

# Town of Shirley

## BOARD OF SELECTMEN



7 KEADY WAY – SHIRLEY, MASSACHUSETTS - 01464-2812

*Patrice Garvin, Town Administrator*

TEL: (978) 425-2600, x121

Fax: (978) 425-2602

Fall 2015

Dear Residents of Shirley,

Special Town Meeting has come and gone and we are about to enter into Budget process for Fiscal Year 2017 (FY17). We have been working on the FY17 budget since Annual Town Meeting in April. We have kept an eye on the budget to determine whether or not the Town is in need of an override.

The Board of Selectmen has appointed the Budget Coordinating Committee, whose charge is to determine if an override is needed and the amount. The committee has been meeting multiple times a month and is working towards providing the Board of Selectmen with a recommendation at their December 14<sup>th</sup> meeting.

As previously discussed, the Town anticipates receiving recurring revenue each year, as well as recurring expenses. I liken this to one's paycheck and mortgage; you know these are coming monthly. Then there are the nonrecurring revenue and expenses, say winning a lottery ticket or your washing machine breaking.

When a Town's recurring revenue does not meet its recurring expenses (paycheck to mortgage), you have a shortage. And when that shortage happens year after year that is what the Town calls a "structural deficit". An override would simply raise the recurring revenue to meet its recurring expenses. Absent an override the town will have to continue to fund recurring expenses with money it does not anticipate receiving every year.

Using one time money to fund your operating budget places the town in a poor financial position making it impossible to save, or put money towards needed Capital items, such as a fire truck or new roof. The Town has aging equipment which has created unexpected repair costs that were not budgeted. Just recently the library was faced with a large maintenance bill, with limited resources to address the costs.

Good financial planning is the key, and as the Town Administrator I will continue to bring forth solid conservative financial plans to the Board of Selectmen and Finance Committee. Since I arrived two years ago my goal has been to wean the Town off of using one-time money to balance the budget. This will not happen overnight, but through continued efforts to look at expenses and additional revenue it can be accomplished. The Town has already made strides in reducing its dependence on one-time money, through solar developments and focusing on areas economic development.

Again, if you have any questions or concerns my door is always open. If you need to reach me by phone please call me at 978-425-2600 ext. 121.

Sincerely,

Patrice Garvin,  
Shirley Town Administrator