

Town of Shirley

BOARD OF SELECTMEN



7 KEADY WAY – SHIRLEY, MASSACHUSETTS - 01464-2812
Patrice Garvin, Town Administrator

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February 11, 2014

Dear Residents of Shirley,

I am pleased to submit for your consideration the Proposed Fiscal Year 2015 Operating Budget for the Town of Shirley. This is the first budget that I have submitted as your Town Administrator. This year I will be proposing options that, not only strive to provide a stable tax rate, but allow us to continue to address areas that will improve our overall financial situation. I am very fortunate to have the outstanding support and assistance of Bobbi Jo Colburn, Town Accountant, Rebecca Boucher, Principal Assessor, Holly Haase, Tax Collector, Kevin Johnston, Treasurer, and Kathleen Rocco, Executive Assistant as they have assisted me in developing the proposed operating budget. Their recommendations and cooperation were crucial in the preparation of this budget. I would also like to thank Selectman Kendra Dumont and Finance Committee Member Stewart Cady for their attendance and input in the budget meetings.

In preparing the FY 2015 Budget, I requested that departments examine the services they provide and whether or not the way those services are delivered needs to be adjusted. Departments were asked to take a hard look at their department operation and provide a realistic outlook for FY 2015 and beyond. Most departments submitted level funded budgets; others presented budgets indicating where they would like to go in the future. I also estimated the Regional School Assessment based on what the Town could afford, and after some calculations it appeared that a 4.88% increase over last year's Ayer Shirley Regional appropriation was more than an adequate increase. I budgeted \$5,591,283, and with this number we are in a deficit. The Ayer Shirley Regional School Assessment was adjusted by (\$1,215) in the fall of 2013; thus \$5,591,283 is \$261,155 above FY 2014 adjusted appropriation. The schools preliminary assessment is an additional \$321,084 over the \$261,155.

That said the Town has two options:

1. Level fund the operating budget, cutting back as best it can and use one time monies to fill the gap. This is an option that I cannot support given that the Town would be using one-time revenues for reoccurring costs. This only puts the Town in the same position for FY 2016, assuming Free Cash and MCI monies stay level. Snow and Ice for this year is in deficit and we are only half way through winter, which will need to be addressed before the deficit. Also, the department's budgets are being squeezed leaving little room for a healthy free cash number in the future. New growth is estimated at \$90k for FY 2015, this number is at the higher end of the scale discussed by the Assessors, again leaving little room for accumulating Free Cash. Under Option #1 the Town will need to find approximately \$300k to fund the deficit from one-time revenue sources. Given the issues stated above my concern is that there will not be enough Free Cash available to offset the deficit, especially if the Regional Schools budget comes in over 4.88%.
2. Make the necessary cuts in the operating budget to decrease the deficit without hurting services. The Town will have to simply do more with less. I propose layoffs and cuts to positions in Town. By making these reductions the Town will save in salaries/wages as well as employee benefits. These types of cuts are never easy; however the stipulation is that the Regional School assessment increase remains at 4.88%, as I proposed.

Any additional increase in school spending will exacerbate the problem and hurt services. While I understand and support the importance of the schools, and their proper funding of education is crucial, we need to balance that need with the needs of the rest of the entire town and not decimate municipal spending to a level that is unacceptable to me as an Administrator and the residents. After

instituting the recommended cuts the Town can begin to wean itself off of using one-time revenues to fund reoccurring costs. Again, I do not make this proposal without knowing the challenge it will create, but given my understanding of the Town's budget I see no other option. Under Option #2 the Town would need use some of its Free Cash, but not as much as in Option #1. I estimate using no more than \$100k to fill the deficit under this option.

The rest of this budget message and the Draft FY 15 Operating Budget can be seen by following this link:

Sincerely,

Patrice Garvin,
Shirley Town Administrator