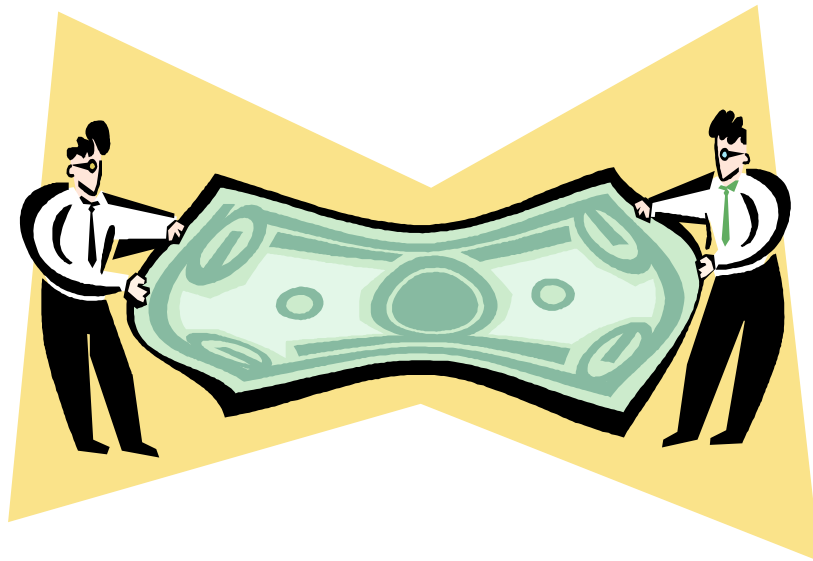


BUDGET MESSAGE

FY08



**Leon A. Gaumond Jr.
Town Administrator
Town of West Boylston**

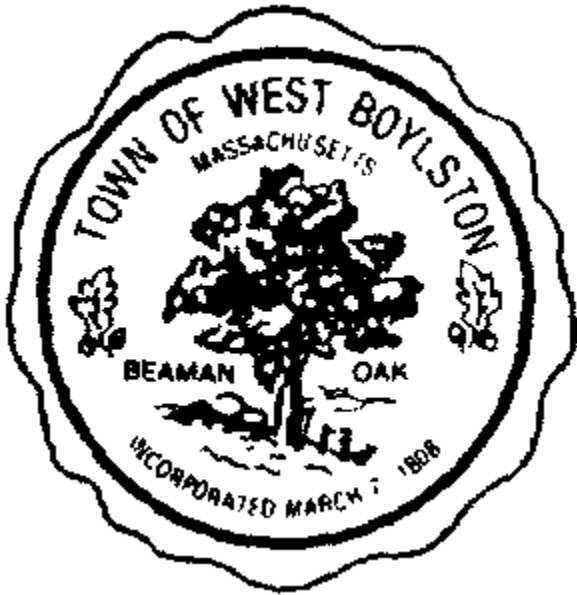
Vision Statement

It is the Vision of the Town of West Boylston to make West Boylston the most ideal place in the Commonwealth of Massachusetts to live, work, recreate, worship and raise a family.

Mission Statement

It is the mission of government of West Boylston to provide all of its citizens with the greatest possible spectrum of basic services, directed at publicly expressed community needs, at the least possible cost. This includes providing a wide range of high quality constituent service to the citizens of the community, continually support a strong economic base for the community, and continuing to work in the best long-term interests of the community while working as a team.

Community Profile



West Boylston, incorporated in 1808, and abutting Worcester, flourished through the 19th century as an industrial center, with cotton mills, a scythe factory and boot finishing shops. In 1896, the Metropolitan District Commission chose the south branch of the Nashua River as the storage site for Boston's water supply and the fate of West Boylston, and several other towns, was changed forever.

In 1897, the MDC evicted 1,700 West Boylstonites who lived near the town's center and began razing 6 mills, 8 schools, 4 churches, one hotel and 360 homes to prepare

for the 65 billion gallon reservoir. The entire Beaman Graveyard was moved to the center of town. Buildings, some still in use today, were dragged through the streets. The old stone Baptist Church, built in 1892 and recently restored by the West Boylston Historical Commission is all of the old center that remains in its original place. Away from Route 12, West Boylston is dotted with well-kept sub-divisions.

Most of West Boylston's residents work in Worcester or Worcester County, but I-190 passes through town giving easy access to Routes 9, 20, I-90 and I-495 and Boston is just 40 miles away. Being a suburb of Worcester means easy access to the city's cultural and commercial features.

Some town residents say that West Boylston is the best of both worlds because it is a non-urban environment just a stone's throw from the city. The excellent school system, under a school choice program, has students from other communities enrolled from kindergarten through grade 12.

West Boylston is located in Central Massachusetts, bordered by Worcester and Shrewsbury on the south, Holden on the west, Sterling on the north, and Boylston and the Wachusett Reservoir on the east. West Boylston is about 7 miles north of Worcester, 18 miles south of Fitchburg, 41 miles west of Boston, and 185 miles from New York City.

Narrative compiled by the Massachusetts Department of Housing and Community Development (DHCD).

To: Honorable Members of the Board of Selectmen
Members of the Finance Committee
Citizens of the Town of West Boylston
From: Leon A. Gaumont Jr., Town Administrator
Re: FY08 Budget Message

Introduction

In accordance with the requirements of the Massachusetts General Laws and Chapter 23 of the Acts of 1995 (An Act Establishing a Board of Selectmen-Town Administrator Form of Government in the Town of the West Boylston), I am proud to submit West Boylston's proposed Fiscal Year 2008 Operating and Capital Budgets.

As you can imagine, preparing any municipal budget has been a difficult in recent years however this year is expected to particularly challenging. However anyone who has been following the Town's budget for the last few months already knows, this year our budget woes are greater than we have seen recently.

This year, the Board of Selectmen voted to place on the ballot an override request to help cover the anticipated shortfalls in revenues needed to cover the 'level services' budget of the Town so this year's budget message will speak to the revenues available to the Town, and two sets of expenditure numbers, both with an override and without an override. The proposed budgets before you are balanced to the extent that the expenditures do not exceed the current revenue projections. However, in order to accomplish this balance, town departments will continue to struggle to provide level services to the Town and in some cases will not be able to provide any services to the Town. As I have said many times in the last couple of budget cycles, the West Boylston budget process has largely succeeded by reducing discretionary program expenditures and relying heavily on the Town's free cash to balance our budget. I once again commend the Town Department Managers and the Board of Selectmen for their conservative approach to recent budgets. Sadly, due to the grim financial outlook for the Town at this point, the Town must continue in this approach and is likely to continue in Fiscal 2009 as well.

Financial Outlook

Last year I said that I was optimistic that brighter days were ahead for the Town as the country and the Commonwealth rebounded from economic downturns. Unfortunately, it is my belief that things have started to move in the other direction. It appears that the

state may meet many of its revenue projections, however shortfalls in the state lottery and a structural deficit of anywhere between \$800 million and \$1.3 billion have reduced the discretionary funding at the state level.

As in the past couple of years, the Town's focus must continue to be upon those areas of revenues and expenditures that are discretionary in nature. Unfortunately, there are few areas of the budget left that fall into the non-discretionary category. Given our fiscal pressures and known exposures, it is possible we are facing further service reductions if the request for additional tax revenues in the form of a Proposition 2 ½ operational override fails this year. Either way, as I have said at the last few budget meetings, the way that the Town has approached its annual spending must adapt to the changing situation facing the Town.

As in recent years, it looks like the planned utilization of other funding sources to support the operating budget will be necessary to occur again in FY08. The withdrawal is necessary, in part, to offset the Non-exempt Debt Service related to the construction of the sewer and storm drains project and, without a dramatic adjustment in revenues, it is likely to continue until non-recurring funds are completely exhausted. As your Town Administrator, it is my hope to avoid this at all costs and to capitalize the Stabilization Fund to an appropriate level. I believe that an appropriate stabilization fund balance to be at least 5% of budgeted revenues. Replenishment of the Stabilization Fund should be a critical component of our financial planning, as it protects our bond rating and continued ability to manage unexpected problems.

FY Budget & Free Cash	Total Budget	Free Cash	Free Cash as % of Budget	FY Stabilization	Stabilization Fund	Stabilization Fund as % of Budget
1994	8,063,188	67,283	0.83	1993	57,875	0.72
1995	8,892,382	29,954	0.34	1994	32,138	0.36
1996	9,970,082	1,233,362	12.37	1995	45,717	0.46
1997	11,704,752	1,475,163	12.60	1996	526,591	4.50
1998	12,271,320	774,988	6.32	1997	1,476,987	12.04
1999	12,619,267	401,411	3.18	1998	1,690,772	13.40
2000	13,843,537	(33,695)	(0.24)	1999	1,554,762	11.23
2001	14,455,541	447,874	3.10	2000	1,164,057	8.05
2002	15,658,849	480,924	3.07	2001	1,392,489	8.89
2003	16,936,611		0.00	2002	1,470,843	8.68
2004	18,489,250	661,738	3.58	2003	1,798,161	9.73
2005	18,369,048	624,708	3.40	2004	821,339	4.47
2006	19,718,826	754,808	3.83	2005	760,915	3.86
2007	21,262,235	366,464	1.72	2006	870,437	4.09

There are three prominent credit rating agencies in municipal finance that assign credit ratings. I am pleased to report that one of these companies, Moody's, has reaffirmed our bond rating at A2 during a refunding to the Town this year. This rating reflects the rating agency's confidence in the Town's ability to manage through the current economic cycle. The more conservative and disciplined the Town is in dealing with our reserves, the

Moody's Investor Service	
	Aaa
	Aa1
	Aa2
	Aa3
	A1
	⇒ A2
	A3
	Baa1
	Baa2
	Baa3
	Ba1
	Ba2
	Ba3
	B1
	B2
	B3
	Caa
	Ca
	C

better our ratings are with these credit rating agencies which in turn leads to lower rates on bonds resulting in less tax dollars going to pay for interest. From their notification to the Town:

NEW YORK, Dec 13, 2006 -- Moody's Investors Service has assigned an A2 rating to the Town of West Boylston's (MA) \$1.9 million General Obligation Bonds. Concurrently, Moody's has affirmed the A2 rating on the town's \$18.1 million of outstanding long-term debt. The current issue is secured by the town's general obligation unlimited tax pledge, as debt service has been voted exempt from the levy limitations of Proposition 2 1/2. The proceeds will retire \$1.8 million outstanding bond anticipation notes dated 8/24/2006. The A2 rating incorporates the town's satisfactory financial position, above-average debt burden and modest growing tax base.

Moody's believes the exemption of approximately half of the town's debt from the limits of Proposition 2 1/2 mitigates the town's 2.2% overall debt burden, which should remain manageable given a lack of future

borrowing plans. As a result of School Building Authority (SBA) and Massachusetts Water Pollution Abatement Trust (MWPAT) subsidies, the town's overall direct debt burden falls to a low 1.2%. Voters passed debt exclusions for \$10.5 million of the town's \$20 million outstanding debt, allowing the town to raise necessary property taxes to support related debt service.

Other highlights of the Moody's decision of our financial condition are that they expect West Boylston to maintain a satisfactory financial position of the medium term, that West Boylston's tax base will continue to grow at a modest rate, and that the Town exhibits wealth levels that are on par with the state averages and equalized value per capita.

I would like to thank our Treasurer-Collector (Bonnie Yasick) and our Finance Director (Michael Daley) for their efforts that led to this positive review by Moody's Investors Services. The residents of the Town should be pleased to know that we have such dedicated and competent financial advisors working on their behalf.

Budget Principles

Strong budget policies help the Town determine not only what we want, but equally important, what we can afford. As conditions change, the Town must continue to be proactive in adjusting the budget or risk compromising our long-term fiscal health. Over the past several years, the Town administration has developed several budgetary and financial principles to guide the Administration, the Finance Committee, the Town Department's and the citizens in crafting and adopting a budget that continues to preserve the financial strength of the Town. The policies currently adopted by the Town Administration can be found in Appendix A and include:

- *Policy on Reserve Fund Transfers:* The purpose of this policy is to identify the criteria the Finance Committee will use to rule on requests for transfers from the Reserve Fund.
- *Policy on Intra-Departmental Line Item Budget Transfers:* The purpose of this policy statement is to identify the criteria the Finance Committee will use to rule on requests for intra-departmental transfers between account types.
- *Policy on Spending in Excess of Appropriation:* The purpose of this policy is to provide a summary and interpretation of the statutory prohibition against spending in excess of appropriation.

This past year, the Board of Selectmen has adopted a new policy concerning the use of new growth monies.

- *Policy on New Growth Taxation Revenue:* This policy is established as a means to project and develop reasonable operational and capital outlay plans during both normal and unusual periods of real estate development and taxation growth.

While these policies are a good start, there are clearly areas for addition. I have directed the Finance Director and spoken with the Finance Committee to think critically about the policies we currently have and where we could adopt others. However, in general, I believe that wherever possible, a municipal budget should be created with the following short-term principles:

- Investment Policy
- Current revenues must be sufficient to support current expenditures
- Debt is not used to fund current operating expenditures
- Strong General Fund reserves are to be maintained
- Adequate contingency funds are budgeted
- Sufficient maintenance and replacement dollars are included to ensure capital facilities and equipment are properly maintained
- The budget strives to maintain the quality of services currently provided, while at the same time attempts to address any new or increased service demands

Taken as a whole, the Town's financial management policies represent the general philosophy upon which financial decisions are made and include provisions for long-term

financial planning, as well as guidelines for the use of Free Cash and Stabilization Fund reserves.

Budget Process

Like most municipal budgets, this budget has been developed upon projected assumptions of available revenue, thereby accepting the limits of the Town's financial resources. The budget is based upon an established ceiling of revenue derived from local property taxes in accordance with Proposition 2 ½. Added to these revenues are State Aid, Miscellaneous Revenues such as fees, permits, and interest earned, and Available Funds such as Free Cash, Recaptured Funds and Special Revenues. The one exception to this process is exempt projects whereby voters determine that a particular project is worthy of an increase in taxation. West Boylston's examples of this include the library renovation project, school renovation projects and a fire truck. The Town has also voted to override the Proposition 2 ½ levy cap for solid waste collection and disposal.

While the projection of available revenues creates a budget ceiling for the Town, an expenditure floor is created by calculating certain fixed or semi-fixed costs such as debt payments, employee benefits, various assessments, and dedication of state education aid. These costs subtracted from projected revenues leaves remaining funds that are available for discretionary spending such as education, public safety, infrastructure maintenance, municipal administration and community services.

The calculation of this level of monies compared to the previous year creates a growth factor that is applied to local school spending and non-school spending. This methodology is used as a model of distributing funds based upon an assumption of equal sharing of resources and maintaining the established balance of services. It should be noted that school spending must meet the state calculated minimum level of spending as set forth by statute. For more detailed information about this, please refer to <http://finance1.doe.mass.edu/chapter70/>.

This year, I have instructed every department to prepare two budgets for FY08; a level funded budget (taking into account any contractual increases and COLA's) and a service maintenance budget (which are the costs required to provide the same services as the previous year and taking into account any contractual increases and COLA's). The budget forms required Department Managers to think creatively about their budgets and were distributed in December. The Town Administrator received most of the budgets back from the Department Managers in early January and began to prepare a draft budget in late February in order to meet with the West Boylston Financial Team and Selectmen to begin the process of developing the budget. Each Department was also given an opportunity to make a claim for additional funding that a Department Manager believed was warranted. The copies of the budget forms used this year can be found in Appendix B.

I have established the following West Boylston Budget Process timeline to develop the budget every year:

- **July-August:** Assessors finalize valuation tables and complete inspections of newly constructed buildings; Assessors prepare new growth update
- **August/September:** Identify goals and strategic needs; Update the Financial Plan Forecasts; Assessors prepare & review new assessed valuations
- **October:** Assessors calculate new growth for certification by DOR, Fall Town Meeting makes adjustments to new fiscal year budget as needed; Final Tax Rate set
- **November:** Operating Budget Request Forms sent out to Departments; Selectmen hold classification hearing; Town obtains tax rate approval
- **December:** Town Administrator reviews requests and develops operating budget
- **January:** Preliminary operating budget presented to Finance Committee
- **February/March:** Finance Committee and Town Administrator holds public budget hearing; Proposed budget presented to Board of Selectmen and Finance Committee
- **May:** Proposed operating budget presented to Town Meeting
- **June/July:** June 30 current fiscal year ends; July 1 new fiscal year begins; State budget typically passed with Final State Aid numbers (aka Cherry Sheets)

Personnel Summary

In a relative sense, the fastest growing cost segment of the budget is personnel and personnel related expenses such as medical and personnel related expenses such as health care insurance, pension costs and Medicare contributions. As vacancies occur, every effort will be made to reexamine positions with a view toward restructuring, reducing, or eliminating where possible.

Five-Year Personnel Summary

Dept Code	Description	2002	2003	2004	2005	2006	2007	Notes:
123	Town Administrators	2.00	2.00	2.00	2.00	2.00	2.00	
135	Finance Director	2.00	2.00	1.00	1.00	1.00	1.00	Finance Director Outsourced - No Benefits
141	Assessors	2.00	2.00	1.00	1.00	1.00	1.00	Principal Assessor Outsourced - No Benefits
145	Treasurer/Collector	3.00	3.00	3.00	3.00	3.00	3.00	
161	Town Clerk	1.50	1.50	1.50	1.50	1.50	1.50	
194	Mixer Building	1.00	0.50	0.50	0.50	0.50	0.50	
210	Police	14.00	14.00	14.00	14.00	14.00	14.00	
210	Police – Reserve Officers	2.00	2.00	2.00	0.00	0.00	0.00	Reserve Offices Eliminated during FY04
220	Fire	4.00	4.00	4.00	4.00	4.00	5.00	
235	Dispatch Center	5.75	5.75	5.75	5.75	5.75	5.75	
241	Building Inspector	1.50	1.50	1.50	1.50	1.50	2.00	B.I. position now full-time
300	Education	N/a	172.19	165.58	159.61	167.0	167.0	
420	DPW	8.75	8.75	8.75	8.25	8.25	8.25	Director now split with Sewer Dept
491	Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	
541	Council on Aging	2.00	2.00	2.00	2.00	2.00	2.0	Budget does not support both

								employees Grant/Revolving pays part
610	Library	6.50	6.50	6.50	5.90	6.50	6.50	FY04 3 Full plus 3.5 FTE's FY05 3 plus 2.9 FTE down .6 FTE
	Totals	58.00*	228.7	220.08	211.01	219.0	220.5	
434	Sewer		1.75	1.75	1.25	1.25	1.25	Director now split with DPW

* Not including school information currently not available at print time.

As you can see from the above information, over the past 5 years, the Town Government has seen a reduction of its budgeted work force from 58.0 FTE (Full-Time Equivalents) in FY02 to 53.5 in FY07 (about 7.8%). Likewise, the schools have seen a reduction of 5.2 FTE (from 172.19 in FY03 to 167.0 in FY07), a reduction of about 3.0% over the past four years. Unless something dramatic occurs with the Town's revenues and/or expenses in the next several years, the Town will have no choice but to look at further staff reductions.

Capital Budget

As will be done every year, the Town Administrator has asked that Town Departments prepare separate requests for capital items. Under the current law providing for the West Boylston Capital Investment Fund, the Town Administrator has established the following draft West Boylston Capital Budget Process timeline to develop the capital budget every year:

- **Pre-July:** Proposed capital budget forms are reviewed and approved by CIB and are sent to all Town Boards and Departments
- **September 1st:** Final Capital Budget requests are due to be sent to the CIB
- **September/October:** CIB to hold meetings with departments on Capital Budget requests and to approve the list of articles to be supported at the Town Meeting
- **October:** Capital items voted on at Fall Town Meeting
- **November:** CIB to modify the Capital Projects List according to actions taken at Fall Town Meeting

It should be noted that the Capital Investment Board is discussing a modification to the Special Act that created our Capital Investment Fund in the hopes that the schedule will coincide with the fiscal year. I shall also point out that this above schedule is 'draft' as the Capital Investment Board has not yet formally adopted this schedule.

There have been numerous capital purchases over the past few fiscal years that have come from various sources.

Capital Purchases History

Date	Article	Purpose	Amount	Source
5/17/2004	30	School Roof & Related Repairs Study	70,000.00	Capital Investment Fund
	39	FY 2005 Operating Budget		
		Computer Operations	7,030.00	Taxes
		Police	19,500.00	Taxes
5/16/2005	22	School Roofs	2,000,000.00	Debt
	23	Gym Floor	112,000.00	Debt
	28	Replace Fire Truck	421,000.00	Debt
	31	Capital Items		
		Dump Truck Plows (2)	25,600.00	Capital Investment Fund
		Computer Equipment	9,350.00	Capital Investment Fund
		Lease Police Cruisers (3)	31,501.00	Capital Investment Fund
		Shared Pick Up Truck (1/2)	13,000.00	Capital Investment Fund
10/16/06	5	DPW Vehicle	43,000	Capital Investment Fund

Budget Appropriations and Accounting

The Town of West Boylston operates under state statutes and Town Bylaws as amended to establish the Selectmen-Town Administrator form of government. The legislative body of West Boylston is an Open Town Meeting. Town Meeting has the sole authority to appropriate funds for the operating budget and capital projects except for specific instances where statutes or regulations do not require appropriation. Any amendments to appropriations require Town Meeting vote at either a regular or Special Town Meeting. The procedures for Town Meeting are specified in Article 1 of the Town of West Boylston By-Laws.

The budget presents only the General Fund, which is required by state statute to be appropriated by Town Meeting. Revenues from Special Revenue Funds such as sewer betterment fees and monies from the sale of cemetery lots are used to offset specific departmental budgets. These funds are use in accordance with laws designed to provide funding sources for specific purposes.

The budget for the Town is presented on a modified accrual basis. Briefly, this means that transactions are recorded when expenditures are dispersed and when revenues are received. Obligations of the Town (i.e. outstanding purchase orders) are not reflected as expenditures in the year incurred but are reflected in the year disbursed. Funds for these

obligations are reflected in the year disbursed. Funds for these obligations are reflected as 'continued' appropriations from prior fiscal years.

Budget Format

I have chosen this format for the FY08 Budget to provide the citizens and Town officials with a document that more effectively communicates the important fiscal issues facing the Town. The budget document provides this Budget Transmittal Message, Budget Summaries & Highlights, as well as detail on departmental requests where necessary.

The comprehensive detailed departmental budgets provide greater information regarding revenues and expenditures. However, it should be noted that these details are provided for informational purposes only and represent submissions very early in the budget process. The final budget vote of the Town Meeting aggregates departmental requests into functional areas broken into personnel and operating line item expenses. This consolidated breakdown constitutes the legal budget authority that ultimately governs the manner and amount of local funding expended during the fiscal year.

Major Upcoming Issues

Looking forward, there are a number of things facing the Town that need the particular attention of the Town Officials and the citizens:

- 1) Building/facility needs: Not surprising to anyone who has general knowledge of the Town's facilities, this issue remains a serious problem to the Town's citizens, employees and future generations. The Municipal Building Committee has met continuously over the last year and has issued an RFP with a design firm to begin the cost estimation for our proposed building plan. It is expected that the Municipal Building Committee will be presenting their report to the Town sometime this summer for Town Meeting consideration sometime this year.
- 2) Operating shortfalls: Even maintaining level services will prove to be more and more challenging every year unless the Town is successful in finding a way to greatly increase our revenues or reduce our expenses/services to the Town.
- 3) Costs of personnel benefits: As was mentioned previously, the dramatic cost increases associated with personnel and personnel related benefits are one of the largest 'budget busters' that most employers face, and West Boylston is no different. While we have made great strides in taking steps to control our costs, particularly in health insurance, much more needs to be done. As I have said before, the Town will not be able to continue to absorb double digit increases on the employee benefit side without serious implications on the Town's budget. We must now look to the state for legislative changes to help municipalities deal with the issues of pension liabilities and rising health care increases.

Conclusion

In summary, the FY08 Budget as proposed is balanced as written. It also provides for the continued financial stability of the Town and seeks to maintain essential services in spite

of slowing revenues. However the Town Administration still has work to do in order to ensure that West Boylston continues to be a good place to live, work, play and raise a family. We must continue to reduce costs wherever possible and plan carefully for the future. Comprehensive and realistic planning will only become more crucial as we head into even more years of fiscal uncertainty.

Respectfully submitted,

TOWN OF WEST BOYLSTON

LEON A. GAUMOND JR.
Town Administrator

Budget Highlights

FY08 Revenue Budget – Overview

West Boylston has enjoyed somewhat modest revenue growth over the past several years ranging from roughly 3% to 6%. Unfortunately, the trend over the past few years shows that the Town’s revenue increases have slowed considerably, none worse than this upcoming fiscal year. During FY08 total revenue is currently expected to increase from \$21,262,235 to \$21,011,725 including enterprise funds. This represents a decrease from last year of approximately 1.2% or \$250,510.

FY	Total Revenues	% Increase
2004	18,230,540	
2005	18,331,011	0.6
2006	19,783,326	7.9
2007	21,262,235	7.5
2008	21,011,725	-1.2

The Town’s revenue for appropriation is divided into four main categories: property taxes, state aid, available funds and miscellaneous receipts. For FY08, the Town’s revenue looks as follows:

State Aid: \$4,577,786 (using budget resolution numbers)
Available Funds: \$726,464 (using current estimates)
Local Receipts: \$2,033,000
Tax Levy: \$11,306,906 (including \$300,423 for new growth)
Total Revenues projected for FY08: \$18,644,156

Property Taxes

Property taxes are the largest single revenue source for the Town and historically provide approximately 60% of total operating revenues. Typically, year to year variations of 1 or 2% are the result of external factors beyond the Town’s control which affect some of the significant components on non-tax revenues; examples include the amount of state funding received, the general level of building activity and the movement, up or down, of interest rates.

Property taxes are levied on real property (land and buildings) and personal property (equipment) used by West Boylston’s non-manufacturing business firms. In accordance with State Law, the Town’s Board of Assessors determines the fair market value of all taxable real property.

Under the provisions of Proposition 2 ½, property taxes, in the aggregate, may not exceed 2 ½% of their 'full and fair cash value.' This limit is known as the 'levy ceiling.' Annual levy increases may not exceed 2.5% more than the previous year's levy plus the taxes added from any new properties added to the tax rolls. Any Proposition 2 ½ override or debt exclusion amounts voted are added to the levy limit.

For a more detailed view of the Town's Taxation Analysis, please refer to the chart in the Appendix D entitled Town of West Boylston Taxation Analysis. As you can see, the Town is becoming more and more reliant upon residential taxes as a main source of the Town's revenues (from 79.09% in FY01 to 85.73% in FY07). This is increasingly unhealthy for our Town to maintain and continues to move in the wrong direction.

As the Town's primary revenue source, the property tax levy limit is expected to increase in FY08 by approximately \$561,546 to \$11,006,483. This increase includes the allowable 2.5% increase plus new growth of roughly \$300,423 in taxes from new growth properties projected to come on line, including the new National Grid project. The projected increase in new growth should be considered a one-time boon to the Town and should not be considered an annual occurrence.

State Aid

State aid – West Boylston's second largest revenue source – was originally expected to be level funded in FY09. However recent budget resolutions signed by the Governor and the legislature put the Town in line to receive a approximately \$4,577,786 when you back out the assessment charges. We also receive \$700,472 in school building assistance money to help offset our payments for the school renovation project.

Miscellaneous Local Receipts

This category of revenues includes a variety of fees, permits, fines, and license related monies that the town receives, as well as interest that is earned on investment or paid by late taxpayers. The single largest source of funds within this category is Motor Vehicle Excise Taxes, which is a state tax collected by the municipality for its own use. The level of miscellaneous receipts is greatly affected by outside economic conditions. Hence, the current recessionary period results in fewer buildings and fewer new licensed establishments and businesses being started. The general economic slowdown also affected the amount of money earned through interest on investments and on the level of delinquent taxes being paid with interest.

In general, the Town's Financial Officials are projecting the Town's Miscellaneous Receipts are expected to grow slightly at 2,033,000. We continue to monitor how we are doing on our local receipts for FY07 and we do not expect these numbers to be improving much over the next few months.

Available funds

Another source of funds for the Town is monies in various Special Revenue Funds, certified free cash from prior years, unexpended bond proceeds, and funds remaining from completed projects. Let me be clear that these sources of funds may not always be consistent and should not be counted on for developing our annual revenue numbers. A more prudent approach to these funds would be to use these funds to appropriate for warrant articles and to add to our stabilization fund and/or capital investment fund.

This year, the Town realized Certified Free Cash of approximately \$366,464 at the close of FY07, a significant decrease from what we saw last year. These funds were derived from aggressive tax collections, revenues in excess of initial projections, and budgetary surpluses. In FY07, Town Meeting used all (\$754,808) of the Town’s free cash to help balance the budget.

It should be noted at this time that the Town is taking the approach at this time that we will not have the luxury of seeing any significant free case next year as we anticipate that we will see even more tough times on the free cash front.

Town of West Boylston Free Cash History FY 2001 - FY 2006				
Balance As Of:	Certified Free Cash	Used At	Amount Used	Used For
June 30, 1999	0			
June 30, 2000	447,874	ATM 05/01 for FY02	30,000	Add to ATM 5/00 Art#26 For Mixer Improvements
			37,874	Transferred to Stabilization
			380,000	Reduce FY02 Tax Rate
June 30, 2001	480,924	ATM 05/02 for FY03	480,924	Reduce FY03 Tax Rate
June 30, 2002	0			Not Certified
June 30, 2003	661,738	ATM 05/04 for FY05	661,738	Reduce FY05 Tax Rate
June 30, 2004	624,708	ATM for FY06	624,708	Reduce FY06 Tax Rate
June 30, 2005	754,808	ATM for FY07	754,808	Reduce FY07 Tax Rate
June 30, 2006	\$366,464	ATM for FY08		

Other sources of available funds in FY08 are projected to include our stabilization fund, our Capital Fund, transfers from ambulance receipts, transfers from the Wachusett EMS Fund, any overlay surpluses, and other sources.

In FY07, the Town utilized roughly \$1.2 million in available funds to balance the Town's budget. As one would imagine, this is a very difficult position for the Town to find itself in on a yearly basis, however that is exactly where the Town finds itself.

FY08 Operational Expenditure Budget – Overview

The Town's operational expenditures are divided into functional categories that become the legal budget appropriated at Town Meeting. These functional categories include General Government, Public Safety, Education, Public Works, Human Service, Culture and Recreation, Debt Service, Intergovernmental, Employee Benefits, and General Insurance. Also added to this is the sewer enterprise operating budget. The final budgeting category, though not part of the actual budget vote, is the remaining Town Meeting Warrant articles that have a financial impact.

Below, I shall detail the proposed expenditures for all line items for the Town budget. There may be two numbers depending whether or not the Proposition 2 ½ override passes or not. In line items where there are proposed cuts in the event the override does not pass, I shall explain what those cuts would be.

Analysis of General Government

Moderator: I am proposing maintaining this line item at \$300. This would allow the Moderator to attend the annual Massachusetts Moderator Association training conference and meeting and cover his stipend.

Board of Selectmen: Under an override budget proposal, I am proposing maintaining this line item at \$10,320. The stipends are set by Town meeting on an annual basis and the purchase services budget covers the expenses for the Board during the year. Without an override, I propose to fund this line item at \$9,920 by reducing the meager expense account within the Board of Selectmen office to a bare bones level.

Town Administrator: I am proposing increasing this line item from \$143,220 to \$145,547. This increase only reflects a COLA increase for the Municipal Assistant and maintains the other expenses on a level funded basis. This line item does NOT include any increases for the Town Administrator, whose contract expires in November and must be renegotiated in FY08.

Finance Committee: Under an override budget proposal, I am proposing maintaining this line item at \$155. While not a lot of money, the Finance Committee has offered to eliminate its line item of \$155 for next year if the override is not successful.

Reserve fund: Under an override budget proposal, I am proposing maintaining this line item at \$60,000. This fund is necessary to cover any unforeseen expenses incurred by the Town and the Finance Committee must approve any expense paid through this fund. The safety net to cover unexpected costs in the upcoming year shall be hampered by a reduction in the reserve fund without an override. While I strongly recommend funding this line item on an annual basis, I am left with few areas of discretion on the Town side of government to cut costs without even more drastic cuts in critical public safety and governmental programming. Therefore, I am proposing funding this line item at \$50,000 without an override.

Finance Department: Under an override budget proposal, I am proposing decreasing this line item from \$168,305 to \$167,135. This increase provides for a COLA increase for the Assistant Town Accountant, creates a new Part Time Position Accounts Payables Clerk, a contractual increase for the services of FAA, and level funding all other purchases and supplies. The capacity to absorb this new position within the current budget is to eliminate the costs of the GASB consultant required in last year's budget and approved at Town Meeting. The extra capacity of this office will be eliminated and the budget will be funded at \$155,180 without an override.

Town Audit: I am proposing reducing this line item from \$30,500 to \$26,000. This amount will allow us the Town to obtain our basic financial statements at the FY06 cost for FY05's audit under a new agreement negotiated by FAA.

Assessors Department: I am proposing reducing this line item from \$83,156 to \$78,725. This budget provides for a COLA increase for the Assistant Assessor, and maintenance of the current level of services from the Assessor's Office at lower cost under supplies and other expenses. The decrease in the contract purchase services is the result of the realignment of the Regional Resource contract to have periodic inspections completely separated from the regular contract (now a separate budget line item) as well as bringing the handling of the personal property tax files and associated data to be completed by in house staff versus Regional Resources.

Treasurer/Tax Collector: I am proposing increasing this line item from \$137,205 to \$139,382. This increase provides for a COLA increase for the employees of the department, necessary step increases, and maintenance of the current level of services from the Treasurer/Tax Collector department. It does include an addition of \$2000 for previously unbudgeted tax title enforcement.

Town Counsel: I am proposing returning this line item to its previous levels by increasing this line item back to \$90,000. Last year I thought that with all of the labor negotiations being settled that we had some extra capacity in this line item. I quickly discovered that our legal costs have remained at consistent levels throughout the year and we had to once again hit the Reserve Fund to cover legal expenses in FY07. This amount should allow us the ability to provide for legal representation to the Town.

Personnel: I am proposing maintaining this line item at \$100. This Board reviews the proposed changes in the wage classification and job descriptions. This modest sum covers any costs for the Board and the Town will assume the costs of the MMPA.

Computer Services: I am proposing increasing this line item from \$59,275 to \$65,725 that INCLUDES the purchase of some equipment. This increase includes the increased costs for our computer maintenance contracts. On the capital side, I am proposing an increase from \$6,000 to \$7,000 to cover various computer supplies for the Town and the purchase of three laptops and thumb drives for the expansion of the Town's paperless agenda program. If the override does not pass, the budget will be funded at \$56,225. This reduction is met with the elimination of hardware necessary to complete the Town Administrator's "Paperless Office" initiative. The Town Administrator has spent nearly two years establishing a process to improve the dissemination of information between the Town Administrator and the Board of Selectmen as well as throughout the Town Offices through the utilization of technology. One of the final components to this project would be eliminated with the NO OVERRIDE budget.

Town Clerk: I am proposing increasing this line item from \$55,933 to \$58,160. This increase includes the COLA increases, a step increase for the Asst. Clerk, and a marginal increase in the other charges.

Elections: I am proposing increasing this line item from \$20,920 to \$21,647 primarily due to the changes in the minimum wage increases.

Planning Board: The Planning Board is no longer able to operate effectively under its revolving fund without an allocation of funds from Town coffers. Without additional resources, the Planning Board will be left with the choice of reducing the services provided to the community through reduced meetings and reduced staffing levels. With the override, I am proposing that they receive an allocation from the Town of \$10,000. Without an override, this department will not receive funds in the budget.

Public Safety Building: Under an override budget proposal, I am proposing increasing this line item from \$56,850 to \$60,634. This increase provides for a COLA under the salaries account and a marginal increase in the gas and electric costs to the building and assumes the sewer usage costs eliminated as a separate line item this year. Without an override, I am cutting the public safety headquarters budget in such a way where we may still provide close to level services in maintenance and operations to our public safety forces and will fund the budget at \$59,634.

Sewer Usage: After conversations with the Board of Selectmen, I am proposing eliminating this \$17,000 budget line item. The costs will be moved into the other budgets of the Town in an attempt to truly demonstrate the costs for each department.

Mixer Building: I am proposing increasing this line item from \$92,200 to \$94,500. This increase provides for a COLA increase for the janitor at the Town Hall and will give more money for routine maintenance or upgrading and utility costs. However, I shall

also point out that the Town has had enormous difficulties with this building. The Municipal Building Committee is currently looking at our building needs and this budget only maintains this building at its current level and incorporates utility cost increases.

Town Report: Under an override budget, I am proposing maintaining this line item at \$3,361. I believe this budget allows the Town to maintain current levels. Without an override, I am proposing funding this line item at \$2,961. This reduction will reduce the capacity of the Town Administrator’s office to prepare a ‘special’ bicentennial edition of the Town Report. Be assured that my office will still attempt to prepare something memorable for our bicentennial year however we shall be hampered by a 12% reduction in this line item.

Total General Government expenditures: Under an override, I am proposing funding this section of government at \$1,031,701, an increase of 2.1% largely due to the reinstatement of the Town Counsel funding. Without an override, I am proposing funding this section of government at \$987,791, a reduction of 2.2%.

History of General Government expenditures

Operating Budget:	2004	2005	2006	2007	2008	2008*
General Government	776,181	857,705	941,896	1,010,332	1,031,701	987,791

Analysis of Public Safety

Police Department: Under an override budget, I am proposing increasing this line item from \$965,036 to \$1,204,528 including the leases on the police cruisers as part of the Police Department operating budget. This increase is clearly the largest increase this year on a percentage basis due to what I am calling the ‘perfect storm’ adversely affecting the police department’s budget this year. Among the issues facing the Police Department this year are contractual increases to the union personnel, COLA increases for non-union personnel, contractual increases for the Police Chief, a roughly \$40,000 increase in Quinn Bill benefits over last year, an over \$17,000 increase due to step increases, and other benefit increases. We also must replace a fully equipped cruiser at an increase of nearly \$6000 from the previous year. While we are able to budget nearly \$10,000 less for overtime expenses due to our negotiations last year, this is the first year to fully fund our training budget. Without an override, I am proposing funding this line item at \$1,179,528. This reduction is made by cutting the training budget to the police department by 50%, a line item that has been seriously underfunded for the last several years as the Town has struggled with budget constraints. It also cuts a supervisory position (sergeant) within the department. Finally, it puts our department in the untenable position of having its fleet resources compromised with the reduction of its cruiser lease program. The overall effect of these cuts would have a serious effect of the operations of the Police Department.

Fire Department: Under the override budget, I am proposing increasing this line item from \$495,890 to \$545,830. This budget calls for a maintenance of services provided for

in the Department, a COLA increase, one step increase, and stipend pay increases. This new budget also adds costs of new personal protective equipment due to be replaced this year. While the Chief has made a compelling case for some clerical and administrative support for the Fire Department, I will only be able to fund this position with the passage of the override. Without additional personnel, the Fire Department is unable to properly respond to service calls, particularly during the day when most call firefighters are working their normal jobs. There have been several instances in just the last several days where the Town's public safety services have been compromised by our lack of manpower. The sixth fire officer has been identified as a critical need for the health and safety of the Town of West Boylston. Without the override, the Fire Department will be funded at \$513,600.

Public Safety Communications: I am proposing increasing this line item from \$226,760 to \$238,450. This increase provides for a COLA for non-union employees and a marginal increase in the non-radio communications system allowing us to continue, for the time being, with the outdated, substandard radio system that needed to be replaced many years ago.

Building Department: I am proposing consolidating several line items (Building Inspector, Plumbing Inspector, and Wiring Inspector) into a new line item called Building Department and under an override budget, increasing this line item from a combined \$102,361 to \$105,090. This budget provides for a COLA for the clerk in the department, a contractual increase for the Building Inspector, and consolidates the travel reimbursement for all the inspectors in one location. I have challenged the Building Inspector to be creative in his approach to the recent hiring of the Plumbing Inspector and we have come to an agreement that should save the Town money next year in these costs. The Town Administrator and the Building Inspector will develop a formal 'employee consolidation plan' for his department to explore eliminating a position in the Town Hall in FY09. As part of the Town's 2007 Succession Planning exercise currently underway, the Town departments are reviewing each position in the Town to determine how to plan for staffing changes within the Town and to work towards cross-training of employees in order to provide adequate services in case of emergencies, disasters, or employee separation. It is the Town Administrator's expectation that a plan shall be developed in 2007 with the advice and counsel of the Board of Selectmen, Town employees and the Building Inspector and the cross-training will begin later that year and into 2008. Once the new Building Inspector gets a handle on the office demands and catches up on old projects and periodic inspections not done in some time. Without an override, this budget will be funded at \$104,440. This cut is made by reducing the reimbursements to the town inspectors and by other cuts to the department's operational budget.

Sealer of Weights: I am proposing maintaining this line item at \$1,960 to maintain the current contract with the Commonwealth to do the measure tests. The Town does recoup inspection fees for these tests.

Emergency Management: I am proposing increasing this line item from \$4,116 to \$4,500. As the justification page details, it is the Town's hope that the civil defense budget will

be supplemented with grants. At its current level, this budget does not allow for any advancement of the Town's emergency management processes. As is mentioned in the submission, we must rewrite the Comprehensive Emergency Management Plan for the Town this year and the increase may be critical to get that done this year.

Animal Control: I am proposing maintaining this line item at \$9,600. This increase provides for the animal control officer and money for an alternate if necessary. I believe this line item will adequately maintain services for the animal control department.

Total Public Safety expenditures: Under an override, I am proposing funding this section of government at \$2,109,958, an increase of 16.8% largely due to the increase in costs at the Police Department and the addition of a firefighter. Without an override, I am proposing funding this section of government at \$2,052,078, an increase of 13.6%.

History of Public Safety expenditures

Operating Budget:	2004	2005	2006	2007	2008	2008*
Public Safety	1,526,320	1,498,734	1,607,648	1,805,722	2,109,958	2,052,078

Analysis of Education

Education: The School Department has proposed increasing this line item from \$8,857,690 to \$9,535,690. However given the fiscal constraints the Town is facing this year, I cannot recommend increases of that magnitude at this time. The School Department, understanding the plight of the Town has modified their budget request to \$9,285,777 with the passage of an override. However if the override is not passed, the schools will be level funded from last year. I shall leave the details of the school cut impact to the School Department who can certainly communicate this fact better than I can. At a recent meeting of the Finance Committee, I heard firsthand how the cuts they face would impact their operations and the impact it may have on the children who attend school in West Boylston.

Under an override budget, it is the Town Administrator recommendation that this Line Item be funded at the \$9,285,777 level, or a 4.8% increase.

History of Education expenditures

Operating Budget:	2004	2005	2006	2007	2008	2008
Education	8,196,845	8,032,908	8,326,705	8,857,690	9,285,777	8,857,690

Analysis of Public Works

Public Works: Under an override budget, I am proposing increasing this line item from \$520,828 to \$562,363. This increase provides for personnel COLA increases, increases to the DPW union, assumes the sewer usage costs eliminated as a separate line item this year, and a 5% increase in municipal fuel costs. This budget also requests extra monies

to fund certain projects to be determined by the Board of Selectmen and Town Administrator for FY08: \$5,000 for street line painting, \$5,000 for truck painting, proper funding of \$10,000 for the tree warden account used to remove dead or dying trees and improved funding of \$5,000 for the roadway improvements line item. Other than the items mentioned above, this budget does not provide for an expansion of services from the Department of Public Works in any way. As was mentioned in the Building Department line item, the Town is currently working on a 2007 Succession Planning exercise where the Town departments are reviewing each position in the Town to determine how to plan for staffing changes within the Town and to work towards cross-training of employees in order to provide adequate services in case of emergencies, disasters, or employee separation. The DPW Director and I have agreed that some time in FY08, the two secretarial positions in the DPW/Sewer Department will be consolidated into one position. We are currently reviewing the positions within the department and preparing for a transition during the next fiscal year. One thing is to be sure, we hope this transition will NOT take place until such time as the sewer connections have been essentially completed and the proper cross-training will be completed. Without an override, I am proposing to fund this line item at \$532,012. This cut is made by reducing the hours of the DPW secretary, eliminating the only seasonal employee of the department, foregoing the much needed loader painting, the street sign replacement project, the street line painting project, a reduction in our already meager roadway improvement program, and a reduction of the amount available for parks maintenance and improvements.

Snow and Ice Removal: I am proposing maintaining this line item at \$102,800. This budget cannot be reduced in order to allow for overspending in the event of drastic emergency situations.

Street Lighting: I am proposing increasing this line item from \$79,561 to \$80,560. This increase reflects the costs to provide streetlights on the Town's roads. Any reduction of this line item could cause the elimination of some of non-essential streetlights. The Town Administrator is prepared to move forward with this suggestion if the Town's budget needs to be pared down.

Trash Removal & Disposal: I am proposing increasing this line item from \$360,830 to \$403,200. On the collection side, I am expecting the cost to rise from \$227,630 to \$238,400. On the disposal side, I am expecting the cost per ton to increase from \$75/ton to \$77.33/ton, which comes to \$164,800.

Cemeteries: Without an override, I am proposing increasing this line item from \$38,823 to \$40,059. This line item pays for the salary of the Cemetery Superintendent and the salaries of the Cemetery Commissioners required by Town Bylaw. Last year, I recommended increasing this by an additional \$5,500 to replace some of the funds that had been eliminated from their budget several years ago in an attempt to cut Town operations. While they were able to make those cuts, they had an adverse effect of their perpetual care funds that have since been depleted. While this did not completely replace those monies, it did help them recoup some of their operational losses. The Cemetery

Commission requested the amount to fully cover their personnel costs however I am reluctant to do so at this time due to our Town’s budget problems this year however I will attempt to improve upon this allocation in future budgets as well. If the override is passed, I am recommending fully funding the Cemetery Department at \$50,127. The Cemetery Trustees have notified the Town that they are likely unable to pay the salaries for employees of the cemetery department and service cuts are likely to occur without these resources.

Total Public Works expenditures: Under an override, I am proposing funding this section of government at \$1,199,049, an increase of 8.7% largely due to the increase for trash and recycling. Without an override, I am proposing funding this section of government at \$1,158,631 an increase of 5.0%.

History of Public Works expenditures

Operating Budget:	2004	2005	2006	2007	2008	2008*
Public Works	906,474	905,431	1,025,489	1,102,842	1,199,049	1,158,631

Analysis of Human Service

Board of Health: Like the Planning Board, the Board of Health is facing the drastic situation of not providing adequate services to the community due to a lack of funds in their revolving account. Without the resources from an override, the Board of Health’s future is in question, as is the hours of operations of the Board of Health. With an override, I am proposing funding the Board of Health at \$8,500.

Council on Aging: With an override budget, I am proposing increasing this line item from \$64,849 to \$67,680. This proposal will only give a COLA increase for the current personnel and a step increase. All other costs remain level funded and reliance on grant monies and alternative funding is encouraged. Without an override, I am proposing funding this line item at \$63,680. This cut reduces the town’s coverage of the salary of the Assistant Council on Aging Director. It is truly pathetic how little the Town gives to fund the operations of the Council on Aging and the Senior Center. However, the Council on Aging is asked once again to make lemonade from lemons.

Veterans Services: I am proposing decreasing this line item from \$15,512 to \$15,029. This line item provides for benefits for Town veterans and a small salary for the veteran agent. It is an expansion from last year’s original budgeted amount due to an increase of veterans receiving services. The Town will receive 75% reimbursements on expended benefits.

Total Human Service expenditures: Under an override, I am proposing funding this section of government at \$91,209, an increase of 13.5% largely due to the increase for trash and recycling. Without an override, I am proposing funding this section of government at \$78,709, a decrease of 2.1%.

History of Human Service expenditures

Operating Budget:	2004	2005	2006	2007	2008	2008*
Human Service	64,200	65,400	70,350	80,361	91,209	78,709

Analysis of Culture & Recreation

Library: Under an override budget, I am proposing increasing this line item from \$325,482 to \$328,010. Last year was the first time in three years that the Town has not had to seek a waiver from the Commonwealth’s Board of Library Commissioners to meet the MAR (Municipal Appropriation Requirement). This allocation will mean that the Town will meet its MAR for FY08. It does not return to pre-cut service hours, which would require an additional \$10,000. If the override does not pass, I am recommending the line item be funded at \$313,640. This cut is among the most dramatic as it cuts a position within the Beaman Library. The department will be experiencing a shortage in personnel with the unfilled expected vacancy in this department. This cut will ensure that the Town’s library service will once again be in serious jeopardy of having its certification revoked by the state due to failure to fund at the Minimum Appropriation Requirement. Failure to achieve certification means, among other things, that it is much more difficult to obtain state library grants and residents of West Boylston will be unable to participate in the interlibrary lending programs with other libraries. While we will aggressively pursue a waiver for the Town, one is not guaranteed and in fact, there are many reasons to believe we would not receive one next year.

Historical Commission: Like the Planning Board and the Board of Health, the Historical Commission receives no funds from the Town if the override does not pass. With an override, I am proposing funding the Historical Commission at \$996 in order to cover various supplies and consulting services.

Celebrations: This line item was formally called Memorial Day Expenses. Under an override budget, I am proposing maintaining this line item at \$2,210 so as to provide level services for Memorial Day services and to purchase brass markers and flags as needed. Without an override, I am proposing funding this line item at \$1,710. This cut is realized by reducing the brass markers for veteran’s graves.

Arts Council: I am proposing maintaining this line item at \$500 so as to provide level services to the support of arts within the community.

Total Culture & Recreation expenditures: Under an override, I am proposing funding this section of government at \$331,716, an increase of 2.2% largely due to the increase for the library and addition of the Historical Commission. Without an override, I am proposing funding this section of government at \$315,850, a decrease of 2.7%.

History of Culture & Recreation expenditures

Operating Budget:	2004	2005	2006	2007	2008	2008*
Culture & Recreation	309,420	301,429	309,300	328,192	331,716	315,850

Analysis of Debt Service

Debt – Principal: I am proposing increasing this line item from \$915,301 to \$1,165,301. This line item is a fixed cost to the Town and represents the amount of money the Town is required to pay for the principal on its debt largely due to the new school gymnasium floor, school roof and fire truck.

Debt – Interest: I am proposing reducing this line item from \$532,619 to \$520,505. This line item is a fixed cost to the Town and represents the amount of money the Town is required to pay for the interest on its debt.

Short-term borrowing: I am proposing decreasing this line item from \$87,630 to \$1,500 to cover interest on temporary loans to the Town.

Total Debt Service expenditures: \$1,687,306 - an increase of 9.9%. There are no effects on the Town’s debt service if the override passes or fails.

History of Debt Service

Operating Budget:	2004	2005	2006	2007	2008	2008*
Debt Service	1,592,360	1,566,921	1,462,483	1,535,550	1,687,306	1,687,306

Analysis of Intergovernmental

Intergovernmental: This line item used to be called Regional Planning and includes the Town’s participation in the Central Massachusetts Regional Planning Commission. This basic assessment rate is 0.22373 cents per capita and it comes to roughly \$1,436. Under an override budget, I am proposing increasing this line item from \$1,401 to \$3,721 due to the Town’s new involvement with M.O.R.E. (Municipalities Organized for Regional Effectiveness), which tries to provide cost saving opportunities to member communities in greater Worcester. If the override fails, the Town will not be able to participate in the MORE group, an intermunicipal group organizing in Worcester county to improve municipal regionalization and the cost-savings associated with such cooperation.

Analysis of Employee Benefits

Retirement and Pensions: This is a fixed cost of the Town and cannot be lowered in accordance with Chapter 32, Section 22 (7)(c)(ii). Therefore, the Town must allocate \$454,283, a slight decrease from last year, to be paid to the Worcester Regional Retirement System. The Town may be able to see some savings by prepaying the year’s cost to the Worcester Retirement System.

Workers Compensation: This is a fixed cost to the Town and is based, in part, by our workers’ compensation claim experience. Due to decent claim history and the

recommendation of our workers' compensation insurance agent, I am recommending that we increase this line item from \$48,000 to \$52,000.

Unemployment Insurance: This is a fixed cost to the Town and is based upon a percentage of the Town's payroll. Therefore, I am proposing maintaining this line item at \$25,000 this year.

Group Health Insurance: This is a fixed cost to the Town and is the Health Insurance line item for the Town and School employees. I am proposing increasing this line item from \$2,587,465 to \$2,923,836. This increase coincidentally mirrors the industry-wide trend of 13% and that is the level that our consultant has recommended that we budget for next year with no plan design or changes.

Group Life Insurance: This is a fixed cost to the Town and should not be lowered. Based on stable premium costs, the Finance Director has recommended that this line item be level funded at \$14,500.

Medicare: This is a fixed cost to the Town and is based upon a percentage of the Town's payroll. It is estimated that an increase from the adjusted budget of \$147,000 to \$150,000 to cover expenses for FY08.

Total Employee Benefits: \$3,619,619 - an increase of 10.48% primarily to cover increases in health insurance. There are no effects on the Town's employee benefits if the override passes or fails.

History of Employee Benefits

Operating Budget:	2004	2005	2006	2007	2008	2008*
Employee Benefits	2,827,806	2,893,500	3,119,815	3,276,408	3,619,619	3,619,619

Analysis of General Insurance

General Insurance: I am proposing level funding this line item at this time at \$185,100. I believe I will be able to meet the insurance demands with this allocation. Firmer numbers will be made available by Town Meeting in the event I need to make some changes.

History of General Insurance

Operating Budget:	2004	2005	2006	2007	2008	2008*
General Insurance	195,000	200,000	185,100	185,100	185,100	185,100

Under an override budget, West Boylston's FY08 expenditures are projected to increase 7.4% over FY07. Without an override, West Boylston's FY08 expenditures are projected to increase 4.1% over FY07. The proposed budgets before you are balanced to the extent that expenditures do not exceed current revenue projections depending upon whether or not the override passes or fails.

Total Operating Budget

Operating Budget:	2004	2005	2006	2007	2008	2008*
General Government	776,181	857,705	941,896	1,010,332	1,031,701	987,791
Public Safety	1,526,320	1,498,734	1,607,648	1,805,722	2,109,958	2,052,078
Education	8,196,845	8,032,908	8,326,705	8,857,690	9,285,777	8,857,690
Public Works	906,474	905,431	1,011,434	1,102,842	1,199,049	1,158,631
Human Service	64,200	65,400	70,350	80,361	91,209	78,709
Culture & Recreation	309,420	301,429	309,300	328,192	331,716	315,850
Debt Service	1,592,360	1,566,921	1,462,483	1,535,550	1,687,306	1,687,306
Intergovernmental		1,300	1,367	1,401	3,721	1,436
Employee Benefits	2,827,806	2,893,500	3,119,815	3,276,408	3,619,619	3,619,619
General Insurance	195,000	200,000	185,100	185,100	185,100	185,100
Total Operating Budget:	16,394,606	16,323,841	17,036,098	18,183,598	19,545,156	18,944,210

2008 = Budget proposal with the passage of the Prop. 2 ½ Override.

2008* = Budget proposal with the failure of the Prop. 2 ½ Override.

Appendix

- A) Town Financial Policies adopted by Board of Selectmen**
- B) School Funding Analysis**
- C) Budget Forms FY2008**
- D) Taxation Analysis**