

TO: Board of Finance

FROM: Linda Gardiner, Budget Director

RE: FY12 Seasonality Report, July-March 2012

Date: April 18, 2012

The following projected estimates are based upon actual revenues and expenditures as of March 31, 2012. At this time we are projecting a \$1.5m surplus for the current fiscal year. Following are the major variances identified that produce the estimated results.

Highlights

TOTAL GENERAL FUND REVENUE: for July-March represent 78% of budget and is level with the same period for the prior year. At this time we are projecting year-end revenue will be approximately \$55k over budget.

Revenues expected to fall short of budget:

- **Building Permit Revenue** is projected to end the year \$550k under budget. Building Permit can improve with the application of any large project.
- **State Revenue** is projected to end the year \$87k under budget.
- **Education Grants** are expected to end the year \$25k under budget

Revenues expected to exceed budget:

- **Prior Year Taxes/Interest on Tax** is expected to exceed budget by \$535k. As of April 13, 2012 revenue exceeds budget by \$67k.
- **Supplemental Motor Vehicle** is expected to exceed budget by \$71k.
- **Town Clerk** revenue including Conveyance, Recording and Certified is expected to exceed budget by \$110k.
- **HSR Golf Fees** are expected to meet budget given the improvement in weather. For the month of March alone, Golf Fees were up by \$50k year-over-year, and compensated for the lower revenue experienced in the first quarter. While play was down during the first quarter due to rainy days which limited play to "Cart path" days or prohibited play altogether, November and December saw an increase in play due to the milder and dryer weather, and March saw a significant increase in play.

TOTAL GENERAL FUND EXPENDITURES: for July-March is 81% spent and is level with the same period in the prior year. In spite of the extraordinary Public Safety and Public Works expenditures for Tropical Storm Irene and Storm Alfred, expenditures are projected to come in \$1.56m under budget. Specifically:

Expenditures expected to exceed budget:

- **Legal Services** are expected to come in \$175k over budget. Cases associated with large dollar expenditures are the Bateson/Wedde case for \$115k, the Town's agreement with the State of CT tin regard to revenue from the 3rd Train Station for \$114k, and employee issues for \$40k. We also face a number of tax appeal cases.
- **Heart & Hypertension** is 104% spent. We estimate that we will spend another \$165k for the remaining three months bringing expenditures in at \$184k over budget. In July, two individuals received permanency awards and one individual was hospitalized for a total of \$204k for these cases alone. Expenditures averaged \$49k for the months August through February. March experience a spike to \$98k.
- **Unemployment Compensation** is 148% spent. We estimate that we will spend an additional \$50k for the remaining three months bringing expenditures in at \$146k over budget.

Expenditures expected to come in under budget:

- **Utilities** are 63% spent and are expected to end the year \$200k under budget. Lower Utility rates beginning January 2012 account for this.
- **Vacancies** existing in a number of departments are expected contribute \$670k in savings.
- **Private School Bus Transportation** is expected to end the year \$100k under budget.
- **BOE** is expected to return in excess of \$100k from liquidated PO's.
- **Debt Service** will have \$1m surplus due to refunding.

The Budget Monitoring Report compares selected accounts within the General Fund, Self-Supporting Fund, Internal Service Fund, and large Capital Projects. "Key Accounts" were selected because they can have a major impact on the budget, either favorable or unfavorable, and are subject to volatility.