



FY 2012 BUDGET

Town of Holden • Massachusetts



TOWN OF HOLDEN
MASSACHUSETTS
OFFICE OF THE TOWN MANAGER

Nancy T. Galkowski
Town Manager

February 15, 2011

To the Honorable Board of Selectmen and the Finance Committee:

Submitted herein is the Fiscal Year 2012 recommended budget for the Town of Holden. This year's format retains the traditional four areas of (1) Resource Profile; (2) Budget Summary; (3) Budget Detail; and (4) Capital Budget and adds a fifth area for the Five Year Capital Plan. The Resource Profile includes information on the final budget from FY2011 in comparison with the recommended FY2012 budget. Included in the FY2012 budget message is a Five Year Plan forecasting the overall financial outlook for the town until FY2016. The Capital Budget includes a Five Year Plan showing the capital needs of the community through FY2016.

Working with the Finance Committee, the FY2012 budget format has been revised. Historical information going back three years is presented in each budget request. Cost centers have been replaced with a more detailed description of the departments operations and budget information. For all general fund budgets the financing plans have been eliminated; however, Enterprise Funds and Revolving Funds have retained the financing plans.

REVENUE

Fiscal Year 2012 revenue from all sources is projected to increase by \$1,718,185. This is an increase of 4.7% from Fiscal Year 2011. Local receipts are decreasing by \$103,900 or 2.4% largely due to an accounting change in the way indirect charges are budgeted. The slow economic recovery is affecting any growth in local receipts with most of them flat. The Governor's budget numbers show a decrease of \$116,925 in Unrestricted Local Aid, a 7.23% reduction, and it is anticipated at this point that the Legislature will at least fund at this level.

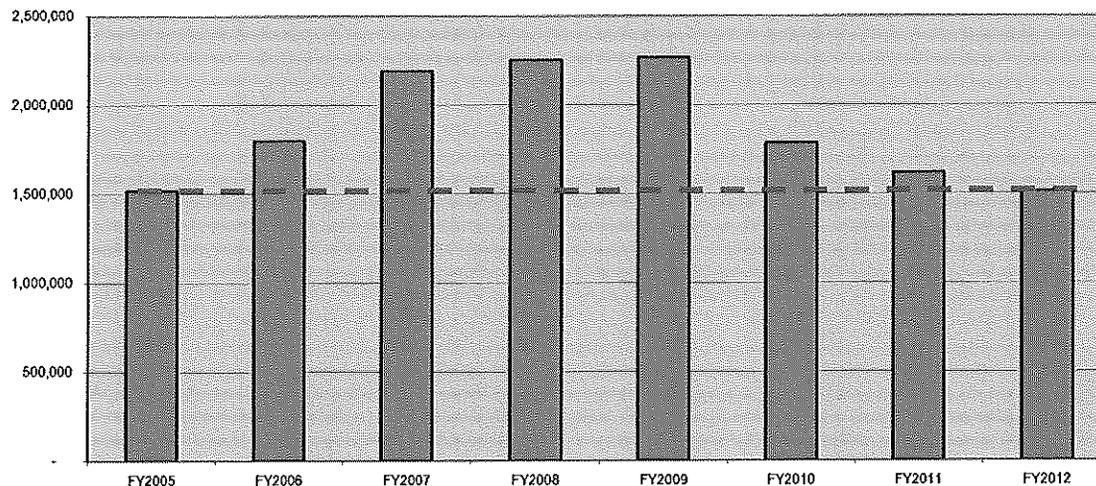
Property Taxes:

Our largest source of revenue is from the Property Taxes. The FY2012 levy will increase by \$982,707 or 3.7%. The debt that is excluded from the limits of Proposition 2 ½ will increase by \$198,383 in Fiscal Year 2012. This includes the school renovations/reconstruction, our portion of the WRHS renovations, and a portion of the debt for the Public Safety Building. An additional debt excluded amount may be added to this if an additional borrowing for the remainder of the Public Safety building occurs this Spring. It is estimated that the mid year supplemental tax revenues will return to their FY10 level due to a slightly stronger construction market. The revaluation of our property in FY2011 dropped the average homes assessed value to \$270,800 from FY2010 average of \$277,200 or approximately 2.3%. The estimated tax rate for FY2012 is \$16.29 or an additional \$.64 per \$1,000 in assessed value. For the average assessed home it would mean an increase of \$173 on their annual tax bill in FY2012.

State Aid:

The Governor's proposed budget reduces the Unrestricted General Government Aid by \$116,925 or 7.23%. The Governor's proposal shows minimal change in our other funding accounts with the largest increase in Veterans' Benefits. This is a reimbursement for benefits paid by the Town to veterans as required by the Mass General laws. Overall our State Aid has decreased by \$100,591 or 5.56%, this following a 1.8% decrease in FY2011 and a 20% decrease in FY2010. As the legislative process unfolds, these amounts will change. The chart below illustrates the Town's Net State Aid from FY 2005 until FY2012. The FY2012 net State Aid is approximately the same level as it was in FY2005.

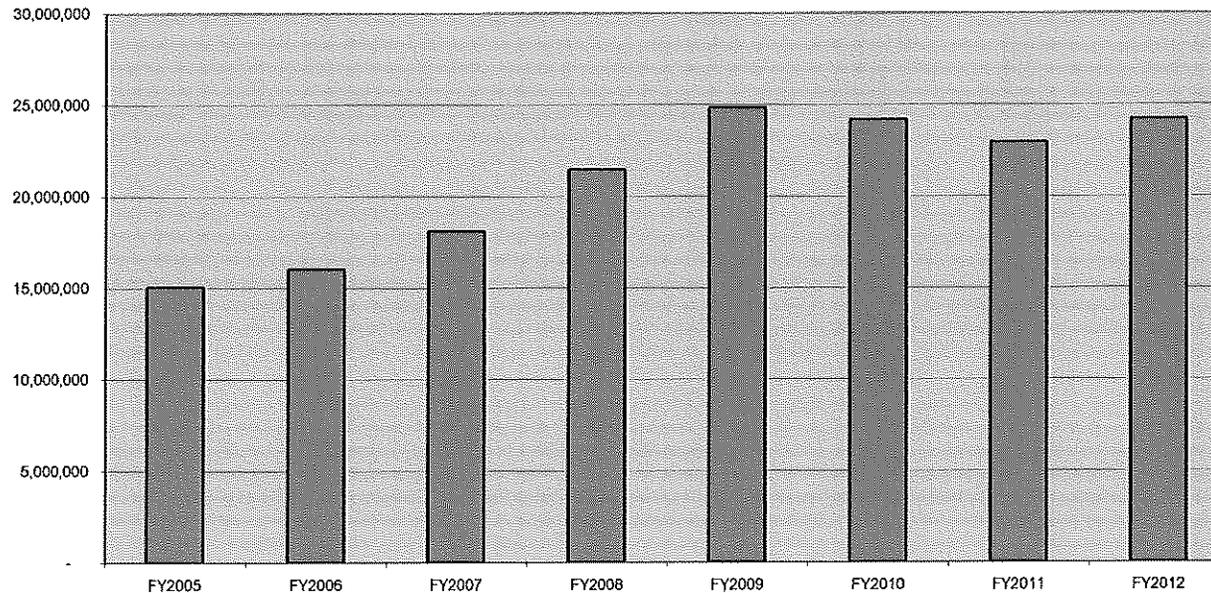
**State Aid
FY2005 - FY2012**



State Aid - Education

The chart below indicates the State Aid history for the Wachusett Regional School District. The Governor's recommended budget would provide for an increase in Chapter 70 aid for the District of \$1,146,087 or 5.4%. Regional School Transportation aid is decreasing by \$207,315 or 9.4%. School Choice Receiving Tuition has increased by \$325,232 or 43.6% from FY2011. Charges to the district have remained relatively flat. The net increase in State Aid to the district is \$1,269,807 or 5.5%.

Wachusett Regional School District State Aid FY2005 - FY2012

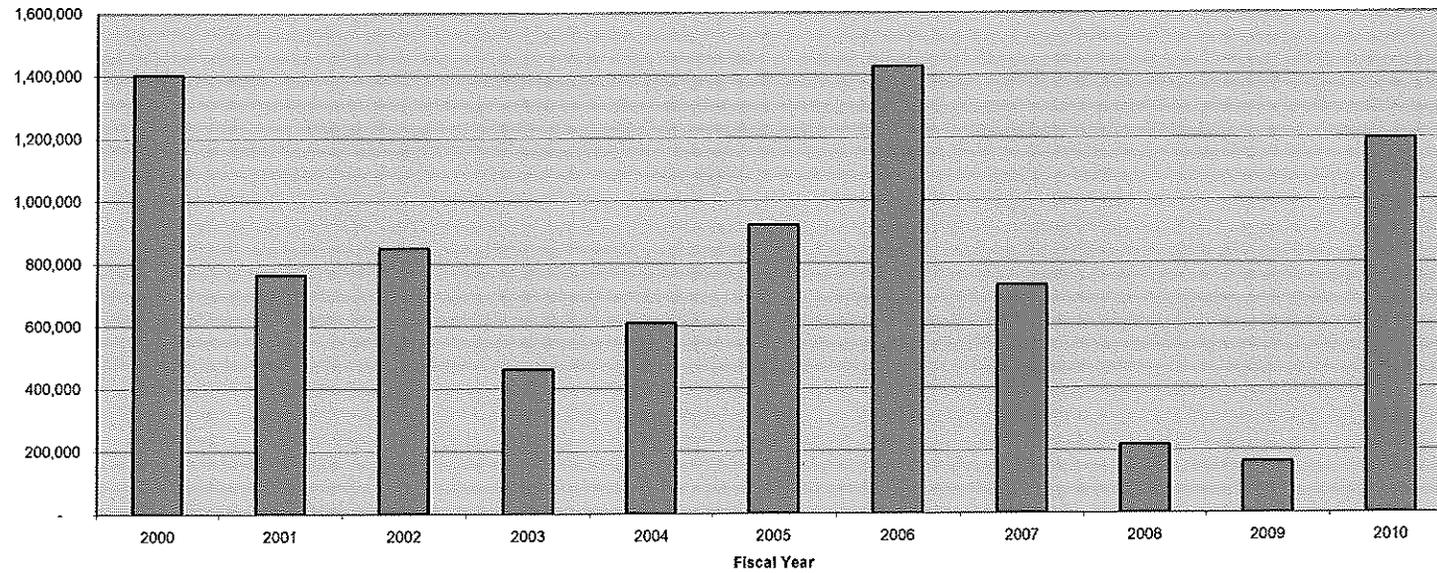


Free Cash

Our Free Cash certification for FY2010 available to be used for this budget cycle is \$1,196,281. In FY2011 the Town had \$162,788 available to use for the budget appropriation. Prior to last year, Holden had traditionally utilized all of its free cash to offset the operating expenses in the next fiscal year. In FY2011 the Town used only \$36,644 to offset the budget appropriations and an additional \$45,000 was used to fund a deficit in the Water Sewer Enterprise fund. The large amount of Free Cash available in FY2012 affords us the opportunity to start building a Stabilization Fund. The recommended appropriation to the Stabilization Fund is \$288,750. The recommended free cash appropriation for FY2012 is \$720,016. The budget presented sets in place a policy of not only limiting the utilization of free cash but also provides for a set aside of 25% of the free cash for building the Stabilization Fund. Each year 25% of the available free cash will be appropriated into a general Stabilization Fund. Of the remaining free cash only one half will be available for appropriation. It is recommended that the town continue this practice until the Stabilization Fund reaches \$1 million, at which time it is

recommended that the 25% be devoted to fund the Other Post Employment Benefit (OPEB) liability. Not only does this assist in establishing sound reserve policies but it also allows the Town one year to plan for any revenue changes that may occur.

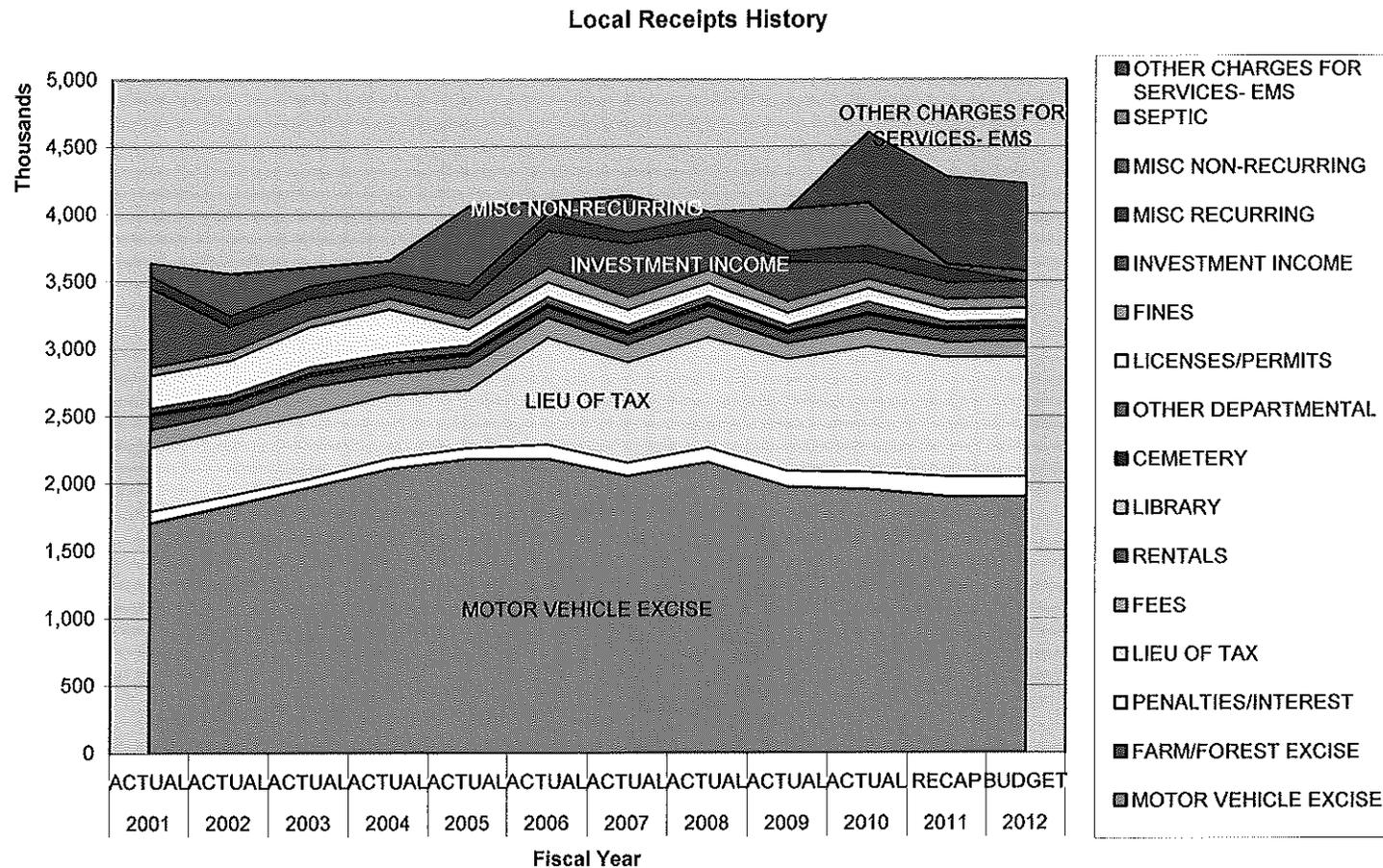
Certified Free Cash



General Estimated Receipts

These are receipts from such items as motor vehicle excise tax, licenses and permits, investment income, and in-lieu of taxes. In FY2012 it is anticipated that these receipts will decrease by \$108,900 or 6.67%. The biggest change comes in an accounting change which reduced the receipts by \$109,000. Previously, indirect charges received from enterprise funds came in as local receipts. We are now decreasing the general fund appropriation by those amounts. Most of our local receipts are estimated to remain level from last year. Until we see the economy turning and our receipts show a trend toward increases we will conservatively estimate this source of revenue.

The chart below illustrates the trend for our local receipts including Motor Vehicle Excise taxes. Based on our most recent commitment, Motor Vehicle Excise taxes are projected to remain level.



Overlay Reserve

There is \$50,000 available from the Overlay Reserve Fund in FY2012.

Wachusett Fund

The Wachusett Fund provides revenue to the Town from the interest earned on the endowment held by UMass-Memorial from the closing of the Holden Hospital. The funds can only be used for public safety purposes. There is no appropriation recommended from the Wachusett Fund in FY2012. The Town received \$40,628 in 2010. It is recommended that this accrue until such time that a need for a one time expenditure is required in the public safety department.

EXPENDITURES**Overall**

The FY2012 budget shows a different accounting for indirect costs charged to the Enterprise Funds or Revolving Funds. Previously the full appropriation was voted in the general fund appropriation and again in the Enterprise Fund. The offset was then shown as revenue in our local receipts. The FY2012 budget presented here reduces the general fund appropriation by the amount of the indirect charge and the funds are appropriated in the Enterprise Fund. This is the more appropriate way to budget. However, this must be taken into consideration when making comparisons between FY2012 and prior years.

The Town Accountant has reviewed the indirect charges for departments which provide support to our Enterprise Funds and Revolving Funds and has adjusted the indirect charges as needed. Throughout the budget document the indirect charges have been depicted as an offset to the general fund appropriation.

Fuel costs for all departments have been increased in anticipation of gasoline and diesel costs increasing during the ensuing fiscal year.

Attached to this budget message is a detailed budget comparison from FY2011 to FY2012

General Government

The overall General Government increase in FY2012 is \$624,898 or 10%. Several changes are being recommended in the General Government budget appropriation.

Town Manager /Personnel

The Town Manager /Personnel budget is increasing by \$113,236 or 28.7%. Personnel changes have occurred in the department with one clerical position being reduced to part time and the Assistant Town Manager's position being reclassified to reflect increased duties and responsibilities. Funds are included for cost of living adjustments for FY2012 for two of the collective bargaining agreements and all non-union personnel.

The Town Manager and Personnel budgets have been collapsed into one budget. One of the areas that needed immediate attention and improvement was personnel management. Many areas in personnel management were not being addressed. The routine

tasks such as processing of personnel documents, advertising, and basic contract administration were occurring. However, the higher level tasks such as dispute resolution, enforcement of contract provisions such as FMLA and FLSA and progressive discipline was not occurring. Personnel issues can blossom into very expensive litigation if not properly addressed initially. The development of a professional relationship with the workforce is critical to efficient and effective service delivery. To address this the Assistant Town Manager position has been reclassified and assigned the added duties of Personnel Director. Additionally over a period of time it is anticipated that much of the routine collective bargaining with the unions can be accomplished internally thus saving the town dollars in outside labor counsel. This position had been subsidized by the Holden Municipal Light Department and is no longer being funded through that source. Services provided to the HMLD by the Town Manager / Personnel Department are shown as indirect charges.

Information Technology

The Information Technology budget has been increased by the addition of a manager. The budget has increased by \$52,160 or 23.4%. Indirect charges for the services provided to the HMLD, Water/Sewer Enterprise fund and Inspections Enterprise Fund have reduced the cost of this additional position. The Town has experienced increased needs for technology personnel with the expansion of the public safety building, the computerization of the water and sewer system, and the billing system at the HMLD which services the entire water sewer, sanitation, and electric billing needs. This is in addition to the main MUNIS accounting system, website development, and personal computers in every office. The personnel currently in the division are stretched and pulled in many different directions in order to address the most pressing need at that time. Additionally, one of the growing and important technology assets for our town, GIS, is the last to receive attention. The town has no coordinated response to improving our GIS and every department is anxious to improve their services by using this technology.

Legal

The Legal budget has increased by \$62,000 or 45.9%. This budget appears to be historically under budgeted. Legal services are divided into two sections, town counsel services and labor counsel services. Town counsel services have increased by \$1,000 per month. Services which are not considered routine town counsel services are paid at a reduced rate. Labor counsel has been historically under budgeted at \$50,000. With the increase in administration of the contracts and personnel matters, the legal advice necessary to properly proceed will require additional labor counsel services. The budget also reflects an increase for negotiation of all union contracts which currently expire on June 30, 2012. As indicated above, it is anticipated that with more involvement in the union negotiations that much of the routine discussions can be brought in house rather than relying on outside counsel to participate directly. Until such time that there is experience in house, outside counsel is necessary.

Insurance, Debt and Retirement

The insurance budget consists of property, liability, health and life insurance. This budget is anticipated to increase by \$102,910 or 5.8%. The health insurance budget increase has been based on a projected 15% increase in premium. Final rates from the carriers will not be received until later in the budget process.

The retirement budget is increasing by \$114,729 or 16.7%. Debt service is increasing by \$225,568 or 11.8%. This is due to the additional borrowing for the Wachusett Regional High School of \$3 million and the reallocation of some of the Public Safety Building debt from the IIF to better reflect its proportional share of the reduced final cost of the facility.

Other areas of note in the General Government budget include: a decrease in the Accounting budget of \$12,599 due to changes in indirect charges, a reduction in the Treasurer/Collector budget due to personnel changes and the one time expense for the OPEB report, and a decrease in the Town Clerk budget of 7.4% or \$15,949 due to a reduction in elections.

Public Safety

The overall recommended budget for Public Safety decreased by \$2,155. The police budget increased by \$44,434 or 2.1%. The two police unions had settled the contracts through FY2012 and this reflects the 2% COLA for FY2012. The Fire budget has decreased by \$136,835 or 10.2%. In FY2011, there was an appropriation for capital outlay which is now included in the capital budget. Also the cost for mechanic services have been eliminated from this budget and appropriated in the Public Works Equipment Repair budget. EMS has increased by \$48,604 or 5.7%. The majority of this increase is for the ambulance lease payment approved in the FY2011 budget. Fuel costs in Police, Fire, and EMS are reflective of the increases expected based on prior use. The public safety building budget is increasing \$29,870 or 29% in FY2012. The new public safety building was occupied in December 2010. There has been insufficient time to determine the costs of operating this building. The FY2011 budget appropriated a portion of the year for all expenses and the FY2012 budget reflects a full year of anticipated cost. The Emergency Management budget has been increased by \$10,971 or 54.7%. One of the main focuses in the next year is to improve our planning for emergency response. This budget includes funding for table top exercises.

Public Works

Overall the Public Works budget is decreasing by \$325,998 or 12.7%. The major change is in the Highway budget which is decreasing by \$371,255 due to a reduction in funding capital items. Capital items now appear in the Capital budget and FiveYear Capital Plan. The largest change in the Highway budget is for anticipated fuel costs which are increasing by \$13,250. Additional summer labor is included to assist in maintaining the new public safety building landscaping. Engineering costs increased by \$12,000 for the post closure monitoring of the landfill. Equipment Repair increased by \$27,462 for the full cost of the mechanic which was previously funded half time in the fire budget. Building and Grounds is increasing by \$4,387 or 0.7%. The costs for all of the telephones are funded in this budget. If approved at Town Meeting, all town offices will be transitioning to a new telephone system in FY2012. The town is also switching carriers from Verizon to Paytec. The anticipated savings is over \$15,000 in operating costs annually. Vehicle fuel costs have increased by \$12,600 and water and sewer costs have increased by \$5,000.

Culture

The overall decrease in the Cultural accounts is \$25,663 or 3.4%. Personnel changes in the Library with a new Assistant Director and a new Library Director have decreased the personnel services requests. There are no changes to the Historical Commission budget.

Human Services

The overall increase in Human Services is \$29,462 or 11% due to the Aid and Assistance to Veterans increasing by \$10,000 in FY2012 (based on the number of anticipated qualifying candidates). The City of Worcester has requested that the town pay for any services rendered by the Veterans Agent during her working hours in Worcester. Although the appropriation is based on current workload levels, the Veterans' Agent will work to keep this cost to a minimal by scheduling the Holden clientele outside of working hours for the City of Worcester. An additional \$500 has been budgeted to improve the programs provided to all veterans. The Senior Center budget is

increasing by \$12,962, \$3,190 of which is for fuel costs and the remaining increase is for wage adjustments and minor increases in expenses.

Education

This year Holden's required minimum school spending increased from \$16,295,270 to \$16,447,026; an increase of \$151,756 or 0.9%. The Transportation appropriation is considerably higher, increasing by \$298,859 or 30.4%. Superintendent Pandiscio indicates that the large increase is due to the re-bidding of the contract and further reductions in state reimbursement of regional transportation costs. The Town's voluntary contribution is increasing by \$38,801 or 2.1%. The debt service for the Wachusett Regional High School project and the oil remediation at the Jefferson School shows an increase of \$141,160 or 12.9%. Our overall increase to the Wachusett Regional School District is \$630,576 or 3.1%.

Enterprise Funds

Water and Sewer Enterprise Fund

Major changes have taken place in the Water and Sewer Enterprise fund for FY2012. The budget numbers were developed as a result of the Rate Study commissioned in FY2011 and conducted by CDM. The budget reflects increase in operating expenses, increases in fixed costs such as Upper Blackstone disposal and the City of Worcester transport costs and includes several new expense items. Operating cost increased in fuel costs, stock, chemicals, uniforms, meter repairs, and licenses. Indirect and direct charges have increased by \$41,490 for health insurance, retirement, mechanic services, information technology, insurance, collections and accounting. Upper Blackstone Water Sewer Pollution Abatement District assessment to Holden has increased by \$85,301 or 16.03%. Worcester Water is estimated to increase by \$33,226 or 6%. Debt service has decreased by \$29,669 or 2.17%. MWRA Maintenance has increased to fund our past liability and to pay for the yearly maintenance of our trunk line. Several new items have been included. West Boylston Agreement is an appropriation to pay our obligation for the sewer pumping station at Woodland Street. The agreement with West Boylston has been in place since 1999 but has not been budgeted for many years. It is estimated that our costs will be \$20,000 annually and more if a capital improvement is required. The Water Sewer OPEB liability has been appropriated at \$37,500 in accordance with the last actuarial study. Two reserve funds have been established each funded at \$85,000. The Water Sewer Rate Reserve will assist in stabilizing rates in future years and the O & M Reserve will provide a reserve for future unanticipated operating and maintenance costs. It is recommended that the Enterprise Fund have a reserve of two months operating costs at all times. Both of these reserves will grow over a five year period to provide the required reserve by FY2016.

The Board of Selectmen is reviewing a revised rate structure which will provide the revenue requirements to support the budget as presented.

Recreation Revolving

The Recreation Revolving Fund is increasing by \$148,487 or 46%. The increase is due to an increase in capital outlay of \$73,000, pool maintenance increase of \$15,000 and the new online recreation registration and management program of \$12,500. The on-line registration and management program costs are being split between Recreation Revolving and the Before and After School Program. Additional costs have increased in personnel services shifting a portion of the Recreation Leader costs from the Before and After School

Program to the Recreation Revolving account and increasing the indirect charge by \$5,000 for Public Works Building and Grounds personnel. Utility costs including water and sewer have increased \$12,000. Indirect charges for the Treasurer/ Collector and Accounting have increased by \$4,600.

Cable Revolving Fund

The Cable Revolving Fund is increasing by \$58,505 or 29%. Increases include the addition of a part time Public Access Assistant for \$14,514 and \$40,000 for new equipment.

Solid Waste Enterprise Fund

The Solid Waste Enterprise fund is budgeted to provide a year end balance of \$481. On the expense side the budget has increased by \$72,419 or 7%. The cost of disposal has increased by \$17,550 or 5.4%, the collection contract has increased by \$4,196 or 3.9%. Several new items are included in this budget. Indirect charges for collections and accounting are included at a cost of \$9,000. Toter storage at \$18,000 is included for inside storage of the toters. A rate stabilization appropriation equal to one half of the free cash balance has been included.

Capital Budget

The FY2012 budget includes a separate capital budget and a five year capital plan. The FY2012 capital budget funds items totaling \$1,746,383; \$330,000 will be new borrowing for Self Contained Breathing Apparatus (SCBA) for the Fire Department and a large dump truck for the Public Works Department, \$648,597 cash is for items in the various departments, and \$785,786 is for items expended in the Water Sewer Enterprise Fund and Recreation Revolving Fund, including \$585,786 from Chapter 90 roadway money.

The Five Year Capital plan forecasts the capital acquisitions as requested by the departments and reviewed by the Capital Planning Committee for the period FY2012 – FY2016. It anticipates an investment in our infrastructure and capital assets of \$15,023,629 over that period. The goal is to devote 4% of our budget as an investment in our assets and infrastructure. Since it is a planning document it is subject to revision each year.

Stabilization Fund

It is recommended that \$288,750 be appropriated to the Stabilization Fund in FY2012. It is further recommended that an appropriation be made to this fund annually until such time that \$1 million is set aside. The purpose of the fund will be to provide for emergencies or unexpected costs in the future and will require a 2/3rds vote of Town Meeting for expenditure. This would have been an appropriate funding source for the ice storm of December 2008. It should not be viewed as a source of funding for operating costs.

Five Year Plan

Prudent financial planning dictates projecting the future financial position of the community. With the economy slowly recovering, it is helpful to determine what steps need to be taken today to insure solvency in the future. Below is a five year plan for the Town finances. The revenue projections have been very conservatively made as have the expenses. We need to start the discussion on what assumptions we should be using in projecting five years ahead and we need to take steps today so as to reduce the deficits projected starting in FY2014.

**TOWN OF HOLDEN
FIVE YEAR PLAN FY 2012 - FY 2016**

	FY 2011	FY 2012	Dollar Change	Percent Change	FY 2013	Dollar Change	Percent Change	FY 2014	Dollar Change	Percent Change	FY 2015	Dollar Change	Percent Change	FY 2016	Dollar Change	Percent Change
I REVENUE																
A. State Aid	1,808,153	1,707,562	(100,591)	-5.56%	1,745,067	37,505	2.20%	1,783,510	38,443	2.20%	1,822,914	39,404	2.21%	1,863,303	40,389	2.22%
School Construction Aid	1,870,996	1,870,996	-	0.00%	1,870,996	-	0.00%	1,870,996	-	0.00%	1,870,996	-	0.00%	1,870,996	-	0.00%
B. Local Receipts	4,326,367	4,222,467	(103,900)	-2.40%	4,262,467	40,000	0.95%	4,237,467	(25,000)	-0.59%	4,237,467	-	0.00%	4,237,467	-	0.00%
D. Free Cash	36,644	720,016	683,372	1864.89%	394,541	(325,475)	-45.20%	272,953	(121,588)	-30.82%	227,357	(45,596)	-16.70%	210,259	(17,098)	-7.52%
E. Overlay Reserve Surplus	-	50,000	50,000	-	-	(50,000)	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
F. Property Tax	26,579,308	27,562,015	982,707	3.70%	28,551,065	989,050	3.59%	29,564,842	1,013,777	3.55%	30,603,963	1,039,121	3.51%	31,669,062	1,065,099	3.48%
Debt Exclusion (NET)	2,519,213	2,726,566	207,353	8.23%	2,733,926	7,360	0.27%	2,732,281	(1,645)	-0.06%	2,726,899	(5,383)	-0.20%	2,726,223	(676)	-0.02%
G. Other Rev. (HMLD & Sewer connection fees)	199,162	199,442	280	0.14%	199,442	-	0.00%	199,442	-	0.00%	199,442	-	0.00%	199,442	-	0.00%
TOTAL REVENUES	37,339,843	39,059,064	1,719,221	4.60%	39,757,505	698,441	1.79%	40,661,491	903,986	2.27%	41,689,038	1,027,547	2.53%	42,776,761	1,087,714	2.61%
II APPROPRIATIONS																
A. Operating Budgets																
Wachusett Reg. School District	19,089,285	19,578,701	489,416	2.56%	20,166,062	587,361	3.00%	20,771,044	604,982	3.00%	21,394,175	623,131	3.00%	22,036,000	641,825	3.00%
Montachusett Reg. Tech. School	478,745	493,107	14,362	3.00%	507,901	14,793	3.00%	523,138	15,237	3.00%	538,832	15,694	3.00%	554,997	16,165	3.00%
Town	10,090,424	9,789,011	(301,413)	-2.99%	9,884,913	95,902	0.98%	9,983,762	98,849	1.00%	10,083,600	99,838	1.00%	10,184,436	100,836	1.00%
B. Capital budget																
Exempt Debt Service	4,399,179	4,597,562	198,383	4.51%	4,604,922	7,360	0.16%	4,603,277	(1,645)	-0.04%	4,597,895	(5,383)	-0.12%	4,597,219	(676)	-0.01%
Non-Exempt Service	164,747	237,987	73,240	44.46%	339,269	101,282	42.56%	535,899	196,630	57.96%	770,371	234,472	43.75%	839,413	69,043	8.96%
Cash	-	648,597	648,597	-	472,587	(176,010)	-27.14%	568,155	95,568	20.22%	604,500	36,345	6.40%	444,828	(159,672)	-26.41%
Infrastructure Investment Fund	316,777	418,481	101,704	32.11%	383,775	(34,706)	-8.29%	391,014	7,239	1.89%	398,614	7,600	1.94%	406,595	7,981	2.00%
Total Capital	4,880,703	6,902,627	1,021,924	20.94%	5,800,553	(102,074)	-1.73%	6,098,345	297,792	5.13%	6,371,379	273,035	4.48%	6,288,055	(83,325)	-1.31%
C. Pensions	687,705	802,434	114,729	16.68%	922,799	120,365	15.00%	1,061,219	138,420	15.00%	1,220,402	159,183	15.00%	1,403,462	183,060	15.00%
D. Insurance	1,780,890	1,883,800	102,910	5.78%	1,996,828	113,028	6.00%	2,116,638	119,810	6.00%	2,243,636	126,998	6.00%	2,378,254	134,618	6.00%
E. State Assessments	118,872	123,038	4,166	3.50%	123,038	-	0.00%	123,038	-	0.00%	123,038	-	0.00%	123,038	-	0.00%
F. Offset Aid - Library	21,559	22,595	1,036	4.81%	22,595	-	0.00%	22,595	-	0.00%	22,595	-	0.00%	22,595	-	0.00%
G. Overlay Reserve	191,660	175,000	(16,660)	-8.69%	175,000	-	0.00%	175,000	-	0.00%	175,000	-	0.00%	175,000	-	0.00%
H. Other Crd Jdgmnts/ Deficit	-	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
I. Warrant Art. - Stabilization Fund	-	288,750	288,750	0.00%	157,816	(130,934)	-45.35%	109,181	(48,635)	-30.82%	90,943	(18,238)	-16.70%	84,104	(6,839)	-7.52%
K. TOTAL APPROPRIATIONS	37,339,843	39,059,064	1,719,221	4.60%	39,757,505	698,442	1.79%	40,983,959	1,226,454	3.08%	42,263,600	1,279,640	3.12%	43,249,941	986,341	2.33%
BALANCE	(0)	0			(0)			(322,468)			(574,562)			(473,189)		
Fund Balances:																
Free Cash Balance		431,265			631,265			436,726			363,772			336,414		
Stabilization Fund Balance		288,760			446,667			555,748			646,691			730,794		

CONCLUSION

Overall the budget as presented provides a balanced budget which retains services at current levels. The major changes to the budget include establishment of a stabilization fund, the addition of a new position in Information Technology, a new capital budgeting and planning process, the inclusion of a five year plan, and a revised water sewer enterprise fund. Schools are held harmless and are provided a 2.5% increase in recommended funding.

Thanks go out to all of the Department Heads for their contributions to the budget cycle and in the development of the capital budget process. Special thanks go to Judy Sikes who patiently made the changes to the budget and instrumental in producing this document.

I am available to meet and discuss the budget as presented and look forward to working with each of you in the process of developing the final budget for Town Meeting.

Nancy L. Galkowski
Town Manager

TOWN OF HOLDEN FY 2012 RESOURCE PROFILE

	FY10 RECAP w/School Changes	FY 11 TOWN MEETING	FY11 RECAP	FY12 SUBMITTED	CHANGE	PERCENT CHANGE
Total Assessed Value (Est.)	1,883,982,600	1,883,982,600	1,859,330,400	1,859,330,400		
Average Assessed Home	277,200	277,200	270,800	270,800		
Tax Rate	14.80	15.42	15.65	16.29	\$ 0.64	4.1%
Average Tax Bill	4,103	4,274	4,238	4,411	\$ 173.32	4.1%
Tax Rate Change	1.16	0.62	0.85	0.64		
Excess Levy Capacity	-39,956	0	0	1		
GENERAL FUND REVENUES						
Tax Levy	25,597,505	26,519,468	26,579,308	27,562,015	982,707	3.70%
Supplemental Tax Assessment	25,000	20,000	20,000	25,000	5,000	25.00%
Tax Receipts - Non-excluded	25,622,505	26,539,468	26,599,308	27,587,015	987,707	3.71%
Percentage of General Fund Revenues	79.0%	80.7%	80.8%	80.1%		
Cherry Sheet- Unrestricted	1,684,514	1,617,133	1,617,133	1,500,208	-116,925	-7.23%
Cherry Sheet- Offsets	209,975	175,678	169,461	184,759	15,298	9.03%
State Receipts	1,894,489	1,792,811	1,786,594	1,684,967	-101,627	-5.69%
Percentage of General Fund Revenues	5.8%	5.4%	5.4%	4.9%		
General Estimated Receipts	1,732,994	1,685,800	1,632,367	1,523,467	-108,900	-6.67%
Excise Receipts	1,925,000	1,875,000	1,900,000	1,900,000	0	0.00%
Sewer Connection Fund Offset	71,942	71,230	71,662	71,942	280	0.39%
EMS Receipts	600,254	650,000	650,000	650,000	0	0.00%
WRSD Maint/Services Fee	72,000	74,000	74,000	74,000	0	0.00%
Local Receipts	4,402,190	4,356,030	4,328,029	4,219,409	-108,620	-2.51%
Percentage of General Fund Revenues	13.6%	13.2%	13.1%	12.3%		
Free Cash	216,851	36,644	36,644	720,016	683,372	1864.89%
Overlay Reserve	100,000	0	0	50,000	50,000	0.00%
Light Dept In Lieu	127,500	127,500	127,500	127,500	0	0.00%
Wachusett Fund	60,000	0	0	0	0	0.00%
Water/Sewer GF Repayment	0	50,000	50,000	50,000	0	0.00%
Intra-Government Transfers	504,351	214,144	214,144	947,516	733,372	342.47%
Percentage of General Fund Revenues	1.6%	0.7%	0.7%	2.8%		
TOTAL GENERAL FUND REV - NON-EXCLUSION	32,423,535	32,902,453	32,928,075	34,438,907	1,510,832	4.66%
DEBT EXCLUSION REVENUE						
Debt Exclusion (Net)	2,285,437	2,528,183	2,519,213	2,726,566	207,353	8.23%
SBAB Reimbursement Elementary	1,870,966	1,870,996	1,870,996	1,870,996	0	0.00%
Debt Excluded Revenue	4,156,403	4,399,179	4,390,209	4,597,562	207,353	4.72%
TOTAL GENERAL FUND REVENUE	36,579,938	37,301,632	37,318,284	39,036,469	1,718,185	4.70%

TOWN OF HOLDEN FY 2012 RESOURCE PROFILE

	FY10 RECAP w/School Changes	FY 11 TOWN MEETING	FY11 RECAP	FY12 SUBMITTED	CHANGE	PERCENT CHANGE
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GENERAL FUND EXPENDITURES						
Required Minimum Contribution	16,314,917	16,295,270	16,295,270	16,447,026	151,756	0.93%
Voluntary Regional Assessment RASA	1,492,415	1,811,423	1,811,423	1,850,224	38,801	2.14%
School Transportation	954,025	982,592	982,592	1,281,451	298,859	30.42%
Montachusett Assessment	644,926	478,745	478,745	493,107	14,362	3.00%
Education	19,406,283	19,568,030	19,568,030	20,071,808	503,778	2.62%
Percentage of General Fund Expenditures	53.0%	52.5%	52.4%	51.4%		
Percentage of General Fund Expenditures (Excluding Debt)	59.8%	59.5%	59.4%	58.3%		
General Government	4,449,076	4,433,732	4,433,732	4,749,312	315,580	7.12%
Public Safety	4,277,227	4,471,535	4,471,535	4,469,380	-2,155	-0.05%
Public Works	2,450,776	2,637,659	2,637,659	2,236,661	-400,998	-15.20%
Culture	732,822	748,780	748,780	723,117	-25,663	-3.43%
Human Services	274,936	267,313	267,313	296,775	29,462	11.02%
Capital Budget				648,597	648,597	
Municipal Budget	12,184,837	12,559,019	12,559,019	13,123,842	564,823	4.50%
Percentage of General Fund Expenditures	33.3%	33.7%	33.7%	33.6%		
Percentage of General Fund Expenditures (Excluding Debt)	37.5%	38.2%	38.2%	38.1%		
Infrastructure Investment Fund	405,535	316,777	316,777	418,481	101,704	32.11%
Non-Exempt Debt	144,769	120,103	120,103	194,094	73,991	61.61%
Oil Spill Clean Up Debt (Jefferson School)	7,210	44,644	44,644	43,893	-751	-1.68%
County Assessments	11,887	0	0	0	0	0.00%
State Assessments (Transportation)	117,685	118,880	118,872	123,038	4,166	3.50%
Overlay/Abatements	178,183	175,000	191,660	175,000	-16,660	-8.69%
Stabilization Fund Appropriation				288,750	288,750	
Other Expenditures	865,269	775,404	792,056	1,243,256	451,200	49.54%
TOTAL GENERAL FUND EXP. - NON-EXCLUSION	32,456,389	32,902,453	32,919,105	34,438,906	1,519,801	4.71%
DEBT EXCLUSION EXPENDITURES						
Exempt Debt - excluded	3,176,977	3,353,689	3,353,689	3,410,161	56,472	1.68%
High School Debt - excluded	986,528	1,045,490	1,045,490	1,187,401	141,911	13.57%
Debt Excluded Expenditures	4,163,505	4,399,179	4,399,179	4,597,562	198,383	4.63%
Percentage of General Fund Expenditures	11.4%	11.8%	11.8%	11.8%		
TOTAL GENERAL FUND EXPENDITURES	36,619,894	37,301,632	37,318,284	39,036,468	1,718,184	4.70%
REVENUE/EXPENDITURE DIFFERENCE	-39,956	0	0	1	1	

	School Change FY11to FY12					
WRSD School Budget without Debt	\$18,761,357	\$19,089,285	\$19,089,285	\$19,578,701	489,416	2.56%
WRSD School Budget with Debt	\$19,755,095	\$20,179,419	\$20,179,419	\$20,809,995	630,576	3.12%

**TOWN OF HOLDEN
FY 2012 RESOURCE PROFILE**

	FY10 RECAP w/School Changes	FY 11 TOWN MEETING	FY11 RECAP	FY12 SUBMITTED	CHANGE	PERCENT CHANGE
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RESTRICTED REVENUE

LIBRARY OFFSETS	21,717	21,559	21,559	22,595	1,036	4.81%
RECREATION REVOLVING	404,930	372,213	372,213	413,017	40,804	10.96%
AFTER SCHOOL REVOLVING	271,325	296,280	296,030	297,293	1,263	0.43%
CABLE REVOLVING ACCOUNT	165,000	165,000	201,549	165,000	-36,549	-18.13%
SOLID WASTE ENTERPRISE FUND	1,009,434	1,089,588	1,088,723	1,165,388	76,665	7.04%
INSPECTIONAL SERVICES REVOLVING	196,000	242,500	207,037	222,000	14,963	7.23%
WATER SEWER REVENUE	5,076,178	5,145,686	5,078,073	5,604,653	526,580	10.37%
WATER SEWER STABILIZATION FUND	302,595	18,930	18,930	0	-18,930	-100.00%
DPW DEPRECIATION FUND	100,000	200,000	200,000	19,192	-180,808	-90.40%
FIRE VEHICLE STABILIZATION FUND	75,000	175,000	175,000	134,800	-40,200	-22.97%
TOTAL RESTRICTED REVENUE	7,622,179	7,726,756	7,659,114	8,043,938	384,824	5.02%

RESTRICTED EXPENDITURES

LIBRARY OFFSETS	21,717	21,559	21,559	22,595	1,036	4.81%
RECREATION REVOLVING	517,694	438,642	438,642	471,076	32,434	7.39%
AFTER SCHOOL REVOLVING	285,292	295,814	295,814	299,074	3,260	1.10%
CABLE REVOLVING ACCOUNT	194,621	201,549	201,549	260,054	58,505	29.03%
SOLID WASTE ENTERPRISE FUND	1,009,434	1,088,723	1,088,723	1,164,907	76,184	7.00%
INSPECTIONAL SERVICES REVOLVING	203,817	207,037	207,037	214,271	7,234	3.49%
WATER SEWER EXPENSES	5,067,926	5,078,073	5,078,073	5,593,094	515,021	10.14%
WATER SEWER STABILIZATION FUND	25,000	80,000	80,000	30,000	-50,000	-62.50%
DPW DEPRECIATION FUND	406,192	218,192	218,192	19,192	-199,000	-91.20%
FIRE VEHICLE STABILIZATION FUND	50,000	90,000	90,000	134,800	44,800	49.78%
TOTAL RESTRICTED EXPENDITURES	7,781,693	7,719,589	7,719,589	8,209,063	489,474	6.34%

**BUDGET COMPARISON
FY2011 TO FY2012**

Department	FY2011*				FY2012				Change	
	Personnel Services	Expenses	Offsets	Total	Personnel Services	Expenses	Offsets	Total	Dollar	Percentage
Moderator	100	65	-	165	100	65	-	165	-	0.0%
Selectmen	7,500	15,150	-	22,650	7,500	15,150	-	22,650	-	0.0%
Finance Committee	-	101,640	-	101,640	-	101,935	-	101,935	295	0.3%
Town Manager/ Personnel	354,628	41,600	2,000	394,228	493,564	35,900	22,000	507,464	113,236	28.7%
Information Technology	128,438	112,295	18,000	222,733	202,548	116,345	44,000	274,893	52,160	23.4%
Accounting	110,653	28,520	5,000	134,173	111,744	29,730	19,900	121,574	(12,599)	-9.4%
Treasurer/ Collector	195,955	70,600	58,750	207,805	179,602	60,600	50,050	190,152	(17,653)	-8.5%
Assessor	204,804	22,800	-	227,604	203,151	22,800	-	225,951	(1,653)	-0.7%
Legal	-	135,000	-	135,000	-	197,000	-	197,000	62,000	45.9%
Town Clerk	185,384	31,175	-	216,559	166,625	33,985	-	200,610	(15,949)	-7.4%
Insurance	-	1,780,890	-	1,780,890	-	1,883,800	-	1,883,800	102,910	5.8%
Retirement	-	687,705	-	687,705	-	802,434	-	802,434	114,729	16.7%
Debt	-	3,790,569	1,870,996	1,919,573	-	4,016,137	1,870,996	2,145,141	225,568	11.8%
Growth Management	181,230	37,600	-	218,830	183,309	37,375	-	220,684	1,854	0.8%
Subtotal General Government	1,368,692	6,855,609	1,954,746	6,269,555	1,548,143	7,353,256	2,006,946	6,894,453	624,898	10.0%
Police	1,813,708	291,200	-	2,104,908	1,905,692	243,650	-	2,149,342	44,434	2.1%
Animal control	39,601	9,700	-	49,301	39,957	9,920	-	49,877	576	1.2%
Sealer of Weights & Measures	2,500	800	-	3,300	2,500	1,025	-	3,525	225	6.8%
Fire	896,719	438,800	-	1,335,519	924,904	273,780	-	1,198,684	(136,835)	-10.2%
EMS	641,382	214,060	-	855,442	621,371	282,675	-	904,046	48,604	5.7%
Emergency Management	13,065	7,000	-	20,065	14,036	17,000	-	31,036	10,971	54.7%
Public Safety Building	-	103,000	-	103,000	-	132,870	-	132,870	29,870	29.0%
Subtotal Public Safety	3,406,975	1,064,560	-	4,471,535	3,508,460	960,920	-	4,469,380	(2,155)	0.0%
DPW Administration	162,043	7,000	-	169,043	161,750	6,750	-	168,500	(543)	-0.3%
DPW Engineering	30,443	62,850	-	93,293	32,394	74,850	-	107,244	13,951	15.0%
DPW Highway	483,506	1,010,050	-	1,493,556	489,345	632,956	-	1,122,301	(371,255)	-24.9%
DPW Equipment Repair	130,519	15,400	55,000	90,919	161,781	15,600	59,000	118,381	27,462	30.2%
DPW Building and Grounds	381,988	295,060	20,000	657,048	392,815	293,620	25,000	661,435	4,387	0.7%
DPW Garage	-	58,800	-	58,800	-	58,800	-	58,800	-	0.0%
Subtotal Public Works	1,188,499	1,449,160	75,000	2,562,659	1,238,085	1,082,576	84,000	2,236,661	(325,998)	-12.7%
Veterans Benefits	6,200	35,000	-	41,200	6,200	51,500	-	57,700	16,500	40.0%
Senior Center	200,053	26,060	-	226,113	208,975	30,100	-	239,075	12,962	5.7%
Subtotal Human Services	206,253	61,060	-	267,313	215,175	81,600	-	296,775	29,462	11.0%
Library	538,805	203,310	-	742,115	521,300	195,152	-	716,452	(25,663)	-3.5%
Historical Commission	-	6,665	-	6,665	-	6,665	-	6,665	-	0.0%
Subtotal Culture	538,805	209,975	-	748,780	521,300	201,817	-	723,117	(25,663)	-3.4%
TOTAL MUNICIPAL:	6,709,224	9,640,364	2,029,746	14,319,842	7,031,163	9,680,169	2,090,946	14,620,386	626,751	4.4%
Total minus Insurance, Retirement and Debt				9,931,674				9,789,011	(142,663)	-1.4%
EDUCATION:										
WRSD										
Minumum Required Contribution		16,295,270		16,295,270		16,447,026		16,447,026	151,756	0.9%
Voluntary Contribution		1,811,423		1,811,423		1,850,224		1,850,224	38,801	2.1%
Transportation		982,592		982,592		1,281,451		1,281,451	298,859	30.4%
Debt		1,090,134		1,090,134		1,231,294		1,231,294	141,160	12.9%
Subtotal WRSD		20,179,419		20,179,419		20,809,995		20,809,995	630,576	3.1%
Montachusett Reg. Voc. Tech		478,745		478,745		493,107		493,107	14,362	3.0%
TOTAL EDUCATION:		20,658,164		20,658,164		21,303,102		21,303,102	644,938	3.1%

*FY2011 Expenses include Capital Costs