

COMMONWEALTH OF MASSACHUSETTS
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*Providing services
to the 28 communities
of Norfolk County*

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COUNTY DIRECTOR:
MICHAEL P. MULLEN, JR.

COUNTY COMMISSIONERS ADMINISTRATIVE OFFICES
614 High Street, SUITE 201, P.O. Box 310, DEDHAM, MA 02027-
0310
Tel. (781) 461-6105 Fax: (781) 326-6480

TO: Chair Connors and Members of the Norfolk County Advisory Board
FROM: Michael P. Mullen, Jr., County Director
DATE: May 20, 2020
RE: Fiscal Year 2021 County Commissioners Budget Recommendation

On behalf of the Norfolk County Commissioners, I write today to present Norfolk County's Fiscal Year 2021 (FY21) Budget Recommendation with projected revenues.

The significant challenges faced by the County, our constituent communities, and the state, country and global economies in the current fiscal year will undoubtedly impact our path forward in FY21. After a great deal of effort and diligence, we are pleased to present a responsible and balanced County operating budget that preserves core County functions for our residents and communities. In a time of great employment challenges, our budget recommendation also continues the County's tireless efforts to do all that it can to maintain current staffing levels based on available revenues.

Included at the beginning of this budget packet is a historical trend of available County revenues for the last three fiscal years and FY21. The trends illustrated in the spreadsheet reinforce the County's precarious position related to revenues, which have been further impacted by the ongoing public health pandemic. **Downgraded revenues projected by the County for FY21 point to \$121,357 less in available revenues.** It is also important to note that the enclosed budget recommendation for FY21 relies on \$500,000 from the County's stabilization fund. At this time, we expect to close-out FY20 with no appropriation from an unexpended balance to bring forward in FY21. The balance of the Stabilization Fund going into FY21 would be \$2.7 million.

You will also note that we are proposing this year to restructure the County's Deeds Excise Revenues and the Registry of Deeds Indirect Costs to more align with best practices for budgeting used by similar-suited counties in the Commonwealth. Please do not hesitate to let me know if you have any questions about this.

Similar to increases being seen at the municipal level, cost drivers in this year's operating budget largely continue the trends for which we have accounted in previous operating budgets. These include increases in debt service funding, health insurance and pension obligations; funding for recent collective bargaining agreements and non-union Cost of Living Adjustments (2% in FY21), and increases in risk management insurance. This budget also continues the County's efforts to addressing its Other Post Employment Benefit (OPEB) liability with a FY21 appropriation of \$100,000, though less than the \$275,000 appropriation in past years.

The structural imbalance between proposed expenditures and projected revenues has necessitated careful, across-the-board reductions in next year's operating budget. These reductions have been made based on assessments of prior and current year-to-date expenditures and the County's forecasted ability to continue funding these expenditures next year and into the future.

This budget does propose modest funding for professional and technical services in both the Commissioners' and Treasurer's budgets to implement various best practices that have been recommended by the County's independent auditor.

The Commissioners' FY21 budget includes continued support for the Norfolk County Agricultural High School, a vital part of our County community. The school's budget, developed in conjunction with the Aggie's Board of Trustees, has been carefully constructed to continue supporting the school's mission to ensure an academic and agricultural science vocational experience with hands on learning for passionate students from many communities, in Norfolk County and beyond. Limited revenues, employee obligations, increases in special education, and increases in school safety costs have placed various challenges on the school's fiscal position, which school administration and the County continue to address.

You will note that most capital funding has been removed from this year's proposed operating budget. However, we are pleased that bond funding authorized by the Finance Committee and Advisory Board in October 2019 provides us with the ability to address various capital needs in FY21. These include the MSBA Accelerated Repair Program roof and window repair/replacement project at the Aggie, the beginning of work on the Norfolk County Superior Court dome, boiler replacements, and paving at the Wollaston Recreational Facility. We hope to fund future year capital need projects through the County's unexpended (free cash) balance.

On behalf of the County Commissioners, I thank you very much for your continued service to Norfolk County and its 28 constituent communities during these challenging times. Please feel free to contact me with any questions by phone at (781) 234-3435 or by email at mmullen@norfolkcounty.org. We look forward to working with the Advisory Board as the FY21 budget process continues forward.