



Budget Update

**Board of Selectmen Meeting
November 2, 2009**

**Pam Dukeman
Finance Director**



Governor's Mid Year Budget Update – 10-29-09

- No cut to FY10 Chapter 70.
- No cut to FY10 general municipal aid.

Governor Very Clear:

“We will not cut our record investment in our students and our schools through Chapter 70 aid.”

“We will not cut local aid. Local communities are the front line of our economic and social life and they are struggling as it is.....”

- \$53M Cut Statewide to Other School and Municipal Grant Programs
 - SPED
 - Education Circuit Breaker
 - Library Aid
 - Quinn Bill
 - Sewer Rate Relief
 - Police Training Grants

Specific Westwood Impact To Be Determined.

State Aid – Final FY10 Budget

FY10 State Aid	FY09	Final State Aid	FY09 - FY10 \$ Difference	FY09 - FY10 % Difference	FY10 Mid Year Cut
Chapter 70	\$3,547,941	\$3,476,983	-\$70,958	-2.0%	\$0
Municipal Aid (Old Lottery and Additional Assistance)	\$908,004	\$642,792	-\$265,212	-29.2%	\$0
Police Career Incentive - "Quinn Bill" (Approx.)	\$144,724	\$25,515	-\$119,209	-82.4%	Yes-\$ TBA
Other - reimbursement programs - i.e., veterans	\$101,360	\$140,858	\$39,498	39.0%	-----
Offset/Restrictions	\$30,830	\$48,003	\$17,173	55.7%	Yes-\$ TBA
Total	\$4,732,859	\$4,334,151	-\$398,708	-8.4%	

- FY10 Final Budget:
 - Chapter 70 reduced by 2%.
 - Municipal Aid reduced 30%.

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 	No impact From Oct. 09 state cuts	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 December 2009

FY2011 Possible Budget Scenarios – Update

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	\$500K	\$200,000
<ul style="list-style-type: none"> Fixed Costs Total 	\$9.67M	\$10.01M	\$10.48M
Health Insurance	5%	10%	15%
Pension	4%	15%	25%
Resulting Budgets:			
<ul style="list-style-type: none"> Operating Budgets 	.5% Increase	-2% Decrease	-4.5% Decrease
<ul style="list-style-type: none"> Capital – School & Municipal 	\$823,000	\$823,000	\$823,000

Next Steps

- Establish FY11 Budget Targets for School & Municipal Budgets:

FY11 targets should be level funded at 0% change, \$0 increase.

	FY10	FY11	\$ Change	% Change
School Operating	\$32,488,684	\$32,488,684	\$0	0%
Municipal Operating	\$14,546,821	\$14,546,821	\$0	0%
School and Municipal Capital	\$823,000	\$823,000	\$0	0%

- Capital budget targets should be level funded at FY10 levels.
- Budget Guidelines:
 - Budget submissions should clearly identify impact of budget targets on services.
 - **Salary Increases** – If your employees have a contract in place for FY11, the budget should reflect that contract. If there is no contract in place, the budget will be calculated without a COLA salary adjustment. The salary budget should include any applicable step increases.
 - **Positions** - No new positions are to be included in requested department budgets.
 - If a department wants to request an additional position or any additional hours for a current employee, a separate attachment detailing the request must be submitted to be reviewed by the Board of Selectmen.