

OFFICE OF THE  
EXECUTIVE ASSISTANT



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## Town of Hudson

MASSACHUSETTS 01749-2134

To: Registered Voters

From: Thomas Gregory

Date: May 1, 2023

Re: Year-End Transfer of Funds (Article 2)

Municipal finance laws require that departmental operating budgets do not incur a liability (deficit) at the close of the fiscal year on June 30<sup>th</sup>. Operating deficits typically occur each year in some departments due to unanticipated expenses incurred during the fiscal year. The snow and ice control budget will always incur a deficit as these expenditures are treated differently in state statute than other department budgets.

The traditional method to resolve year-end deficits is to request that Town Meeting authorize a transfer of funds from Free Cash. In Hudson, year-end deficits typically have been resolved via the alternate method as allowed in G.L. Chapter 44, Section 33B which grants the authority to the Select Board and Finance Committee, not Town Meeting, to resolve the deficits by transfers from other departments where a year-end surplus is expected. Going forward, my preference is to establish a practice to bring year-end deficits to Town Meeting since Town Meeting is the legislative body which originally appropriated the operating budgets in which the deficits occur. It is important to remember that year-end turnbacks (unspent funds) across all departments will produce a net surplus, as these funds are a contributing source to the Free Cash figure which will later be certified for the current fiscal year. And finally, resolving year-end deficits, using either method, will not increase your taxes.

Attached to this memorandum is a spreadsheet showing projected current year deficits in departmental operating budgets. At their meeting on April 27, 2023 the Finance Committee recommended deleting "a sum of money" in Article 2 and inserting in its place the figure "\$417,796" so that said sum may be transferred at Town Meeting from previously certified and available Free Cash.

cc: Select Board  
Finance Committee

**FY2023**  
**PROJECTED YEAR-END DEFICITS**

<b>Department</b>	<b>Account</b>	<b>Amount</b>	<b>Explanation</b>
Buidling Department	Expenses (2410-040)	\$10,000	To fund costs associated with computer and supplies for (2) new employee workstations, IT equipment to support e-permitting, and licensure expenses for new Deputy Building Inspector.
DPW - Vehicle Division	Expenses (4219-040)	\$21,100	To fund cost increases associated with general supplies, parts, and lubricating oil.
DPW - Sewer Division	Expenses (4400-040)	\$125,000	To fund cost increases in chemicals and fluctuations in electricity usage.
DPW - Snow & Ice Control	Expenses (4230-040)	\$147,696	To fund snow & ice control expenses deficit which inlcudes expenses for salt, liquid calcium, and vehicle repairs.
EA - Elections & Town Meetings	Expenses (1231-040)	\$11,000	To fund costs increases in advertising for town meetings and elections.
EA - Legal Services	Expenses (1235-040)	\$20,000	To fund costs associated with special counsel services relative to the proposed INTEL redevelopment.
EA - Personnel	Expenses (1237-040)	\$4,000	To fund increased costs associated with new employee hiring expenses including pre-employment physicals and psychological screening for new police officers.
EA - Town Buildings	Expenses (1236-040)	\$15,000	To fund increased costs associated with energy, utility, and telephone expenses.
Fire Department	Expenses (2200-040)	\$16,000	To fund costs associated with state inspections of Tripp's Pond dam and Washington Street dam and to fund increases in fuel costs.
Library Department	Expenses(6100-040)	\$15,000	To fund cost increases associated with database and newspaper subscriptions, maintenance supplies, and utilities.
Police Department	Expenses (2100-040)	\$33,000	To fund costs associated with building maintenance repairs, increased costs for training, and costs to outfit (2) new police officers hired in FY2023
<b>TOTAL</b>		<b>\$417,796</b>	