



**Town Manager
Steven L. Ledoux**

TOWN OF ACTON
Town Manager's Office
472 Main Street
Acton, Massachusetts, 01720
Telephone (978) 264-9612
Fax (978) 264-9630
E-mail: SLedoux@acton-ma.gov

December 12, 2008

“When a society comes together and makes decisions in harmony, when it respects its most noble traditions, cares for its most vulnerable members, treats its forests and lands with respect, then it will prosper and not decline.”

– Buddha

Dear Honorable Board of Selectmen:

It is a great honor and privilege to present my first budget as Town Manager of Acton. As we enter into the Fiscal Year 2010 budget process, let us hope that we can achieve the noble aspirations stated above. However, as we are all acutely aware, we are seeing a national and world economy in crisis. Currently, the Massachusetts State budget for FY09 is \$1.2 billion, or 4.2% of the State's General Fund, in deficit and the Governor has made some extensive cuts, sparing, thus far, any cuts to local aid. I have a great concern that we may see some local aid cuts after January 1st and in anticipation, I have instituted a hiring freeze, unfreezing only crucial vacancies and have frozen some \$500,000 in expenditures as well.

When we started the budget process back in August, one could not have forecast the rapid and dramatic downturn of the economy. When I met with Department Heads “On the Hill” in September, a three-day team review of budget requests, little did we know that we were just weeks away from the crisis.

The original budget requests submitted in August totaled \$28,080,542.39, which equated to a 6.29% increase over FY09. The three-day “On the Hill” exercise developed consensus on budgetary priorities. These priorities included:

Architect - COA Expansion	100,000
Increase Parking at Senior Center	135,000
Fire Engine 24 Replacement	525,000
Treatment Plant SCADA upgrade	53,100
Excavator	185,000
Replace two 1987 Dump Trucks	270,000
Radio system upgrades	91,000
Faulkner room A/V upgrades	25,000
Town Hall underground storage tank replacement	50,000
Windsor Building Historic restoration and reuse	300,000
Replace tractor 102	32,000

Replace truck 109	55,000
Office Space Needs Study	50,000
Recreation Parking Lots	50,000
Replace Natural Resources Director's Vehicle	25,000
Goward Field Playground	200,000
Total "A" List	2,146,100

Replace Building Department Inspection Vehicle	25,000
Quarry Road and Main Street Drainage	190,000
Replace Engineering Van	25,000
MDT/GPS units – Fire apparatus	50,400
Asphalt Recycler	45,000
Replace 1994 Ford Tempo Inspection Vehicle	22,000
Unified Communications	221,450
Replace heating system at Fire Stations 2 & 3	500,000
DPW Sprinkler system design	30,000
DPW Internal Renovations	33,000
Total "B" List	1,141,850

However, based on the bleak economic outlook, some basic policy direction was needed. To that end, the Acton Leadership Group convened to discuss revenue forecasts for FY10. For those not familiar to the Acton budgeting process, the Acton Leadership Group (ALG) consists of representatives from the Selectmen, School Committees, Finance committee, and the administration of both the Town and Schools. The primary function of this group is to reach consensus on revenues and to make recommendations to their respective boards as to a split of revenues between the Town and Schools.

In October, the ALG met and agreed to the following revenue assumptions:

- All Local Aid, except Chapter 70 reduced by 10%.
- Chapter 70 level-funded based on School Administration contacts with the Department of Education
- Excise tax estimates reduced by 7.3%, as the average age of a car in Acton is 11 years
- Investment income reduced by 12.5%

The ALG also recommended that, with such a great deal of uncertainty, both the Town and Schools develop budgets that are "Level Service." Level Service is defined as maintaining the current level of service provided by the Town and Schools with no new initiatives and programs.

Based on the above, the enclosed budget represents a level service budget for the Town of Acton for FY10. The total budget request for level services is **\$27,546,920.89**, a **4.27%** increase over FY09 Town Meeting appropriations.

Primary Features of this budget include:

- Creation of an Ambulance Enterprise Fund, providing a funding source for four net firefighter / EMTs
- A Reorganization of the Finance Department, eliminating two budgeted, but not filled, positions
- Elimination of contracted field work in the Engineering Department
- Increase of part-time staff for the Memorial Library due to increased demand on services as a result of the downturn in the economy
- The addition of a GIS Coordinator due to the demand of GIS services for both Town departments and the public
- An increase of staff hours for the Council on Aging to maintain their level of services
- Energy consulting services for Town buildings
- Contracted Fire Department-related Inspections

The following capital expenditures are recommended as well:

Space Needs Study of Town Hall, including a reuse of existing vacant Town buildings	\$ 50,000
Architectural services for Council of Aging facilities	\$100,000
Highway Department vehicle replacements	\$292,000
Quarry Road drainage improvements	\$214,500
Municipal Properties Equipment	<u>\$ 87,000</u>
	\$743,500

Also, the following capital is recommended from sources other than the General Fund:

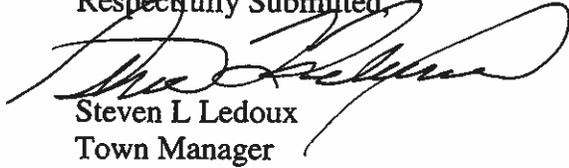
<u>Capital Item</u>	<u>Amount</u>	<u>Source</u>
Fire Department Engine #24	\$ 525,000.00	Ambulance Enterprise
Sewer System SCADA	\$ 53,100.00	Sewer Enterprise/Gift Funds/MIIA
Radio System	\$ 91,000.00	Gift Funds
Faulkner Room Audio/Visual	\$ 25,000.00	Gift Funds
Replace Building Inspectional Vehicle	\$ 25,000.00	Revolving Funds
Excavator	\$185,000.00	Transfer/Recycling Enterprise
Unified Communications	<u>\$221,450.00</u>	Gift Funds
	\$1,125,550.00	

In addition, the Town is under contract for both electric and natural gas, so those savings are reflected in this budget as well.

All signs indicate that FY10 may be one of the greatest challenges that cities and towns have faced in quite some time. December revenues for the State will no doubt portend whether local aid will be cut in this fiscal year, and will no doubt impact on House 1, the Governor's budget submission for FY10. His budget will be turned in on January 21st and we will have a much better sense of the impact on local aid for the next fiscal year.

In the final analysis, the Town's ability to afford this budget will be determined by both the State and Federal government. I stand willing and able to work with the Board of Selectmen and the Finance Committee as the revenue picture becomes clearer (hopefully!) and we ready ourselves for Annual Town Meeting.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Steven L. Ledoux", written over the printed name and title.

Steven L Ledoux
Town Manager