

Town of Winchester
2014 Spring Annual Town Meeting



ARTICLE 37

To see if the Town will vote to raise and appropriate, or transfer from available funds, a sum or sums of money to supplement or reduce appropriations previously voted for Fiscal Year 2014 Budgets, or take any other action in relation thereto.

(Town Manager)

MOTION #1:

MOVED AND SECONDED that the Town transfer the sum of \$120,000 to supplement the appropriations to FY2014 Operating Budgets; and to meet this appropriation, the following sums be transferred from available FY2014 General Fund appropriations:

From:

Account Name	Account Number	Amount
Health Insurance	0191402	\$70,000
Department of Public Works	0141211	\$50,000

To:

Account Name	Account Number	Amount
Medicare Tax	0191502	\$70,000
Workers Compensation	0191202	\$50,000

MOTION #2:

MOVED AND SECONDED that the Town appropriate the sum of \$432,000 from Free Cash to supplement the appropriations to FY2014 Operating Budgets. Such funds will be appropriated to the following accounts:

To:

Account Name	Account Number	Amount
Snow and Ice-Salaries	0141711	\$143,705
Snow and Ice-Expenses	0141712	\$108,295
Legal-Expense	0115102	\$80,000
General Fund-Court Judgement	0194102	\$100,000

ARTICLE 37 BACKGROUND:

This article seeks to appropriate and transfer additional funds to augment current year (FY2014) municipal budgets to fund account deficits and anticipated shortfalls. The purpose is to transfer funds from one line item to another (Motion #1), or to transfer from Free Cash (Motion #2) for appropriation to the budget through June 30, 2014, each transfer being a separate appropriation.

MOTION 1 BACKGROUND:

The Town is required to pay a Federal Medicare tax equivalent to 1.45% of all employees' wages. During FY2014, this budget was not sufficiently funded for the wages that will be paid out for all employees through June 30, 2014. The Medicare tax funding deficit will be addressed using appropriations from another municipal account.

The Workers Compensation budget supports medical and indemnity payments for all Town employees injured in the course of their work, however, it excludes payment for police and fire personnel salary when they are injured in the line of duty. Winchester self-insures all of its Workers Compensation liability and the FY 2014 workers' compensation expense is over budget due to higher than projected claims. The Workers Compensation funding deficit will be addressed using appropriations from another municipal account.

MOTION 2 BACKGROUND:

The Finance Committee controls a \$400,000 Reserve Fund to meet the additional funding needs of individual departments who experience unexpected or unanticipated expenses during the course of the Fiscal Year. Transfers of funding to specific department accounts are voted by the Finance Committee throughout out the course of the year and the Finance Committee's Budget Book – Appendix 4 shows all funding that has been or will transferred out of the Reserve Fund as of April 30, 2014. Unless noted in the write ups below, no Reserve Fund Transfers were made for the accounts for which free cash is identified as the source of funding to address the remaining account deficits.

The Snow and Ice budget was appropriated at \$400,000 for FY14. With the significant number (20+) of snow and ice events experienced during the winter of 2013/2014 the budget is in deficit in both the salary and expense accounts. The Snow and Ice funding deficit will be addressed using free cash.

The Legal budget has experienced increased costs for both inside and outside counsel during the course of the Fiscal Year. Winchester's attorneys have addressed a series of legal matters that require an additional level of effort through June 30th such as Labor/Contract negotiations, litigation related to the MIG/Flood Mitigation Project 2 (channel widening), Health Insurance premium changes, WHS renovation, Wright-Locke Farm, and Skillings Field environmental issues. A Reserve Fund Transfer of \$80,000 was made in March 2014 but the account remains in deficit. The Legal funding deficit will be addressed using free cash.

The request for funding for General Fund - Court Judgment relates to the finalization of an arbitration case between the Town of Winchester and MIG construction. MIG construction is the contractor who was selected to perform Flood Mitigation Project 2 – the Aberjona River channel widening. The result of the arbitration case requires the Town to pay \$100,000 to MIG and in order to pay the amount the Town is required to reduce the arbitration to a judgment. The Court Judgment will be paid using free cash.

Majority vote required