



TOWN OF WINCHENDON MASSACHUSETTS

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OFFICE OF THE TOWN MANAGER

Keith R. Hickey

Town Manager

MEMO

DATE: March 22, 2018

TO: Board of Selectmen

FROM: Keith R. Hickey
Town Manager

RE: Final Town Manager Recommended Budget Adjustments and Necessary Budget Reductions if the Use of the Stabilization Fund is Eliminated

Proposed Budget Adjustments

After presenting the Town Manager Recommended FY19 budget to the Selectmen on March 12th, I have some adjustments I would like to propose the Board consider. Those recommendations are outlined below:

- Reduce both the Community Development and Land Use Clerk line items each by \$2,896.92 (from \$20,904 to \$ 18,007.08) to correct budget errors.
- Increase the Health Department Professional Services line from \$1,000 to \$2,500 to properly budget for septic testing.
- Create a new line item in Public Works Administration Expenses for newly required OSHA training and reduce Public Works Highway Materials and Supplies in the amount of 10,000.
- Increase Beals Library BML Technicians line \$2,161.12 (from \$22,208.16 to \$24,369.28 to correct a budget error.
- Increase the Property/Liability and Workers' Comp. line items by \$12,095 and \$32,500 respectively. My original Property/Liability funding request of \$241,852 did not include vacant building insurance for the Poland and Streeter Schools or \$10,000 for anticipated insurance deductible payments. The original Workers' Comp. budget of \$116,202 did not include the \$32,500 premium for Fire and Police Accident Insurance. I have included the revised budget amounts for the Property/Liability and Workers' Compensation accounts below.

- Decrease the Veterans Services Expenses by \$42,462 to more accurately project FY19 budget needs. In reviewing the estimated FY19 Veteran Reimbursement anticipated revenues along with the FY18 year to date expenses, the Veterans Services are comfortable with the revised FY19 budget of \$387,538.

Recommended Budget Reductions if the Use of the Stabilization Fund is Eliminated

As the Board is aware I have proposed to use \$94,060.09 from the Stabilization Fund to support my recommended FY19 budget. I understand using Stabilization Funds could be controversial at Town Meeting. There was some discussion about its recommended use when I presented my budget to the Finance Committee March 19th. As I explained to both Boards, I am only proposing to use the Stabilization Fund because I am confident that the Town will no longer need to appropriate money into a supplemental reserve in the future with the deficit borrowing being paid off. The use of the Stabilization Fund is essentially moving an asset from one reserve to another. The Stabilization Fund could be replenished with the use of Free Cash in future years.

In hindsight I should have included a list of cuts to my budget if the Board decides not to use the Stabilization Fund. Below are those cuts.

<u>Description of Cut</u>	<u>Amount</u>
Selectmen's Expenses-YMCA	\$10,000
Town Manager Overtime	\$1,000
Finance Committee-Reserve Fund	\$9,107
Fire Department- Eliminate Dive Team Funding	\$2,500
Ambulance Expenses-EMS Service Plans	\$8,000
Police Dispatch-Eliminate Additional Support	\$11,195
Highway Expenses-Roadside Trash	\$2,500
Council on Aging New Staffing Request	\$9,758
Capital-Police Car	\$40,000
Total Cuts	\$94,060

I do not recommend any of the cuts outlined above but wanted to share what my recommendations would be if cuts needed to be made.