Article 1 Adjustment to FY'2012 Budgets

This article includes an adjustment to the Recreation Enterprise Fund budget.

An Enterprise Fund [M.G.L. c.44 s 53F1/2] is established by a Town Meeting vote.
The Recreation Enterprise fund was voted at ATM and was first funded in FY'2009
Enterprise Funds are set up in order to show Residents the cost of operating the particular enterprise.
Enterprise budgets can be fully subsidized by Tax Dollar, partially subsidized by Tax dollars,
or fully self-sufficient. The Recreation Enterprise received a budget subsidy in FY'09 and FY'10.
There was no subsidy for FY'11

Enterprise Funds are regulated by the Dept. of Revenue.
In FY'11 the revenues for the Recreation Enterprise fund did not meet projections.
Dept. of Revenue regulations limit the increase in an Enterprise budget to 10% from
the previous fiscal year's certified enterprise retained earnings also called free cash.
Fiscal 2012 (current fiscal year) budget is passed at Annual Town meeting in March.
Free cash is not certified until September/October.
An adjustment is allowed during the fiscal year until the tax rate is set.
Special Town meeting has always included a budget adjustment article
so that the new tax rate could be set.

The Recreation Enterprise is funded through user fees from program participants.
The budget includes the operating cost of the department (personal, expenses),
building expenses and maintenance of the office located at 35 Town Farm Road,
the direct cost of employees benefits (health, pension, Medicare, workers compensation) and a
percentage of total budgets (personal services, expenses), known as indirect costs, of the
following departments.
Town Manager
Finance - Budget Director
Town Accountant
Tax Collector
Human Resources
Technology
GIS
General Liability Insurance

The Recreation Enterprise FY'12 budget voted at Annual Town Meeting
is $1,204,631, the adjustment under Article 1
$40,000 from Recreation Enterprise retained earnings (free cash) and
$85,000 from General Fund free cash