

Expenditure Trends During and Post-Recession Town of Easton

September 10, 2013

This report explores the trends of categorical expenditures approved by Town Meeting from 2008 onward. The expenses compared are: Fire and Ambulance, Police and Dispatch, School Department, Public Works, General Government, and Employee Benefits. The economic downturn that began in 2008 created substantial difficulties for budgeting amongst all departments, resulting in cutbacks, reorganization, and lay-offs. As the economic outlook has slowly been improving in the aftermath of the recession, it is helpful to look back at where we have been before moving forward into the next fiscal year.

The Way Things Were

In 2008, the total approved expenditures for the six categories contained in this report were \$49,589,935. Growth rates averaged 2.32% annually beginning this year, while General Government actually contracted. The necessity of confronting the fiscal crisis posed by the recession caused lay-offs and reductions in staff, and significant restructuring of employee benefits. Prudent financial stewardship, as well as the utilization of reserves and the stabilization fund, allowed Easton to weather the storm and continue to provide excellent service levels.

Today

The total approved categorical expenditures for fiscal 2014 equal \$58,903,452. This is a total growth of \$9,313,517 over six years. Of the total real dollar growth since 2008, Fire and Police each composed single digit percentages, Public Works less than a single percent, General Government contracted half of a percent, while Employee Benefits (21.81%) and the School Department (63.68%) composed the vast majority of real growth. When comparing operating Departments only, the School Department budget received \$0.81 of every new \$1.00 that was appropriated to operating departments since 2008.

Summary

Another report comparing Easton's expenditures to those of our peers and surrounding communities found that, in general, Easton's budgets are extremely lean. This is not to say that our departments are not meeting their goals and objectives, as each extra dollar spent is not directly correlated with improved efficiency or performance. What this report does speak to is the continued efforts of the Town of Easton to fund the growing needs of our Education system to best serve the taxpayers and families in our community in that the lion's share of revenue growth has been directed to the school department. I hope that this information proves useful for you as we prepare for Special Town Meeting and for our future Annual Town Meetings.

Sincerely,
David A. Colton
Town Administrator



EXPENDITURE TRENDS IN THE TOWN OF EASTON: 2008 – PRESENT

David A. Colton

Town Administrator

EXPENDITURES IN EASTON

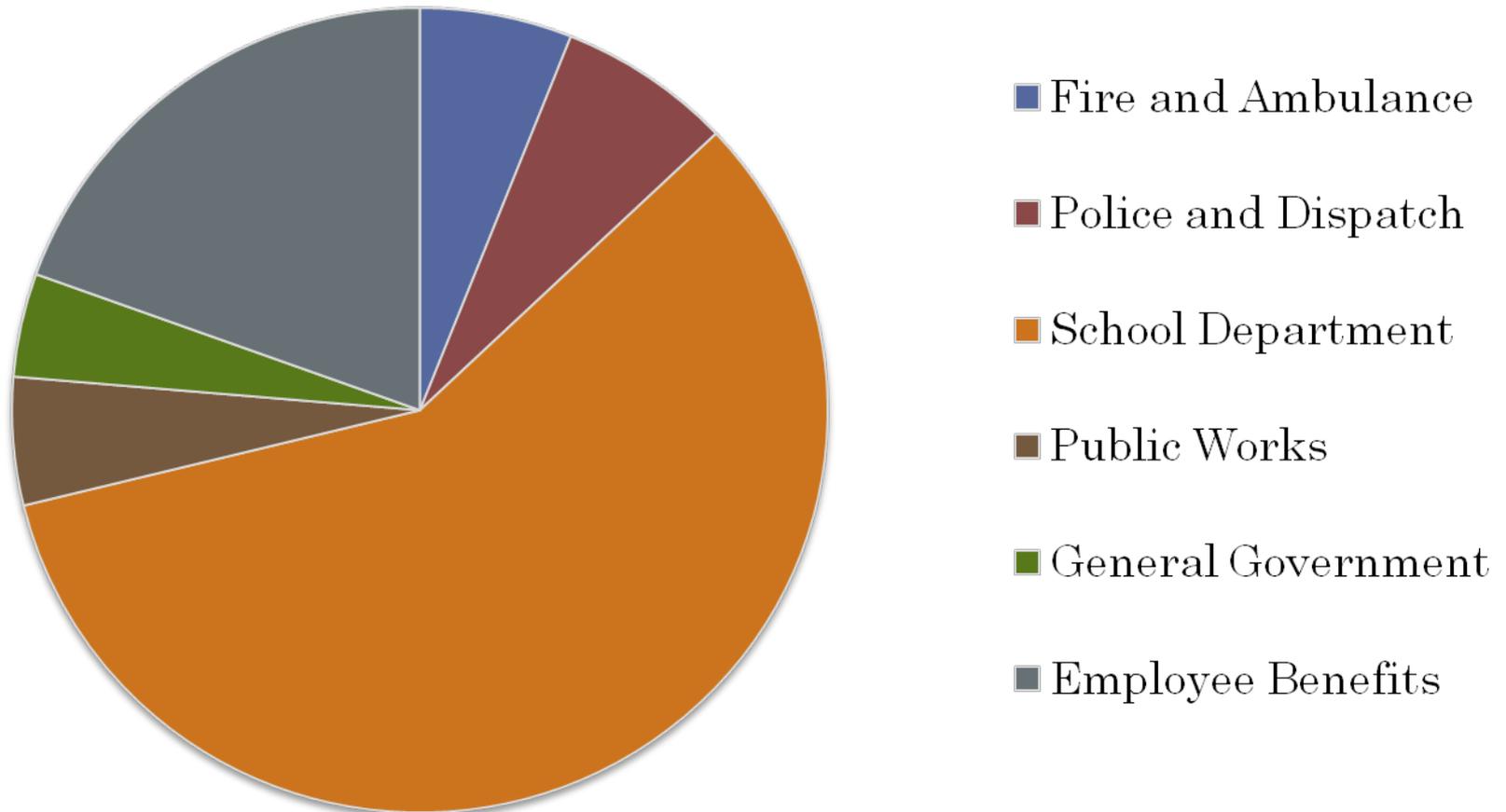
- This presentation compares the expenditures approved by Town Meeting from fiscal year 2008 through the current year.

The six categories examined are:

- Fire and Ambulance
- Police and Dispatch
- School Department
- Public Works
- General Government
- Employee Benefits

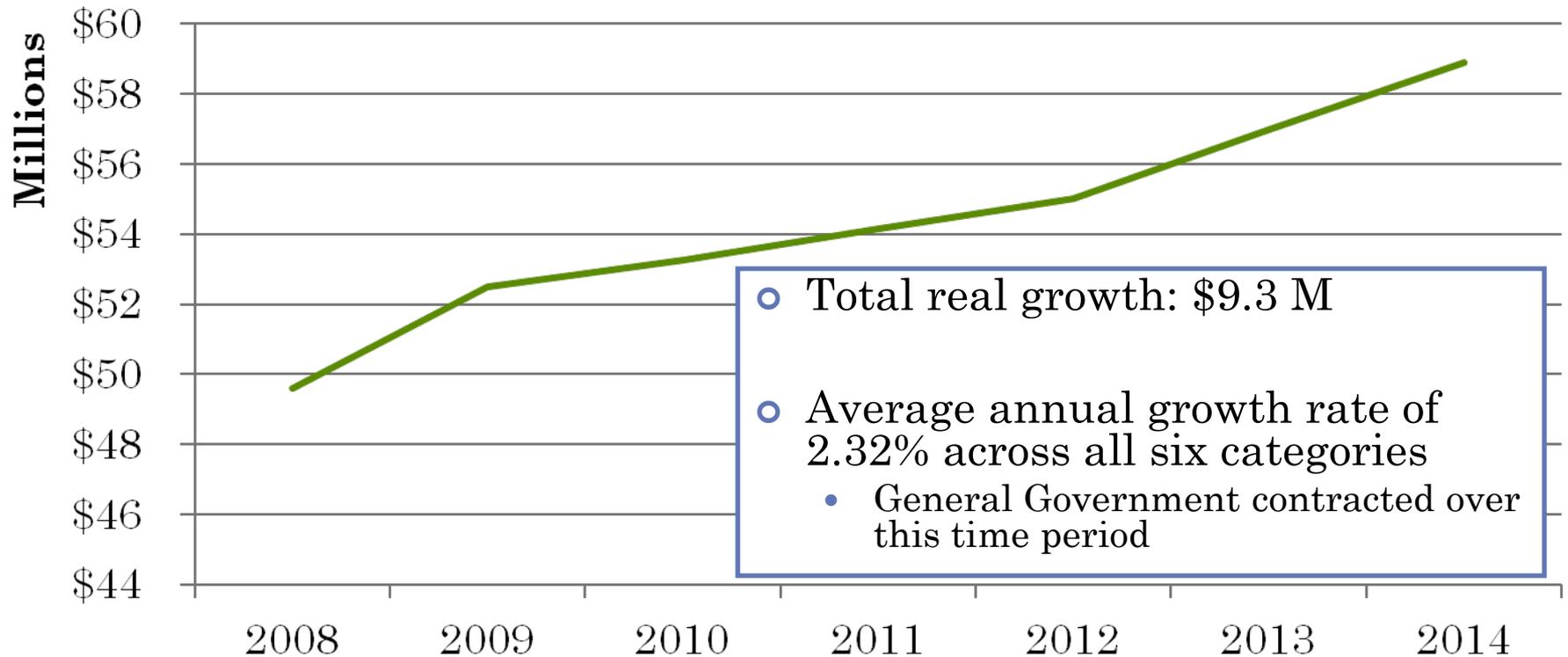
THE WAY THINGS WERE

- 2008 - Total approved expenses for the six categories: \$49,589,935



TRENDS SINCE FY2008

Total Approved Expenses



REAL GROWTH: FY2008-FY2014

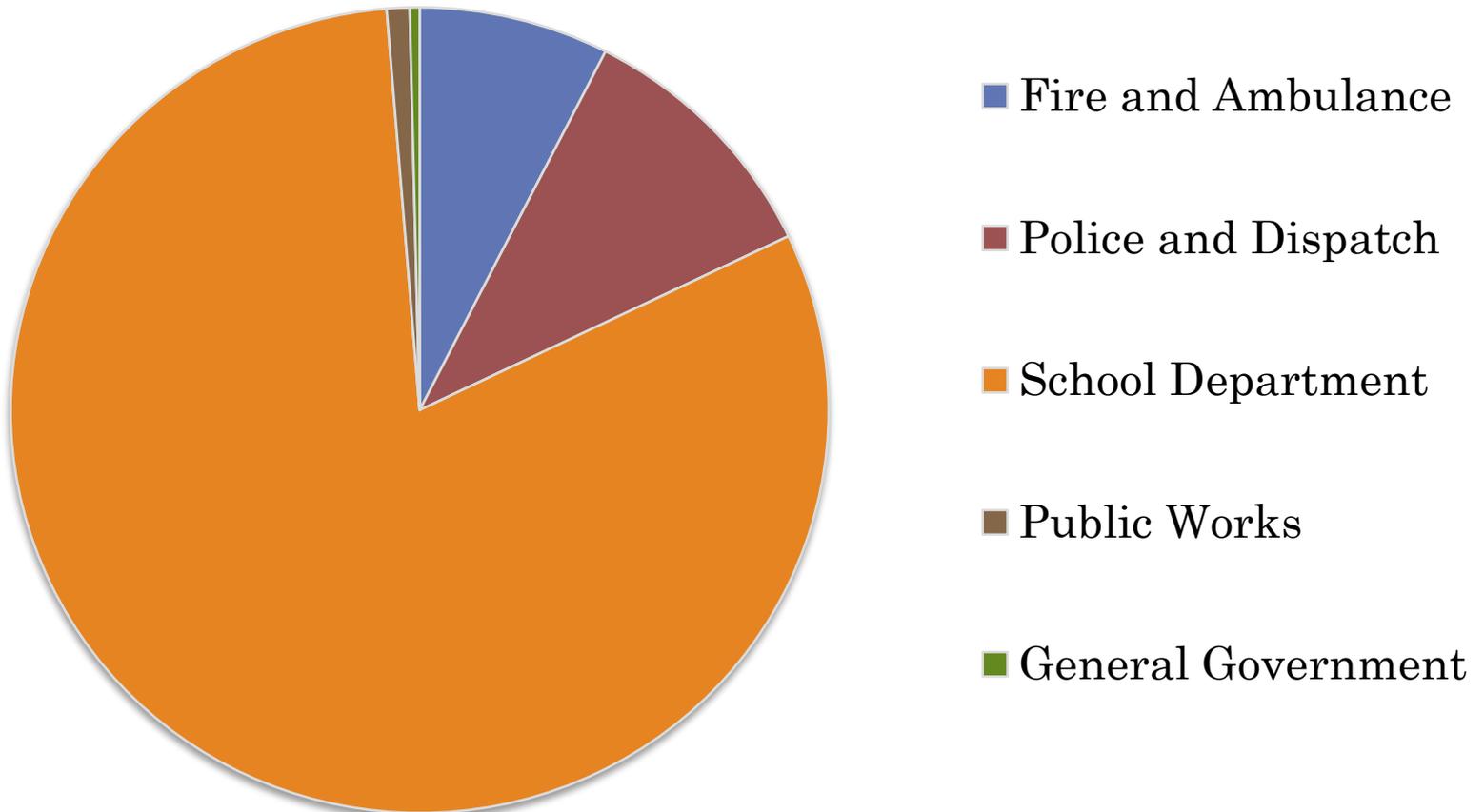
Department	Real Growth	Percent of Total Growth
Fire and Ambulance	\$ 551,262	7.57%
Police and Dispatch	\$ 761,878	10.46%
School Department	\$ 5,931,106	81.45%
Public Works	\$ 66,212	0.91%
General Government	\$ (28,511)	-0.39%
Total Growth	\$ 7,281,947	

GROWTH ADJUSTED FOR INFLATION: FY2008-FY2014

Department	Adjusted Growth (FY08 Dollars)	Percent Increase from FY08 (FY08 Dollars)	Real Growth	Percent Increase from FY08
Fire and Ambulance	\$488,717	16.33%	\$551,262	18.42%
Police and Dispatch	\$675,438	19.74%	\$761,878	22.27%
School Department	\$5,258,180	18.20%	\$5,931,106	20.53%
Public Works	\$58,700	2.30%	\$66,212	2.60%
General Government	\$(25,276)	-1.23%	\$(28,511)	-1.38%
<u>Total Growth</u>	<u>\$6,455,759</u>	<u>16.17%</u>	<u>\$7,281,947</u>	<u>18.24%</u>

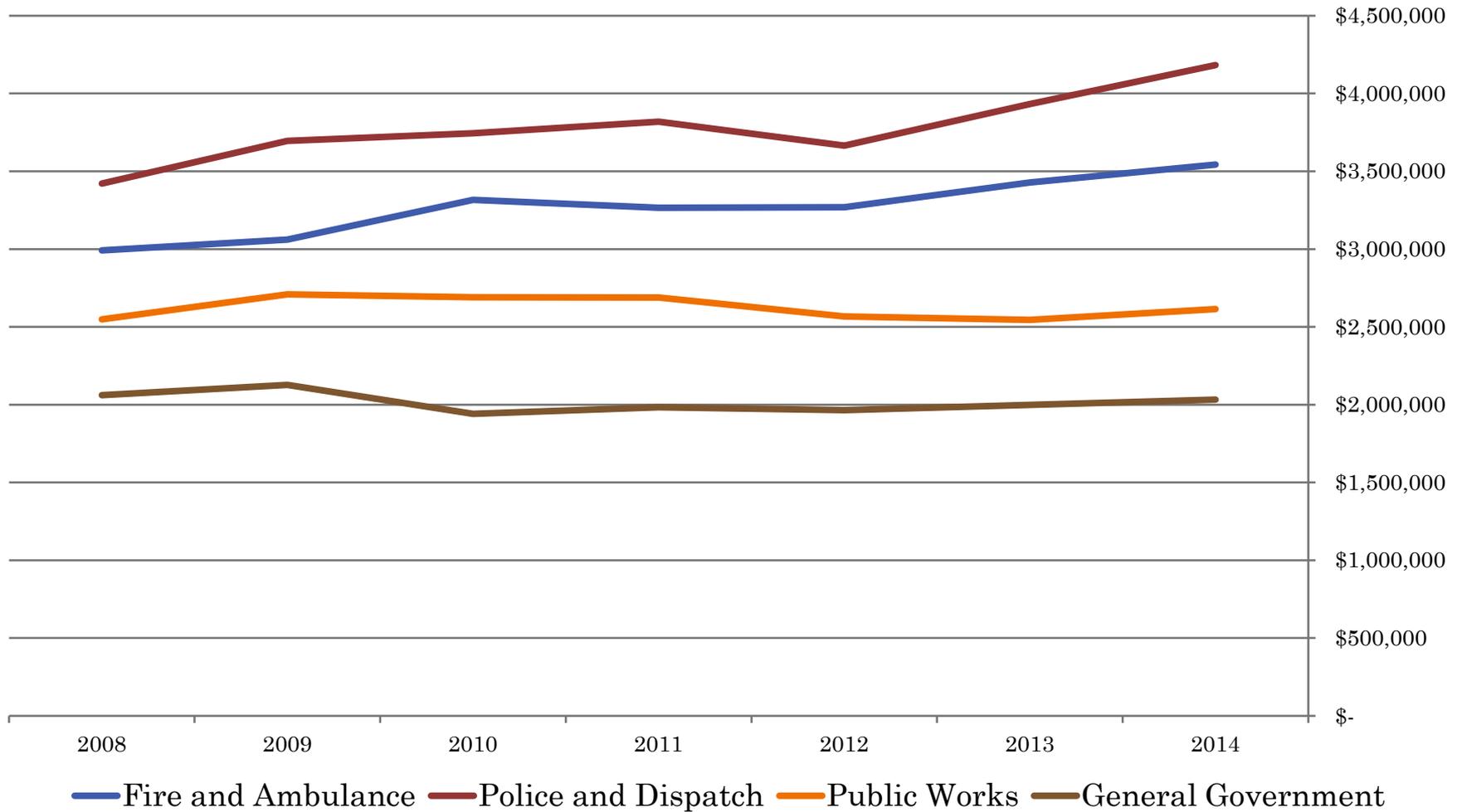
DEPARTMENTAL GROWTH SINCE FY2008

- Controlling for Employee Benefits, each new dollar added to the budget since 2008 has been apportioned as follows:



DEPARTMENTAL GROWTH*

○ * School Department not shown



TAKEAWAY

The School Department and Employee Benefits have constituted the lion's share of growth in expenditures since FY2008 (*64% and 22% of total growth, respectively*)



Nonetheless, our budgets, when compared with other similar communities, are extremely lean across the board



Increased (and decreased) expenses do not correlate directly with departmental effectiveness: our departments have weathered the recession well while continuing to deliver the services the public needs



THANK YOU