



TOWN OF TRURO

Office of the Town Manager

Memorandum

To: Members of the Select Board

From: Rae Ann Palmer, Town Manager

Date: August 24, 2020

Re: Changes to FY 2021 Budget Approved in March

Attached for your review and discussion are the FY 2021 Summary Budget and Simple Recap. As you recall, in May the Staff and Board reviewed the budget and identified potential reductions in anticipation of possible revenue shortfalls. Although Fiscal Year 2020 ended with approximately \$1,100,000 in additional revenue and \$1,200,000 in expenditure savings, it is prudent to approve a conservative budget for FY 2021. The proposed Covid-19 Version Budget plans for the possibility of revenue decreases because summer revenues from the rooms tax and meals tax will not be available until mid-October. By reducing the current year (FY 2021), with the possibility that revenue reductions become reality, the Town will be in a better position to develop and fund a FY 2022 Budget.

The attached Covid-19 Version Budget is \$879,760 less than the budget approved in March for FY2021. Substantial reductions are proposed for the Capital Budget, Education Budget, Fire and Rescue Budget, and the Beach and Recreation Budget. The reductions are directly related to operational changes due to Covid-19. For example, the summer recreation program was not held and the Beach EMT program was reduced in scope. Capital Equipment was deferred to later years. It would be wise to restore the Capital Budget to previous years' levels so that equipment is replaced on schedule, reducing repair costs and equipment failures. Depending on the pandemic status in the next year, recreation expenditures are likely to be equivalent to the FY 2020 level as are many of the other reductions.

Revenue estimates are reduced in the Covid-19 Version projections from \$2,200,000 to \$1,800,000. That is an extremely conservative estimate, with reductions in the rooms, meals and vehicle taxes. With the expenditure and revenue reductions, the Simple Recap indicates that the Town will have more revenue than expended funds.

Further, it is wise to continue review of all discretionary purchases by Town Departments until normal operations resume. The Public Works, Police and Fire Departments are at full operational status and are budgeted to adequately provide services.

This budget is the direct result of pencil sharpening by the Department Heads, Town Accountant and Assistant Town Manager. We made difficult decisions and searched for creative solutions in an effort to produce a budget that balances the provision of Town services with the health and safety of Town staff and citizens, while paying special attention to fiscal impacts of the pandemic and potential financial hardships facing Truro taxpayers. Staff and I will answer any questions at tomorrow's Board Meeting.

**Town of Truro FY 2021
Town Manager's Draft Proposed Covid Budget**

NAME	ORIGINAL '20 APPROP	TRANFRS / ADJSMTS	REVISED '20 BUDGET	YTD EXPENDED	% USED	MGR/SB/FC 2021 BUDGET	2021 COVID Version	BTB \$ CHANGE
Transfers to Other Funds				400,000				
Moderator	295	0	295	20	6.78%	295	295	0
Board of Selectmen	101,566	0	101,566	98,642	97.12%	119,198	111,198	(8,000)
Town Manager	563,257	10,740	573,997	543,417	94.67%	498,092	515,999	17,907
Finance Committee	1,000	0	1,000	135	13.50%	1,000	500	(500)
Reserve Fund	100,000	-100,000	0	0	0.00%	100,000	100,000	0
Operating Capital Account (CIP)	450,500	0	450,500	340,067	75.49%	483,500	230,200	(253,300)
Accounting	171,221	1,940	173,161	168,574	97.35%	178,215	172,574	(5,641)
Assessing	196,813	0	196,813	176,628	89.74%	201,160	197,137	(4,023)
Clerk/Treasurer/Collector	285,923	2,078	288,001	262,967	91.31%	379,106	379,106	0
Legal Counsel	175,000	30,000	205,000	196,607	95.91%	180,000	190,000	10,000
Pending Salary/Wage Adjustments/ Buy-outs/Vac_Sick Leave	125,000	0	125,000	25,934	20.75%	189,750	116,000	(73,750)
COLA	55,708	-50,708	5,000	0	0.00%	69,360	69,360	0
IT	318,651	0	318,651	308,817	96.91%	376,325	341,124	(35,201)
Elections / Registrars	7,306	6,174	13,480	6,951	51.57%	13,325	13,325	0
Cable TV and Internet Advisory Committee	130,000	0	130,000	67,380	51.83%	159,000	159,000	0
Planning Department	5,582	78	5,660	1,662	29.37%	103,655	100,405	(3,250)
Zoning Board of Appeals	5,232	88	5,320	538	10.12%	3,025	3,025	0
Town Hall Operations	66,950	0	66,950	59,565	88.97%	73,900	73,900	0
Annual Town Report/ATM Warrant printing	9,000	0	9,000	3,690	41.00%	9,000	9,000	0
Town Energy Committee	0	0	0	0	0.00%	1,000	1,000	0
Allocated Communications Account	0	0	0	135,604	0.00%	29,180	29,180	0
Allocated Energy Account	148,500	0	148,500	0	0.00%	168,663	168,663	0
Municipal Postage	13,292	0	13,292	8,319	62.58%	13,432	13,432	0
Police	2,170,897	0	2,170,897	1,959,165	90.25%	2,218,901	2,179,801	(39,100)
Parking Magistrate	6,400	104	6,504	5,313	81.68%	5,504	5,304	(200)
Fire / Rescue / EMS	967,011	16,372	983,383	941,118	95.70%	1,106,198	985,598	(120,600)
Lower Cape Ambulance Assoc	429,594	0	429,594	429,594	100.00%	438,111	438,111	0
Cape & Islands EMS System	1,750	0	1,750	1,400	80.00%	1,800	1,800	0
Building / Inspections Department	186,971	2,562	189,533	160,850	84.87%	120,081	120,081	0
TEMA	8,750	0	8,750	1,527	17.45%	12,500	12,500	0
Public Education Budgets	5,928,297	170,000	6,098,297	5,650,488	92.66%	6,066,474	5,820,974	(245,500)
CCRTHS Assessment	127,568	51,000	178,568	207,606	116.26%	179,772	182,926	3,154
Public Works Highway Operations	702,175	0	702,175	642,575	91.51%	705,233	701,233	(4,000)
Snow Removal	25,000	0	25,000	15,761	63.05%	25,000	25,000	0
Street Lights	200	0	200	466	232.88%	200	200	0
Transfer Station	456,151	0	456,151	445,452	97.65%	514,442	508,742	(5,700)
Public Building Maintenance	415,904	34,000	449,904	414,033	92.03%	414,566	413,966	(600)
DPW Total	1,599,430	34,000	1,633,430	1,518,286	92.95%	1,659,441	1,649,141	(10,300)
Town Cemeteries	30,300	0	30,300	28,478	93.99%	30,300	30,300	0
Soldiers & Sailors Lots	2,500	0	2,500	2,432	97.28%	3,000	3,000	0
CC Greenhead Fly Control District	1,500	0	1,500	1,500	100.00%	1,500	1,500	0
Human Service Providers	46,200	0	46,200	46,200	100.00%	46,200	46,200	0
Health & Conservation Department	225,270	0	225,270	200,880	89.17%	300,218	300,218	0
WROC	7,300	0	7,300	1,585	21.71%	7,300	7,300	0
COA / Community & Senior Services	305,103	800	305,903	210,694	68.88%	317,095	302,295	(14,800)
Veteran's Services	31,773	0	31,773	34,284	107.90%	51,831	51,831	0
Commission on Disabilities	200	0	200	0	0.00%	200	200	0
Library	416,872	5,714	422,586	410,007	97.02%	439,923	423,134	(16,789)
Combined Beach & Recreation Program Operations	467,930	7,812	475,742	369,302	77.63%	509,293	436,339	(72,954)
Bicycle & Walkways Committee	2,000	0	2,000	0	0.00%	2,000	2,000	0
Pamet Harbor Commission	325	0	325	0	0.00%	325	325	0
Pamet Harbor/Shellfish Warden Operations	136,389	2,246	138,635	125,124	90.25%	145,628	138,715	(6,913)
Pamet Harbor Dredge	94,400	0	94,400	44,532	47.17%	96,760	96,760	0

**Town of Truro FY 2021
Town Manager's Draft Proposed Covid Budget**

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Historical Commission	175	0	175	48	27.18%	175	175	0
Principal on Long Term Debt	470,000	0	470,000	470,000	100.00%	490,200	490,200	0
Interest on Long Term Debt	79,525	0	79,525	79,525	100.00%	65,733	65,733	0
Short Term Borrowing Interst	66,343	0	66,343	63,051	95.04%	263,000	263,000	0
State Assessments		667,666	667,666	625,189	93.64%			0
County Retirement Assessment	1,166,488	0	1,166,488	1,145,920	98.24%	1,266,183	1,266,183	0
Workers Compensation	78,500	0	78,500	61,092	77.82%	78,500	78,500	0
Unemployment Insurance	73,500	0	73,500	9,162	12.47%	63,500	63,500	0
Group Health Insurance: Town Share	1,463,925		1,463,925	1,406,882	96.10%	1,354,324	1,354,324	0
Group Life Insurance: Town Share	2,071	0	2,071	2,073	100.12%	2,071	2,071	0
FICA: Town Share	135,572	0	135,572	116,766	86.13%	149,533	149,533	0
Municipal Liability Insurances	235,500	0	235,500	171,704	72.91%	235,500	235,500	0
Grand Totals:	19,897,125	858,666	20,755,791.00	19,307,294	93.02%	21,079,255	20,199,495	(879,760)

DRAFT 2021 Budget Summary Recap

Expenditures

Projected Appropriation at ATM

Operating Budget	20,199,495
Expenditures Subject to Exclusion	520,000
Expenditures Subject to Override	351,904
CPA Articles	725,253
Total Appropriation - at ATM	21,796,652

\$350,000 Ambulance Debt Exclusion
\$170,000 HD Tractor (Truck) Capital Exclusion

Not Appropriated at ATM

Overlay for Tax Abatements	100,000
Cherry Sheet Offsets	180,702
State & County Charges	734,173
Total Other Charges	1,014,875

Expenditures using Other Financing Sources

Free Cash Transfers	1,053,606
Total Expenditures	23,865,133

23145455 719,678

Revenues

Other Funds (Not taxes)

CPA Funds & Betterment Funds (Debt)	10,200
CPA Funds (CPA Articles)	725,253
Free Cash	1,053,606
Local Revenues	1,800,000
Receipts Reserved / Other Available Funds	774,550
Other Local	0
State Aid	505,277
Free Cash to Mitigate Tax Rate	1,000,000
Total Other Revenues	5,868,886

OPEB Trust \$400,000
Cap Stab Fund \$100,000
Stabilization Fud \$100,000
Aff House Trust \$3,606
Employee Bene Buy-out \$50,000
Aff House Trust \$400,000

Beach Rra \$377,000
Harbor RRA \$88,000
Recreation RRA \$21,000
Con Com RRA \$5,000
Dennis Family Gift \$124,550
Ed/Gov Access (Comcast) \$159,000

Total Levy Limit **18,222,765**

Total Funding Available **24,091,651**

Total Expenditures **23,887,859**

Difference Revenue to Expenditures **226,518**

***RECOMMENDED PROP 2 1/2 OVERRIDE:** **351,904**

Fund 4 permanent Firefighter/Paramedic
 positioins in Fire/Rescue/EMS Department