

Extra Information
9/20/09
#8

Town of Acton

Memo

To: Board of Selectmen
From: Steven L Ledoux, Town Manager
CC: Finance Committee
Date: September 19, 2009
Re: FY 10 Budget

The ALG consensus projection shows a deficit of approximately 600K in the current fiscal year (2010). I recommend taking a two pronged approach to this deficit.

- 1) The Department of Revenue needs to certify that the town has a balanced budget for FY10 in order for the Selectmen to be able to set the tax rate in December. The ALG is recommending that we balance the budget by reducing the regional school assessment by approximately \$400K and by increasing town revenues by approximately \$200K. The sources of additional revenue are:
 - a. A business in town has paid back taxes totaling approximately \$150K
 - b. I recommend that we lower the overlay account by approximately \$50K to make up the balance
- 2) In addition, I recommend continuing the spending freeze that was instituted in FY09. In FY09 this spending freeze enabled the town to adapt to the Governor's late year 9C budget cuts and still return approximately \$750K to Free Cash. It is very likely that the Governor will once again institute 9C budget cuts. The Finance Committee has also recommended that we deliberately under spend our budget in order to provide more flexibility in these uncertain economic times.

- Items that I have frozen in the municipal FY10 budget: Positions
- Govt Systems Tech
 - Tax Collector Clerk
 - Deputy Police Chief
 - HR Secretary
 - Financial Analyst
 - Cemetery Worker

By not filling these, and with the timing involved with filling all open positions, we estimate approximately \$600k in total FY2010 savings at this point.

In addition, the following Capital items have been frozen:

Town Engineer Vehicle	\$ 36,000
Dump Truck	\$135,000
Municipal Properties Truck	\$ 45,000
Municipal Properties Tractor	<u>\$ 32,000</u>

\$248,000

Only a portion of the Senior Center improvements have been done, specifically, repairs to the flooring.

All other items in that appropriation have been frozen as well.

It also should be noted that the Town's appropriation at Annual Town Meeting was actually \$80,000 less than the ALG plan for FY 10, due to our concern over potential mid FY10 State budget cuts.