



FY 2013 BUDGETS

11/17/2011

To: Dept Heads

From: Finance Committee

As the town prepares for its new FY2013 budget, the Finance Committee requests that you prepare a budget that accounts for salaries with no step and 2% COLA increase and level funds expenses based on your FY12 budget.

Additional requests to help expedite the budget review process:

- Break out all expenses in detail
- Copy FinCom on all capital requests made to the Capital Planning Committee

The Finance Committee will provide all departments a complete budget showing all budget *requests* by the end of January. This will help in guiding the town to a balanced and fiscally sound recommended budget for FY2013. It is important that all budgets be submitted on time so the data can be complete.

FY2013 Funds:

Funds available for FY2013 budget without a 2.5% override:

Table 1

LEVY LIMIT FY2012		\$ 7,894,444
+ 2.5%		\$ 197,361
NEW GROWTH		\$ TBD
SUBTOTAL		\$ 8,091,805

For the FY12 budget a new growth estimate of \$50k was used with the actual being \$128,366. This growth above estimate of \$78,364 is available for the FY13 budget (included in FY Levy Limit). If we

add this to the +2.5% increase of \$197,361, we have \$275,725 in new funds available for FY13 before a new growth estimate. For comparison, during FY12 budgeting \$264,917 in new funds was available for FY12, including the new growth estimate.

State Aid

State Aid’s steep decline leveled off in FY12. State Aid dropped 0.9% from FY11 to FY12 (\$784,484(FY11) to \$777,233(FY12)). However, Berlin’s share of State Aid was been significantly cut over the past three years. Berlin’s share of State Aid has been cut from \$961,307(FY09) down to \$777,233(FY12) for a cut of 19.1% from FY09 to FY12. FY12 saw the same leveling off in Chapter 70 funding as it increased 0.5%, going from \$497,433(FY11) to \$500,103(FY12). Chpt70 is still down 7.2% from FY09 to FY12.

	State Aid	Comparison	% change	Chpt 70	Comparison	% change
FY09	\$961,307	FY09/FY10	-11.0%	\$539,078	FY09/FY10	-2.0%
FY10	\$856,016	FY10/FY11	-8.4%	\$528,296	FY10/FY11	-5.8%
FY11	\$784,484	FY11/FY12	-0.9%	\$497,433	FY11/FY12	0.5%
FY12	\$777,233	FY09/FY12	-19.1%	\$500,103	FY09/FY12	-7.2%

Items of note for FY13:

Worcester County Retirement will have another 6% Assessment in FY13 over FY12. FY12 Assessment was \$245,212 before one payment discount. FY 14 assessment will be another 7%. These caps were part of “Municipal Relief Act of 2010.

Berlin share of Tahanto likely to increase again in FY13. BMS 6th grade is 32 students, BES 6th grade is 46 students. Student ratios appear return to Berlin’s favor in following years.

Charter School Sending Tuition charge for BMS should remain low (\$0 in FY13) due to Tahanto at maximum payment for charter school sending tuition. No seniors at Marlboro Math and Science in FY12.

Chpt32b insurance rates a typical wildcard. Our chpt32B increase was 4.83% for FY12 vs FY11. This was after increasing copays and reducing the usual buffer in the account for new enrollees by \$10k. Chpt 32b budget in FY12 is at \$694k vs \$511k in FY09.

\$62.4 million Assabet repair project ready to go. Estimate of \$1,050,000 is Berlins share (fall 2011 estimates). Decisions to be made about debt exclusion or funding through levy.

ALL BUDGETS **MUST** BE TO THE FINANCE COMMITTEE BY January 15, 2012 PER TOWN BY-LAWS/MGL 20S. LATE SUBMITTALS WILL NOT BE ACCEPTED AND YOU WILL BE LEVEL FUNDED OR CUT IF NEED BE. THE BUDGET WILL REQUIRE CLOSE ATTENTION AND TIME FOR FEEDBACK TO DEPARTMENT HEADS.

