



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

*Bonnie-mae Holston, Assistant Town Administrator for Finance and Budget
Michelle Reynolds, Assistant Town Accountant*

To: All Departments, Boards and Commissions

From: Bonnie Holston, Assistant Town Administrator for Finance and Budget

Date: November 2, 2011

Re: FY2013 Budgets

As we begin the process of preparing our Fiscal Year 2013 operating and capital budgets for submittal to the Board of Selectmen and Finance Committee, we are cognizant that during the past few years, we have witnessed the worst economic downturn in most of our lifetimes, and that the recovery has remained a slow and uncertain process.

Fiscal Years 2011 & 2012

Over the past few years, we have seen significant reductions in General Municipal State Aid - 21.8% in FY10, 4% in FY11 and 7% in FY12 (recently restored this month). We have anticipated declines in local revenues and have made many conservative and fiscally-responsible decisions to implement cost saving measures to reduce expenses town-wide. Town departments have been operating on budgets that reflect no increase in services since July 1 2009. We are maintaining the position vacancy review process adopted by the Board, and continue to competitively bid contracted services. While these measures have contributed in avoiding draconian budget cuts, there have still been recognizable reductions in services.

The FTY2012 Town operating budget is based on a level staffing scenario with expenses level funded. All contractual obligations - such as any steps due along with the 1% COLA for all units - have been built into the appropriations for wages. The Town Departmental budgets reflect a 2.09% increase over FY2011 levels.

While the School appropriation shows a zero (0%) increase over FY2011, the actual School budget increased by 4.73% as a result of the use of \$1,021,965 in their reserves to support the FY2012 budget increase. Continued use of reserves and non-recurring revenues on the School operating budget cannot be sustained in future years.

The Town further supports the School budget by bearing the cost of the Health insurance benefits for School Employees, who make up 70% of the enrollees. At this point in time the revenue that can be raised under Proposition 2 1/2 is almost entirely consumed by Health Insurance increases for employees and retirees.

With that - please find attached your **FY2013 Budget Request documents**.

In order to accommodate the Board of Selectmen and Finance Committee objectives, the Budget Narrative Worksheet has two requests that should be completed:

1. FY2013 Level Funded Budget
2. FY2013 Staffing Budget

The **Level Funded Request** should be just that – the same appropriation in FY2013 that you were granted in FY2013 – as adjusted by the November 14, 2011 Town Meeting. It is understood that this may result in a decrease in staffing and/or service levels due to contractual increases, i.e. step increases, vendor contract increases, etc.

The **Level Staffing Budget** should be prepared with the same staffing levels as FY2012 inclusive of increases to support any applicable FY2013 programmed Steps. Expenses are to be level funded at the FY2012 amount.

While I am not certain at this time of our ability to attain a level staffing budget, it will be helpful to identify the target for this level of service should it become a possibility.

As more information becomes available through the State, we may ask for other scenarios should it become necessary.

The contracts for all Town bargaining units expire as of June 30, 2012. Should a COLA be negotiated as part of a new agreement, it would have to be funded by way of an additional appropriation at the Spring or Fall 2012 Town Meeting. Additionally, the Personnel Board will need to make a formal recommendation with regards to a COLA for the Bylaw Employees over the next few weeks. Formal notification of their recommendation will be transmitted to the Board after their vote; however I am anticipating that their COLA recommendation will be delayed until the Classification Study currently under way is complete and agreements have been negotiated with the other bargaining units. As a reminder - funding any step or COLA obligations within the level funded scenario may require making reductions to department expenses or existing staffing levels.

In your scenarios, please be as specific as possible in quantifying the service impacts to your department. Hour reductions for staff, reduced or discontinued programs should be stated in the narratives.

The request package you must submit includes the MS Excel (payroll) and MS Word (budget narrative). Please complete the forms and return them by e-mail to bholston@littletonma.org by November 29th. This will allow me to compile the budget books for the boards in a timely manner.

If there are accounts listed in the Budget Narrative that you do not utilize, please leave them blank or delete them altogether. I have also attached a sample of the completed payroll to assist you.

If you are responsible for multiple departments, please complete a separate package for each department.

I will provide each department with a final expenditure report for FY11 as well as a year to date for FY12 (in your mail boxes) in order to assist you in the preparation of your budget. Should you need last year's budget documents as submitted, please let me know and I will email them out to you. Other items you may need to consider in your preparation are:

- Contractual obligations for services
- Heating and fuel increases
- Implementation of any new equipment/capital purchased in FY11 and FY12

Please review the documents and do not hesitate to ask any questions you may have regarding this process.

Also attached is the meeting schedule for the Finance Committee for the FY13 Budget Planning. Please make note of your meeting date and time and be present to review your budget request with the Committee. If your Department is not listed for review with the Finance Committee, your review will be with me at the time of submittal. Should your Board or Department still wish to meet with the Finance Committee, please let me know and we will coordinate a time that is convenient for both.

Thank you for your cooperation in compiling the budget data, and please do not hesitate to contact me personally with any questions regarding this information. I look forward to working with you all during the budget process.

FINCOM MEETING SCHEDULE FOR FY13 BUDGET PLANNING
ROOM 103 LITTLETON TOWN HOUSE

October 25, 2011	STM Warrant Recommendations FY2013 Budget Directive	7:00pm 7:30pm
November 7, 2011	Executive session with BOS Contracts discussion	6:30pm
November 14, 2011	Attend STM Capital Plan Requests Received	6:30 pm
November 29, 2011	Capital/Budget Planning Session	7:00 pm
December 01, 2011	Capital/Budget Planning Session	7:00 pm
December 05, 2011	Joint Meeting with BOS and SC FY2013 Budget Discussion	7:00pm
December 13, 2011	Budget Discussion Library COA	7:00 pm 7:30 pm 8:00 pm
December 20, 2011	Planning Board Building Department Town Clerk	7:00 pm 7:30 pm 7:45 pm

January 10, 2012	Park & Recreation Finance Department Capital Review Revenue Review	7:00 pm 7:15 pm 7:30 pm 7:45 pm
January 17, 2012	Exec Session SC & BOS Selectmen's Office	7:00 pm 7:45 pm
January 24, 2012	Highway Department Light and Water	7:15 pm 7:45pm
January 31, 2012	Police Fire Call Backs	7:00 pm 7:30 pm 8:00 pm
February 07, 2012	SC Budget Review and Joint Meeting w/BOS Capital Plan Final FINCOM Planning	7:00pm 7:30pm 8:00 pm
February 14, 2012	Budget Book Session Public Forum Planning	7:00 pm
February 21, 2012	Budget Planning	7:00 pm
February 28, 2012	Final Town Budget Planning	7:00 pm
March 06, 2012	Nashoba Tech School Committee Discussion	7:00 pm 7:15 pm
March 13, 2012	Joint Meeting with BOS Final Town Budget Input for Town Report	7:00 pm
March 20, 2012	Input for Town Report	7:00pm
March 27, 2012	Input for Town Report	7:00pm
April 03, 2012	Review of Warrant Articles	7:00 pm
April 10, 2012	Final Budget Review	7:00 pm
April 17, 2012	Public Forum	7:30 pm
April 23 or 30, 2012	Attend BOS Meeting w/SC	7:00 pm
May 07, 2012	Annual Town Meeting	6:30 pm