

Essex Finance Committee
February 17, 2015
7:30pm
Essex Senior Center

Members Present: Richard Ross, Ken Riehl, Mark McKenna, Justin Bourgette and Jeff Soulard

1. Transfers

Approved four transfers by unanimous vote (attached).

2. FY15 Budget Update

The Committee approved an additional \$50,000 to be spent on Snow & Ice Removal for FY15 under Massachusetts General Law Chapter 44 Section 31D.

3. FY16 Budget Discussion for Upcoming Year

The FY16 Budget Summary and Tax Summary have been updated to reflect the recently approved MERSD budget and most up to date assumptions.

Currently, the budget looks to be roughly \$700,000 over the Proposition 2 ½ Levy Limit. However, this includes over \$1,250,000 of Capital and Special Articles. Many of these Articles will be removed or deferred to reduce the FY16 expenditures below the levy limit. We will discuss plans to reduce the budget with the Board of Selectmen next week.

There are also some expenses that are still estimated amounts, most notably the FY16 Health Insurance expense. We are currently carrying an increase of roughly 18%, which would be the maximum increase possible in the coming year. Based on past experience, this increase should be closer to 5% and could reduce the budget significantly.

One item that may not have an impact on the current levy limit is the proposed Town Hall repairs and improvements. The \$3 million estimated cost for this project is based on estimates from several years ago, but we are using this number until more detailed figures are available. An architect is working on a more detailed cost analysis, which should be available in the coming weeks. There are many options to fund this project, from issuing debt to using proceeds from the sale of Southern Conomo Point properties. Given the recent issues at Town Hall, the Committee is focused on getting this project approved and started.

4. Public Comment

None

REQUEST FOR A LINE ITEM TRANSFER

Requests are to be made and transfer voted BEFORE any expenditure is incurred. Please submit only one copy.

To: Finance Committee – Town of Essex

1. Amount Requested: \$944.95 1100.2.295.5255.00 Title: Pier & Float Maintenance

2. To be transferred to Account: 1100.2.295.5700.00 Title: Incidental Expenses

3. The specific purpose the amount requested will be used for: Pay invoice

4. This expenditure is extraordinary and/or unforeseen for the following reasons: Required training was not known at the time of budget preparation.

Date: 2/5/2015 Signed: [Signature]

Date of meeting 2/17/15

Vote: [checked] Yes _____ No

Transfer voted in the sum of \$944.95

Transfer disapproved _____

FINANCE COMMITTEE

[Three signatures on lines]

Jeffrey Soudard [Signature]

BGE 28 45

REQUEST FOR A LINE ITEM TRANSFER

Requests are to be made and transfer voted BEFORE any expenditure is incurred. Please submit only one copy.

To: Finance Committee – Town of Essex

1. Amount Requested: \$40,00.00 1100.1.210.5111.00
Title: Police Officers' Salaries

2. To be transferred to Account: 1100.1.210.5113.00
Title: Part Time Police Salaries

3. The specific purpose the amount requested will be used for:
Payroll

4. This expenditure is extraordinary and/or unforeseen for the following reasons:
Part time officers were used to cover shifts while Dan Bruce attended the Police Academy.

Date: 2/3/2015 Signed: [Signature]

Date of meeting 2/17/15 Vote: Yes No

Transfer voted in the sum of \$ 40,000 Transfer disapproved _____

FINANCE COMMITTEE

Justin Boyer Jeffrey Soulerd
[Signature] _____
[Signature] _____
[Signature] _____

BGE 28
46

REQUEST FOR A LINE ITEM TRANSFER

Requests are to be made and transfer voted BEFORE any expenditure is incurred.
Please submit only one copy.

To: Finance Committee – Town of Essex

Request for a Line Item Transfer from Account: #1100.2.193.5740.00
Title: Blanket Insurance

- 1. Amount Requested: **\$1,500.00**
- 2. To be transferred to Account: #1100.2.193.5240.00
Title: Office Machines
- 3. The specific purpose the amount requested will be used for:

The money will be used to purchase additional shelving for the Town Hall basement.

- 4. This expenditure is extraordinary and/or unforeseen for the following reasons:

When the initial shelving was purchased, we did not know how many shelves would fit in the area available. It is now apparent that we need more shelves and there is space available to accommodate them.

Date: February 9, 2015

Signed:  _____

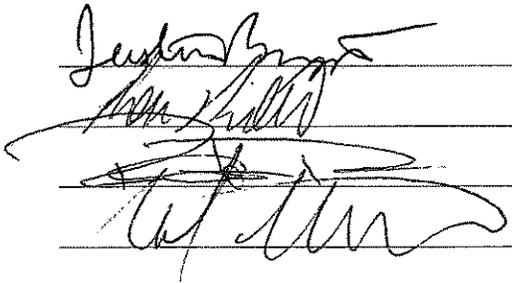
Date of meeting 2 / 17 / 15

Vote: Yes No

Transfer voted in the sum of **\$1,500.00**

Transfer disapproved _____

FINANCE COMMITTEE



jeffrey Souland

Bye 28
MS

REQUEST FOR A LINE ITEM TRANSFER

Requests are to be made and transfer voted BEFORE any expenditure is incurred.
Please submit only one copy.

To: Finance Committee – Town of Essex

Request for a Line Item Transfer from Account: #1100.2.193.5740.00
Title: Blanket Insurance

1. Amount Requested: **\$1,500.00**

2. To be transferred to Account: #1100.2.122.5312.00
Title: Procurement/Advertising

3. The specific purpose the amount requested will be used for:

Legal notices for various procurement efforts and sale of Conomo Point property.

4. This expenditure is extraordinary and/or unforeseen for the following reasons:

5 Beach Circle did not sell last fall as anticipated and will be advertised again in early spring. Also, the Historical Society has approached the Town for help with procurement of a designer for renovation and repairs to the Town's building at 28 Main Street.

Date: January 29, 2015

Signed:


Brendhan Zubricki, Town Administrator

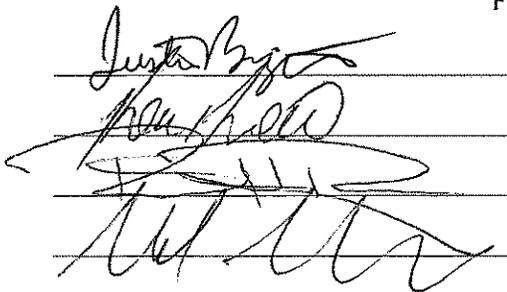
Date of meeting 2/17/15

Vote: Yes No

Transfer voted in the sum of **\$1,500.00**

Transfer disapproved _____

FINANCE COMMITTEE



Jeffrey Souland

BGE 28
MS

**TAX RATE ESTIMATE FOR
FISCAL YEAR ENDING JUNE 30, 2016**

	FINAL FY 2015	As Requested by Departments FY16	Increase/ (Decrease)
Town Meeting Articles:			
Article 17 Operating	6,102,512.00	6,397,115.00	294,603.00
Article 18 Sewer Enterprise	1,960,987.00	2,005,611.00	44,624.00
Article 19 Water Enterprise	704,202.00	732,600.00	28,398.00
Article 23 MERSD Assessment	6,665,060.00	7,228,425.00	563,365.00
Article 24 ENSA&TSD Assessment	119,433.00	200,000.00	80,567.00
Capital Articles "Attachment A"	183,139.00	1,009,704.00	826,565.00
All Other Articles - ATM	167,496.00	251,194.00	83,698.00
All Other Articles FTM	367,540.59		(367,540.59)
FY16 Non Union COLA		25,000.00	25,000.00
Community Preservation	264,054.00	TBD	(264,054.00)
TOTAL ARTICLES	16,534,423.59	17,849,649.00	1,315,225.41
Other Amounts to be Raised:			
Snow and Ice Deficit	-	100,000.00	100,000.00
Overlay Deficit	-		-
Community Preservation	-		-
State Assessments & Offsets	92,698.00	92,698.00	-
Assessors' Overlay	155,425.97	150,000.00	(5,425.97)
TOTAL OTHER TO BE RAISED	248,123.97	342,698.00	94,574.03
LESS:			
State Aid	250,703.00	250,703.00	-
Estimated Local Receipts	1,549,600.00	1,549,600.00	-
Enterprise Revenue	2,196,278.00	2,309,300.00	113,022.00
Free Cash	597,375.59	540,487.00	(56,888.59)
Free Cash - Enterprise	244,141.00	240,573.00	(3,568.00)
Community Preservation	264,054.00	TBD	(264,054.00)
Other Available Funds	152,491.00	261,144.00	108,653.00
TOTAL NON-TAX REVENUE	5,254,642.59	5,151,807.00	(102,835.59)
NET AMOUNT - TAXATION	11,527,904.97	13,040,540.00	1,512,635.03
LEVY ALLOWED BY PROPOSITION 2 1/2	10,624,384.00	11,022,184.00	397,800.00
Certified New Growth	128,966.00	100,000.00	(28,966.00)
Debt Exclusions	1,238,117.00	1,217,351.00	(20,766.00)
ALLOWED AMOUNT - TAXATION	11,991,467.00	12,339,535.00	348,068.00
(OVER) / UNDER PROPOSITION 2 1/2 LIMIT	463,562.03	(701,005.00)	(1,164,567.03)

FY 2015 Value of Property	747,594,356	747,594,356
FY 2015 Tax Rate per \$1,000 of Value		
Estimated FY16 Tax Rate	\$ 15.42	\$ 17.44

	GENERAL	WATER	SEWER, unreserved
FREE CASH CERTIFIED 7/1/14	\$ 1,001,971	\$ 347,772	\$ 213,930
Voted at 11-17-14 FTM	(222,376)	(18,000)	(22,000)
Proposed above for May 2015 ATM oper	(400,000)		
Proposed above for May 2015 ATM capital	(140,487)	(47,219)	(93,354)
Net available for future town meetings	\$ 239,108	\$ 282,553	\$ 98,576

ASSUMPTIONS

➤ General

1. Vo Tech Budget not yet received – using \$200,000.
2. Non-union COLA estimate – using \$25,000.
3. Snow and Ice deficit – added \$100,000.
4. Assessor’s Overlay conservative estimate at \$150,000.
5. State Aid & Assessments – level funded as FY15
6. Local Receipts – level funded as FY15
7. Apx \$240,000 of available free cash unused until TM Warrant closes
8. ‘New Growth’ reasonable estimate at \$100,000.

- Community Preservation - no articles have been submitted yet, but since CP fund offsets dollar for dollar no change will be made to the bottom line of TRA

➤ General Free Cash used

Operating Budget	\$400,000.
Capital Budget – Attachment A	<u>140,487.</u>
Total	<u>\$540,487.</u> of \$779,595. Available

➤ “Other Available Funds used

Ambulance Fund	\$230,000.
Waterways Fund	4,950.
Septic Betterment Fund	<u>26,194.</u>
Total	<u>\$261,144.</u>

NOTES - Capital “Attachment A”

- C1-16 Town Hall Renovations \$3,000,000. Is the only Capital item not on the TRA. Funding, if by ‘borrowing authorization’, does not add to budget until permanent debt is issued. Note: if a portion or this entire article is funded from the Sale of Real Estate Fund then that portion will show on TRA but be offset dollar for dollar by SRE. Bottom line of TRA will not change.
- C5-16 (Story Ext \$75,000), C6-16 (Western Ext \$75,000), DPW Roadwork (\$112,000), DPW Dump Truck #302 (\$51,694) are included on TRA. However, if any are funded by Chapter 90 they will come off TRA. Use of Chapter 90 funds do not require town meeting vote. Bottom line of TRA would show deficit reduced.
- C7-16 (Client Computers \$10,000) is included on TRA. However, if funding is from Technology Fund it will come off. Use of Technology Fund does not require town meeting vote. Bottom line of TRA would show deficit reduced.
- Council on Aging (shower \$10,000) is included on TRA. However, if all or part is funded by a grant then that portion will come off TRA. Bottom line of TRA would show deficit reduced.

	A	B	C	D	E	F	G	H	I
1		Department	FY14 Budget	FY14 Actual	FY15 Budget	FY15 Exp thru 1/22/15	FY16 Requested	% change	FY16 Fin Comm
2	114	Moderator	120	100	120	-	120	0.0%	
3	122	Selectmen	71,843	63,322	97,902	37,284	114,142	16.6%	
4	129	Town Administrator	125,880	124,547	129,520	69,812	129,520	0.0%	
5	131	Finance Committee	410	155	410	155	410	0.0%	
6	131	Reserve Fund	85,000		115,000		85,000	-26.1%	
7		transfers granted	(54,583)		(57,123)				
8	135	Town Accountant	94,271	92,446	89,353	49,047	93,303	4.4%	
9	141	Assessors	132,283	109,748	137,215	58,940	132,653	-3.3%	
10	145	Treasurer/Collector	153,291	139,077	155,741	84,427	157,424	1.1%	
11	151	Legal - Town Counsel	476,500	358,052	260,000	112,499	260,000	0.0%	
12	152	Personnel Board	13,644	13,438	14,038	7,969	14,038	0.0%	
13	153	Internet/Network	22,800	18,434	22,800	12,433	22,800	0.0%	
14	161	Town Clerk	60,714	59,854	74,155	34,799	67,481	-9.0%	
15	162	Elections	9,715	2,423	10,574	4,958	10,574	0.0%	
16	163	Registrations	3,650	2,898	3,650	864	3,650	0.0%	
17	165	Licensing Board	2,692	2,692	2,742	1,591	2,742	0.0%	
18	171	Conservation Comm.	25,916	14,390	26,025	6,656	26,857	3.2%	
19	175	Planning Board	14,994	12,899	15,188	9,597	15,372	1.2%	
20	176	Zoning Board	2,298	1,980	2,324	848	2,324	0.0%	
21	179	Conomo Point	2,667	2,667	2,717	1,416	2,717	0.0%	
22	181	Open Space Committee	400	-	-	-	-	0.0%	
23	193	Town Property	84,206	74,578	78,914	36,460	75,584	-4.2%	
24	193	Blanket Insurance	85,508	78,639	99,868	79,416	104,861	5.0%	
25	195	Town Report	4,000	3,422	4,000	-	4,000	0.0%	
26		General Government	1,418,219	1,175,761	1,285,133	609,171	1,325,572	3.1%	-
27	210	Police	1,067,680	1,027,545	1,099,428	568,902	1,119,150	1.8%	
28	211	ECO	33,787	29,859	3,800	1,773	3,500	-7.9%	
29	220	Fire	286,852	252,308	291,942	150,121	296,796	1.7%	
30	231	Ambulance	77,093	54,492	78,057	26,258	78,157	0.1%	
31	241	Building Inspector	21,551	20,324	21,948	11,665	23,948	9.1%	
32	243	Plumbing Inspector	5,763	5,763	5,874	3,310	5,874	0.0%	
33	245	Electrical Inspector	5,713	5,713	5,824	3,310	5,824	0.0%	
34	291	Emergency Management	1,750	1,492	1,750	-	1,750	0.0%	
35	292	Animal Inspector	3,660	3,660	5,500	5,500	5,500	0.0%	
36	293	Animal Control Officer	5,960	4,603	10,300	5,292	14,300	38.8%	
37	295	Harbormaster	36,754	34,898	37,788	9,578	44,138	16.8%	
38	299	Shellfish	54,014	49,100	54,961	27,098	54,961	0.0%	
39		Public Safety	1,600,577	1,489,757	1,617,172	812,807	1,653,898	2.3%	-
40	300	MERSD Assessment	6,481,083	6,481,083	6,665,060	3,887,952	7,228,425	8.5%	
41	310	E.N.S.A.&T.S.D. Assessment	106,275	103,985	119,433	52,974	200,000	67.5%	
42	CSI	Essex Agricultural	Cherry Sheet		Cherry Sheet		Cherry Sheet		
43		Education	6,587,358	6,585,068	6,784,493	3,940,926	7,428,425	9.5%	-
44	420	Highway	567,683	549,818	537,814	276,481	581,899	8.2%	
45	423	Snow Removal	128,061	128,061	79,578	14,129	81,028	1.8%	
46	424	Street Lighting	13,727	13,727	13,000	6,831	18,070	39.0%	
47	430	Transfer Station & Recycling	205,331	193,180	207,647	82,849	213,440	2.8%	
48	449	WW - Sampling, Legal	-	-	16,500		16,500	0.0%	
49	491	Cemetery	54,108	50,785	56,647	20,902	58,057	2.5%	
50		Dept. of Public Works	968,910	935,571	911,186	401,192	968,994	6.3%	-

