

Town of Wales

Finance Committee Report for FY 2015

OVERVIEW

The upcoming year should prove to be a good one financially for the Town of Wales. As always, our goal is to take care of the financial needs of the town, to plan for the future and all the while keep the burden to taxpayers as low as possible. Last year, the budget amounted to a 0.25% increase over the prior year. This year we are a little higher, but still low with an increase over last year of just 1.5%.

Over the last few years the Town has been very successful in keeping our bond purchases and debt payments low. In other words, we have been able to join successfully with the Capital Planning Committee to save for the inevitable larger purchases on the front end in order to avoid large expenditures on the credit card. Much appreciation goes out to the Capital Planning Committee for their hard work and to the residents for allowing us to keep our debts low. Regarding the Tantasqua bond, both the amount and the number of payments are decreasing. Next year will be our final payment on the bond!

In addition to reviewing specific department budgets, we also try to review some of the processes that affect the finances of the town. Last year we reviewed the revolving accounts. This year, the Finance Committee reviewed the articles on the warrant. For those of you with a careful eye, you may notice a few changes; most notable is that we have arranged the articles so that any financial discussions are addressed first. We hope that these changes assist in making business flow a little more smoothly at the Annual Town Meeting.

FY15 DETAILED BUDGET REMARKS

Other Post-Employment Benefits (OPEB). At the recommendation of the State, towns across the Commonwealth have begun to create new savings or Trust accounts so as to save money aside to help pay for future benefits of our town employees. Right now, we are on a Pay-As-You-Go schedule, but these costs are growing fast and we may not be able to keep up with the rate of increases in future. Setting aside additional, interest bearing amounts now will help to ensure we take care of our employees after they retire.

IT Expenses. 2014 will be a year of change in regard to IT. Computers at the Town Hall are old and have basically no systemized backup. Additionally, the IT service provided to the town was mostly reactive rather than proactive. Over the last 7 years, our IT expenses have been paid out of miscellaneous accounts and have averaged between \$4,000 - \$5,000 per year. Going forward, these expenses will be more centralized and paid out of the one new account.

Emergency Notification System. This line item was created to account for the new CodeRED Emergency Notification system the Town installed in 2013.

One expense that stands out this year is the **Snow & Ice deficit** that was created this past Winter. Deficit spending is normal for this account, but usually not to this degree. As of March, the deficit amount was a little more than \$58,000. As much as is possible, we will attempt to cover this expense with any unused FY14 funds, however we have planned for the amount to be covered in FY15 should FY14 amounts be insufficient.

Once again, the Finance Committee would like to thank the **Wales Elementary School** Committee this year for helping to keep increases to a minimum. The **Tantasqua** expenses this year are about \$61,000 LESS than last year. This decrease is a result of 1) a \$13,000 decrease in the Tantasqua bond payment and 2) a decrease in our assessment due to a decrease in Wales students attending Tantasqua.

The Fire Department **Vehicle Maintenance & Parts** line item was increased by \$2,500 for the purpose of engaging an outside vendor to perform a Preventative Maintenance audit each year in hopes of reducing the number and expense of equipment failure. The **Brimfield Ambulance Service** requested a \$10,000 increase in order to maintain service. They have been losing money for a few years.

Each year, the Finance Committee agrees to review some departments to determine if they are over or underfunded. This year, we are recommending a \$1,000 increase to the **Town Clerk salary**.

The Finance Committee is also recommending an increase to the **Police Chief Salary** as it has been underfunded for a long time. The rate of pay is extremely low when compared to other towns of similar size. An adjustment is also recommended for the **Police Salaries** line item. These changes amount to an increase of \$7,350.

The Finance Committee has again approved funding for a **Seasonal Employee** at the **Highway Dept.** in FY15, but did not approve the request for a Full-Time employee which would have resulted in an on-going increase of about \$20,000 per year and added employee benefit expenses. The **Highway Commissioner salary** request for a \$2,430 increase was approved.

The Finance Committee would like to thank each of the Departments, Boards, Committees and School officials who helped shape the FY15 Budget over the last few months. We would also like thank the residents of Wales for your continued support.

Very truly yours,

The Wales Finance Committee

Roy Lainson, Chairman

Valerie Bernier, Member

Howard Whyte, Secretary

Bill Darnley, Member