



Budget Update

**Board of Selectmen Meeting
October 19, 2009**

**Pam Dukeman
Finance Director**

FY2011 Possible Budget Scenarios - Draft

Best
→
 Worst

Alternatives:	Scenario 1	Scenario 2	Scenario 3
<ul style="list-style-type: none"> State Aid 	10% Reduction Ch 70 10% Reduction Municipal Aid	10% Reduction Ch 70 30% Reduction Municipal Aid	25% Reduction Ch 70 30% Reduction Municipal Aid
<ul style="list-style-type: none"> Local Receipts 	Level funded	20% Reduction MV 10% Reduction Bldg Permits	30% Reduction MV 30% Reduction Bldg Permits
<ul style="list-style-type: none"> Free Cash Used for Capital 	\$700K	\$350K	\$0
<ul style="list-style-type: none"> Fixed Costs Total 	\$9.67M	\$10.01M	\$10.48M
<ul style="list-style-type: none"> Health Insurance 	5%	10%	15%
<ul style="list-style-type: none"> Pension 	10%	15%	25%
Resulting Budgets:			
<ul style="list-style-type: none"> Operating Budgets 	Level Fund \$0 Change	-2.5% Decrease	-5.5% Decrease
<ul style="list-style-type: none"> Capital – School & Municipal 	\$823,000	\$823,000	\$823,000

Estimated Timing – Variable Budget Components

Budget Variables:	Initial	Updated	Final
<ul style="list-style-type: none"> State Aid 	Governor mid year end of October 2009	Governor FY11 budget end of January 2010	State budget finalized end of June 2010
<ul style="list-style-type: none"> Local Receipts 	Large motor vehicle commitment January 2010	Spring 2010	Actual receipts close of FY10
<ul style="list-style-type: none"> Free Cash – certified amount \$1.13M 	—————→	Will we need to use for mid year cuts?	←—————
<ul style="list-style-type: none"> Health Insurance 	Initial projected rates December 2009	Actual rates March 2010	Final rates/signups May 2010
<ul style="list-style-type: none"> Pension Assessment 	Initial projections November 2009	—————→	Final assessment February 2010



Potential FY10 State Mid Year Cuts

- State FY10 budget out of balance \$600M.
- Governor must show plan to balance by end of October.

Excerpt from Boston Globe article October 17, 2009:

“...Governor Deval Patrick announced this week that the state has experienced another big budget shortfall, and he wants the Legislature to grant him authority to make cuts beyond the executive branch agencies he oversees.”

“We are watching the stark budget realities,” House Speaker Robert A. DeLeo said in a statement. “At this time, no request has been made for local aid cuts. But given the circumstances, local officials should be prepared.”