

# Town of Wales

## Finance Committee Report

*Fiscal Year 2017 (July 1, 2016 – June 30, 2017)*

### OVERVIEW

Fiscal Year 2017 is looking a little better than last year as we have two significant and positive changes. The first item is that, per the Governor's FY17 budget proposal, there is an increase in Chapter 70 (Schools) funding by the State. There was also a substantial decrease in the Snow & Ice deficit the Town incurred this year, which we would otherwise need to cover. Last year, Snow & Ice deficits were as high as \$75,000, this year the deficit is about \$10,000. These two items can be seen on the Budget Outline that accompanies the FY17 Budget Detail. Last year, the budget amounted to a 3.9% increase over the prior year; this year we are a little over 1.0%.

Our **Certified Free Cash** available for this year is \$116,907. As usual, we continue to advocate that these funds be used for one-time items that can't be budgeted year to year, as is recommended by the Dept. of Revenue. Please reference the Summary of Free Cash Usage chart on the Budget Outline to see where these funds have been allocated.

Significantly, FY17 marks the first year in decades that the **Town of Wales is completely debt free!** For many years, we have maintained a debt balance due to the Tantasqua bond and a Fire truck bond. However, both of these obligations are expiring in FY16.

The Finance Committee has continued to work with the Board of Selectmen and the Capital Improvement Planning Committee to ensure that the General Stabilization and Capital Stabilization accounts remain properly funded. We continue to believe in using these accounts so the town can avoid loans and bonds for vehicle and equipment purchases.

### FY17 DETAILED BUDGET REMARKS

For the third year in a row, the **Minimum Wage** will be increased by \$1/hour bringing the final minimum wage amount to \$11/hour beginning January 1, 2017. As there are a few positions in town that fall below this threshold, the Town of Wales has decided to provide for a 1.75% increase to both wage and salary line items. This increase is applied to all salary line items. Stipends will continue to remain flat, unless otherwise increased by the Board of Selectmen.

As residents may remember from last year, the Town of Wales agreed to slowly remove the use of **School Choice funds** to reduce the school's operating expense. In return, these funds are set aside in a special fund to handle small to medium capital improvements necessary for the

Elementary School. Setting these funds aside for the school, provides stability to the school budget, but also decreases the risk of the Town being surprised by urgent expenses (e.g. boiler failure, etc...). FY17 marks the first year where School Choice funds are no longer used to offset the budget. Last year, this amount was \$10,000, which accounts for an increase of the same amount to our elementary school budget this year.

Last year, the Wales Fire Department brought an important item to the attention of the Finance Committee, and that was that it was customary for most towns in Massachusetts to provide firefighters pay per each call when responding to duty and also to firefighters performing training exercises. While most of our neighbors provided pay to firefighters, Wales did not, and so we were at a disadvantage when it came to retaining firefighters in Wales. In FY16, there was a request of \$25,000 to pay firefighters. However, we agreed to phase in this expense for **FD Members Wages** over a two year period. FY17 will mark the second increase to this line item in the amount of \$12,500.

Another carry-over item from FY16, is the expense relating to a **10-Year Cyclical Revaluation** overseen by the Board of Assessors. This expense was split evenly between FY16 and Y17 in the amount of \$4,000. After FY17, this line item expense will return to normal amounts.

The Town Clerk **Elections & Registrations** line item was temporarily increased by \$2,200 in FY17 to cover the expense of the Presidential election that will occur next November.

The **Finance Committee Expense** account was increased from \$200 to \$300 since there are now 5 members on the committee instead of 3, this will help to cover necessary training expenses. Additionally, the **Reserve Fund** was increased by about \$31.

The **Planning Board Expense** account was increased by \$600 for the purpose of providing additional funds for legal expenses. In FY16, this account was increased by \$250 for the same purpose.

The Finance Committee approved the Highway Department request that we create new accounts to break out the following items going forward: **Office Supplies, Emergency Overtime, Licenses, and Boots, Tools & Clothing Allowances.**

The **Veteran's Benefits** account was increased from \$17,500 to \$25,000 as this account has been higher than expected for the last two years. It's worth noting that the Town receives 75% of this expense back from the State in the form of a reimbursement. This reimbursed amount coming back from the prior year can be seen in the Revenues column of the Budget Outline.

The Finance Committee would like to thank each of the Departments, Boards, Committees and School officials who helped shape the FY17 Budget over the last few months. We would also like thank the residents of Wales for your continued support.

Finally, we are very pleased to have **Kimberly Jorge** and **Bryan Darling** join our committee this past year. They have been a great help to the committee already. If you feel that you'd also like to serve the Town of Wales in this way, the Finance Committee still has two Alternate positions available. Please send a letter of interest to the Board of Selectmen or stop by during one of our meetings.

Very truly yours,

**The Wales Finance Committee**

Roy Lainson, Chairman  
Valerie Bernier, Member  
Bill Darnley, Member  
Bryan Darling, Secretary  
Kimberly Jorge, Member