

Town of Wales

Finance Committee Report

Fiscal Year 2019 (July 1, 2018 – June 30, 2019)

Overview

Fiscal Year 2019 represents a larger increase than last year in terms of expected expenses. The largest expense this year is an increase to the Life/Dental/Medical line as multiple employees have moved over to more expensive family plans, as opposed to an Employee Only or Employee plus One. The next three highest expenses are due to salary and staffing changes, mostly at the Elementary School, but also some salary changes at the Town Office. Changes at the school can vary significantly from year-to-year depending on the expected number of students, teacher step increases and of course cost of living adjustments. Details are provided below for these and other changes of note for the coming fiscal year.

Our **Certified Free Cash** available for this year is higher than last year, coming in at \$230,262. This year, a large portion of these funds will be dedicated to the completion of the Monson Road engineering plans, which once completed, will allow for a grant of about \$3,400,000 in funding for the road. Please reference the Summary of Free Cash Usage chart on the Budget Outline to see how this and other Certified Free Cash funds have been allocated.

The town continues to be free from all debt as we enter into FY19. Additionally, the payment portion of the **Tantasqua School Bond** schedule has been complete for two years and in FY19, the Town of Wales is set to receive a refund of approximately \$26,353.

FY19 Detailed Budget Remarks

- **Medical / Life / Dental | + \$72,734**
 - Increases due to some employees moving to more expense Family Plans for benefit plans
- **Wales Elementary Salaries | + \$71,121**
 - Cost of Living Adjustments (COLA) and step increases, additional aids to assist in larger classes, and additional help for speech therapy needs
 - Should note that the Total Fixed and Variable Costs did decrease this year by \$31,016
- **Hampden County Retirement Assessment | + \$28,799**
 - Due to actuarial adjustment and increased salaries of town employees
- **Central Procurement. | + \$12,000**

- Central Procurement includes utility expenses for town buildings. Actual costs were significantly more than previously budgeted. These expenses will be reviewed this coming year with an eye for possible expense reductions.
- **Grant Writer | + \$10,000**
 - The Board of Selectmen requested funds for a grant writer to research, apply for, and guide grant opportunities for the town.
- **Highway Vehicle Repair | + \$8,000**
 - Snow & Ice accounts due to vehicle repair typically go into deficit each year. This is a common occurrence for most towns. These deficits need to be covered at year-end from other areas having a surplus. In FY19, we have increased this account in hopes of decreasing the end-of-year deficit by the same amount at the end of FY19.
- **Selectmen Executive Secretary | + \$7,000**
 - The Board of Selectmen increased weekly hours to handle increased state regulations, more formalized permitting procedures, and Public Records request responses
- **Town Accountant Assistant | + \$6,832**
 - Increased hours to support Accountant during day time hours
- **IT Expense | + \$6,375**
 - Move Town computer server to Tantasqua
 - Tantasqua care/maintenance of server on an on-going basis
 - Improve data transmission lines for improved Internet up time
- **Reserve Account | + \$6,000**
 - Both the Central Procurement account and some Highway expenses will be transitioning to different procedures in the coming year. Additional funds were added to the Reserve account to provide assistance to these and other accounts if necessary.
- **Insurance / Bonds / Workers Comp | + \$4,147**
- **Police Wages | + \$2,557**
 - Increased to accommodate a small increase in Patrol hours
- **Fire Dept New Equipment | + \$2,000**
 - Inventory due for replacement is behind schedule, an increase was made to this account to assist with needed updates.
- **Fire Dept Chief Salary | + \$1,952**
 - Increased to better reflect time and work accomplished

The Finance Committee recognizes that so many of our town employees put in a tremendous amount of work throughout the year and we would like residents to know that our town is well-served by the many that work and volunteer for the town. For FY19, the Finance Committee recommends a two percent increase for all **salary and wage employees**. The Finance Committee would like to also thank each of the Departments, Boards, Committees and School officials who helped shape the FY19 Budget over the last few months. We would like to thank the residents of Wales for your continued support.

Finally, we are very pleased to have **Nicholas Jorge** and **Keith Davis** join our committee this past year. They have been a great help to the committee. The Finance Committee still has one open position. If you have an interest in helping the Finance Committee build the next budget, please send a letter of interest to the Board of Selectmen.

Very truly yours,

The Wales Finance Committee

Roy Lainson, Chairman
Kimberly Jorge, Secretary
Keith Davis, Member
Nicholas Jorge, Member