

FY19 Year-End BOS Questions

10/7/19

EXPENSES

Q1 – Do we have an overview of the total cost to run departments (grants/revolving funds etc)?

The funds shown represent General Fund activity. Town and School departments rely significantly on grant funding to support programming & staffing. In the past we have produced cost-centers that have shown funding sources for the entire operation. For future presentations having a grant update by department might help to provide the full financial picture.

Q2 - Do we currently have any recurring expenses which are not funded by Town Meeting appropriations that the Town may need to cover in future years?

On the municipal side, BOH and COA have several grant funded positions. Through the Drug Free Communities grant that provides for staff to address the opioid & vaping issues. COA has historically relied on the EOEIA formula grant which helps to offset the costs associated with staffing for senior programming. The school department relies heavily on grants to fund their operations.

Q3 – Provide an overview of significant operating expense variances from budget to actual.

DPW – Equipment maintenance, this has been a trend for the last few years. Increased cost for supplies & parts for repairs. These are costs associated with preserving the fleet and getting vehicles to maximize their useful life but something that will need to be addressed in the budget process.

SNOW ICE – A legal overage, this is budgeted low because if it is increased that is the minimum that appropriation can be the following year while still being able to over spend it. These excesses will be applied to FY20's levy.

BOS/TA – A significant amount of the balance here is from unsettled CBAs (\$600k+), we were also without an HR Director and Coordinator for roughly half the year.

Finance – The remaining balance is attributable to retirements. The Director of Assessing, and Treasurer Collector retired. Assessors carried 1 vacancy for most of the year, Treasurer Collectors went through a transition period with multiple vacancies, and Comptroller's Office turned over a Finance Coordinator & Ast Comptroller. Fortunately, we are almost fully staffed now with 1 vacancy in the Treasurer Collectors office.

CED – Costs associated with the N Main St consulting services & an increase in inspection staff due to an increase in permits and inspections. On a positive note this also generates revenue for the Town.

Debt – Came under budget due to the inclusion of KMS and WNFS in the original budget. These were part of the large issuance last December, and were scheduled for initial payment in FY20 rather than FY19. Additionally as part of the issuance the premium was able to eliminate a couple of outstanding debt line items (Charles River Dam engineering and a Trash Packer).

Employee benefits – Most of the accounts within this budget were close to targets. Health Insurance had a remaining balance of \$815k, this was the first year with the new plans HSA & Benchmark so we are evaluating future costs and enrollment by group to see what future trends will be.

REVENUES

Q4 - Property Tax Levy -- does the 1.1% gap represent an adjustment in the levy calculation or uncollected property taxes?

For 19 R/E & PP Taxes we collected 109,525,716 with a levy of 111,530,485 this is a 98.2% collection percentage.

Q5- What is in the "Miscellaneous Recurring" and "Other Department Revenue" categories in Local Receipts, and what are your thoughts as to whether we can refine our projections for these categories?

Refining categories for these isn't a bad idea but we have 390 General Fund Revenue accounts so some consolidation is required.

Q5 – Concerns over some of the trends with local receipts.

Local receipts are one of the most volatile pieces in projecting revenues. From the graph in the presentation that year to year swings can be significant. The key line items that we will be looking into further are the ambulance revenues and motor vehicle excise tax. We're looking to get the final reports from ProEMS for the FY19 call volume and ALS/BLS mix. For motor vehicle excise we will monitor upcoming commitments and review trends as best we can for automobile sales. From a big picture standpoint, strong new growth and permitting revenue continues to support the Natick budget even with the variability from certain local receipt groups.