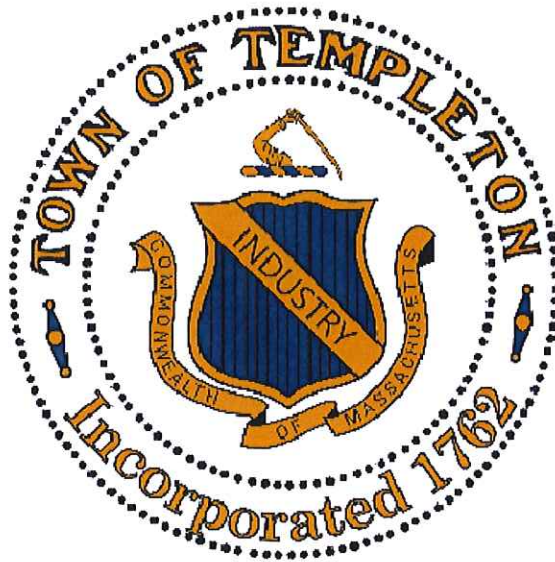
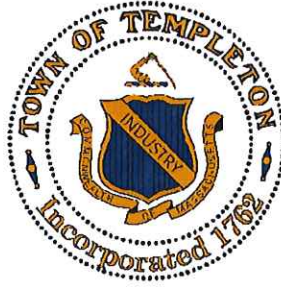


**TOWN OF
TEMPLETON
MASSACHUSETTS**



**TOWN ADMINISTRATOR'S
PROPOSED
BUDGET & LEGISLATIVE
PACKAGE FOR
FISCAL YEAR 2019**



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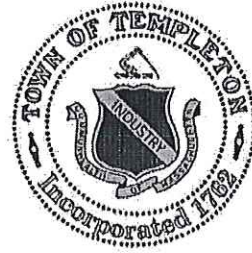
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MEMORANDUM – OFFICE OF THE TOWN ADMINISTRATOR

TO: Board of Selectmen
FROM: Carter Terenzini, Interim Town Administrator *Carter*
RE: FY 2019 Budget Transmittal
DATE: February 26, 2018
CC: Advisory Committee



Enclosed is my recommended budget, legislative and administrative program for FY 2019.

First - The Budget Numbers:

Total expenses for education and the general fund are \$15,961,671 of which \$8,315,481 is for the general fund. This includes the benefits and debt we are reimbursed for by the several utility and enterprise funds. Of this amount, our education expenses are projected to be \$6,156,585 for the Narragansett Regional School District (NRSD) and \$654,083 for the Montachusett Regional Vocational Technical School (Monty Tech). It is critical to note that these estimates are based upon an increase of only 2.5%. They are not formal proposals from either of the two entities.

This budget does not continue the ALS ambulance service which relies upon an override of \$376,820. That override would raise the tax rate by roughly 60¢ per thousand or some \$150 per year on a typical \$250,000 home.

We are proposing a capital budget of \$1,068,675. About 40% of this program relies upon grants, TMLWP approval or the use of free cash and reserves. The balance relies upon the adoption of the Local Option Meals Tax and swinging the last of the debt payments on 252 Baldwinville Road from the debt account to the capital account.

Next - the Revenue Numbers:

Our primary sources of new revenue yielded us roughly \$340,00+/- . Those sources were

2 ½% Levy Increase	\$226,567
New Growth	\$65,000
State UGGA	\$48,758

Those increases are unfortunately offset by a loss of roughly \$115,000+/- in several accounts.

Reduced MA PILOT	\$30,000
Surplus/Timber Sales	\$10,000
Ambulance Receipts	\$75,000

The PILOT reduction is driven by a revaluation done by the state of all of its properties. The reduction in the Surplus/Timber sales account is driven by an objection in some quarters last year that we might be using an unsustainable revenue source to fund ongoing operations. While I am confident these annual sales will continue to yield the projected amount, I have removed the revenue to remove this debate. The monies realized from this activity in FY '19 will simply flow to our bottom revenue surplus/deficit at year's end.

The largest reduction is driven by our decision to reduce our estimates of the amount available to transfer from ambulance receipts (\$75k). This decision was driven by a desire to (a) reduce the debate at the Annual Town Meeting when we have to go with an unbalanced budget to meet DOR directives, (b) reduce the debate at the Fall Town Meeting when we backfill the total amount needed and (c) reduce the shortfalls you will have to absorb in FY '20 (\$125k) and FY '21 (\$125k) if the ALS service is not maintained. Finally, allowing the reserve within this account to grow will provide capital toward buying the major items down so that you can keep future spikes in the annual lease payments within more affordable range. For instance the FY '20 ambulance will cost in the neighborhood of \$275,000 or some \$20k+/- more than the current lease.

Also of interest will be the reduction in the anticipated MART grant. We are able to recover 33% of the driver's salaries as administrative overhead. However, if those driver salary expenditures do not occur as projected so does the amount we recover for administration. Thus - as a safety factor - we have reduced the anticipated cost recovery from 33% to 16.5% for a reduction of roughly \$15k. Should it be more, it simply improves the revenue surplus we might realize.

Finally, you will note a reduction in revenues of \$310,000+/- from employee contributions for benefits. As you may recall from last year this was an accounting move to let our employee withholding account "rest" for a year while we sorted out problems in reconciling it. The Accountant feels that will be done by the end of the fiscal year and we can return to a more conventional approach. This also drives much of the reduction in the expenditure account

Now – The Cost Drivers:

In addition to our increases for education, we had several major cost increases within the operating budget. Those are:

Contractual COLAs	\$15,000+/-
CBAs & COLAs & CBA	\$40,000+/-
Catch Basin Cleaning	\$13,000+/-
Insurance & Benefits	\$100,000+/-
Electricity	\$7,500+/-
Build to 53 Week Payroll	\$10,000+/-

It is important to note that you will need to absorb almost \$75,000 over the next four years for electricity and the 53 week payroll.

Also, while it is debt excluded, we make a payment on the BAN for the new elementary school of \$500,000.

Safety Valves & Needs:

On the operating side, excepting a potential elimination of the retiree dental benefit (\$13k+/-), we have virtually no safety valves which do not impact service or our efforts to being to build a sustainable capital program.

On the capital side, savings would require cuts and deferment in our capital equipment needs. Which looks to finally begin to address the Town's desperate capital needs.

Should any additional savings or revenues be identified I have prepared a short list of desired restorations in the operating budget for your consideration. Beyond that I would recommend that you put them into one-time capital expenditures or contributions to reserves.

Finally:

I want to acknowledge the continuing willingness of the TWLP to work with us to develop an agreed PILOT plan (\$80k+/-). We expect to have that agreed early on in your budget hearings. for inclusion in our budget planning. With that as background, the staff and I look forward to answering your questions and preparing for Town Meeting.

**Suggested Budget Meeting Schedule
as of
February 26, 2018**

Monday 03/05

Public Safety (Potential Override Question RE: ALS)

- Fire/EMS
- Police/Dispatch
- Emergency Management

Warrant Review

Wednesday 03/07

Executive Officers & IT

Development Services

- Board of Health, Planning, ZBA, EDIC
Conservation, Agricultural, Community
Preservation, Open Space

Administration & Finance

- Town Clerk
- Assessor
- Treasurer/Collector
- Debt
- Accountant
- Insurance & Benefits

Community Services

- Library
- Recreation & Culture
- Council on Aging
- Veterans
- Cable

Monday 03/19

Public Works - Highway

Public Works - Buildings & Grounds

Sewer

Schools

Warrant Review

Wednesday 03/21

General Overview & Warrant Review

Monday 03/26

BoS Business Meeting:

Finalization of Department Budgets;
Warrant Articles; Policies & the like.