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**TOWN OF ACTON
INTERDEPARTMENTAL COMMUNICATION
TOWN MANAGER'S OFFICE**

DATE: February 18, 2004

TO: Board of Selectmen

FROM: Don P. Johnson

SUBJECT: Revised Budget Recommendations

At the Board's February 9 meeting I presented recommendations for potential add-backs to the FY05 Municipal Budget - in the event that revised (increased) revenue projections previously discussed at the January 29 ALG meeting should come to pass. Part of the basis for these "improved outlook" projections included known improvements and part was based on the proposals in the Governor's House 1 Budget Bill. Historically, House 1 changes considerably by the time the budget is actually completed.

Subsequent to that presentation, the ALG met again on February 12 and determined that the previously optimistic increase in FY05 Revenue projections should be tempered somewhat. This was based, in part, on a review our Assessing Department did of the first commitment of Motor Vehicle Excise bills that had come in the preceding week. These bills indicate that our Excise billings for FY05 are likely to be significantly less than the current estimate. Town staff recommended that our projections for next year be reduced from \$3,060,000 to \$2,700,000. The ALG agreed and asked Town and School staff to reduce our "add-back" recommendations accordingly. The attached worksheet from Peter Ashton reflects this reduction. The Town's share of the "new" projected increase in estimated revenues is now \$192,000, down \$100,000 from the previous projection of \$292,000. It should also be noted that these numbers include \$200,000 from Overlay, which the ALG has asked the Board of Selectmen to consider. The Municipal share of this is \$56,000.

In order to keep recommendations straight, I have added a new column to the original spreadsheet we gave you and reorganized both the revenues and expenses into my recommended priority order. This has been done to give the Board flexibility in evaluating the potential matrix of revenue and expenditure scenarios that are at play here. Board members expressed a variety of opinions as to individual priorities at the last meeting. Although there was no apparent consensus, except for the clerical position in

the Police Department, there were several comments that I have been able to take into consideration as I prepared these revised recommendations. The revised spreadsheet is attached.

With respect to the clerical position in the Police Department, I agree that we could use the additional help there, just as we could use it in many departments throughout the organization. I remain convinced, however, that to the extent that we need to make cuts, this is one of the areas we should look to first. Board members will note that this revised recommendation does not reinstate the position. While the Board is certainly entitled to make the reinstatement, I would offer the following for your consideration:

1. This position was instituted outside of our normal processes. It was not subjected to the critical review of our Department Heads in our "On the Hill" retreat. It did undergo the rigorous review and evaluation that the Selectmen give to every other position we add to the Municipal organization. Instead, it originated by virtue of a grant that we were fortunate enough to secure from the Federal Government. Had the request for this position been evaluated against all of the other needs of the organization, for funding from taxation, I have serious doubts that this one would have survived the cut.
2. The FY04 Budget currently funds this position because we were required by the terms of the grant to maintain the position for at least one year after the grant funding ceased. That year was/is FY04.
3. In order to meet the grant requirement and fund this position in FY04, we had to make considerable cuts, including the lay-off of valuable positions in the Highway and Municipal Properties Departments that virtually equaled the cost of funding for this position. This layoff hurt enough that, effectively, we have had to recommend the reinstatement of one of these positions (custodian) in the FY05 Budget, notwithstanding the other cuts we are having to make.
4. In terms of the proportionate share of administrative support staff in the Police (and Fire) Departments as compared to other departments, I would urge the Board to consider that the functions and uses of administrative support staff among our departments varies considerably. Planning, for instance, relies heavily on clerical support for reception, phone answering, filing, etc. This, in turn, allows the limited number of professionals to do all of the basic day and night work required of the Department. The Building Department is similar. Municipal Properties receives 50% of one clerical person to do all of their reception, telephone, purchasing, bill-paying, etc. while the single administrator keeps the entire operation going, including our Tree Department. Natural Resources receives the other 50% of the clerical position shared with Municipal Properties. This position handles all of the reception, telephone and administrative work of the Conservation Commission. Natural resources also has one full time

clerical position to do all of the administrative work of the Cemetery Department. We used to have a full time director in the Cemetery Department, in addition to the clerical position. The Director's position was eliminated and the work load consolidated into the Conservation Agent's work as part of our cost cutting in the '90's. Recreation (also part of Natural Resources) has a full time clerical position to support the single administrative person assigned to manage and carry out all of our recreation programs. That person handles all of the reception, telephone, purchasing, program sign-ups, etc. for Recreation. Highway requires a significant amount of clerical support for reception, answering the phone, purchasing, payroll, etc. yet we only have one person to handle all of these functions. Information Technology has no clerical support at all – they do all of their own reception, telephone, purchasing, filing, etc.

5. Police and Fire are the only two departments in the entire Municipal organization with dedicated telephone/reception functions. In both of these departments the reception and business phone answering functions are handled by dispatch personnel. This relieves the clerical function of considerable workload. In both of these functions, the clerical personnel are removed from direct contact with the public and, hence, are afforded uninterrupted work time that makes them more efficient. Moreover, when we occupy the PSF, both Police and Fire will bring their clerical support into the same building and each will be able to draw on any reserves or flexibility from the other – much as we have to do in Town Hall when people are sick, on vacation or simply otherwise occupied. This should help considerably over the existing situation where they are separated. Finally, all other departments are expected to take their own notes/minutes at all of the meetings they attend – other than standing Board and Committee minutes - especially day meetings. Indeed, the PSFBC must assign someone from the committee to take minutes at each meeting. Yet, one of the functions the position in question has been used to perform has been the taking of minutes/notes at various meetings. This is a luxury I do not believe the organization can afford, especially when we are laying off other positions, eliminating programs and deferring critical capital in order to pay for the luxury.

I do not begrudge the Police Chief this position. Indeed, my point is that if we could afford it, I would urge the same additional level of administrative support for all other departments. We clearly cannot afford this luxury across the organization. For all of the above reasons, I respectfully suggest that we should not provide it here.

A handwritten signature in black ink, appearing to be 'J. Brown' or similar, written in a cursive style.

Revised - tax
 excise of
 new projection of
 revenue growth
 (see the report)
 lack FY06

Projected Municipal/School Available Revenues for FY06

	FY	2003	2004	2005	2006	FY06 comments
Revenues:						
Tax Levy:						
Base		\$ 38,140	\$ 39,983	\$ 44,758	\$ 46,577	
2 1/2%		\$ 953	\$ 1,000	\$ 1,119	\$ 1,164	
New Growth		\$ 890	\$ 775	\$ 700	\$ 700	
Net Debt Excl.		\$ 1,940	\$ 2,002	\$ 2,600	\$ 3,236	
Overlay		\$ (500)	\$ (421)	\$ (500)	\$ (500)	
Total Tax Levy (excl. current yr. override)		\$ 41,423	\$ 43,339	\$ 48,677	\$ 51,178	
Cherry Sheet		\$ 4,133	\$ 3,816	\$ 3,799	\$ 3,989	5%
SBAB - Twin School		\$ -	\$ 1,086	\$ 1,086	\$ 1,086	
SBAB- RJ Grey		\$ -	\$ -	\$ -	\$ -	
SBAB - HS		\$ -	\$ -	\$ -	\$ -	
Excise Taxes		\$ 2,584	\$ 2,584	\$ 2,700	\$ 2,768	2.5%
Fees		\$ 1,126	\$ 1,132	\$ 825	\$ 1,000	
Int. Income		\$ 224	\$ 224	\$ 300	\$ 300	
Pension/Other		\$ -	\$ 213	\$ -	\$ -	
Free Cash		\$ 1,925	\$ 1,202	\$ 2,261	\$ 400	
Regional Revenue		\$ 3,246	\$ 2,379	\$ 2,236	\$ 2,347	
Regional E&D Acton's share		\$ 242	\$ 36	\$ 238	\$ 238	5%
HS Interest/Bond Prem.		\$ -	\$ 761	\$ 313	\$ -	
PotHole Funds		\$ -	\$ -	\$ 200	\$ -	
MinuteMan Assessment		\$ -	\$ -	\$ 41	\$ -	
Overlay Surplus		\$ -	\$ -	\$ 200	\$ -	
Operating Override		\$ -	\$ 3,000	\$ -	\$ -	
Capital Override		\$ -	\$ -	\$ -	\$ -	
Revenues before Overrides		\$ 54,903	\$ 56,772	\$ 62,875	\$ 63,305	
Revenues including Overrides		\$ 54,903	\$ 59,772	\$ 62,875	\$ 63,305	
Incremental Revenue (less debt excl./SBAB)		\$ -	\$ 3,721	\$ 2,505	\$ (206)	
Municipal share of incremental revenue (28%)		\$ -	\$ 1,042	\$ 701	\$ -	
Schools' share of incremental revenue (72%)		\$ -	\$ 2,679	\$ 1,804	\$ -	

FY '05 Add Backs (Mun. Shares)

			2/20/04 Revised	Cumulative Val	Risk
ARRT	\$ 82,000	BOS cut expenditure from Budget	\$82,000.00		Firm
Health Insurance Charge backs	\$ 35,000	Additional Charge backs to Enterprise and Revolving Funds	\$35,000.00	\$117,000.00	Firm
Add'l Revenue	\$ 292,000	New Revenue Allocation per JEC	\$192,000.00	\$309,000.00	Not Firm
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Total of Add'l Avail. Monies	\$ 409,000		\$309,000.00		

Expense Reinstatement

					Rank
Police Substitute Pay	\$ 29,000	Replaces approx. 50% of the FY '05 Cut	\$29,000.00		1
Police Cruisers to equal 3 at \$30 K	\$ 39,000	Level Funding FY '04	\$39,000.00	\$68,000.00	2
Fire Substitute Pay	\$ 50,000	Replaces approx. 75% of the FY '05 Cut	\$38,000.00	\$106,000.00	3
Infrastructure Repair	\$ 260,000	If this amount is added back we will remain approx. \$450,000 light in this category for the 2 yr. period (FY '04 & FY '05) based upon the reduced FY '03 spending level.	\$174,000.00	\$280,000.00	4
Highway - Emergency Call-out pay	\$ 6,000	Level Funding FY '04	\$6,000.00	\$286,000.00	5
Street Sweeping	\$ 23,000	Level Funded to FY '03 Expenditure	\$23,000.00	\$309,000.00	6
COA Van - increase in subsidy		\$15,000 from Audubon Hill Gift			
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Reinstated Expenses	\$ 407,000		\$309,000.00		