



Fiscal Year 2010 Budget Shortfall

Finance Committee



Overall picture

- We face a \$1.9m shortfall



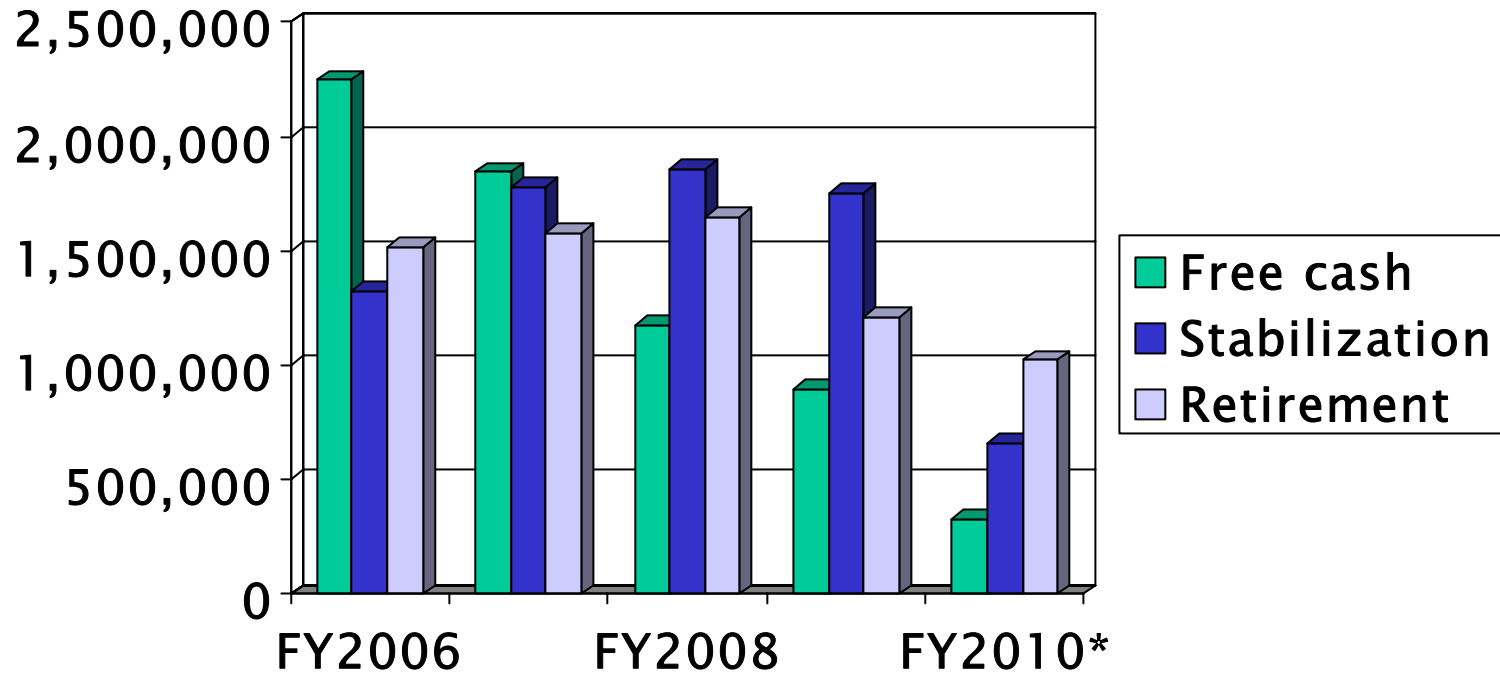
Overall picture

- We face a \$1.9m shortfall
- FinCom recommending a three pronged approach
 - Drawing from savings (~\$943,000)
 - Reduction in services, personnel (~\$310,203)
 - Override (\$646,797)



Draw Down Savings

As of beginning of each fiscal year





Less \$ to work with

- Local revenue is down
 - Excise tax, fees, interest
- Projected Mass. FY2010 state aid down
 - ...and FY2009 will be underpaid
- Savings have been depleted
 - over last 3 years



Revenue Projections

FY2009 vs FY2010

Property Tax (Base)		12,604,687	13,098,695	
Statutory Increase		315,117	327,467	
New Growth		172,584	127,000	
Debt Exclusions		594653	564099	
Total Property Tax		13,687,041	14,117,261	
Local Revenue		1,874,000	1,844,000	
State Aid		1,684,395	1,302,728	
Sewer Enterprise *		1,877,909	1,833,633	(1,803,248)
Water Enterprise *		1,322,731	1,298,616	(1,268,458)
Transfer Station Enterprise *		365,363	369,688	(369688)
Other		2,031,455	1,449,030	
Total Non-Property Tax		9,155,853	8,097,695	
TOTAL REVENUES		22,842,894	22,214,956	

*These figures are as of April 24, 2009 and subject to change.



Mass. State Aid Down

- FY 2009
 - State aid was to have been \$1,684,395
 - (Likely to be ~\$155,000 less, will need to be taken from FY2010 reserves)
- FY 2010
 - State aid is projected at \$1,302,728 (best case scenario)
 - A drop of \$381,667 or more (60% of override amount)



Overall budget

- \$22,214,956



Overall budget

- \$22,214,956
- - 11,230,879 (less schools)
- =10,984,077



Overall budget

- \$22,214,956
- - 11,230,879 (less schools)
- - 3,441,394 (less Enterprise Funds)
- = 7,542,683



Overall budget

- \$22,214,956
 - - 11,230,879 (less schools)
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-
- \$1.9m shortfall needs to come from \$7.5m



Budget cuts

Before any Override

- General Government - down 12%
- Public Safety – down 5.3%
- Schools
 - NMRSD, up 1.8%
 - Nashoba Tech, up 12.3%
- Public Works – down 10.9%
- Human Services – down 17.3%*
 - * not including Senior Center budget
- Culture & Recreation – down 19.5%*
 - * Not including library or community center



General Government

- Reduced budget by 12% (\$151,394)
 - Freeze all step increases
 - No Cost of Living increases
 - Reduce wages and salaries by 10%
 - Eliminate printing of Town Report
 - Copies will be available for review at Town Hall and Library, published on Town website for download



Public Safety

- Reduced budget by 5.3% (\$128,884)
 - Reduce force by 2 police officers
 - All inspector stipends eliminated or reduced by 10%
 - Fire Wages Hourly cut by 10%



Schools

- Nashoba Tech
 - Up 12.3% (\$113, 467) to Pepperell due to:
 - increase in Pepperell students
- North Middlesex Regional
 - Level-funded overall budget
 - Still up 1.8% (\$185,782) to Pepperell due to:
 - student percentages
 - State household income formula



Public Works

- Reduced budget by 10.9% (\$116,407)
 - Turn off street lights
 - Town Engineer agreed to re-negotiate contracted salary increase
 - DPW staff wages reduced by 10%
 - Step increases eliminated
 - Highway Division
 - Layoff 1 full-time employee
 - Layoff 1 part-time employee



Human Services

- Board of Health
 - Move to Nashoba Boards of Health
 - Eliminate Public Health Nurse
 - Eliminate Mental Health program
- Veterans Services agent stipend cut by 10%
- (Prior to any discussion of Senior Center)



Culture & Recreation

- Library
 - Library Staff was the only union to volunteer to renegotiate contract and freeze wages
- Pepperell Recreation
 - Eliminate Summer Playground funding
- Parks maintenance
 - Reduce wages by 10%
- Eliminate Memorial Day funding
- (Prior to any discussion of Library closure)



Enterprise Funds

- Water Division
 - Does not adversely affect overall Town budget, expenses paid by ratepayers
- Sewer Division
 - Does not adversely affect overall Town budget, expenses paid by ratepayers
- Transfer Station
 - Does not adversely affect overall Town budget, expenses paid by car sticker fees, bag tags, and recycling revenue



Mandatory increases

- Unemployment insurance increases
 - Up to \$62,000
- Union contract wages
 - Police officers, superior officers
 - DPW workers
 - (Library staff agreed to freeze wages)
- Other contractual employees
 - Many have offered to freeze wages
- Health insurance
- Telephone, heating expenses, etc.



Shortfall

- After all the cuts there is still a shortfall of more than \$600,000
- Proposed budgets to be supported by an override
 - Library \$436,539
 - Council on Aging \$172,640
 - Community Center \$37,618
- Total = \$646,797



Cost of Override

- Cost is ~\$52 per \$100,000 in valuation

Assessed Value	FY10 Tax Bill without override	Increase due to the Override	FY10 Tax bill with Override
100,000	1,110.00	52.00	1,162.00
150,000	1,666.50	78.00	1,744.50
200,000	2,220.00	104.00	2,324.00
250,000	2,777.50	130.00	2,907.50
300,000	3,333.00	156.00	3,489.00
325,000	3,610.75	169.00	3,779.75
350,000	3,888.50	182.00	4,070.50
400,000	4,444.00	208.00	4,652.00
450,000	4,999.50	234.00	5,233.50
500,000	5,555.00	260.00	5,815.00

*These figures are preliminary estimates of future taxes. Official tax rates will be set by the State.