
FY11 Budget Update

Board of Selectmen

May 10, 2010

Revenue Changes from Background Material

- Budgeted revenue in blue financial background book: \$208,600,851
 - State aid announced after book was printed
 - Local aid increased by \$3.3 million
 - Local receipts decreased by \$320,000
 - Excise and state pilot
 - Net increase in revenue from original budget: \$3 million
-

Changes to Centralized Costs in Budget

- Reduced health insurance to \$33,948,961 an 8% increase down from 8.8%
 - Total increase \$2,500,234
 - Reduced \$267,254 from initial budget
 - Increased Unemployment to \$750,000 from \$600,000
 - This is an increase of \$265,000 or 55% from FY10 spending
 - Increase snow and ice from \$701,000 to \$900,000
 - Need to eliminate substantial deficits
 - Increase \$249,000 from FY10
 - Debt Service increased \$5,000 for replacement fire pumper
 - This will have to increase more due to lower insurance estimate
-

Change in School recommendation from Finance background material

- School budget recommendation increased from \$86,245,969 to \$88,295,969, a gain of \$2,050,000.
 - This is \$2,049,140 or 2.4% more than the FY10 appropriation
 - This is \$4,363,783 or 5.2% more than FY09 spending
 - School Committee voted budget is still \$90,434,800
 - More action needs to be taken to cut the remaining \$2,138,831
 - School background material CFO target is incorrect. It includes \$384,000 of ARRA money coming directly from the state, not the General Fund
-

Amended Funding for Town Departments

- Restored \$162,000 to Police
 - Reduced cut to 1% from FY10
 - Added back the value of two patrolmen
 - Restored \$128,000 to Fire
 - Reduced cut to 1% from FY10
 - Added back the value of two firefighters
 - Restored \$77,000 in Highway Department
 - Eliminated use of Ch 90 funds for normal operating costs
-

Amended Funding for Town Departments

- This is the third year of cuts for Town Departments
 - FY11 total Town Department spending is recommended at \$48,000,849
 - \$249,000 is added to snow and ice removal
 - Accounting absorbed \$126,000 for school payroll staff
 - Elections added \$67,000 for state elections
 - Veterans benefits increased by \$105,000
 - Absorbed management cost of capital projects in operating budget \$102,000
 - Effectively, Town Departments funding for FY11 is **reduced by \$872,000 or (1.8%)**
-

School structural deficit: grows faster than health insurance in FY09, FY 10 and FY11

- The “Level service” budget presented by the School Department was \$9.74 million or 11.3% more than the FY10 appropriation.
 - \$4.22 million is the increase in salaries, this is a 6.3% growth over FY10 salaries
 - this is 43% of the total increase
 - FY10 level service budget presented by the School Department was \$97,147,648
 - This was \$9.7 million or an 11.2% increase
 - \$4.1 million in salary increases
 - FY09 level service budget was \$91,377,255
 - \$8.4 million or 10.2%
-

Town side of budget has managed to slow annual growth

- Town level service budget for departments total \$48,908,951
 - This is \$690,451 or 1.4% more than the FY10 appropriation.
 - Even if we add a 1% COLA for Town payroll in FY11 the growth rate would be 2.2%
 - This is well within the growth rate of revenue.
 - Cuts made in FY09 and FY10 are carried through this budget. It has reduced the base.
 - Town department budgets have decreased \$1.2 million from FY09 levels.
 - Cut 29.5 positions FY09/10
 - Cut 3 FT and reduced hours for 2 positions and down graded three positions in FY11
-

Bond Rating Change

- Upgrade from A1 to Aa2
 - This was a two step increase in the rating
 - Moody's reviewing municipal rating criteria vs. global taxable and non-taxable ratings.
 - Municipalities nation wide complained that criteria was overly punitive to their ratings.
 - Not all municipalities got a two step bump
 - Fiscal management had an influence on the upgrade
-