

Town of Berkley, Massachusetts Finance Committee Report for Fiscal Year 2014



June 3, 2013

Committee Members:

Nancy Gajoli, Michele Hamilton, Edgar S Hoak (Chairman), Dean Larabee (Secretary),
Cheryl Marshall, Brian Rua



FY2014 Budget Presentation to the Town of Berkley June 3, 2013

We present for the second consecutive year a balanced budget at our Town Meeting. This budget has the Finance committee's unanimous recommendation. As in prior years there is unfinished business which we will take into next year. We are cautiously optimistic as we go forward that we are beginning to recover from the downturn begun in 2009. Some will say there are winners and losers. The budget cannot be viewed in that context. The budget is constructed in a way which balances the needs of the town as a whole. We have limited resources and difficult decisions must be and have been made. We unfortunately can't do everything we'd like to do.

Let's first speak to the current economic conditions. At the federal level we remain leery. On Jan. 1, 2013, Congress passed the American Taxpayer Relief Act of 2012 which was signed into law the following day. The legislation did not extend a 2 percent temporary payroll tax cut in effect since 2011 and so increased the Social Security to 6.2%. On March 1st the federal government went over the fiscal cliff with the sequester for which we are still waiting for the full impact to play out. Major components of the Affordable Healthcare Act will be implemented in fiscal year 2014 and federal spending remains at unsustainable levels.

None the less the macroeconomic outlook has brightened somewhat in the last year. The unemployment rate has shown improvement and currently stands at 7.6%. The housing market has also shown signs of improvement, as home prices rose 9.3% in February, the largest such gain in seven years. Despite these signs of recovery, the Federal Reserve does not yet see the signs it is looking for to stop its bond buying



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program, or raise interest rates from their current historically low levels. The Federal Reserve has indicated that it will continue to provide extraordinary levels of liquidity to the markets, in the form of \$85 billion dollars of monthly bond purchases, until the unemployment rate drops below 6.5% and/or inflation rises above 2%. Neither appears to be in danger of happening soon, so many market watchers expect low interest rates to remain in place until late 2015.

Despite the improvement in the United States economy, there are signs of severe economic weakness in Europe which could impact us in the near future. In Massachusetts, we have seen a stronger economy than we have nationally, as the State's GDP was 3.5% in the first quarter of 2013, compared with US GDP of 2.5%. Analysts are concerned however with weaker than expected tax collection, the federal spending cuts and signs of slowing job growth in the state. The economic forecast for the 2014 fiscal year is cautiously optimistic.

Highlights for the Town of Berkley 2014 budget include

1. We addressed the regional high school funding issue through compromise with a one-time correction to the K-8 budget that will provide appropriate sustainable funding for the regional high school going forward
2. Put significant money into general stabilization for first time for all sitting members of the Finance Committee
3. Predominantly maintains the recent status quo

The total proposed budget for FY14 is \$17.425M. This includes a 2% increase in revenue (based on state House of Representatives budget)



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equating to ~\$408,000. New revenues included funds from our first Solar Farm as well as higher than anticipated sales tax revenue at just over \$30,000. There are 2 major revenue sources expected to materialize in the near future equating to ~\$160,000 and not factored as revenue sources in the proposed FY14 budget. The Finance Committee continues to encourage the Board of Selectmen to appoint a committee whose purpose is to identify and attract business to our town in a measured, controlled way consistent with our town's lifestyle. This is an area of high interest for the Finance Committee going into next year.

This past year for first time ever the Town of Berkley has a 5-year budget forecast. This was prepared at significant effort and will be a valuable tool going forward. Departments throughout the town will have a predictable rate of growth and be able to plan projects accordingly.

But going forward there are many challenges. These include ballooning healthcare insurance costs with still untold impact of the implementation of the Affordable Healthcare Act. We continue to monitor this and have assigned a committee member whose focus is healthcare insurance and will work closely with other town officials.

Secondly, we are in our third year without a paid full time fire Chief. We continue to operate a call fire department with a volunteer fire chief. We must find a long term solution.

Third, in order for our town to move forward we need a part time town manager who manages day-to-day operations. Funding must be identified and the role must be implemented carefully and thoughtfully.



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Finally, we must continue to rebuild our stabilization account which by necessity had to be drawn down during the recent recession. This will provide us with stability for future emergencies in addition to helping restore our credit rating.

With reference to tonight's warrant articles, the Finance Committee unanimously supports and recommends your approval of Articles 5-12 which raise and appropriate funds for all town functions.

The finance committee also supports Article 19 which proposes to raise and appropriate funds for Fire Department equipment. After extensive research, members of the finance committee found great need for a new fire tanker truck. The actual life span for a tanker truck is 7 - 10 years, ours is 30 years old. The Berkley Fire Department's ability to deliver adequate water to a fire is below national standards and the cost of repairs on the existing truck are numerous as well as costly.

The finance committee researched several methods to support the purchase of a new tanker truck and found that the cost would be minimal to the tax payer on a yearly basis.

Lastly I'd like to thank the volunteers who serve on our Finance Committee. This diverse group of people continues to work very well together. We are also seeking 4 more civic minded people to join our committee. If you want to make an impact in your community and are interested please see me.

As always we will continue to serve the town transparently to best of our abilities and appreciate the opportunity to address you.

5/15/2013

Fiscal Year	FY13 Final Budget	FY14 House Budget
PROPERTY TAXES		
Fiscal Base	\$7,258,375	\$7,497,155
Prop 2 1/2	\$181,459	\$187,429
New Growth	\$57,321	\$50,000
Excludable Debt	\$222,322	\$444,479
High School Stablization	\$1,453,066	\$1,489,393
TOTAL	\$9,172,543	\$9,668,456
STATE AID		
Chapter 70	\$3,837,513	\$3,856,463
MSBA School Bld Reimbursement	\$891,336	\$891,336
School Lunches	\$5,365	\$0
School Choice Receiving	\$196,354	\$260,749
Unrestricted Local Aid	\$514,636	\$526,801
Verterans Benefits	\$6,681	\$35,187
Exempt Elderly	\$24,440	\$25,415
State Owned Land	\$21,469	\$21,485
Public Library	\$5,586	\$5,609
TOTAL	\$5,503,380	\$5,623,045
LOCAL RECEIPTS		
Motor Vehicle Excise	\$620,000	\$620,000
Payment in Lieu of Taxes	\$0	\$20,599
Meals Tax	\$10,000	\$20,000
Penalties and Inerest on Excise	\$50,000	\$45,000
Other Charges for Services	\$75,000	\$80,000
Fees	\$30,000	\$45,000
License & Permits	\$80,000	\$95,000
Fines and Forfits	\$36,000	\$16,844
Investment Income	\$12,000	\$8,000
Misc Recurring	\$0	\$0
TOTAL	\$913,000	\$950,443
OTHER AVAILABLE FUNDS		
Ambulance User	\$143,000	\$120,000
High School Stabilization	\$1,695,756	\$1,596,298
Available Revolving Funds/Stablization	\$0	\$0
Free Cash	\$69,478	\$0
TOTAL AVAILABLE	\$1,908,234	\$1,716,298
TOTAL RECEIPTS	\$17,497,157	\$17,958,242
CHARGES AGAINST RECEIPTS		
Regional & County Assessments	\$192,850	\$186,928
Assessors Overlay	\$78,824	\$78,824
SRPEDD Dues	\$1,036	\$1,036
Library	\$5,586	\$5,609
School Lunch	\$5,365	\$0
School Choice Receiving	\$196,354	\$260,749
TOTAL CHARGES AGAINST RECEIPTS	\$480,015	\$533,146
TOTAL NET RECEIPTS	\$17,017,142	\$17,425,096

5/15/2013

#	Dept	Account	FY13 (Final)	FY14 (ATM Final)
114	Moderator	Salary	\$74	\$74
		Expense	\$400	\$400
			\$474	\$474
122	Select	Salary	\$9,460	\$9,460
		Personnel	\$40,667	\$40,334
		Expense	\$2,700	\$3,100
		Sealer of Weights and Measures	\$1,000	\$1,000
			\$53,827	\$53,894
131	FINCOM	Expense	\$1,800	\$1,800
			\$1,800	\$1,800
135	Acct	Personnel	\$46,408	\$46,408
		Expense	\$900	\$900
			\$47,308	\$47,308
141	Assessor	Salary	\$10,933	\$10,933
		Personnel	\$17,000	\$17,000
		Expense	\$7,000	\$7,000
		Software	\$1,600	\$0
		CAMA	\$2,650	\$2,650
		Recertification	\$6,500	\$5,000
		Tax Maintenance	\$4,000	\$6,000
			\$49,683	\$48,583
145	Treas	Salary	\$27,866	\$28,423
		Personnel	\$19,232	\$22,294
		Expense	\$12,150	\$12,150
			\$59,248	\$62,867
146	Collect	Salary	\$27,866.0	\$28,423
		Personnel	\$14,768	\$15,174
		Expense	\$10,330	\$10,430
			\$52,964	\$54,027
151	Counsel	Town Counsel	\$40,000	\$40,000
			\$40,000	\$40,000

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#	Dept	Account	FY13 (Final)	FY14 (ATM Final)
158	Tax Title	Tax Title Expense	\$2,500	\$4,000
			\$2,500	\$4,000
161	Twn Clrk	Salary	\$27,866	\$28,423
		Personnel	\$14,770	\$14,228
		Expense	\$4,050	\$4,050
			\$46,686	\$46,701
162	Elections	Elections	\$20,000	\$12,000
			\$20,000	\$12,000
163	Registration	Registration	\$5,000	\$5,000
			\$5,000	\$5,000
175	Plan Brd	Salary	\$924	\$924
			\$924	\$924
192	Twn Ofc Bld	Town Hall Maint Expense		
		Town Hall Maint Expense		
		Town Hall Municipal Expense (trailers)		
		Town Hall Annex Maint Expense		
		Town Hall Annex Maint Expense (trailers)		
		1 N. Main Repairs		
		Expense	\$31,450	\$33,330
			\$31,450	\$33,330
193	Twn Water	Public Water Supply	\$1,000	\$750
			\$1,000	\$750
210	Police	Personnel	\$546,843	\$575,072
		Expense	\$41,400	\$41,400
		Union Contract	\$48,213	\$49,177
		Contracted Services	\$4,445	\$4,445
		Critical Incident Training	\$0	\$5,000
		Equipment	\$8,750	\$0
			\$649,651	\$675,094
220	Fire	Personnel	\$102,000	\$102,000
		Expense	\$20,000	\$21,000

5/15/2013

#	Dept	Account	FY13 (Final)	FY14 (ATM Final)
		Turnout Gear (2); Oxygen Bottles	\$6,000	\$0
		Contracted Services	\$5,000	\$6,000
		Tanker Truck	\$10,000	\$0
			\$143,000	\$129,000
230	Ambulance	Personnel	\$210,000	\$217,413
		Expense	\$5,580	\$6,500
		Union Contract	\$20,000	\$20,000
		Contracted Services	\$9,500	\$10,000
		New Ambulance	\$0	\$0
			\$245,080	\$253,913
241	Bld Dept	Personnel	\$22,514	\$22,514
		Expense	\$1,800	\$2,878
			\$24,314	\$25,392
250	Pub Safety Bld	Expense	\$31,110	\$34,427
			\$31,110	\$34,427
290	Tree	Salary	\$3,300	\$3,300
		Expense	\$2,000	\$3,000
		Emergency Tree Work	\$5,000	\$5,000
			\$10,300	\$11,300
292	ACO	Personnel	\$5,092	\$5,194
		Expense	\$4,500	\$4,500
		ACO State Mandated Training	\$0	\$2,800
			\$9,592	\$12,494
299	Comm	Personnel	\$198,262	\$201,531
		Expense	\$5,500	\$5,500
		Union Contract	\$15,062	\$15,062
			\$218,824	\$222,093
300	Schools	Sch Cmtee Salary	\$924	\$924
		Berkley School	\$8,033,930	\$8,102,787
		SBRSD	\$0	\$181,471
		Transfer High School	\$1,695,756	\$1,596,298
		High School Stabilization	\$1,453,066	\$1,489,393

5/15/2013

#	Dept	Account	FY13 (Final)	FY14 (ATM Final)
		Bristol Cty Aggy	\$25,872	\$30,906
		Bristol Plymouth	\$636,847	\$780,627
			\$11,846,395	\$12,182,406
420 Hwgy / DPW		Salary	\$61,176	\$62,400
		Personnel	\$313,000	\$329,989
		Expense	\$152,000	\$155,040
		Contracted Service	\$40,000	\$42,000
		Union Contract	\$12,000	\$12,000
		Snow Removal	\$50,000	\$50,000
		Stormwater Management	\$6,500	\$6,500
		8-10 yd Dump/Sander/Plow Unit	\$43,000	\$0
		Back up generator for fuel depot		\$0
			\$677,676	\$657,929
425 Lights		Street Lights	\$2,200	\$2,200
			\$2,200	\$2,200
491 Cem		Salaries	\$366	\$366
		Expense	\$3,915	\$3,915
			\$4,281	\$4,281
510 Board of Hlth		Salary	\$2,258	\$2,258
			\$2,258	\$2,258
541 COA		Council on Aging	\$5,955	\$5,955
			\$5,955	\$5,955
543 Veterans		Personnel	\$7,878	\$7,878
		Veteran's Benefits	\$30,000	\$30,000
		Expense	\$4,000	\$4,000
			\$41,878	\$41,878
610 Library		Library Trustees Salary	\$605	\$605
		Salary	\$43,483	\$44,570
		Personnel	\$42,610	\$42,610
		Expense	\$25,560	\$25,560
			\$112,258	\$113,345

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#	Dept	Account	FY13 (Final)	FY14 (ATM Final)
710	Vet Graves	Care Vets Graves	\$250	\$250
		Memorial Day & Vets	\$700	\$700
			\$950	\$950
711	Exempt Debt			
		Middle Sch Debt Service	\$770,000	\$810,000
		Middle Sch Interest Service	\$301,250	\$270,450
		Sch Land Debt Service	\$20,000	\$20,000
		Sch Land Debt Interest	\$1,345	\$450
		Sch Renovation Debt 2	\$10,000	\$10,000
		Sch Renovation Interest 2	\$3,535	\$3,235
		Town Well Debt	\$20,000	\$20,000
		Town Well Interest	\$7,070	\$6,470
		Public Safety Debt	\$70,000	\$70,000
		Public Safety Interest	\$4,708	\$1,575
		Multi-Use Land debt	\$80,000	\$80,000
		Multi-Use Land Interest	\$27,505	\$25,105
		SBRSD Interest		\$18,530
			\$1,315,413	\$1,335,815
Non-Exempt Debt		Recyc Debt Service	\$15,000	\$15,000
		Recyc Debt Interest	\$709	\$338
			\$15,709	\$15,338
830	Assessments	Bristol Cty Retirement	\$532,982	\$596,869
		SRPEDD	\$1,036	\$0
			\$534,018	\$596,869
910	Insurance	Health Ins-Town	\$240,534	\$210,869
		Medicare	\$125,000	\$125,000
			\$365,534	\$335,869
940	Misc	Insurance Premium Town	\$103,999	\$107,327
		Audit	\$17,000	\$20,000
		Software Maintenance	\$20,000	\$20,000
		IMC-CJS Software	\$17,305	\$17,305
		Town Fuel Account	\$125,000	\$120,000
		Municipal Lease	\$39,000	\$45,667
		Internet/Telephone Service	\$15,000	\$15,000

5/15/2013

#	Dept	Account	FY13 (Final)	FY14 (ATM Final)
		Borrowing Costs	\$1,500	\$1,500
		Unemployment	\$0	\$0
		TOBPC Expense	\$0	\$0
		Historic Commission	\$100	\$100
		Hurricane Sandy Emergency	\$7,721	\$0
		Contract Negotiation	\$0	\$7,733
			\$346,625	\$354,632
		LINE TOTALS	\$17,015,884	\$17,425,096
		Ambulance User Fee	\$143,000	\$120,000
		Stabilizaiton	\$1,695,756	\$1,596,298
		Free Cash	\$69,478	\$0
		Taxation	\$15,108,908	\$15,708,798
		TOTAL AVAILABLE FUNDS	\$17,017,142	\$17,425,096
		SURPLUS / (DEFICIT)	\$1,259	\$0

Free Cash Appropriations

Item	Amount
Snow & Ice in excess of appropriation	\$136,968
Veterans Cost in excess	\$15,000
To General Stabilization	\$40,000
Public Safety Building Roof Escrow	\$20,000
Turnout Gear (2); Oxygen Bottles	\$13,000
Backup Generator for Fuel Depot	\$0
Tough Books, Air Cards, SW License	\$8,579
Generator Repair	\$2,050
Total Transfers	<u>\$235,597</u>
Available / Certified	\$663,715
Correction	-\$80,000
STM	-\$69,470
Tax Rate	-\$201,755
Available for use	<u>\$312,490</u>

FY2014 Town Of Berkley Budget Distribution

