



ADMINISTRATION & MANAGEMENT
PAUL J. HONGO, JR.
Director

To: The Honorable Members of the Town Council
The Honorable Members of the Board of Finance

Cc: April Capone Almon, Mayor
Ralph Mauro, Assistant Deputy Director of Town Affairs
Anthony Serio, Jr., Superintendent
Frank Meoli, Assistant Superintendent

From: Paul J. Hongo, Jr., Deputy Director of Town Affairs

Date: April 2, 2009

RE: Proposed Agreements and Fund Balance Explanation

The purpose of this memo is to share with you what things the Town is doing in an effort to close the \$2.4 million dollar deficit in this fiscal year's budget.

To that end, I have met with all six (6) Town unions with the one exception being the Firefighters (we are scheduled to meet on Monday April 6th). Although I am not at liberty to provide you copies of the proposed agreements, I can tell you they essentially request the unions to follow the Mayor's lead and take four (4) furlough days prior to June 30, 2009 – the net savings to the Town would be \$164,237. The Town is also requesting the unions forgo their scheduled general wage increases on July 1, 2009, take another four (4) furlough days during the 2009-2010 fiscal year and give back the personal holiday that was granted at the end of 2008 as a result of a declaration by President Bush – if the unions agree, the Town would save \$396,449 in the 2009-2010 Fiscal Year Budget. Please keep in mind the proposed agreements and projected savings do not include the Board of Education – they reflect the Town side only.

Secondly, I am also forwarding a copy of a document I use to explain the status of the Town's Fund Balance. As you can see, it highlights in chronological order the events that have negatively affected the Fund Balance.

In closing, please do not hesitate to call me at 468-3371 if you have any questions or concerns regarding either one of these documents.

Thank you.

2007-2008 Fiscal Year Budget -		1-May-07
Fund Balance -	\$4,100,000	
1) Fund Balance Appropriation		(\$600,000)
Rolling Fund Balance -	\$3,500,000	

2007-2008 Fiscal Year Budget -		26-Jun-07
Fund Balance -	\$4,100,000	
1) Fund Balance Appropriation		(\$600,000)
2) State Education Grants		(\$725,000)
3) State Casino Grant		(\$750,000)
		(\$2,075,000)
Rolling Fund Balance -	\$2,025,000	

2007-2008 Fiscal Year Budget -		1-Dec-07
Fund Balance -	\$4,100,000	
1) Fund Balance Appropriation		(\$600,000)
2) State Education Grants		(\$725,000)
3) State Casino Grant		(\$750,000)
4) Spending Freeze - Town	<u>\$900,000</u>	
	\$5,000,000	(\$2,075,000)
Rolling Fund Balance -	\$2,925,000	

2007-2008 Fiscal Year Budget -		1-May-08
Fund Balance -	\$4,100,000	
1) Fund Balance Appropriation -		(\$600,000)
2) State Education Grants		(\$725,000)
3) State Casino Grant		(\$750,000)
4) Spending Freeze - Town	<u>\$900,000</u>	
5) Fund Balance Appropriation -		<u>(\$750,000)</u>
	\$5,000,000	(\$2,825,000)
Rolling Fund Balance -	\$2,175,000	

2007-2008 Fiscal Year Budget -		1-Mar-09
Fund Balance -	\$4,100,000	
1) Fund Balance Appropriation		(\$600,000)
2) State Education Grants		(\$725,000)
3) State Casino Grant		(\$750,000)
4) Spending Freeze - Town	<u>\$900,000</u>	
5) Fund Balance Appropriation		(\$750,000)
6) Payroll Omission - BOE		<u>(\$800,000)</u>
	<u>\$5,000,000</u>	(\$3,625,000)
Rolling Fund Balance -	\$1,375,000	

2007-2008 Fiscal Year Budget -

27-Mar-09

Fund Balance -	\$4,100,000	
1) Fund Balance Apropriation		(\$600,000)
2) State Education Grants		(\$725,000)
3) State Casino Grant		(\$750,000)
4) Spending Freeze - Town	<u>\$900,000</u>	
5) Fund Balance Appropriation		(\$750,000)
6) Payroll Omission - BOE		(\$800,000)
7) Tax Revenue Shortfall (budgeted at 99.9%)		(\$1,000,000)
8) Town Clerk Fees Shortfall		(\$249,000)
9) Investment Income Shortfall		(\$231,000)
10) Other Misc. Revenue Shortfalls		<u>(\$279,000)</u>
	\$5,000,000	(\$5,384,000)
Rolling Fund Balance -		(\$384,000)

2008-2009 Fiscal Year Budget -

Fund Balance -	(\$384,000)	
1) Tax Revenue Shortfall (budgeted at 99.9%)		(\$1,000,000)
2) Investment Income Shortfall		(\$475,000)
3) Town Clerk Fees Shortfall		(\$350,000)
4) Athletic Complex Shortfall		(\$55,000)
5) Building Permits Shortfall		<u>(\$125,000)</u>
		(\$2,005,000)
Rolling Fund Balance -	(\$2,389,000)	