

Town of Buckland, Massachusetts Budget Memorandum

To: Citizens of the Town of Buckland
From: Finance Committee
Date: April 22, 2016
Re: A discussion of the recommended Fiscal Year 2017 Town Budget

SUMMARY

The budget planning process was exceedingly challenging again this year. In the end, the Select Board recommended and the Finance Committee has agreed to not request an override vote to the budget. We have kept the budget under the levy limit. The tax increase is 5.2% or \$87 on a \$100,000 valuation.

We have some significant ongoing expenses in the school budget with an increase totaling \$183,529 (+8.4%) in Buckland's assessment for the Mohawk District, Franklin County Tech and Smith Vocational. The town's operating budget had a decrease of \$53,512 (-3.0%), the capital budget increased \$22,998 (+10.1%), and the stabilization funding is \$56,289 (up from \$0 last year). To pay for these we had a tough choice of where to make cuts in the town's operating budget in order to stay within our levy limit.

The cuts to make this happen come predominantly from the Highway department since it is the biggest municipal budget area. We also did not approve many requested increases in other areas of the budget.

Looking ahead, we will have significant increases in our debt load from renovations to the highway garage, from the rebuilding of roads destroyed by TS Irene, and from repairs to Mohawk, BSE and Franklin Tech. We have avoided an override for several fiscal years, but we are likely facing one in FY 2018.

Please note:

Fiscal Year 2017 (FY17) – the next budget year – July 1, 2016-June 30, 2017

Fiscal Year 2016 (FY16) – the current budget year – July 1, 2015 through June 30, 2016

Definition of terms (e.g. Free Cash) is appended to this Memorandum

REVENUES- Total revenues are expected to increase by 3.1% for this coming FY17. (Please refer to the Buckland Fiscal Years 2014-2017 Revenue/Expense Analysis for details.) This is primarily due to increases in real estate tax revenues and in State aid. New growth and income from local receipts are expected to be lower, while our free cash is slightly up from last year.

EXPENSES- Overall the budget is increasing by \$209,304 (+5.0%) to \$4,411,503. An explanation of key budget changes follows. The discussion is organized by warrant article with references to the line item from the budget spreadsheet.

Article Seven: Mohawk K-12 School District Operating Assessment (line 55). An increase of \$120,529 (+6.2%). We refer you to the explanatory memo from our School Committee representatives for a detailed explanation.

The Finance Committee does not recommend approval of this article, 2-3.

Article Eight: Buckland's share of the Mohawk Pre-K Operating Budget (line 56). An increase of \$10,812 (+23.7%). The Select board has separated the Pre-K budget from the Mohawk K-12 budget.

The Finance Committee recommends approval of this article (not unanimously, 3-2).

Article Nine: Mohawk K-12 School District Capital Assessment (line 57). A decrease of \$3,012 (-8.6%).

The Finance Committee recommends approval of this article.

Article Eleven: Borrowing for Repair Work to Buckland-Shelburne Elementary School.

The cost to Buckland would be about \$32,000 a year if the borrowing is for five years. The cost of this borrowing will not have an impact on Buckland's budget until FY18.

The Finance Committee recommends approval of this article.

Article Twelve: Franklin County Technical School Operating Assessment (line 59). A decrease of \$4,800 (-3.3%).

The Finance Committee recommends approval of this article.

Article Thirteen: Smith Vocational Assessment (line 58). This is a new budget item of \$60,000 due to tuition and transportation for new students attending this coming school year. We have had no assessment the last few years because none of our students have attended Smith Vocational and Agricultural High School.

The Finance Committee recommends approval of this article.

Article Fourteen: Expenses for the Shelburne Falls Wastewater Treatment Facility (Enterprise Fund) (lines 119-137). An increase of \$7,892 (+3.3%). This represents a 2% COLA for town employees and other increases in maintenance and insurance costs.

The Finance Committee recommends approval of this article.

Article Fifteen: Capital and/or Debt Expenses for the Shelburne Falls Wastewater Treatment Facility (Enterprise Fund) (lines 140 & 141). An increase of \$25,000 for reed bed replacement. This is a transfer from the WWTF Enterprise Fund to cover the cost we budgeted for two years ago and then was inadvertently closed out to the Enterprise Fund last. There will be impact to the sewer rate.

The Finance Committee recommends approval of this article.