

# Memo

**To:** Board of Selectmen

cc: Finance Committee

**From:** Stephen L. Delaney  
Interim Town Manager



**Date:** March 18, 2021

**Re:** Fiscal Year 2022 Proposed Budget Transmittal

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Over the past several weeks we have been reviewing and adjusting all aspects of the draft budget for Fiscal 2022 that was originally presented in January. As detailed in the following pages, several key issues have negatively impacted the estimates on the Town side of the budget, which have challenged us to bring together a balanced budget. Some of the more significant issues include an expected revenue source from retail cannabis sales not yet being available, an increased local contribution for education, a decrease in indirect costs for the School Department, and a greater than expected increase in property and liability insurance.

In an effort to balance the budget without adversely impacting overall services, we have made a series of cuts/adjustments and I am recommending a greater than usual allocation of “free cash” to balance the recommended budget. Under normal circumstances I would be more conservative with the recommendation of how to balance the budget, but the assurance of a new influx of Federal Aid through the newly approved “American Rescue Plan” will likely assist in offsetting expenditures from the general fund, with the expectation that such offsets will enable some level of replenishment of our reserves. Further, the use of Federal Funds during the current fiscal year (FY 21) will also assist in indirectly aiding the flow into free cash reserves. The alternative would require the cutting of services and/or staff, and necessary maintenance, which would not be desirable.

<b>TOWN OF WINCHENDON</b>				
<b>SUMMARY OF PROPOSED FY22 BUDGET</b>				
<b>TOWN MANAGER PROPOSED BUDGET</b>				
<b><u>Budget Reconciliation</u></b>				
	<b>Town Manager Original</b>	<b>Revised</b>	<b>Difference</b>	
Real and Personal Property Taxes	\$ 13,552,919	\$ 13,552,919.00	\$ -	
Less: Property Tax Levy Surplus				
State Aid	\$ 14,322,745	\$ 14,211,502.00	\$ 111,243.00	
Local Receipts	\$ 2,974,445	\$ 2,754,445.00	\$ 220,000.00	
Indirect Charges	\$ 312,737	\$ 307,599.00	\$ 5,138.00	
Transfers From Other Funds	\$ 40,191	\$ 40,191.00	\$ -	
COVID Funds (SPED Transportation Iner	\$ 495,000	\$ 495,000.00	\$ -	
Free Cash-Capital	\$ 100,000	\$ 453,763.00	\$ (353,763.00)	
Transfer from Stablization				
<b>Total Budget Sources</b>	<b>\$ 31,798,037</b>	<b>\$ 31,815,419.00</b>		
Total Town Appropriation	\$ 18,035,684	\$ 17,572,777.00	\$ 462,907.00	
Total School Appropriaton	\$ 13,762,353	\$ 14,242,642.00	\$ (480,289.00)	
<b>Total Appropriations</b>	<b>\$ 31,798,037</b>	<b>\$ 31,815,419.00</b>		

### **Enterprise Accounts:**

Budgets for the enterprise accounts are included in this transmittal. It should be noted that rate increases for water and sewer need to be considered in order to eliminate the projected deficits for each account.