

TOWN ADMINISTRATOR'S FISCAL YEAR 2019 BUDGET MEMORANDUM

Budget Change Memorandum #1

Delivered to the Board of Selectmen: Thursday, March 22, 2018

Connor Read, Town Administrator

This memo summarizes changes that have been made to the preliminary budget since it was originally issued on February 5, 2018. Changes have been made to three departmental operating budgets which are summarized below. These changes bring the preliminary budget deficit down from \$856,954 to \$480,810.

In light of the significant weather events this March, we are holding off on any revision to the estimated snow and ice deficit at this time, which will impact our ability to close the deficit. These weather events will also have an indirect impact on the FY2019 budget, as they have and will continue to cause significant amounts of overtime for our public works department. These overtime costs will need to be addressed with supplemental funding for FY2018 budgets which will in turn reduce available funds for FY2019.

FY2019 Expenditure Changes - Departmental Operating Budgets

Health & Community Services Dept. 500 - Reductions have been made in the veteran benefits category to reflect recent actual expenditures. This reduces the budget total from \$1,060,275 to \$980,275 and is a decrease of \$80,000.

Employee Benefits & Other Insurance Dept. 910 - Reductions have been made based on the final rates set by the GIC. This reduces the budget total from \$14,428,284 to \$14,126,702 and is a decrease of \$301,582.

Southeastern Regional School Assessment Dept. 310 - This budget has been adjusted to reflect the actual certified assessment. An increase in the amount of \$5,438 will change the requested amount from \$1,127,271 to \$1,132,709.

Preliminary FY2019 Budget Change No. 1 Summary

Preliminary budget deficit 02/05/18	(\$856,954)
Reduce Health & Community Services budget	80,000
Reduce Employee Benefits & Insurance	301,582
Increase Southeastern Regional School budget	<u>(5,438)</u>
Preliminary budget deficit revised 03/22/18	<u>(\$480,810)</u>

Attached please find an updated preliminary FY2019 budget reflective of the changes noted herein. I look forward to continuing to work with you and all budget stakeholders to bring another balanced budget to Town Meeting this May.

**TOWN OF EASTON
FISCAL 2019 PRELIMINARY BUDGET**

	FY15 Actual	FY15 Budget	FY16 Actual	FY16 Budget	FY17 Actual	FY17 Budget	FY18 Budget	FY19 Requested	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)	-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	0	91,818	-	-	-	0.00%
TOTAL OTHER FINANCIAL 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
FISCAL 2019 PRELIMINARY BUDGET**

	FY15 Actual	FY15 Budget	FY16 Actual	FY16 Budget	FY17 Actual	FY17 Budget	FY18 Budget	FY19 Requested	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	980,275	(44,356)	-4.33%
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	980,275	(44,356)	-4.33%
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	16,899,447	154,972	0.93%
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	1,132,709	152,474	15.55%
SUBTOTAL - EDUCATION	37,320,036	37,391,713	38,572,765	38,863,629	39,586,176	39,746,834	40,959,252	42,510,992	1,551,740	3.79%
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	-	-	0.00%
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
FISCAL 2019 PRELIMINARY BUDGET**

	FY15 Actual	FY15 Budget	FY16 Actual	FY16 Budget	FY17 Actual	FY17 Budget	FY18 Budget	FY19 Requested	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	8,128,418	81,615	1.01%
Health Town Active	1,705,029	1,738,061	1,457,453	1,673,061	1,412,411	1,482,664	1,499,517	1,523,248	23,731	1.58%
Health School Active	4,014,515	3,947,377	3,557,879	3,772,377	3,611,447	3,636,840	3,887,395	3,866,375	(21,020)	-0.54%
Health Town Retiree	617,149	614,342	659,743	584,342	726,066	724,609	827,047	882,099	55,052	6.66%
Health School Retiree	1,303,007	1,359,145	1,604,524	1,294,145	1,649,604	1,865,296	1,832,844	1,856,696	23,852	1.30%
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	14,126,702	538,817	3.97%
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	77,397,779	984,042	1.29%
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	79,126,172	951,356	1.22%
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	83,061,893	1,026,197	1.25%
BUDGET GAP	1,766,838	-	2,199,137	-	2,629,818	-	-	(480,810)	(480,810)	