



*Town of Littleton, Massachusetts  
Department of Finance and Budget*

*Bonnie-mae Holston, Assistant Town Administrator/Finance Director  
Mary M. Barrett, Assistant Town Accountant*

To: Keith Bergman, Town Administrator

From: Bonnie Holston, Asst Town Administrator

Date: June 24, 2009

Re: FY2010 Budget outlook

---

As communicated to the Board of Selectmen on June 1<sup>st</sup>, the continuing downturn in the economy has led to deeper State budget cuts and further restructuring of local aid receipts to the Town since our Annual Town Meeting.

We are now in receipt of the FY2010 Cherry Sheets as adjusted by the Conference Committee budget figures. This is slightly ahead of the original projected date of July 31<sup>st</sup>.

While the Town was confronted with an additional 6.9% reduction in FY2010 State Aid numbers under the Senate Budget, the Conference Committee version shows a smaller reduction of 2.4%. The result is a revised budget deficit for FY2010 of approximately \$200,000. Additionally, the School Department's structural deficit is now projected to be in excess of \$600,000.

As a result of this, the Town needs to adjust its budget to address these serious shortfalls with the goal of mitigating the possibility of layoffs.

In reviewing the potential funding sources to offset this deficit, I would offer the attached list of reductions to be made at a fall Town Meeting. Highlights are as follows:

1. Two articles would be rescinded freeing up \$35,000 in funds to utilize.
2. As a result of the hiring freeze, we were able to recover approximately \$65,000 in funds from the Highway and Public Buildings Departments.
3. A reduction (of approximately 80%) in Quinn Bill State Aid accounts for \$67,000 in reductions in the Police wage line item, as the Town is held harmless if the State under funds its portion of this revenue to the Town.
4. The balance of the reductions have been made to other named departmental budgets as they could be absorbed.

While these reductions are significant in some areas, no furloughs have been proposed to offset the deficit.

Thank you for your patience throughout these developments.