

TOWN COUNCIL MINUTES

MAY 13, 2013

A special meeting of the Hampden Town Council was held on Monday, May 13, 2013 for the purpose of holding a budget workshop on the proposed FY 2014 budget. The meeting was called to order at 6:43 p.m.

Attendance:

Mayor Janet Hughes
Thomas Brann
Jean Lawlis
William Shakespeare
David Ryder

Town Manager Susan Lessard
Public Safety Director Joseph Rogers
Citizens

Manager Lessard gave an overview of the proposed FY 2014 Budget and budgets for Police, Fire and Public Safety were reviewed.

BUDGET OVERVIEW – Manager Lessard provided an overview of the proposed budget and explained the steps she has taken in an attempt to make accommodations for the anticipated losses in State revenues. Because these losses are currently unknown, she informed the Council that the budget as proposed is a middle of the road approach, estimating that the funding losses from the State to the Town would be in the neighborhood of \$300,000.00. A copy of her overview is attached and made a part of the minutes.

05-01 POLICE – Public Safety Director Joe Rogers noted that there are few changes from last year's budget. He did not note that, not reflected in this budget, is an additional school resource officer. The Department is in the process of applying for a grant to pay 75% of the cost for three years. If this comes to fruition, Joe will come back to the Council at that time to request the additional 25%. Joe reviewed the proposed budget line-by-line and no change was made to the proposed total amount of \$1,000,379.00, which is approximately \$28,000.00 less than the FY 2013 budget.

05-05 FIRE DEPARTMENT – The proposed budget was reviewed line-by-line and no change was made to the proposed total amount of \$966,835.00, a reduction of approximately \$6,100.00 from the FY 2013 budget.

05-10 PUBLIC SAFETY – The proposed budget was reviewed line-by-line. Joe noted that line item 05-10-20-20 Communications Maintenance should be changed from \$500 to zero. The new proposed total for Public Safety is \$185,131.00, down approximately \$1,900.00 from last year.

There being no further business the meeting was adjourned at 8:06 pm.



Denise R. Hodsdon
Town Clerk

TO: Hampden Town Council
FROM: Sue Lessard, Town Manager
DATE: May 13, 2013
RE: 2013-2014 Budget

The 2013-2014 Budget is challenged on a number of fronts – most significantly by the lack of a State Budget that specifies the amounts of State revenues that the Town can expect to receive in the coming year. The Town Council has several options to deal with this ‘unknown’ factor. First, the Council could budget to accommodate all proposals affecting town funds put forward by the Governor as part of his budget, which would require a mil rate increase of approximately \$1.24 on the municipal side, an additional 36 cents on the school side and 6 cents from the County increase. Second, the Council could budget to accommodate a more middle-of-the-road impact to state funding and seek to offset half of the proposed losses. Third, the Council could budget as if none of the funding streams will be affected. The fourth option is that whatever choice the Council makes, if the State budget is not adopted by July 1st and the Council adopts its budget – if the eventual passage of the State budget creates a significant funding difference than what was anticipated – the Council can either further restrict expenditures or utilize unanticipated revenues by amending the budget.

The budget that is being presented has chosen a middle of the road approach, estimating that funding losses from the state to the Town would be in the neighborhood of \$300,000. I have accommodated these losses by the following:

1. For the first time in the Town’s history, only union members (police/fire) are proposed to get a raise this year. The contracted amount is 2%. The cost of allowing 2% raises to the remainder of the town personnel would be, including FICA/Medicare and retirement impact, \$45,275. Since Police and Fire represent approximately 40% of the wages paid to town employees, the cost of raises in those departments totaled a little over \$31,000. If the state budget allows for sufficient funding to municipalities over and above what is anticipated by this budget, I would ask that the Council consider allowing a 2% raise for the remaining municipal employees as well.
2. Reserve budgeting will be at 50% of normal – meaning that there will be no paving in 2013/2014 but that paving will resume in 2014/2015. The same is true for major equipment purchases budgeting. It is not perfect but it does not create a situation that would keep the Town from being able to replace equipment or pave without significantly impacting the mil rate over time.
3. 50% of the police cruiser funding will be done in 2013/2014 and 50% in 2014/2015 and a purchase will be made in 2014/2015.
4. Police/Fire wage budgeting for vacations/sick time/holiday coverage have been budgeted to reflect the ‘actual’ usage of those monies over the past five years.
5. Police/Fire personnel have assumed the duty of cleaning the police/fire portion of the Municipal Building resulting in savings in that budget.
6. Administration legal fees are being reduced by \$18,000 to reflect the actual usage for the 2012/2013 year as opposed to the prior two years.

7. I have not budgeted for Outside Agencies in this budget. Since this budget does not give raises to the majority of its employees, reserve at regular practice amounts, and also alters its capital equipment replacement practices, I am not recommending this funding.
8. Debt Service is down nearly \$10,000 this year, and one of the town's bonds – for the purchase of the LL Bean property will be retired in 2014/2015. The Gravel Roads Bond will be retired in May of 2016. The net reduction in debt service as of May of 2016 will be over \$100,000 per year. Looking forward to the next two budgets – this will help to provide a cushion moving forward.
9. Line items used for purchases for supplies, etc. have been scrutinized to see if there were ways to reduce line items that were not showing usage over the past five years.
10. General Assistance budget has been reduced since the eventuality budgeted for last year with changes in State programming did not come to pass. That budget is reduced by \$7,500.

Valuation changes – School/County Increases

11. The initial estimate of new valuation has been calculated at approximately \$5,000,000. That translates to \$79,500 in new tax dollars at the current mil rate of \$15.90.
12. At the Goals/Objectives session of the Council, it was the consensus of those participating that new valuation would be available to the school budget at the rate which it comprised of the municipal tax dollar (56.1%). In this case, that would be \$44,600. The school budget as adopted by the School Board is up \$259,299 for fiscal 2013/2014. New value applied against that leaves \$214,699 in new expenditures that the Council agreed would not have to be accommodated by the Town side of the budget.
13. The County budget as adopted reflects an increase of \$36,031. The County comprises 7.4% of the tax dollar. Applying 7.4% of the new value against this increase (\$5,883), leaves \$30,148 that should not have to be accommodated by the Town side of the budget.
14. The remaining 36.5% of new valuation - \$29,018 can be used in addition to the municipal budget reductions to offset potential State funding losses.
15. At the current estimated valuation, the mil rate increase necessary to accommodate the school increase and the county increase after application of new value would be 42 cents on the mil rate. At the time the new school was being proposed, it was estimated that the impact to the mil rate from the 6 million dollar additional local share of construction would be 35-40 cents on the mil rate. We are in the second year of funding the new school and the necessary mil rate increase falls within that range. However, since the school board has budgeted for all of the curtailments presented by the Governor's budget – there is a possibility that their budget amount could be reduced if all of those funding cuts/additional expenses do not come to pass.

The budget is presented with the idea of sustainability and retention of services. It keeps whole the services that are provided to the residents of the community, and it reduces the municipal side of the budget by a little over \$300,000 from last year's budget. A net 50 cent increase in the mil rate would represent a 3.1% increase and raise the amount necessary to offset the non-valuation covered increases in the school and county budgets.