Report of the Norfolk County Advisory Board
Finance Committee on FY21 County Budget

June 10, 2020

Norfolk County Advisory Board
Paul J. Connors, Chair
Finance Committee
Joseph M. Reardon, Chair, Carl J. Balduf, Elizabeth Childs, Paul J. Connors,
Helen Abdallah-Donohue, Owen H. Dugan, Sr.
Finance Committee Budget Timeline and Body of Work

Exhaustive research and five meetings!

January - March 2020 – Chair begins research connecting with the Commissioners' Office, County Director, Advisory Board Chair and various departments including NCAHS, Treasurer and Registry.

April 2020 – Finance Committee meets on April 22 and April 29

May 2020 – Finance Committee Meets on May 6, May 13, May 20
Budget Problems

• Decrease in Revenue Projections by $121,357.00.

• Increased costs of $730,000.00.

• $500,000.00 draw on the Stabilization Fund.

• $500,000.00 Structural Deficit that WILL continue into FY 22 if unaddressed.

• Cost increases (health insurance, retirement, COLAs) far outpace revenues.

• Real Threat of a Cyclical Deficit due to COVID-19.
Budget Solution 1

• Hiring Freeze
• Spending Freeze

• ~$851,000.00 Budget Cuts Across All Departments
Budget Solution 2

Correcting Structural Issues at the Registry of Deeds

- Artificially Inflated Budgets
  - Registry Expended Budget Averaged only 75% from FY14-FY19

- Improper Calculation of County Mandate as defined by M.G.L. 64D (12) (b)
  - (b) Notwithstanding any general or special law to the contrary, with respect to funds appropriated for the purposes designated in clause (2) of subsection (a) and which are not dedicated to the Deeds Excise Fund in each county under section 11, the county budget shall provide a continuing amount of expenditure of not less than 102.5 per cent of the amount EXPENDED for that purpose in the preceding fiscal year.

- Registry has been funded based on APPROPRIATION which further exacerbated inflated budget issue.
Correcting Structural Issues at the Registry of Deeds-Continued

**Where did the unexpended balance go?**

Registry Unexpended Balance Due to Inflated Budget and Mandate

↓

Less Indirect Costs

↓

Dedicated Deeds Excise Account

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County
Correcting Structural Issues at the Registry of Deeds-Continued

How do other Registries operate?

<table>
<thead>
<tr>
<th>State Registries</th>
<th>Budget</th>
<th>Salaries and Wages</th>
<th>Use of Dedicated Deeds Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suffolk</td>
<td>$2,280,002.00</td>
<td>$1,614,222.00</td>
<td>Unexpended</td>
</tr>
<tr>
<td>Middlesex South</td>
<td>$3,325,303.00</td>
<td>$2,895,625.00</td>
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<tr>
<td>Essex South</td>
<td>$2,898,845.00</td>
<td>$2,067,263.00</td>
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<td>Worcester South</td>
<td>$2,277,753.00</td>
<td>$1,455,948.00</td>
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</table>

<table>
<thead>
<tr>
<th>County Registries</th>
<th>Budget</th>
<th>Salaries and Wages</th>
<th>No. Employees</th>
<th>Use of Dedicated Deeds Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norfolk</td>
<td>$5,421,106.01</td>
<td>$3,129,485.01</td>
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<tr>
<td>Plymouth</td>
<td>$2,276,516.95</td>
<td>$1,998,574.24</td>
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<td>Used for Registry Operations</td>
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<tr>
<td>Bristol - Taunton</td>
<td>$1,521,855.67</td>
<td>$1,125,889.07</td>
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<td>Bristol - New Bedford</td>
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<td>Bristol - Fall River</td>
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<td>Bristol Total</td>
<td>$3,486,322.82</td>
<td>$2,308,315.11</td>
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<td></td>
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</tbody>
</table>

State and Plymouth Registry budgets do NOT Include health insurance, etc.
Correcting Structural Issues at the Registry of Deeds-Continued

Action Steps

• No Funding for VACANT Positions at Registry.
  • **NO** layoffs.
  • Promotions and new hires may be approved subject to available funding.

• Correct Mandate Calculation for Compliance with M.G.L. 64D (12)(b)
  • Mandate based on expenditures.

• County Absorbs Deeds Excise Revenue and Indirect Costs
  • Aligns Norfolk County with other Counties to use greater share of Dedicated Deeds revenues to fund Registry operations.
Budget Solution 3

Comprehensive Audit, Operational Analysis and Strategic Plan

• Complete Look at Financial Standing
• Structural Analysis
• Operational Analysis
• Involve Stakeholders (Finance Committee to meet more often.)
• Identify **BEST** Practices not Rely on Past Practices.
• Develop Strategic Plan for County Government
Summary

Norfolk County provides a tremendous service to its residents. However, the Finance Committee now recognizes that the County is not operating to its full potential due to structural issues that have not been addressed. By addressing these issues now and by using outside consultants to guide the County in establishing use of best practices and a strategic plan, Norfolk County will be stronger and healthier than ever.

Thank You!