



TOWN OF HOLDEN
MASSACHUSETTS
OFFICE OF THE TOWN MANAGER

Nancy T. Galkowski
Town Manager

February 15, 2012

To the Honorable Board of Selectmen and the Finance Committee:

Submitted herein is the Fiscal Year 2013 recommended budget for the Town of Holden. This year's format again contains the five areas of (1) Resource Profile and Five Year Plan Forecast; (2) Budget Summary; (3) Budget Detail; (4) Capital Budget; and (5) Five Year Capital Plan. The Resource Profile includes information on the final budget from FY2012 in comparison with the recommended FY2013 budget. Included in the FY2013 budget message is a Five Year Plan forecasting the overall financial outlook for the town until FY2017. The Capital Budget includes a Five Year Plan showing the capital needs of the community through FY2017.

REVENUE

Fiscal Year 2013 revenue from all sources is projected to increase by \$1,101,601. This is an increase of 2.8% from Fiscal Year 2012. One of the goals set by the Board of Selectmen was to reduce the tax levy below 2 ½% in FY2013. This budget reflects an increase of only 2 ¼% in the tax levy. Local receipts are decreasing by \$65,695 or -1.48% largely due to the decrease in estimated ambulance receipts. Recent rate increases approved by the Board of Selectmen should see the ambulance revenue increase. The slow economic recovery is affecting any growth in local receipts with most of them flat. The Governor's FY2013 State Aid recommendation shows Unrestricted Local Aid level-funded and it is anticipated at this point that the Legislature will at least fund at this level.

Property Taxes:

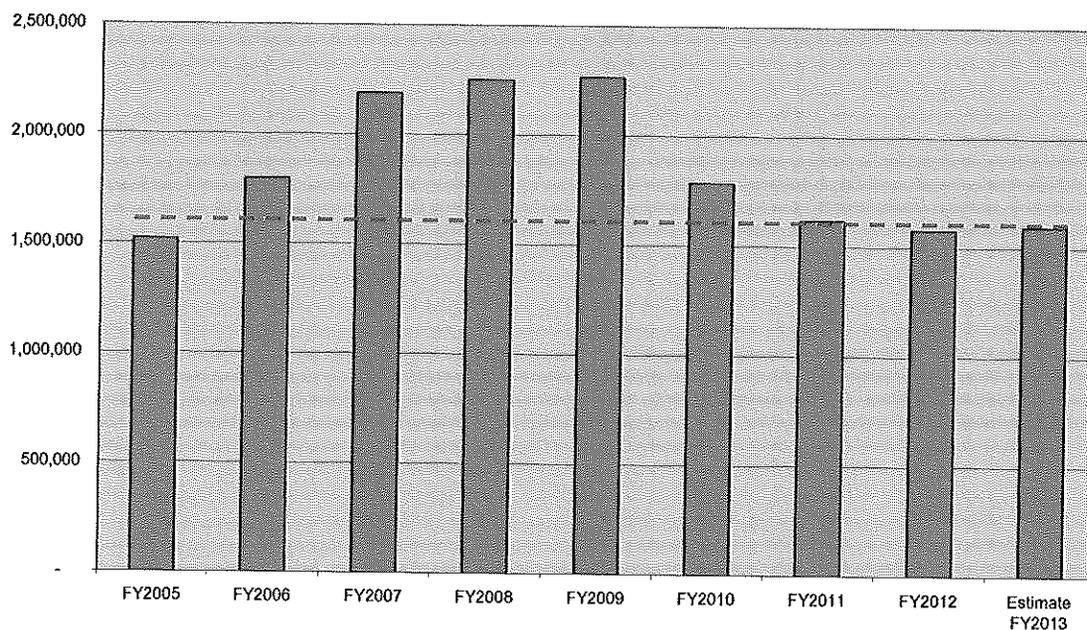
Our largest source of revenue is from the Property Taxes. The FY2013 levy will increase by \$884,229 or 3.2%. As indicated earlier, this reflects an increase to the tax levy of only 2 ¼%. This saves the taxpayers \$69,143 or \$.04 on the tax rate. The Town debt that is excluded by ballot vote from the limits of Proposition 2 ½ will increase by \$56,366 in Fiscal Year 2013. This includes the elementary

school renovations/reconstruction, our portion of the Wachusett Regional High School renovations, and a portion of the debt for the Public Safety Building. The revaluation of our property in FY2012 dropped the average home's assessed value to \$266,300 down from the FY2011 average of \$270,800 or approximately 1.7%. The estimated tax rate for FY2013 is \$17.02 or an additional \$.49 per \$1,000 in assessed value. For the average assessed home this would mean an increase of \$129 on their annual tax bill in FY2013.

State Aid:

The Governor's proposed budget level-funds the Unrestricted General Government Aid at \$1,500,208. 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 up-front by the Town to qualifying veterans as required by the Mass General laws. Overall, our State Aid has only increased by \$15,785 or 1%; following a 5.9% decrease in FY2012, 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 FY2013. The FY2013 net State Aid is only \$75,000 more than it was in FY2005 with most of the increase the result of reimbursements for Veterans' benefits and exemptions.

**State Aid
FY2005 - FY2013**

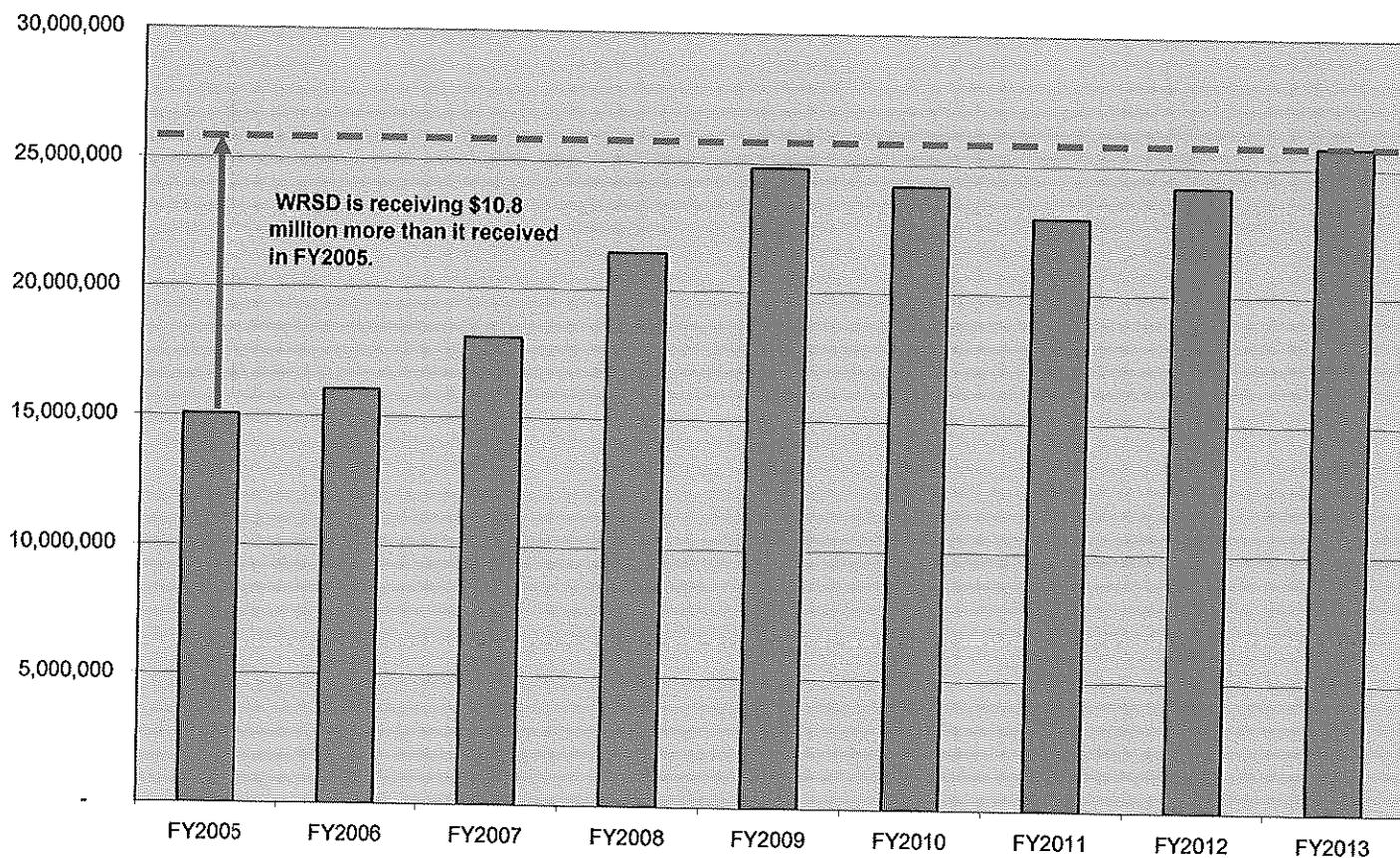


State Aid - Education

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 \$1,456,144 or 6.5% after an increase in FY2012 of \$1,146,087 or 5.4%. Regional School Transportation aid is decreasing once again by \$97,318 or 4.6% after a decrease in FY2012 of \$207,315 or 9.4%. School Choice Receiving Tuition has increased by \$85,486 or 8.8% from FY2012. Charges to the district have decreased by \$145,032 or 10.5%. Overall the net increase in State Aid to the district is \$1,580,234 or 6.5%.

A review of the past 9 fiscal years shows that the Wachusett Regional School District is receiving over \$10 million more in State Aid than it received in FY2005. Compare that to the Holden State Aid which is only \$75,000 greater than FY2005.

Wachusett Regional School District State Aid FY2005 - FY2013

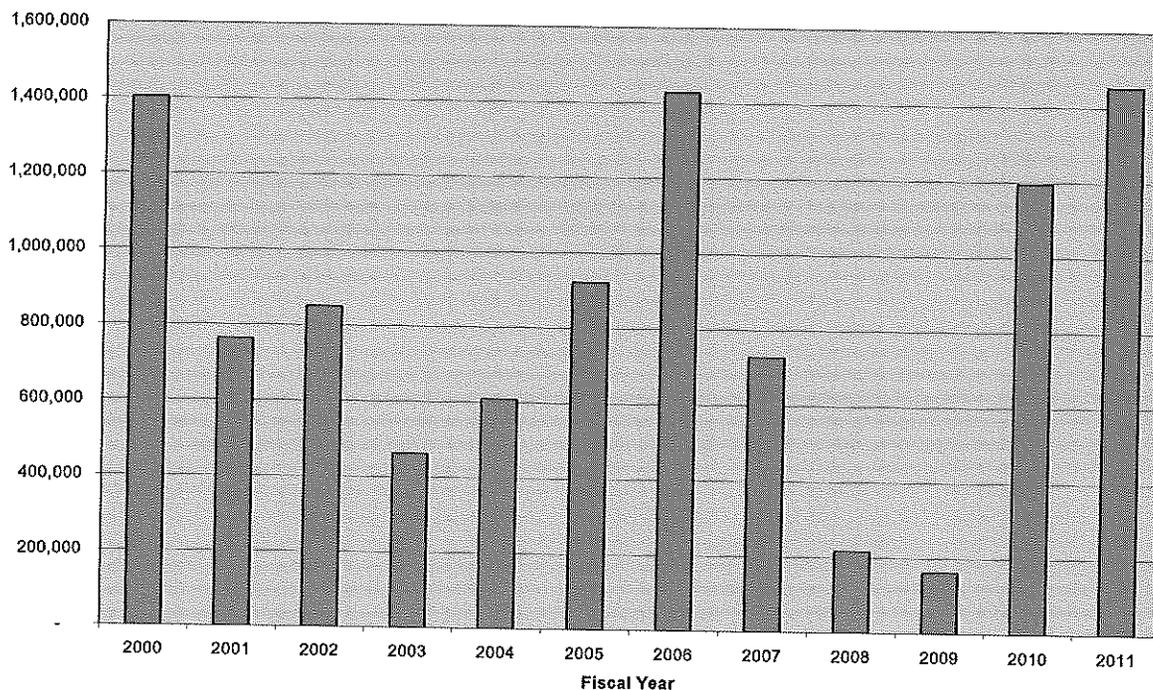


Free Cash

Our Free Cash certification for FY2011 available to be used for this budget cycle is \$1,453,351. A portion of this balance comes from our practice of only using one half of the free cash for operating budgets. The remaining balance comes from prudent expenditure of funds throughout the year, a conservative estimate of our receipts, and one time reimbursements for such items as insurance proceeds, FEMA reimbursements, and DCR in-lieu of tax increases.

In keeping with the practice started last year, twenty-five percent (25%) of free cash will be set aside for appropriation to the Stabilization Fund. Of the remaining amount only one half will be used to fund operating expenses. This allows us to soften any decrease in revenues in the following year and keeps a small amount free to be appropriated by a Special Town Meeting if a need arises before the next Annual Town Meeting. The recommended appropriation to the Stabilization Fund is \$363,338. This would increase the Stabilization Fund balance to \$663,338. The recommended additional free cash appropriation to be used toward operating expenses is \$545,007. 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 support sound reserve policy but it also allows the Town one year to plan for any revenue changes that may occur.

Certified Free Cash

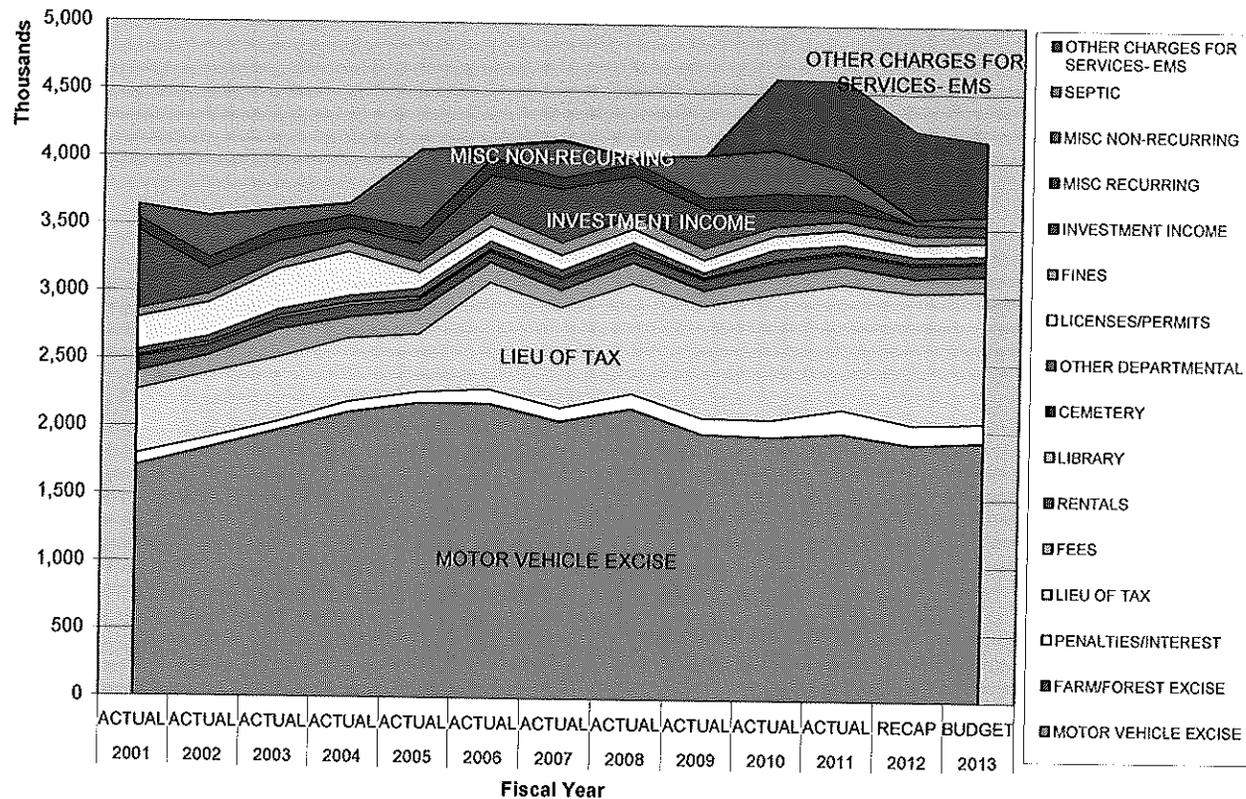


General Estimated Receipts

Estimated General Receipts are receipts from such items as motor vehicle excise tax, licenses and permits, investment income, and payments in-lieu of taxes. In FY2012 it is anticipated that these receipts will decrease by \$68,895 or 1.55%. The biggest change comes in our estimate of ambulance receipts. A slight reduction in calls for service and a change in the reimbursement practice by Blue Cross/Blue Shield, a major health insurance provider have caused us to estimate this revenue conservatively. An increase in the rate schedule has recently been approved by the Board of Selectmen and legislation is pending which will change the insurance company's reimbursement practice. Most of our other local receipts are estimated to remain relatively flat 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 increase only slightly.

Local Receipts History



Overlay Reserve

We anticipate utilizing \$50,000 from the Overlay Reserve Fund in FY2013. Since the triennial revaluation is scheduled for FY2014; we will use any excess overlay during that fiscal year to offset any increase in the overlay reserve.

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. It is recommended that \$50,000 be used in FY2013 to offset the EMS budget. The Town received \$40,177 in 2011 and \$42,367 in 2012. It is recommended that only a portion of the funds be used each year to offset the cost of delivering ambulance services.

In Lieu of Taxes

The Holden Municipal Light Department (HMLD) payment to the Town in lieu-of-taxes appropriation has been increased by 2 ½% in FY2013. We will continue to evaluate the contribution by the HMLD for general town support services.

EXPENDITURES**Overall**

The FY2013 budget is projected to increase \$308,756 or 3.06%.

Fuel costs for all departments have been adjusted to reflect the anticipated use of fuel in FY2013 and the required appropriation has been decreased in most instances. The usage was evaluated using the most recent data.

Cost of living adjustments have been made for the firefighters union which settled their three year contract in 2011. All other unions are in the process of negotiations. Non-union cost of living adjustments will be made when a majority of the unions have settled for the upcoming fiscal year. The full costs of any salary adjustments are included in the Town Manager/Personnel budget. It is anticipated that these funds will be distributed to the other budgets prior to the town meeting vote.

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 budgets the indirect charges have been shown where they would offset the appropriation but will be accounted as a local receipts.

Attached to this budget message is a detailed budget comparison from FY2012 to FY2013.

General Government

The overall General Government decreased in FY2012 by \$191,494 or -4%. The decrease was due in large part to the changes made to the health insurance appropriation. Details on the budgets are presented below.

Finance Committee

In FY2012 the appropriation for the Reserve Fund was increased to \$180,000. The extra funding was allocated for several reasons, among them the uncertainty of the cost of operations at the new Public Safety building, snow removal operations, and the

unpredictable costs for veterans' benefits. Based on the FY2012 experience, the cost of operating the Public Safety building has been funded in the FY2013 operating budget. The amount recommended for the Reserve Fund in FY2013 has been decreased to \$125,000.

Town Manager /Personnel

The Town Manager /Personnel budget is decreasing by \$45,240 or -9%. The majority of the decrease is in the amount required for cost-of-living adjustments. The Town is currently in negotiations with the Public Works union, the Light union, the Police union and the Superior Officers union for contracts which expire July 1, 2012. The Fire union successfully negotiated a three year contract with the Town in FY 2012 and the funding is included in the Fire and EMS budgets.

Information Technology

The Information Technology budget has been increased by \$31,758 or 11.6%. This increase comes from several items including the cost of hosting and providing map support for our online GIS system, software support for our major accounting systems, access fees, licenses, and hardware equipment maintenance. The Chief Information Officer position funded in FY2012 is in the recruitment process with the expectation that the position will be filled this spring.

Legal

The Legal budget been level funded. In an effort to fully understand the cost of legal services, the former line item entitled Collective Bargaining has been broken down into Collective Bargaining and Labor Relations. Since the contract negotiations with the majority of our labor unions are being brought in-house, the appropriation under Collective Bargaining should decrease over time. We are currently in negotiations with several unions so we do not know how much we will have to seek the advice of labor counsel during the process. If we are successful in negotiations we may not need to expend much of this appropriation.

The line item Labor Relations covers all other matters related to managing the union contracts or individual personnel matters. Many personnel matters can be costly, time consuming and require extensive legal advice. Preventing issues that may lead to litigation will serve to save the town in avoided costs.

Insurance, Debt and Retirement

The insurance budget consists of property, liability, health and life insurance. This budget is anticipated to decrease by \$297,100 or -16%. Recent changes brought about by health insurance reform legislation last summer have allowed the town to successfully negotiate changes in our health insurance program for all of our employees. The town's Health Insurance Advisory Committee comprised of union and non-union personnel met with our health insurance consultant for the past year to review and educate themselves on the costs of health insurance. When the legislation was passed last summer, our employees were ready to review the options available to us to insure that the town provided quality health care to our employees at a reasonable cost. Over the course of January and February 2012, the unions stepped forward and recognized that the best way to achieve this was by joining the Group Insurance Commission (GIC). This change is anticipated to save the town over \$600,000 in the first year. Twenty-five percent of the savings is required to be shared with the employees enrolled in the health insurance program through a mitigation plan. The cost of a health insurance consultant and anticipated rate increases from the GIC are included in the appropriation. Changes in enrollment by the members could also impact the savings positively or negatively.

The Town had been experiencing health insurance rate increases each year of over 10%. We would have been looking at an increase in this budget by as much as \$150,000. The financial impact of this change is much greater than the actual reduction in the appropriation. This move not only saves the town in the first year but slows the growth in health insurance costs in the years ahead. The unions and non-union employees should be commended for moving into the GIC.

A major increase reflected in the insurance budget was for Police Insurance. A claim submitted this past year brought to our attention that we did not have adequate coverage under this insurance for injuries incurred on our premise. The increase reflects the change in this policy, and the premium, to protect the town.

The retirement budget is increasing by \$129,183 or 16.1%. The Worcester Regional Retirement System is changing its method of assessing retirement costs from a salary basis to a much more accurate accrual basis. As a result, it is anticipated that this cost will continue to increase over the next several years and then increase at a lower rate.

Debt service is increasing by \$105,903 or 4.9%. This reflects the cost of borrowing for the Mountview School Feasibility Study, the capital budget borrowing and an additional small borrowing for the Public Safety Building.

Other areas of note in the General Government budget include: an increase in the Assessors budget for the next revaluation process, an increase in the Treasurer/Collector budget due to the bi-annual expense for the OPEB report, an increase in the Town Clerks budget for an additional election in FY2013, and an increase in the Selectmen's budget to reflect the recognition of our employees with over 20 years of service to the town.

Public Safety

The overall recommended budget for Public Safety increased by \$93,718 or 2.1%.

The police budget increased by \$92,816 or 4.4%. This budget reflects an additional police officer position to serve the town during the evening hours when most calls are received. Additionally, we have included the full cost of the School Resource Officer in the appropriation by adding \$35,000. This cost, which is reimbursed by the WRSD, has been added to our local receipts as an offset. The reduction in fuel costs reflects a reduction in fuel usage from more energy efficient vehicles.

The Fire budget has increased by \$33,672 or 2.8%. This increase largely reflects the cost-of-living increase for the Fire Union personnel. The Union settled a three year contract last year and FY2013 budget reflects a 1% cost of living adjustment. The call firefighter line item has also been increased to reflect an increase in the number of members.

EMS also includes the cost of living adjustment for union personnel. The overall budget request has decreased by \$63,198 or -7.6% due to the final payment for the ambulance lease.

The Public Safety Building budget is increasing by \$38,500 or 31.3%. The new facility was occupied in December 2010. During budget deliberation last year this budget was reduced in the utility line item. A study during 2011 indicates that there are no problems with the operations of the building systems causing a larger than anticipated utility cost. The budgeted number in FY2013 reflects a full year of history and is a more accurate reflection of the anticipated costs.

The Emergency Management budget has been decreased by \$9,290 or -29.9%. The FY2012 budget reflected an increase for table top exercises which is not needed in FY2013.

Public Works

Overall the Public Works budget is increasing by \$171,748 or 7.4%. The largest increase in this budget is for increases in mandated programs. The funding for the Post Closure Monitoring of the former landfill has been increased by \$88,000. Our engineering contractor has submitted to the Massachusetts Department of Environmental Protection a proposed Comprehensive Site Assessment plan to further study leachate that is seeping into the Quinapoxet River. The actual costs of the plan are not determined at this time but could add up to an additional \$100,000 to the cost of current landfill monitoring. The other item contributing to the increase in this budget is the Storm Water NPDES permit which increased \$30,000. The new permit has considerably more requirements that the department must comply with. The cost of the requirements will include additional work by our current staff and the hiring of outside consultants. We have joined with 12 other communities seeking a regional grant initiative to reduce costs for such items as education and advertising.

In the Building and Grounds Division a temporary part time position for facility management has been added. One of the first items to be reduced in any financially trying time is the maintenance of our buildings and grounds. This can lead to costly repair and replacement in future years. This position is expected to provide a detailed analysis and long range plan for upkeep necessary and maintenance requirements for each of our buildings. It is expected that the current OPM for the Mountview School will fill this position. The position's value to the organization will be reviewed during the fiscal year.

Culture

The overall increase in the Cultural budgets is \$35,571 or 4.9%. FY2012 was the first year that the appropriation for the Library did not comply with the state law which mandates that the library appropriation must be increased 2 ½% over the average of the last 3 fiscal years. This required the town to make a reserve fund transfer in the amount of \$17,418 to comply in FY2012. The Town Accountant has calculated the required appropriation for FY2013 is \$757,023. The anticipated cost-of-living adjustment is included in this budget and the major change in the budget is the addition of one part time page. The Historical Commission budget was increased by \$500 for the alarm system at the Hendricks House.

Human Services

The overall increase in Human Services is \$33,296 or 11.2% due to the Aid and Assistance to Veterans increasing by \$32,000 in FY2013 (based on the number of anticipated qualifying candidates). The Senior Center budget is increasing by \$1,296 or .5% mainly for the cost of maintaining the equipment and the cost of postage.

Education

This year, Holden's required minimum school spending increased from \$16,447,026 to \$16,779,390; an increase of \$332,364 or 2%. The appropriation for the Town's voluntary contribution is increased by \$182,498 or 10%. The Transportation appropriation has been increased by \$128,145 or 10%. The debt service for the Wachusett Regional High School project and the oil remediation at the Jefferson School has been level funded. These figures are subject to change once our assessment is finalized. Our overall increased Town funding to Wachusett Regional School District is \$707,565 or 3.3%.

The town provides vocational education opportunities through Montachusett Regional Vocational High School. The required minimum school spending has increased by \$39,558 or 8.5%. The budget has been increased by an additional \$25,000 to allow for additional enrollment changes. Once the assessment letter is received this number will be adjusted.

Enterprise Funds

Water and Sewer Enterprise Fund

The Water Sewer Enterprise Fund expenses have increased overall by \$522,138 or 9.41%. The personal services have increased by \$16,741 or 3.23% for step increases, a potential cost of living adjustment, police details and the incentive plan. Expenses reflect a decrease in health insurance costs, retirement costs, and OPEB costs. Fixed cost increases totaling \$104,375, have been proposed for maintenance of our water and sewer pumping stations, the hydrant replacement program, maintenance at the West Boylston pump station, radio lines, stock, tools and chemicals, vehicle maintenance, meter repairs and replacements, and fuel costs. Upper Blackstone Water Sewer Pollution Abatement District assessment to Holden has increased by \$40,778 or 6.6%. Worcester Water is estimated to increase by \$29,349 or 5%. Debt service has decreased by \$29,669 or 2.17%. The cost of transporting our sewerage to the Upper Blackstone facility is anticipated to increase \$127,548 or 11.51%. Debt service has been decreased by \$21,517 but the cost of capital item replacements and projects are increasing by \$260,000. New items in this year's budget include an appropriation for maintenance of our emergency generators at our pumping stations and maintenance of the Spring Street and pumping station properties. Two reserve funds have been level 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 level by FY2016.

The water sewer rate methodology introduced in 2011 has greatly increased the financial solvency of our Water Sewer Enterprise Fund. In order to maintain a positive balance in this account and to fund the many items which need attention, we will once again be making a recommendation to the Board of Selectmen for a rate increase.

Recreation Revolving

The Recreation Revolving Fund expenses are decreasing by \$51,895 or -12%. The decrease is due to reductions in the capital outlay requests, utilities, program supplies and water sewer charges. The water leak at the pool several years ago caused the temporary increase in this appropriation. Many of the costs are split with the Before and After School program including clerical staffing, on-line registration and management program costs

Cable Revolving Fund

The Cable Revolving Fund expenses are increasing by \$4,792 or 2%. Increases include the rental of the studio, utility costs, and equipment maintenance.

Solid Waste Enterprise Fund

The Solid Waste Enterprise fund is budgeted to provide a year end balance of \$23,900. On the expense side the budget has increased by \$3,340 and personal services have decreased by \$12,621. The budget has eliminated a part time recycling coordinator and has shifted the clerical duties to existing staff within the Growth Management budget. The cost of disposal has increased by \$10,275 or 3%. The collection contract, which was renegotiated this year, has increased by \$19,344 or 3%. Toter and overflow bags have decreased due to bulk purchases made in FY2012. A rate stabilization appropriation equal to one half of the free cash balance has been included.

Capital Budget

The FY2013 budget includes a separate capital budget and a five year capital plan. The FY2013 capital budget funds items totaling \$2,103,897; \$310,000 will be new borrowing for a one-ton truck with plow and a large dump truck with plow for the Public Works Department; \$795,897 cash is for items in the various departments; and \$998,000 is for items expended in the Water Sewer Enterprise Fund and Recreation Revolving Fund, including \$592,000 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 FY2013 – FY2017. It anticipates an investment in our infrastructure and capital assets of \$14,982,422 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 \$363,338 be appropriated to the Stabilization Fund in FY2013. 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.

OPEB

OPEB, or Other Post Employment Benefits, is an unfunded liability that the Town has not begun to fund except within the Holden Municipal Light Department and the Water Sewer Enterprise Fund. The most recent actuarial valuation indicates that our outstanding liability as of July 1, 2010 is \$11,540,300; the estimated liability on July 1, 2012 is \$12,232,475. In order to fund the FY2013 OPEB obligation we would be required to appropriate \$440,662 next year. Clearly we do not have sufficient resources to begin funding this item at this time. It is my recommendation that when we have funded the Stabilization fund at \$1 million that we shift our focus to funding our OPEB obligation.

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 over time 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 2013 - FY 2017**

	FY 2012	FY 2013	Dollar Change	Percent Change	FY 2014	Dollar Change	Percent Change	FY 2015	Dollar Change	Percent Change	FY 2016	Dollar Change	Percent Change	FY 2017	Dollar Change	Percent Change
REVENUE																
State Aid	1,701,434	1,721,308	19,874	1.17%	1,758,813	37,505	2.18%	1,797,256	38,443	2.19%	1,836,660	39,404	2.19%	1,877,049	40,389	2.20%
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%
Local Receipts	4,446,548	4,380,853	(65,695)	-1.48%	4,543,853	163,000	3.72%	4,643,853	100,000	2.20%	4,653,853	10,000	0.22%	4,663,853	10,000	0.21%
Free Cash	704,693	908,344	203,652	28.90%	496,879	(411,469)	-45.30%	342,580	(154,299)	-31.05%	284,717	(57,862)	-16.89%	263,019	(21,698)	-7.62%
Overlay Reserve Surplus	50,000	50,000	-	0.00%	150,000	100,000	0.00%	50,000	(100,000)	0.00%	50,000	-	0.00%	50,000	-	0.00%
Property Tax	27,665,800	28,550,029	884,229	3.20%	29,563,780	1,013,751	3.55%	30,602,874	1,039,094	3.51%	31,667,946	1,065,072	3.48%	32,769,645	1,091,699	3.45%
Debt Exclusion (NET)	2,717,706	2,725,122	7,416	0.27%	2,723,535	(1,587)	-0.06%	2,718,215	(5,321)	-0.20%	2,717,604	(611)	-0.02%	2,718,199	596	0.02%
Other Rev. (HMLD & Sewer connection lens.)	199,371	252,559	53,188	26.68%	242,630	(9,929)	-3.93%	245,897	3,267	1.35%	249,246	3,349	1.36%	252,678	3,433	1.38%
TOTAL REVENUES	39,356,648	40,459,211	1,102,663	2.80%	41,350,486	891,276	2.20%	42,271,670	921,185	2.23%	43,331,021	1,059,361	2.61%	44,455,439	1,124,418	2.69%
APPROPRIATIONS																
Operating Budgets																
Wachusett Reg. School District	19,553,459	20,196,466	643,007	3.29%	20,903,343	706,876	3.50%	21,634,960	731,617	3.50%	22,392,183	757,224	3.50%	23,175,910	783,726	3.50%
Montachusett Reg. Tech. School	485,097	529,655	64,558	13.88%	545,545	15,890	3.00%	561,911	16,366	3.00%	578,768	16,857	3.00%	596,131	17,363	3.00%
Town	10,081,463	10,390,219	308,756	3.06%	10,494,122	103,902	1.00%	10,599,063	104,941	1.00%	10,705,053	105,991	1.00%	10,812,104	107,051	1.00%
Capital budget																
Exempt Debt Service	4,595,556	4,651,922	56,366	1.23%	4,603,277	(48,645)	-1.05%	4,597,895	(5,383)	-0.12%	4,597,219	(676)	-0.01%	4,597,219	-	0.00%
Non-Exempt Service	239,087	323,837	84,750	35.45%	541,339	217,502	67.16%	775,651	234,312	43.28%	883,133	107,483	13.86%	883,133	-	0.00%
Cash	606,597	795,897	189,300	31.21%	803,250	7,353	0.92%	702,500	(100,750)	-12.54%	567,000	(135,500)	-19.29%	486,725	(80,275)	-14.16%
Infrastructure Investment Fund	418,481	383,775	(34,706)	-8.29%	391,014	7,239	1.89%	398,614	7,600	1.94%	406,595	7,981	2.00%	414,975	8,380	2.06%
Total Capital	6,859,721	6,155,431	(295,710)	-5.05%	6,338,880	183,449	2.98%	6,474,659	135,780	2.14%	6,463,947	(20,713)	-0.32%	6,382,062	(71,895)	-1.11%
Pensions	802,434	931,617	129,183	16.10%	1,071,360	139,743	15.00%	1,232,063	160,704	15.00%	1,416,873	184,810	15.00%	1,629,404	212,531	15.00%
Insurance	1,863,800	1,568,700	(297,100)	-15.94%	1,660,702	94,002	6.00%	1,760,344	99,642	6.00%	1,865,965	105,621	6.00%	1,977,923	111,958	6.00%
State Assessments	123,038	127,127	4,089	3.32%	127,127	-	0.00%	127,127	-	0.00%	127,127	-	0.00%	127,127	-	0.00%
Offset Aid - Library	22,595	23,658	1,063	4.70%	23,658	-	0.00%	23,658	-	0.00%	23,658	-	0.00%	23,658	-	0.00%
Overlay Reserve	284,940	175,000	(109,940)	-38.58%	250,000	75,000	42.86%	175,000	(75,000)	-30.00%	175,000	-	0.00%	175,000	-	0.00%
Other Cr. Jdgmnts/ Deficit	-	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Warrant Art. - Stabilization Fund	300,000	363,338	63,338	21.11%	198,752	(164,586)	-45.30%	137,032	(61,720)	-31.05%	113,887	(23,145)	-16.89%	100,732	(13,155)	-11.55%
TOTAL APPROPRIATIONS	39,356,648	40,459,211	1,102,664	2.80%	41,613,487	1,164,276	2.85%	42,725,817	1,112,330	2.67%	43,862,461	1,126,644	2.64%	45,000,041	1,147,679	2.62%
BALANCE	0	(0)			(263,001)			(454,147)			(621,440)			(644,602)		
Fund Balances:																
Free Cash Balance	446,588	1,463,351			795,007			548,127			456,648			455,648		
Stabilization Fund Balan	300,000	663,338			862,089			999,121			1,113,008			1,218,216		

CONCLUSION

Overall the budget as presented provides a balanced budget which retains services. The major changes to the budget include decreasing the tax levy by 1/4%, a major long term decrease in our health insurance costs, the addition of a new position in the Police Department, and a new part time temporary position in the Public Works Department, This budget continues our commitment to funding our capital inventory, retaining one half of our free cash, and building our Stabilization Fund. School funding is increased by 2% for the required contribution, a 10% increase in the voluntary contribution and a 10% increase for transportation; a 3.29% overall increase.

Thanks go out to all of the Department Heads for their cooperation and participation. Special thanks go to Judy Sikes who patiently made the changes to the budget and is 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 A. Galkowski
Town Manager

**BUDGET COMPARISON
FY2012 TO FY2013**

Department	FY2012				FY2013				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	16,750	-	24,250	1,600	7.1%
Finance Committee	-	181,935	-	181,935	-	127,000	-	127,000	(54,935)	-30.2%
Town Manager/ Personnel	493,564	35,900	22,000	507,464	447,924	36,300	27,000	457,224	(50,240)	-9.9%
Information Technology	202,548	116,345	44,000	274,893	212,081	134,570	40,000	306,651	31,758	11.6%
Accounting	111,744	29,730	19,900	121,574	113,800	29,730	22,900	120,630	(944)	-0.8%
Treasurer/ Collector	179,602	60,600	50,050	190,152	185,993	70,600	54,050	202,543	12,391	6.5%
Assessor	203,151	22,800	-	225,951	196,212	49,000	-	245,212	19,261	8.5%
Legal	-	197,000	-	197,000	-	197,000	-	197,000	-	0.0%
Town Clerk	166,625	33,985	-	200,610	174,252	33,372	-	207,624	7,014	3.5%
Insurance	-	1,863,800	-	1,863,800	-	1,566,700	-	1,566,700	(297,100)	-15.9%
Retirement	-	802,434	-	802,434	-	931,617	-	931,617	129,183	16.1%
Debt	-	4,016,137	1,870,996	2,145,141	-	4,122,040	1,870,996	2,251,044	105,903	4.9%
Growth Management	183,309	37,375	-	220,684	130,052	93,150	-	223,202	2,518	1.1%
Subtotal General Government	1,548,143	7,413,256	2,006,946	6,954,453	1,467,914	7,407,894	2,014,946	6,860,862	(93,591)	-1.3%
Police	1,870,692	243,650	-	2,114,342	1,967,258	239,900	-	2,207,158	92,816	4.4%
Animal control	39,957	9,920	-	49,877	41,045	10,050	-	51,095	1,218	2.4%
Sealer of Weights & Measures	2,500	1,025	-	3,525	2,500	1,025	-	3,525	-	0.0%
Fire	924,904	284,780	-	1,209,684	964,156	279,200	-	1,243,356	33,672	2.8%
EMS	621,371	207,675	-	829,046	636,823	129,025	-	765,848	(63,198)	-7.6%
Emergency Management	14,036	17,000	-	31,036	14,746	7,000	-	21,746	(9,290)	-29.9%
Public Safety Building	-	122,970	-	122,970	-	161,470	-	161,470	38,500	31.3%
Subtotal Public Safety	3,473,460	887,020	-	4,360,480	3,626,528	827,670	-	4,454,198	93,718	2.1%
DPW Administration	153,481	6,750	-	160,231	150,996	7,450	-	158,446	(1,785)	-1.1%
DPW Engineering	136,565	74,850	-	211,415	141,194	198,560	-	339,754	128,339	60.7%
DPW Highway	489,345	632,956	-	1,122,301	483,284	625,039	-	1,108,323	(13,978)	-1.2%
DPW Equipment Repair	161,781	15,600	60,000	117,381	161,984	17,663	57,000	122,627	5,246	4.5%
DPW Building and Grounds	392,815	293,620	25,000	661,435	443,622	300,039	25,000	718,661	57,226	8.7%
DPW Garage	-	58,800	-	58,800	-	56,500	-	56,500	(2,300)	-3.9%
Subtotal Public Works	1,333,987	1,082,576	85,000	2,331,563	1,381,060	1,205,251	82,000	2,504,311	172,748	7.4%
Veterans Benefits	6,200	51,500	-	57,700	6,200	83,500	-	89,700	32,000	55.5%
Senior Center	208,975	30,100	-	239,075	210,471	29,900	-	240,371	1,296	0.5%
Subtotal Human Services	215,175	81,600	-	296,775	216,671	113,400	-	330,071	33,296	11.2%
Library	526,800	195,152	-	721,952	554,095	202,928	-	757,023	35,071	4.9%
Historical Commission	-	6,665	-	6,665	-	7,165	-	7,165	500	7.5%
Subtotal Culture	526,800	201,817	-	728,617	554,095	210,093	-	764,188	35,571	4.9%
TOTAL MUNICIPAL:	7,097,565	9,666,269	2,091,946	14,671,888	7,246,268	9,764,308	2,096,946	14,913,630	447,914	3.1%
Total minus Insurance, Retirement and Debt				9,860,513				10,164,269	303,756	3.1%
EDUCATION:										
WRSD										
Minumum Required Contribution		16,447,026		16,447,026		16,779,390		16,779,390	332,364	2.0%
Voluntary Contribution		1,824,982		1,824,982		2,007,480		2,007,480	182,498	10.0%
Transportation		1,281,451		1,281,451		1,409,596		1,409,596	128,145	10.0%
Debt		1,231,294		1,231,294		1,231,294		1,231,294	-	0.0%
Subtotal WRSD		20,784,753		20,784,753		21,427,760		21,427,760	21,427,760	103.1%
Montachusett Reg. Voc. Tech		465,097		465,097		504,655		504,655	39,558	8.5%
TOTAL EDUCATION:		21,249,850		21,249,850		21,932,415		21,932,415	682,565	3.2%
Total minus Insurance, Retirement and Debt				9,860,513				10,164,269	303,756	3.1%
Capital				606,597				795,897	189,300	31.2%
TOTAL OPERATING AND CAPITAL W/O FIXED COSTS:				10,467,110				10,960,166	493,056	4.7%

**TOWN OF HOLDEN
FY 2013 RESOURCE PROFILE**

	FY11 RECAP	FY12 SUBMITTED	FY12 TOWN MEETING	FY12 RECAP	FY13 SUBMITTED	CHANGE	PERCENT CHANGE
Total Assessed Value (Est.)	1,859,330,400	1,859,330,400	1,859,330,400	1,838,082,600	1,838,082,600		
Average Assessed Home	270,800	270,800	270,800	266,300	266,300		
Tax Rate	16.65	16.29	16.29	16.53	17.02 \$	0.49	2.9%
Average Tax Bill	4,238	4,411	4,411	4,402	4,531 \$	129.18	2.9%
Tax Rate Change	0.85	0.64	0.64	0.24	0.49		
Excess Levy Capacity	0	2,949	2,949	0	0		

GENERAL FUND REVENUES							
Tax Levy	26,579,308	27,562,015	27,562,015	27,665,800	28,550,029	884,229	3.20%
Supplemental Tax Assessment	20,000	25,000	25,000	35,000	35,000	0	0.00%
Tax Receipts - Non-excluded	26,599,308	27,587,015	27,587,015	27,700,800	28,585,029	884,229	3.19%
Percentage of General Fund Revenues	80.8%	79.7%	79.7%	79.7%	79.8%	80.8%	
Cherry Sheet- Unrestricted	1,617,133	1,500,208	1,500,208	1,500,208	1,500,208	0	0.00%
Cherry Sheet- Offsets	169,461	178,631	178,631	178,631	197,442	18,811	10.53%
State Receipts	1,786,594	1,678,839	1,678,839	1,678,839	1,697,650	18,811	1.12%
Percentage of General Fund Revenues	5.4%	4.8%	4.8%	4.8%	4.7%	1.7%	
General Estimated Receipts	1,632,367	1,737,416	1,737,416	1,737,547	1,796,853	59,306	3.41%
Excise Receipts	1,900,000	1,900,000	1,900,000	1,900,000	1,925,000	25,000	1.32%
Sewer Connection Fund Offset	71,662	71,942	71,942	71,871	71,871	0	0.00%
EMS Receipts	650,000	650,000	650,000	650,000	550,000	-100,000	-15.38%
WRSD Maint/Services Fee	74,000	74,000	74,000	74,000	74,000	0	0.00%
Local Receipts	4,328,029	4,433,358	4,433,358	4,433,418	4,417,724	-15,694	-0.35%
Percentage of General Fund Revenues	13.1%	12.8%	12.8%	12.8%	12.3%	-1.4%	
Free Cash	36,644	704,693	704,693	704,693	908,344	203,652	28.90%
Overlay Reserve	0	50,000	50,000	50,000	50,000	0	0.00%
Light Dept In Lieu	127,500	127,500	127,500	127,500	130,688	3,187	2.50%
Wachusett Fund	0	0	0	0	50,000	50,000	
Water/Sewer GF Repayment	50,000	50,000	50,000	50,000	0	-50,000	-100.00%
Free Cash / Intra-Government Transfers	214,144	932,193	932,193	932,193	1,139,032	206,839	22.19%
Percentage of General Fund Revenues	0.7%	2.7%	2.7%	2.7%	3.2%	18.9%	
TOTAL GENERAL FUND REV - NON-EXCLUSION	32,928,075	34,631,405	34,631,405	34,745,260	35,839,435	1,094,185	3.15%
DEBT EXCLUSION REVENUE							
Debt Exclusion (Net)	2,519,213	2,726,566	2,726,566	2,717,706	2,725,122	7,416	0.27%
SBAB Reimbursement Elementary	1,870,996	1,870,996	1,870,996	1,870,996	1,870,996	0	0.00%
Debt Excluded Revenue	4,390,209	4,597,562	4,597,562	4,588,702	4,596,118	7,416	0.16%
TOTAL GENERAL FUND REVENUE	37,318,284	39,228,967	39,228,967	39,333,952	40,435,553	1,101,601	2.80%

**TOWN OF HOLDEN
FY 2013 RESOURCE PROFILE**

	FY11 RECAP	FY12 SUBMITTED	FY12 TOWN MEETING	FY12 RECAP	FY13 SUBMITTED	CHANGE	PERCENT CHANGE
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GENERAL FUND EXPENDITURES							
Required Minimum Contribution	16,295,270	16,447,026	16,447,026	16,447,026	16,779,390	332,364	2.02%
Voluntary Regional Assessment RASA	1,811,423	1,824,982	1,824,982	1,824,982	2,007,480	182,498	10.00%
School Transportation	982,592	1,281,451	1,281,451	1,281,451	1,409,596	128,145	10.00%
Montachusett Assessment	478,745	465,097	465,097	465,097	529,655	64,558	13.88%
Education	19,568,030	20,018,556	20,018,556	20,018,556	20,726,121	707,565	3.53%
Percentage of General Fund Expenditures	52.4%	51.0%	51.0%	50.9%	51.3%		
Percentage of General Fund Expenditures (Excluding Debt)	59.4%	57.8%	57.8%	57.6%	57.9%		
General Government	4,433,732	4,945,262	4,945,262	4,945,262	4,753,768	-191,494	-3.87%
Public Safety	4,471,535	4,360,480	4,360,480	4,360,480	4,454,198	93,718	2.15%
Public Works	2,637,659	2,416,563	2,416,563	2,416,563	2,586,311	169,748	7.02%
Culture	748,780	728,617	728,617	728,617	764,188	35,571	4.88%
Human Services	267,313	296,775	296,775	296,775	330,071	33,296	11.22%
Capital Budget		614,297	614,297	614,297	795,897	181,600	29.56%
Municipal Budget	12,559,019	13,361,994	13,361,994	13,361,994	13,684,433	322,439	2.41%
Percentage of General Fund Expenditures	33.7%	34.1%	34.1%	34.0%	33.8%		
Percentage of General Fund Expenditures (Excluding Debt)	38.2%	38.6%	38.6%	38.5%	38.2%		
Infrastructure Investment Fund	316,777	418,481	418,481	418,481	383,775	-34,706	-8.29%
Non-Exempt Debt	120,103	187,494	187,494	187,494	279,944	92,450	49.31%
Oil Spill Clean Up Debt (Jefferson School)	44,644	43,893	43,893	43,893	43,893	0	0.00%
County Assessments	0	0	0	0	0	0	0.00%
State Assessments (Transportation)	118,872	123,038	123,038	123,038	127,127	4,089	3.32%
Overlay/Abatements	191,660	175,000	175,000	284,940	175,000	-109,940	-38.58%
Stabilization Fund Appropriation		300,000	300,000	300,000	363,338	63,338	21.11%
Other Expenditures	792,056	1,247,906	1,247,906	1,357,846	1,373,076	15,230	1.12%
TOTAL GENERAL FUND EXP. - NON-EXCLUSION	32,919,105	34,628,456	34,628,456	34,738,396	35,783,631	1,045,235	3.01%
DEBT EXCLUSION EXPENDITURES							
Exempt Debt - excluded	3,353,689	3,410,161	3,410,161	3,408,155	3,464,521	56,366	1.65%
High School Debt - excluded	1,045,490	1,187,401	1,187,401	1,187,401	1,187,401	0	0.00%
Debt Excluded Expenditures	4,399,179	4,597,562	4,597,562	4,595,556	4,651,922	56,366	1.23%
Percentage of General Fund Expenditures	11.8%	11.7%	11.7%	11.7%	11.5%		
TOTAL GENERAL FUND EXPENDITURES	37,318,284	39,226,018	39,226,018	39,333,952	40,435,653	1,101,601	2.80%
REVENUE/EXPENDITURE DIFFERENCE	0	2,949	2,949	0	0	0	0.00%
						School Change FY12 to FY13	
WRSD School Budget without Debt	\$19,089,285	\$19,553,459	\$19,553,459	\$19,553,459	\$20,196,466	643,007	3.29%
WRSD School Budget with Debt	\$20,179,419	\$20,784,753	\$20,784,753	\$20,784,753	\$21,427,760	643,007	3.09%

**TOWN OF HOLDEN
FY 2013 RESOURCE PROFILE**

	FY11 RECAP	FY12 SUBMITTED	FY12 TOWN MEETING	FY12 RECAP	FY13 SUBMITTED	CHANGE	PERCENT CHANGE
RESTRICTED REVENUE							
LIBRARY OFFSETS	21,559	22,595	22,595	22,595	23,658	1,063	4.70%
RECREATION REVOLVING	372,213	413,017	422,876	422,876	385,238	-37,638	-8.90%
AFTER SCHOOL REVOLVING	296,030	297,293	299,074	299,074	303,086	4,012	1.34%
CABLE REVOLVING ACCOUNT	201,549	165,000	165,000	165,000	200,000	35,000	21.21%
SOLID WASTE ENTERPRISE FUND	1,088,723	1,165,338	1,164,107	1,164,107	1,178,725	14,618	1.26%
INSPECTIONAL SERVICES REVOLVING	207,037	222,000	214,271	214,271	335,238	120,967	56.46%
WATER SEWER REVENUE	5,078,073	5,604,653	5,551,067	5,551,067	6,094,361	543,294	9.79%
WATER SEWER STABILIZATION FUND	18,930	0	0	0	0	0	0.00%
DPW DEPRECIATION FUND	200,000	19,192	19,192	19,192	19,023	-169	-0.88%
FIRE VEHICLE STABILIZATION FUND	175,000	134,800	134,800	134,800	133,600	-1,200	-0.89%
TOTAL RESTRICTED REVENUE	7,659,114	8,043,888	7,992,982	7,992,982	8,672,929	679,947	8.51%
RESTRICTED EXPENDITURES							
LIBRARY OFFSETS	21,559	22,595	22,595	22,595	23,658	1,063	4.70%
RECREATION REVOLVING	438,642	471,076	422,876	422,876	395,981	-26,895	-6.36%
AFTER SCHOOL REVOLVING	295,814	299,074	299,074	299,074	304,356	5,282	1.77%
CABLE REVOLVING ACCOUNT	201,549	260,054	260,054	260,054	264,846	4,792	1.84%
SOLID WASTE ENTERPRISE FUND	1,088,723	1,164,907	1,164,107	1,164,107	1,154,826	-9,281	-0.80%
INSPECTIONAL SERVICES REVOLVING	207,037	214,271	214,271	214,271	224,882	10,611	4.95%
WATER SEWER EXPENSES	5,078,073	5,593,094	5,551,067	5,551,067	6,073,205	522,138	9.41%
WATER SEWER STABILIZATION FUND	80,000	30,000	30,000	30,000	90,000	60,000	200.00%
DPW DEPRECIATION FUND	218,192	19,192	19,192	19,192	19,150	-42	-0.22%
FIRE VEHICLE STABILIZATION FUND	90,000	134,800	134,800	134,800	82,331	-52,469	-38.92%
TOTAL RESTRICTED EXPENDITURES	7,719,589	8,209,063	8,118,036	8,118,036	8,633,235	515,199	6.35%