

# Town of Middleborough

## Finance Committee

Savings Bank Building  
20 Centre Street  
Middleborough, Massachusetts 02346-2250

### Middleborough Finance Committee Annual Report 2011

The 2011 Finance Committee is made up of the following seven elected residents; Mr. Richard Pavadore, Chair, Ms. Leilani Dalpe, Vice Chair, Mr. Donald Baldwin, Secretary, Ms. Suzanne Dube, Mr. Glenn MacPherson, Ms. Diane Stewart and Mr. Tarsi Velantzas.

The Mission of the Finance Committee is as follows:

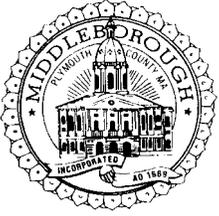
*The Finance Committee shall be concerned with all matters involving the finances and financial procedures of the Town of Middleborough, as required by Massachusetts General Laws and the Town Charter. The Committee makes recommendations to the Board of Selectmen and the residents of Middleborough on all financial matters.*

The Finance Committee met 23 times during this year. Most of the meetings held between January and May were focused on the fiscal year 2012 budget. The annual budget was developed by the Town Manager along with department heads and then brought to the Board of Selectmen for their approval. Following this procedure, the budget was submitted to the Finance Committee at the end of March for our recommendations, printing and delivery to the residents at the Annual Town Meeting for final approval. During the preparation of the budget process, the Town Manager has regular meetings with members of the Finance Committee, Board of Selectmen, School Committee and other financial officers allowing input, recommendations and comments to ensure all parties are in agreement of the process.

The Town's fiscal year 2012 budget is \$70.6 million dollars, which represents a 2.9% increase from fiscal year 2011 at \$68.6 million dollars. The general government budget was reduced by approximately 2.1% to \$11.5 million dollars and the school budget increased by 3.4% to \$28.13 million dollars.

A substantial amount of effort was put forth in evaluating the financial impact of accepting a SAFER grant (Staffing for Adequate Fire and Emergency Response) that was received by the Fire Department in the early spring. The three year SAFER grant was awarded to Middleborough by the Department of Homeland Security, in the amount of \$2,196,915.00. This grant would have paid salaries and benefit costs of additional Fire Department personnel for the first two years and required the town to maintain the same staff for at least a third year with no reimbursement. The long term plan was to increase Fire Department staffing and add a revenue generating ambulance service by the third year to offset the costs of the increased department size. The larger department would improve fire and first responder coverage in town by manning all three fire stations more often than they currently are.

Our analysis concluded that acceptance of this grant would have resulted in a long term financial cost to the town on the order of \$500,000, increasing annually. This additional deficit was higher than what we could sustain within the confines of our budget and Proposition 2 ½ mandates. Our report to the Town and Board of Selectmen concluded that we should not accept this grant for these financial reasons. The Board of Selectmen ultimately chose not to accept the Safer Grant.



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Below are some figures that better define how and where Middleborough receives its revenues. As you can see, the real estate taxes support almost half of the town's total budget and are the only area that continually increases year to year.

- Middleborough real estate taxes in FY2012 are \$32 million, up from \$30.8 million in FY2011 which represents an increase of 3.9%. FY 2010 to FY2011 increase was 3.7%. This tax increase includes property taxes and new growth which is collected by the town. Property tax increases are limited to 2 ½ percent by law, with the additional percentage coming from new growth.
- The net local Aid from the state increased from \$18.6 million in FY2010 to \$19.5 million this year. This represents an increase of almost \$900,000 or +4.7%. This percentage increase is slightly higher than our average of 1-3% which helped to balance our budget with minimal change to services.
- The local receipts are estimated to be level funded or higher in FY2012 at about \$5 million. This revenue comes from various taxes, and fees, including automobile excise taxes and monies collected from the various departments, licenses, permits, etc. Estimated local receipts as of January, 2012 are beginning to increase both in the Building Department permitting and Auto Excise Taxes areas, which typically indicates a rebound in the economy.

In the coming year, the Finance Committee will be assuming level funding (or less) from the state, slightly higher expected new growth and a property tax increase cap of 2 ½ %. Our stabilization account is currently \$346,329.00, less than 0.5% of our annual budget. This number is roughly 10 times less than the state and the Finance Committee, recommends for Middleborough. If additional revenues become available, it would be our recommendation to increase the stabilization account balance.

The Finance Committee is committed to working with the Board of Selectmen, Town Manager, Financial Officers, School Committee, Capital Planning Committee, all town departments and the residents of Middleborough to create a sound fiscal plan that meets our needs and services. We try to be available for open discussions, transparent communication and support for the entire town, to help the citizens better understand Middleborough's budget and how it affects the services. We encourage employees, town officials and citizens to attend our meetings, contact us anytime through emails or phone with any questions, and become part of our budget preparations and financial recommendations.

Respectfully submitted by;  
Richard J. Pavadore, Chairman  
January 25, 2012

### Current Finance Committee Members

Mr. Richard Pavadore, Chairman, Ms. Leilani Dalpe, Vice Chairwoman, Mr. Donald Baldwin, Secretary, Ms. Suzanne Dube, Mr. Glenn MacPherson, Ms. Diane Stewart and Mr. Tarsi Velantzas