



MEMORANDUM

TO: Board of Selectmen
From: Louise Miller, Town Administrator
Date: February 22, 2018
Re: FY 2020 Operating and Capital Budgets Update

Operating Budget Update

On February 11, 2019, the Finance Committee voted a draft operating budget totaling \$82,834,709. The Finance Committee voted the draft operating as submitted by the Town Administrator and Finance Director, with one change. The Finance Committee voted the additional \$50,000 recommended in the Reserve Fund to the Snow and Ice budget line in the Department of Public Works Budget. This increases the Snow and Ice Budget to \$500,000 as compared to \$450,000 in FY 2019. The Reserve Fund would be level funded at \$25,000 for FY 2020.

Since the Finance Committee's operating budget vote, the Town Administrator and Finance Director have submitted the following increases and decreases to budget lines resulting in a net decrease to the Operating Budget of \$182,305

Increases:

Elections	\$6,813	Omission of cost for March 2020 Presidential Primary
Employee Mitigation Fund	\$40,000	Based on actual usage of mitigation monies
Facilities Salary	\$81,773	Transfer of salary for project manager from Engineering

Decreases:

Debt Services	\$56,046	Based on anticipated debt service for FY 2020
Facilities Utilities	\$3,000	Reduction to 7% vs. 10% in anticipated cost of gas
Engineering Salary	\$81,773	Transfer of salary for project manager to Facilities
Insurance 32B	\$170,072	Anticipated lower Health Insurance increase

The Town Administrator has resubmitted to the Finance Committee the prioritized list of budget requests that were not funded in the voted draft operating budget. As a reminder the list is as follows:

1. 1 firefighter \$86,247 (\$74,247 salary, \$12,000 benefits)
2. 1 firefighter \$86,247 (\$74,247 salary, \$12,000 benefits)
3. 1 intern – Town Administrator \$6,500
4. .5clerk – Town Clerk \$24,709 (\$18,709 salary, \$6,000 benefits)
5. 1 intern – Town Administrator \$6,500
6. .5 clerk – Town Administrator \$31,000 (\$23,000 salary, \$8,000 benefits)
7. Snow and Ice \$150,000

**Capital Budget Update:**

The Finance Committee has proposed a FY 2020 capital budget consisting of \$1 million in free cash, \$600,000 in cash capital, and \$1.5 million in excluded debt. Following the Finance Committee's vote to bundle certain projects that were proposed in the FY 2020 Capital Budget and request a \$1.5 million debt exclusion for those projects, the Town Administrator and Finance Director contacted Unibank, the Town's financial advisor regarding which projects in the FY 2020 Capital Budget could be bonded. Unibank has advised the Town that none of the projects that were proposed to be included by the Finance Committee in its FY 2020 capital budget are appropriately bonded, primarily due to useful life of the projects or the nature of the projects as maintenance items versus capital. The Town Administrator and Finance Director have reviewed the Finance Committee's voted draft FY 2020 capital budget and recommend that the Finance Committee fund \$600,000 in cash capital and \$1.5 million in free cash, which the Town can support for FY 2020. In addition, to reduce the capital budget to \$2.1 million, the Town Administrator and Finance Director have reviewed every item in the Finance Committee's proposed FY 2020 capital budget. Items highlighted yellow in the table below are proposed to be funded at a lower level for the roads (\$500,000 vs. \$600,000 proposed), funded through an alternate funding source for the voting machines, and unfunded for all other items. With respect to the School Department, the capital budget would need to be cut by approximately \$250,000. One item has been highlighted in yellow to illustrate the cut to the budget. The Town Administrator and Finance Director are not recommending the item be cut. The priority of capital items is to be determined by the School Department and School Committee.

In addition, the Town has submitted a Statement of Interest with the MSBA for the Loker roof design and replacement. The Town Administrator and Finance Director recommended that the design be funded in FY 2020 anticipating the possible approval of the project. The design would be budgeted at \$120,000. If the project is not approved by the MSBA, there would be no effect on the FY 2020 capital budget. If the project is approved by the MSBA, the financing plan for the Loker roof would include a Bond Anticipatory Note rolled into bonding for the project in FY 2021. The Bond Anticipatory Note could be structured so that the Town does not pay any interest or principal payments in FY 2020 for the Loker roof design work.

FISCAL 2020 CAPITAL BUDGET REQUESTS-FINANCE COMMITTEE ACTION AS OF 2/21/2019		
Department	Description	FC Proposed Funding Amount
DPW	Town wide road reconstruction	600,000
DPW	Stonebridge Road Bridge Design / Construction	100,000
DPW	Stormwater Management	250,000
DPW	RT 20 South Laydown Area	Not Approved
DPW	Compactor Replacement	55,000
DPW	Heavy Equipment Replacement- Backhoe P 55	125,000
DPW	Heavy Equipment Replacement- Tractor P 59	95,000
DPW	Smithco Machine	Not Approved
DPW	Light Trucks-P50	Not Approved



Town Clerk	Voting Machines	25,000
JCC Dept.	Wireless Alarm	64,000
Facilities	Library ADA Improvements	300,000
Facilities	Library Wastewater Connection	Not Approved
Facilities	Town Building New Windows Replacement	Not Approved
Facilities	COA New Construction	Not Approved
IT Dept.	Permitting Software	40,000
Fire	Pickup Truck	50,000
Fire	Cardiac Monitor	26,000
Recreation	Park and Playground MOU	Not Approved
Recreation	Alpine Field Design and Bids	Not Approved
Recreation	Loker Field	Not Approved
High School	High School Athletic Preferred Improvement Plan	Not Approved
Various	Replacement of Communication Controls/Intercom System	196,900
Happy Hollow	Replacement of Fire Alarm Control Panel/Smoke Detection	40,250
Various	Roof Top Air Handling Units	255,000
Loker	Replacement of Chair Lift	36,800
Middle School /		
Loker	WMS / Loker Resurface Gym Floor & Design	167,200
Loker	Replacement of Roof and Addition of Insulation	Moved to FY 21
Various	DW Replacement of Core Network Switches	215,000
	WMS Continue Replacement of Carpet with Floor Tile/Slab	
Middle School	Moisture Barrier	156,000
	CH Replacement of Food Service Refrigeration Equipment	
Claypit	Replacement	75,900
Various	Replacement or Refurbishment of Lockers	319,700
Happy Hollow	Continue Replacement of Asbestos Tiles with VCT	82,500
Loker	Continue Replacement of Asbestos Tiles with VCT	Not Approved
Various	HVAC Air Conditioning	Not Approved
Various	School Bus Parking	Not Approved
	Total	3,275,250