



## **Town Administrator**

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**To:** Board of Selectmen  
Finance Committee

**From:** Ryan M. McLane  
Town Administrator

**Re:** FY 2021 Q2 Financial Report

**Date:** January 13, 2021

The purpose of this report is to provide town officials with the information necessary to oversee the town's finances. This document also serves as a planning tool to help address potential budget problems. The report contains the following content:

- 1.) FY21 Budget versus Actual Summary Report ([expenses](#))
- 2.) FY21 [Revenue](#) Report
- 3.) [Capital Projects](#) Report
- 4.) [Finance Team](#) Report
- 5.) [Financial Monitoring](#) Accountability

### **Budget versus Actual Report (Expenses)**



The Budget versus Actual report is sent to all departments, board and committees monthly in order to track departmental expenditures. It is available for public review on the [town Web site accounting page](#). Also available is the monthly Budget Versus Actual Detail Report showing residents and Town Officials exactly how the departments are spending money. This "open checkbook" approach is intended to instill confidence that the town is efficiently using tax dollars for town services. The Town Administrator reviews these reports at issuance and identifies department spending trends needing further clarification/correction. The overall goal of this report is to ensure proper alignment between appropriation and expenditure.

The following visual legend helps quickly identify areas of financial concern.

- – The identified financial indicator is expected and not a concern for town officials
- – The identified financial indicator needs monitoring, but is not an immediate concern
- – The identified financial indicator is of immediate concern and must be addressed

### ***Overall Operating Budget Analysis***

Departments expended 46.88% of appropriated funds through Q2. This includes large full payments to the WRRS and Berry Insurance, but does not include a more than \$116k payment to Rutland Regional Dispatch. At this pace, Departments would spend 93.76% of appropriated funds, returning approximately \$593k to free cash. This far exceeds our policies and expectation; however, department spending historically increases in the spring and we expect this number to decrease as we provide services for the remainder of FY21.

***The following is an analysis of expense accounts currently exceeding expectations (50%).***

*1000-122-5110-0000 – Selectmen Employee Support* ● 67.75%  
No change from Q1 report.

*1000-135-5400-0000 – Accountant Supplies* ● 94.20%  
No change from Q1 report.

*1000-141-5200-0000 – Assessor Employee Support* ● 73.53%  
No change from Q1 report.

*1000-141-5200-0000 – Assessor Supplies* ● 52.93%  
Spending on supplies for the Assessor's department is at expectations. There is no expectation of exceeding appropriation.

*1000-141-5200-0000 – Treasurer Collector Supplies* ● 59.90%  
Spending on supplies for the Treasurer's department is at expectations. There is no expectation of exceeding appropriation.

*1000-141-5200-0000 – Treasurer Collector Other (Tax Title)* ● 84.92%  
Tax title work was a focus of this office in Q2. This includes advertising delinquent tax payments and executing the FY21 Tax Title plan. There is an expectation that this line item exceeds expenditure; however, the overage will be covered by other lines within the department.

*1000-155-5200-0000 – IT Services* ● 62.24%  
The majority of contracted IT service costs occur in Q1 and Q2 with monthly costs rounding off our spending for this line item in Q3 and Q4. There is no expectation of exceeding appropriation.

1000-161-5200-0000 – Town Clerk Services ● 100%

The spending in this line item was for a police detail. There is no expectation of exceeding appropriation.

1000-161-5400-0000 – Town Clerk Supplies ● 60.16%

The majority of the spending in this line item comes from election-related expenses. There is no expectation of exceeding appropriation.

1000-171-5400-0000– Conservation Supplies ● 56.73%

No change from Q1 report.

1000-175-5200-0000– Planning Services ● 75.58%

No change from Q1 report.

1000-192-5200-0000 – Building and Maintenance Services ● 52.23%

No change from Q1 report – unexpected maintenance.

1000-210-5200-0000 – Police Department Services ● 97.19%

No change from Q1 report – an excess of vehicle repairs.

1000-210-5400-0000 – Police Department Supplies ● 53.30%

This line item is at expectation for this time of year and is reporting regular spending. There is no expectation of exceeding appropriation.

1000-220-5200-0000 – Fire Department Services ● 73.69%

Vehicle repairs continued to exceed appropriation based on maintenance needs for the secondary vehicle options. We are monitoring this account due to historical trends that suggest this line item might exceed appropriation. This is not a red account because we believe the overage can be covered internally within the department.

1000-231-5700-0000 – Ambulance Other ● 36.18%

No change from Q1 report – early annually billing

1000-294-5100-0000 – Tree Warden Personnel ● 100%

Annual stipend paid in full. There is no expectation of exceeding appropriation.

1000-420-5200-0000 – DPW Services ● 65.48%


DPW spending is seasonal with large expenditures in the fall and spring. We expect this time of overage as we head into the winter. There is no expectation of exceeding appropriation.

1000-491-5400-0000 – Cemetery Supplies ● 52.81%

Cemetery spending is seasonal with larger expenditures in the fall and spring. We expect this time of overage in December. There is no expectation of exceeding appropriation.

1000-630-5400-0000 – Recreation Supplies  53.04%


No change from the Q1 report.

1000-752-5910-000 – Long-Term Debt Interest  89.36%


This payment is due in late fall with no additional payments necessary.

1000-911-5700-0000 – Worcester Regional Retirement Other (assessment)  98.17%

No change from the Q1 report.

1000-916-5700-0000 – Medicare  51.32%

This budget line is created by averaging salary increases. It is slightly over expenditure for this time of year and will be watched for a potential overage heading into Q3.

1000-945-5700-0000 – Liability Insurance  97.07%

This bill is due in Q1 and paid in full. This account will produce an overage by Q4.

### **Revenue Report**



We track revenue versus budget estimates in real-time in order to more accurately forecast our revenue projections. This also allows us to better forecast free cash totals necessary for funding capital expenditures and maintaining reserves.

Overall, we are at 47% of revenue expectations. This is below our expected revenue pace and if it continued, we would return -\$568,652 to free cash. Town Officials must remember that although this is not good news, our tax collection numbers are strong and two of our largest revenue sources, PILOT and Excises Tax collections do not begin in earnest until Quarter 3. When accounted for, we believe our revenue projections will be equal to or exceed expectations. The one remaining outlier in this equation is the impact of COVID-19.

The Finance Team is continuing to examine revenue for increased understanding (forecasting ability) and to correct/document historical errors to solidify financial projections.

The overall revenue report is attached to this memo for your review.

### **Capital Projects Report**

This section provides a brief update on all capital projects approved by Annual Town Meeting. The purpose of this report is to provide decision makers will a proper accounting of approved expenditures.

**FD Exhaust Mitigation System (\$84,200)** 🟡 – This project went out to bid several times over the last year with a very competitive and contested bid process. Seaman Engineering assisted with a new design and project document, leading to the award of this bid in early November. We are through the contract and submittal stage and heading towards a notice to proceed. Construction should begin as soon as supplies arrive.

Expected Completion Date – March 1, 2020

Final Financial Report - This project will come in under budget (\$5k).

**Route 68 North Project (\$7,427)** 🟢 – This project was completed this summer with new pavement stretching from the Curtis Recreation Fields to the Gardner Line.

Completion Date – October 1, 2020

Final Financial Report - This project came in under budget (\$7k)

**Town Center Reconstruction (\$124,692)** 🟡 – The Town's engineering firm TEC is now finalizing the 100% design and moving this project forward to meet its construction date of Summer 2022.

Expected Completion Date – October 1, 2022

Final Financial Report - This project will come in under budget (\$15k).

**Cemetery Equipment (\$1,800)** 🟢 – This project is now complete with the purchase of a backpack and walk behind mower.

Completion Date – October 1, 2020

Final Financial Report - This project came in on budget.

**Town Office IT Equipment (\$20,000)** 🟢 – This project is now complete and ends a two-year investment in the town's IT infrastructure. The project included computer upgrades for all town departments, the DPW and all public safety offices in addition to server upgrades for all buildings. The final stage of the project replaced computers in the town's public safety vehicle fleet.

Completion Date – September 1, 2020

Final Financial Report - This project came in on budget.

**DPW Ford F-550 Dump Truck with Plow (\$100,000)** 🟡 – This vehicle has been procured to include a plow, spreader and additional lighting. It is currently under construction.

Completion Date – February 1, 2021

Final Financial Report - This project came in under budget (\$1,000).

**Asphalt Hot Box (\$45,000)** 🟢 – The DPW procured a four-ton extended deck trailer with safety lighting and extras like a solvent tank and heated shovel deck that will make DPW workers more efficient.

Completion Date – November 1, 2020

Final Financial Report - This project came in under budget (\$1,000).

**Library Foundation Project (\$10,000)** ● – This study project consists of two phases – studying the library foundation and repairing any deficiencies found in the report. The library foundation review is now complete. The Library Trustees are working with an architect to determine the costs of any repair work and begin the construction project.

Completion Date (study) – December 31, 2020

Completion Date (repair) – July 1, 2021

Final Financial Report - This project will come in under budget; however, remaining funding is slated to begin any repair work identified by the initial study.

**Police Department Ceiling Repair and Insulation (\$10,000)** ● – This project will not begin until the spring, but has been procured and scheduled.

Completion Date – April 30, 2021

Final Financial Report - This project will come in under budget (\$1k)

**Police Vehicle Cameras and Server (\$15,000)** ● – This project will not begin until the spring.

Completion Date – April 30, 2021

Final Financial Report - This project will come in under budget (\$1k)

**Curtis Field Bandstand Roof (\$12,000)** ● – We selected a vendor for this project after a competitive bid process. This work will begin in the spring.

Completion Date – April 30, 2021

Final Financial Report - This project will come in on budget

**Slade Building Paving Project (\$18,000)** ● – This project is currently in the procurement phase with bid solicitations sent to three different contractors.

Completion Date – June 30, 2021

Final Financial Report - This project will come in over budget (\$10k)

**Master Plan Implementation Chapter (\$6,000)** ● – This fund will no longer be needed due to the town's receipt of a DLTA planning grant in October.

Completion Date – June 30, 2021

Final Financial Report - This project will come in over budget (\$6k)

**CPA – Affordable Housing (\$50,000)** ● – The Planning Board contracted with VHB to complete a site analysis of the town pit (\$4k). This analysis will lay the ground work for a larger study analyzing the town pit area for potential affordable housing options (\$30k). Additionally, the Planning Board is working with the Town Treasurer to invest parts of this money into Tax Title

foreclosures on lands that may be suitable for affordable housing (\$15k).

Completion Date – Unknown

Final Financial Report – This project will exceed the original appropriation. The Planning Board has asked for additional affordable housing money in FY22.

**CPA – Affordable Housing (\$3,310) ●** – There has been no action with this account. This account is currently under the control of the Planning board.

Completion Date – Unknown

Final Financial Report - Unknown

**CPA – Library Long Range Plan (\$2,500) ●** – There has been no action with this account. This is currently under the control of the Library Board of Trustees.

Completion Date – Unknown

Final Financial Report - Unknown

**CPA – Portable Ice Rink (\$2,618) ●** – The Parks department began this project in January. Residents should be able to skate soon!

Completion Date – February 1, 2021

Final Financial Report – This will come in on budget

**CPA – Curtis Rec Field Dug Outs (\$21,200) ●** – We are currently working with the Parks Department to start this procurement.

Completion Date – June 20, 2021

Final Financial Report – This will come in on budget

**CPA – First Church Roof (\$400) ●** – This project is now complete

Completion Date – October 1, 2019

Final Financial Report – This will come in under budget (\$400)

**CPA – Affordable Housing Grant (\$1,717) ●** – There has been no action with this account. This account is currently under the control of the Planning board.

Completion Date – Unknown

Final Financial Report – Unknown

**CPA – Rainbow's End Playground (\$50,000) ●** – This fund is the initial payment approved by Town Meeting. Remaining money necessary for the project (minus any grant funds) will come from borrowing per Town Meeting vote.

Completion Date – Fall 2021

Final Financial Report - Unknown

**CPA – Library Roof BAN Payment Playground (\$21,895) ●** – This project is complete.

Completion Date – November 2020

Final Financial Report – This will come in on budget

### **Finance Team Activities**

This report section identified major activities completed by the Town's Finance Team. The Finance Team includes representatives from the Executive, Accounting, Collecting, Treasurer, Assessing and Town Clerk Departments. The Finance Team meets regularly to comply with the town's financial management policies and advises the Town Administrator.

- Finalized the FY22 revenue projections
- Finalized the FY21 tax rate
- Assisted with the [FY22-26 Financial Forecast](#) and [Capital Plan](#)
- Completed the [FY20 audit](#)

### **Financial Monitoring**

This report section will detail executive level financial monitoring. The Town Administrator oversees the town's finances daily; however, according to town policy, annual auditing recommends and Department of Revenue Best Practices, certain monitoring activities occur monthly and quarterly. This protects the town from financial liabilities and provides town decision-makers with key information about the town's financial health and stability.

**Cashbook Reconciliations ●** – The Town Treasurer is reconciled fully through December 31, 2020 and the Town Accountant is reconciled to December 31, 2020. This meets with town policy and best practice recommendations.

**Payroll Withholdings ●** – FY20 payroll withholdings are fully reconciled. FY21 payroll withholdings are reconciled through September 30, 2020. Accounts prior to FY19 are being looked at account by account in the old software and is a work in progress.

**Accounts Receivable ●** – Receivables are reconciled through December 31, 2020 and will be reconciled to town policy by the end of November. Tax title accounts remain on ongoing process, but the transition to VADAR has sped up this process and we expect to have all accounts reconciled by the end of FY21.

**Ambulance Receivables ●** – Fully balanced through December 31, 2020 except for three bills totaling \$1,150. These bills have been identified and our Town Accountant is working with COMSTAR to complete the reconciliation.