	1,008,129	717,287	850,000	715,000	729,300	14,300	2.00%
Ambulance	1,310,509	1,595,298	1,100,000	1,501,148	1,525,855	1,450,000	1,450,000	1,464,500	14,500	1.00%
Fees	239,121	322,494	235,000	247,782	227,295	225,000	225,000	227,250	2,250	1.00%
Meals Tax	299,599	314,957	285,000	353,169	366,098	325,000	345,000	351,900	6,900	2.00%
Penalties and Interest	587,065	316,340	335,000	343,346	378,673	210,000	275,000	300,000	25,000	9.09%
Fines and Forfeitures	18,955	29,295	18,000	31,497	28,493	24,000	25,000	25,000	-	0.00%
Investment Income	26,691	34,473	25,000	42,050	71,571	30,000	55,000	60,000	5,000	9.09%
Medicare D. Subsidy	219,855	55,382	50,000	12,629	94,176	0	40,000	40,000	-	0.00%
Medicaid Reimbursement	173,200	169,762	100,000	172,964	149,158	172,000	149,000	149,000	-	0.00%
SE Regional School Reimb	50,000	50,000	50,000	0	40,500	40,500	40,500	40,500	-	0.00%
Supplemental Taxes	54,777	41,552	42,000	113,560	61,745	61,558	45,000	45,000	-	0.00%
Miscellaneous Revenue	244,958	246,345	142,592	280,636	83,375	99,809	64,383	65,027	644	1.00%
TOTAL: LOCAL RECEIPTS	7,312,334	7,682,944	6,157,592	8,047,244	7,705,126	6,987,867	7,178,883	7,322,477	143,594	2.00%
CHERRY SHEET REVENUE (STATE AID)										
State Aid Chapter 70	9,531,741	9,624,016	9,624,016	9,823,611	9,933,051	9,933,051	10,041,681	10,112,861	71,180	0.71%
Unrestricted General Government Aid	1,948,596	2,018,745	2,018,745	2,105,551	2,187,668	2,187,668	2,264,236	2,325,370	61,134	2.70%
Charter Tuition Reimbursement	28,908	10,702	39,867	12,138	79,768	11,285	4,465	74,288	69,823	1563.78%
Veterans Benefits	193,094	217,236	195,066	257,961	226,242	265,661	243,624	192,158	(51,466)	-21.13%
State Owned Land	87,151	87,151	87,151	86,113	86,031	86,031	86,789	91,532	4,743	5.46%
Exemptions: Vets, Blind, Surv Sp & Elderly	98,956	85,484	98,342	105,129	101,996	92,036	92,261	104,506	12,245	13.27%
Homeless Transportation	19,369	5,408	0	10,659	856	0	0	-	-	0.00%
TOTAL: CHERRY SHEET REVENUE (STATE AID)	11,907,815	12,048,742	12,063,187	12,401,162	12,615,612	12,575,732	12,733,056	12,900,715	167,659	1.32%
SCHOOL BLDG ASSISTANCE	983,980	983,980	983,980	983,980	983,976	983,976				0.00%
OTHER FINANCIAL SOURCES (OFS) - RECURRING										
Transfer from Special Revenue (Ames Funds/Septic Bett)	610,527	523,685	623,685	713,715	553,669	553,669	523,551	523,551	-	0.00%
Transfer from Trust Funds (Stabilization, Conservation)	551,239	797,278	797,278	489,751	282,604	185,525	5,300	5,100	(200)	-3.77%
Use of Free Cash	1,082,332	1,243,288	1,243,288	913,939	1,585,504	1,585,504	1,200,412	1,044,603	(155,809)	-12.98%
Other	12,729	0	0	0	0	0	0	0	-	0.00%
TOTAL: OTHER FINANCING SOURCES (OFS)	2,256,827	2,564,251	2,664,251	2,117,405	2,421,777	2,324,698	1,729,263	1,573,254	(156,009)	-9.02%
TOTAL GENERAL FUND REVENUE	71,785,715	73,550,422	72,616,514	75,765,523	78,570,008	77,617,063	78,218,112	80,422,758	2,204,646	2.82%
ENTERPRISE FUNDS										
Sewer Enterprise Fund	504,474	328,944	350,000	336,797	540,469	350,000	375,000	375,000	-	0.00%
Water Enterprise Fund	3,101,162	3,247,308	2,888,409	3,257,867	3,109,071	2,868,633	2,907,991	3,148,027	240,036	8.25%
Solid Waste & Recycling Enterprise Fund	1,076,399	1,125,113	1,019,000	1,163,794	1,364,988	1,200,000	1,235,000	1,388,000	153,000	12.39%
Solid Waste & Recycling Enterprise Surplus							135,000	(135,000)	(135,000)	-100.00%
TOTAL ENTERPRISE FUND REVENUE	4,682,035	4,701,365	4,257,409	4,758,458	5,014,528	4,418,633	4,652,991	4,911,027	258,036	5.55%
GRAND TOTAL: ALL REVENUES	76,467,750	78,251,787	76,873,923	80,523,981	83,584,536	82,035,696	82,871,103	85,333,785	2,462,682	2.97%

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FISCAL 2020 PRELIMINARY BUDGET SUMMARY**

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EXPENDITURES										
<u>GENERAL GOVERNMENT - 100's</u>										
Selectmen	350,484	360,931	361,021	397,435	526,531	561,710	414,286	423,093	8,807	2.13%
Finance Committee	1,154	1,996	2,300	1,635	1,856	2,100	2,000	2,000	-	0.00%
Reserve Fund	-	-	60,000	-	-	28,023	60,000	60,000	-	0.00%
Town Accountant	202,893	217,886	218,081	222,833	233,355	233,485	239,174	245,224	6,050	2.53%
Assessors	242,842	233,908	244,076	245,333	255,499	256,047	258,817	265,192	6,375	2.46%
Treasurer/Collector	332,473	366,691	371,248	357,522	338,424	357,711	358,443	366,287	7,844	2.19%
Town Counsel	139,916	155,825	157,000	182,857	171,174	175,000	170,000	175,000	5,000	2.94%
Information Technology	203,383	209,405	209,414	209,730	212,534	212,534	219,423	220,677	1,254	0.57%
Town Clerk	213,107	213,332	213,333	252,931	259,801	259,844	268,318	261,766	(6,552)	-2.44%
Planning & Economic Development	268,079	268,872	271,029	272,512	301,421	316,505	325,870	331,970	6,100	1.87%
Other General Government	91,790	102,920	105,485	96,016	99,425	99,900	102,600	108,100	5,500	5.36%
TOTAL: GENERAL GOVERNMENT	2,046,121	2,131,766	2,212,987	2,238,804	2,400,020	2,502,859	2,418,931	2,459,309	40,378	1.67%
<u>PUBLIC SAFETY - 200's</u>										
Police	3,907,807	3,972,792	4,046,737	3,879,529	3,940,980	4,231,541	4,308,629	4,372,121	63,492	1.47%
Public Safety Dispatch	557,646	516,524	578,887	560,166	554,198	604,765	620,547	652,601	32,054	5.17%
Fire	3,179,422	3,400,360	3,411,954	3,536,809	3,654,292	3,674,072	3,752,472	3,871,857	119,385	3.18%
Ambulance	585,527	594,678	572,801	607,899	686,831	691,703	773,289	893,189	119,900	15.51%
Inspectional Services	292,483	296,184	319,070	312,049	297,976	300,396	309,166	314,465	5,299	1.71%
TOTAL: PUBLIC SAFETY	8,522,885	8,780,538	8,929,449	8,896,452	9,134,277	9,502,477	9,764,103	10,104,233	340,130	3.48%
<u>PUBLIC WORKS - 400's</u>										
General Operating	533,312	500,544	562,475	493,240	522,173	567,492	584,600	589,056	4,456	0.76%
Buildings and Grounds	973,924	948,775	895,594	1,023,067	1,281,084	1,157,290	1,043,348	1,073,440	30,092	2.88%
Highway	980,131	1,097,307	1,096,586	1,095,785	1,086,393	1,165,723	1,195,017	1,222,315	27,298	2.28%
Snow and Ice	1,082,803	488,700	488,700	543,700	594,876	493,700	493,700	493,700	-	0.00%
TOTAL: PUBLIC WORKS	3,570,170	3,035,326	3,043,355	3,155,792	3,484,526	3,384,205	3,316,665	3,378,511	61,846	1.86%
<u>HEALTH AND COMMUNITY SERVICES</u>										
Health and Community Services	-	977,276	1,013,559	963,259	912,390	949,631	973,700	1,015,254	41,554	4.27%
Board of Health	218,189	-	-	-	-	-	-	-	-	-
Council on Aging	280,442	-	-	-	-	-	-	-	-	-
Veterans Agent	350,539	-	-	-	-	-	-	-	-	-
Recreation	41,950	-	-	-	-	-	-	-	-	-
TOTAL: HEALTH AND COMMUNITY SERVICES	891,120	977,276	1,013,559	963,259	912,390	949,631	973,700	1,015,254	41,554	4.27%
<u>LIBRARY</u>										
LIBRARY	478,964	520,981	520,981	500,649	512,703	512,703	548,410	561,606	13,196	2.41%
TOTAL: LIBRARY	478,964	520,981	520,981	500,649	512,703	512,703	548,410	561,606	13,196	2.41%
SUBTOTAL - TOWN DEPARTMENT COSTS	15,509,260	15,445,887	15,720,331	15,754,956	16,443,916	16,851,875	17,021,809	17,518,913	497,104	2.92%
<u>EDUCATION</u>										
School Department	36,727,461	37,866,897	38,157,137	38,763,402	39,957,596	39,979,017	41,330,308	42,604,146	1,273,838	3.08%
Southeastern Regional School Assessment	592,575	705,868	706,492	822,774	980,235	980,235	1,132,709	1,179,066	46,357	4.09%
SUBTOTAL - EDUCATION	37,320,036	38,572,765	38,863,629	39,586,176	40,937,831	40,959,252	42,463,017	43,783,212	1,320,195	3.11%
<u>FIXED COSTS</u>										
Debt and Interest										
Non-exempt Town	1,058,239	1,223,919	1,268,802	1,378,034	1,535,491	1,544,052	1,608,752	1,937,925	329,173	20.46%
Non-exempt School	189,818	217,305	218,298	305,137	310,378	312,889	347,048	501,314	154,266	44.45%
Exempt Town	-	-	-	-	-	-	-	-	-	0.00%
Exempt School	3,494,301	3,395,805	3,395,805	3,251,588	3,265,184	3,265,184	1,904,838	1,887,438	(17,400)	-0.91%
Capital Budget Reserve	-	0	0	0	0	0	0	-	-	0.00%
SUBTOTAL - Debt Service	4,742,358	4,837,029	4,882,905	4,934,759	5,111,053	5,122,125	3,860,638	4,326,677	466,039	12.07%

**TOWN OF EASTON
FISCAL 2020 PRELIMINARY BUDGET SUMMARY**

	FY15 Actual	FY16 Actual	FY16 Budget	FY17 Actual	FY18 Actual	FY18 Budget	FY19 Budget	FY20 Revised Preliminary	FY20 Prelim vs. FY19 Bud \$ Difference	FY20 Prelim vs. FY19 Bud % Difference
EMPLOYEE BENEFITS AND OTHER INSURANCE										
Employee Health Insurance	7,639,700	7,279,599	7,323,925	7,399,528	7,634,331	7,939,403	8,128,418	8,232,077	103,659	1.28%
Health Town Active	1,705,029	1,457,453	1,673,061	1,412,411	1,345,529	1,392,117	1,523,248	1,517,843	(5,405)	-0.35%
Health School Active	4,014,515	3,557,879	3,772,377	3,611,447	3,647,797	3,887,395	3,866,375	3,950,659	84,284	2.18%
Health Town Retiree	617,149	659,743	584,342	726,066	809,649	827,047	882,099	940,482	58,383	6.62%
Health School Retiree	1,303,007	1,604,524	1,294,145	1,649,604	1,831,356	1,832,844	1,856,696	1,823,093	(33,603)	-1.81%
Retirement Assessment	3,093,467	3,494,709	3,494,713	3,751,909	4,054,011	4,054,011	4,224,459	4,562,583	338,124	8.00%
Workers Compensation Insurance	168,881	278,897	260,000	289,352	343,955	326,145	345,475	426,383	80,908	23.42%
Town Employees	31,407	73,553	70,000	72,928	108,032	80,664	86,310	143,226	56,916	65.94%
School Employees	114,644	159,720	140,000	180,985	197,253	195,481	209,165	233,157	23,992	11.47%
Police IOD Medical	9,535	18,169	25,000	10,634	10,600	25,000	25,000	25,000	-	0.00%
Fire IOD Medical	13,295	27,455	25,000	24,805	28,070	25,000	25,000	25,000	-	0.00%
Property/Liability Insurance	408,170	390,997	420,000	474,479	383,110	448,426	470,850	523,516	52,666	11.19%
Town	228,873	229,963	230,000	277,801	195,562	248,504	260,930	266,466	5,536	2.12%
School	179,297	161,034	190,000	196,678	187,548	199,922	209,920	257,050	47,130	22.45%
Medicare-Town Share	169,050	177,957	170,000	184,237	198,385	200,000	210,000	215,000	5,000	2.38%
Medicare-School Share	410,282	428,869	440,000	445,700	464,905	470,000	485,000	500,000	15,000	3.09%
Collective Bargaining Reserve	-	-	39,059	-	-	40,000	156,195	75,000	(81,195)	-51.98%
Other	3,584	3,735	2,500	22,972	195	2,500	2,500	2,500	-	0.00%
SUBTOTAL - EE BENEFITS AND OTHER INS.	11,893,134	12,054,763	12,150,197	12,568,177	13,078,892	13,480,485	14,022,897	14,537,059	514,162	3.67%
SUBTOTAL: GENERAL FUND APPROPRIATIONS	69,464,788	70,910,444	71,617,062	72,844,068	75,571,692	76,413,737	77,368,361	80,165,861	2,797,500	3.62%
OTHER EXPENDITURES										
County and State Assessments	811,201	807,459	836,671	836,127	975,177	858,444	835,430	1,195,772	360,342	43.13%
Other Amounts to be Raised	932,247	710,534	710,534	703,233	717,631	717,631	572,074	650,000	77,926	13.62%
Snow & Ice Deficit/Other Deficits	523,174	300,534	300,534	298,034	298,034	298,034	101,176	200,000	98,824	97.68%
Overlay & Other	409,073	410,000	410,000	405,199	419,597	419,597	470,898	450,000	(20,898)	-4.44%
Transfer to Trust Funds (Stabilization, etc.)	-	-	-	15,000	-	-	-	-	-	0.00%
TOTAL: OTHER EXPENDITURES	1,743,448	1,517,993	1,547,205	1,554,360	1,692,808	1,576,075	1,407,504	1,845,772	438,268	31.14%
CAPITAL BUDGET APPROPRIATION FROM TAXATION						185,004				
SUBTOTAL: GENERAL FUND	71,208,236	72,428,437	73,164,267	74,398,428	77,264,500	78,174,816	78,775,865	82,011,633	3,235,768	4.11%
ENTERPRISE										
Sewer	274,659	314,761	350,000	336,794	348,974	350,000	375,000	375,000	-	0.00%
Water	2,206,348	2,175,262	2,340,656	2,009,281	2,001,900	2,310,880	2,350,238	2,590,274	240,036	10.21%
Solid Waste & Recycling	1,011,669	1,134,190	1,019,000	1,149,660	1,199,950	1,200,000	1,370,000	1,388,000	18,000	1.31%
SUBTOTAL: ENTERPRISE	3,492,676	3,624,213	3,709,656	3,495,735	3,550,824	3,860,880	4,095,238	4,353,274	258,036	6.30%
GRAND TOTAL: ALL EXPENDITURES	74,700,912	76,052,650	76,873,923	77,894,163	80,815,324	82,035,696	82,871,103	86,364,907	3,493,804	4.22%
BUDGET GAP	1,766,838	2,199,137	-	2,629,818	2,769,212	-	-	(1,031,122)	(1,031,122)	