

Town of Acton

Memo

To: The Board of Selectmen
From: John Murray
CC: All Department Heads
Date: September 28, 2007
Re: FY '09 Budget Preparation

As Board members are aware, I strongly believe the municipal budget process should begin the Selectmen defining operational priorities, continuing with the our departmental managers generating budget requests, which implement those overarching priorities, without financial constraints being handed down by the Town Manager.

Current budget planning circumstances require an estimate of expenses for FY '09 to be generated outside the process noted above. In order to do so I met with Bill Ryan yesterday and generated a set of common budget assumptions:

- Salaries and Wages – 5%. This percentage is based upon the Schools' contractual increase plus steps. All five of our bargaining units will be without contracts as of FY '09. The municipal side will need to add monies for the developing parity wage adjustment and for retroactive pay for police officers (two separate units) and public safety dispatchers (these units have operated for two years without a contract).
- Utilities: 10%. The Schools will probably be able to bring their utility costs in with a lower percentage increase (maybe near 5%) due to long-term contracts.
- SPED: 10%
- Health Insurance: 9% or as otherwise determined by the Health Insurance Trust
- Pension: as defined by Middlesex Retirement Currently we are estimating
- Property and Casualty Insurance: 6%
- Debt: Per Debt Service Schedules
- All Other Expense Categories: 2 ½ %

Applying these preliminary assumptions to our FY '08 budget, an overall increase of 6.76% would be generated. For your information, I have attached a projected ALG Plan based upon our 5.15% projected increase (budget plus articles being level funded at the FY '08 level). Bill Ryan has projected an overall increase of 6% - 7% in regards to School spending.