

To: All Town Departments
From: Dover Warrant Committee
Date: September 26, 2013
Subject: Fiscal 2015 Budgeting Guidelines and Review Procedures

Dover is currently in good financial condition. The town debt and the interest service on that debt are at prudent levels. The Free Cash balance (not yet certified for July 1, 2013) relative to Dover's annual budget is at the conservative (i.e., high-) end of the Commonwealth's guidelines for municipal finance. The town has not needed to consider a Proposition 2 ½ over-ride for several years and the annual Reserve Fund has been sufficient to address unanticipated expenses in recent years.

However, it would be imprudent not to highlight four concerns we have when considering the budget issues that the town may face over the intermediate- and longer-term. First, the rate of growth in the operating budget over the past ten years has been high, worrisome, and potentially unsustainable. Much of the increase has come in categories of spending that are challenging to control in an annual budget process (e.g., multi-year contract obligations, state-mandated Special Education costs, insurance costs, pension costs, energy costs) and relate to current services, not expanded or new services. Second, much of Dover's physical infrastructure is in good condition but significant capital investment will be required in the coming years to maintain and ensure the longevity of important town assets (e.g. the Town House, Protective Services Building, Chickering School, Caryl Community Center, etc.). Third, the DS Regional School System, and hence, Dover and Sherborn, has an obligation to pay future post-retirement benefits that, currently, are not being funded. And fourth, revenues for the town come almost entirely from individual property taxes where both the base (the value of real estate) and the multiplier (the tax rate applied to the base) are constrained in how much they can grow over the long term. Given the modest level of new development in Dover, and the State's budget constraints, we should not expect revenues to grow at a pace greater than that of the general economy.

Taking this into account, **the Warrant Committee is asking that departments submit level-service budgets for FY15.** Departments should also make every effort to contain or pare costs. **If a department has a budget request that is above and beyond level service, please make a separate request titled "Additional Service Request" and provide specific justification and supporting data for the request.** The Warrant Committee will review these requests as our aggregate budget picture for FY15 becomes clearer.

The Warrant Committee has endorsed the Personnel Board's recommendation of a 2.0% general increase for non-contract employees.

Guidelines for energy costs (see below) are based on the latest U.S. Energy Administration forecasts for the Northeast, and should be used to budget costs beyond any existing contracts.

Each department will enter its budget into the KVS system by Friday, December 13, 2013. The Warrant Committee will use the KVS reports as their initial source for budget reviews. Departments are urged to use the memo fields to document budget items, especially where there is significant change from the prior year. Also, before Warrant Committee review, budget narratives shall be prepared explaining significant items and changes. Departmental reviews with the Committee will be scheduled (see below) so as to be completed by early March. If you

are unable to conduct your review on the assigned date, contact the Committee immediately to reschedule. As always, coordinate with your liaison to ensure that he or she fully understands your needs and wants.

Energy costs for the FY15 budget should be budgeted using the following estimated price changes relative to the Budgeted amount for FY14, with allowances for contracts that already extend into fiscal 2015, and adjusted for anticipated increases or decreases in quantities consumed.

Heating oil	+2% above FY14
Diesel Fuel	0% (same as FY14)
Unleaded Gasoline	0% (same as FY14)
Electricity	+3.3% above FY14

Review Dates for 2014

Wednesday, January 8, 7pm	Town Clerk, Elections & Registrations, Council on Aging, and Warrant Committee, Board of Health
Wednesday, January 15, 7pm	Planning Board, Selectmen, Highway
Wednesday, January 22, 7pm	Police, Fire & Ambulance, Minuteman
Wednesday, January 29, 7pm	Cemetery, Library
Wednesday, February 5, 7pm	Park & Recreation, Capital Budget
Tuesday, February 11, 7pm	Chickering, Board of Selectmen Review of Articles
Thursday, February 13, 7pm	Regional Schools (joint meeting with Sherborn Advisory)
Monday, March 17, 7:30pm	Open Town Hearing
Monday, May 5, 7pm	Town Meeting

Warrant Committee Members

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Department (account)	Liaison(s)
Ambulance (231)	Merrill
Assessors (141)	Arkle & Lawrence
Bank Charges (759)	Arkle & Lawrence
Board of Appeals (176)	Gill Body
Board of Assessors	Gernerd
Board of Health (519)	Lawrence
Board of Selectmen Budget (122)	Arkle & Lawrence
Board of Selectmen Liaison	Arkle & Lawrence
Building Inspector (241)	Arkle & Lawrence
Building Maintenance (199)	Arkle & Lawrence
Capital Budget Liaison	Stuart & Cocks
Care of Trees (294)	Merrill
Caryl Community Center Liaison	Forte & Gernerd
Cemetery (491)	Lawrence
Chickering School (600)	Cocks & Stuart
Conservation Committee (171)	Forte
Copy and Postage (129)	Arkle & Lawrence
Council on Aging (541)	Stuart
D-S Reg. Schools (601)	Gill Body & Gernerd
Data Processing (155)	Arkle & Lawrence
Dover Housing Partnership (178)	Forte
Elections (162)	Arkle & Lawrence
Emergency Management (291)	Arkle & Lawrence
Energy Coordinator (194)	Arkle & Lawrence
Engineering (411)	Arkle & Lawrence
Fire (220)	Merrill
Garbage Disposal (433)	Lawrence
Group Insurance (912)	Arkle & Lawrence
Highway Department (422-425, 428, 439)	Merrill
Historical Commiss'n (691)	Gernerd
Law (151)	Arkle & Lawrence
Long Range Planning Liaison	Forte
Maturing Debt (710)	Arkle & Lawrence
Medicare/FICA (916)	Arkle & Lawrence
Memorial Day (692)	Arkle & Lawrence
Minuteman Voc Tech	Gernerd
Norfolk Contributory (911)	Arkle & Lawrence
Other Insurance (950)	Arkle & Lawrence
Park and Rec (650)	Cone & Stuart
Personnel Board (152)	Cone
Planning Board (175)	Arkle
Police (201, 292, 299)	Cone
Principal/Interest (751)	Arkle & Lawrence

Reg. Bonding Allocation Liaison	Arkle & Lawrence
Sherborn Advisory Liaison	Cone
Town Accountant (135)	Arkle & Lawrence
Town Clerk (161)	Arkle & Lawrence
Town House (192)	Arkle & Lawrence
Town Library (610)	Merrill
Town Report (195)	Arkle & Lawrence
Treasurer/Collector (145)	Arkle & Lawrence
Tree Committee (295)	Cone
Veterans (543)	Arkle & Lawrence
Warrant Committee (131)	Cone
Water Department (450)	Arkle & Lawrence
Workmans Comp Ins (914)	Arkle &
Lawrence	