

REPORT OF THE BUDGET COMMITTEE FREMONT TOWN BUDGET

Over the last several months, the Budget Committee met with various department heads, the Town Administrator, and others to review the proposed budgets. The basic concerns for the Budget Committee in formulating its recommended budget were the slow growth in Fremont's tax base and declining revenues from other sources.

As a whole the tax base and other revenues are not increasing fast enough for the Town to meet its fiscal obligations. The tax base increased by less than 0.5% and revenues declined by approximately \$100,000. At this current rate even a budget that increases at only the rate of inflation would need a tax increase to pay for it.

For this reason, even though the budget presented by the Selectman was less than last year's default budget, the Budget Committee still wanted to make more cuts. It should be noted that the 2010 recommended budget is less than the default budget. So if the recommended budget is defeated at the polls the budget will increase under the default budget. In light of this and the state of the current economy the first step was for the Budget Committee to not recommend any pay increases proposed for Fremont Town employees which were only in the Summer Camp in Parks and Recreation. The Budget Committee also recommended a reduction in hours for the Land Use Administrative Assistant. There was discussion as to how to reduce our recommendation by about \$28,000 more, in order to accommodate a modest pay raise for all Town employees.

The budget for Highways and Streets was reduced because it was thought that the request for winter equipment hire was too high so the Budget Committee adjusted it to reflect historical expenditures. It was noted that in 2009 \$30,000 was added to the \$90,000 in Winter Hire because of the need for snow removal. This amount was then added to this year's bottom line so the request was \$120,000. Because this was above historical expenditures, the Budget Committee reduced this to \$100,000.

In Vendor Payments and Other the Budget Committee recommended \$500 less than was requested by the Child Advocacy Center because when asked, the Center gave no justification for its requested increase of \$500 over last year's budget. Also the request for American Red Cross was reduced to last year's \$425 because there were some concerns about the service they provided during the ice storm of December '08.

The Budget Committee did not recommend \$2,498 of the budget for Conservation because the Conservation Commission accounts have a cumulative balance of about \$192,422. As the statute governing this account gives the Conservation Commission wide latitude as to how they can spend this, it was thought that there was no need for extra money from the taxpayers. Three hundred dollars (\$300) was kept to pay for dues and memberships and all other line items were kept to \$1 to allow the Conservation Commission to get these expenses from the separate funds. Other than that the Budget Committee agreed with the recommendations of the Selectmen.

OTHER TOWN WARRANT ARTICLES

Article 5: the Budget Committee recommended the appropriation of \$76,000 to perform an assessment recertification. New Hampshire law requires this recertification and if the Town does not appropriate this money, the expenditure would be imposed upon the Town by the State of New Hampshire. This money, if approved, will come from Capital Reserve and therefore will not constitute a 2010 tax increase for the Town. Articles 6 through 10 were also recommended.

Article 11 for \$20,000 to be placed in the Highway Capital Reserve Fund was also recommended though the Budget Committee made a formal request for the Selectmen to establish a study committee to compare the cost of buying equipment with the cost of continuing to rent equipment. It was noted that as streets are added to the Town that at some point renting equipment would no longer be economical.

The Budget Committee recommended Articles 12 through 14. The Budget Committee recommended Article 15 because at this point the Town has no means to appropriate monies raised from cable franchise fees. Currently these fees are accumulating in a fund held by Comcast. The Budget Committee did not recommend Article 17 because of the method that is used to calculate municipal tax rates in New Hampshire. In actuality, tax exemptions are paid for by increasing the taxes on all those without the exemption. The Budget Committee recommended all other appropriation Articles.

FREMONT SCHOOL DISTRICT BUDGET

Over the past year the Fremont Budget Committee met with various members of the School Board, Superintendent's Office and employees of Ellis School and its administration to review the budget as proposed by the Fremont School Board.

Article 1: The Budget Committee recommended this Article though with reservations. With the Paraprofessionals no longer requesting medical coverage, and with the employees being without a contract for the last two years, the Budget Committee considered this contract affordable in today's current economic climate. However, concerns were expressed about the added 3 steps in employee salary rates. Because of the state Evergreen Rules, these steps will become a permanent feature if future contracts are not approved. This could place a difficult financial burden on the Town.

Article 2: The Budget Committee did not recommend this Article as there is no money in the School Budget to cover this expense and that if the above Article is not approved, it should have to wait until next year.

Article 3: This Article was not supported because the \$1,000 bonus for those at the top tier would add to their bottom line salaries regarding COLA and so could become an increasing burden on the taxpayers.

Article 4: This Article was not recommended for the same reason as Article 2.

Article 5: The Budget Committee voted 4-3 to not recommend this article, and wishing to leave it to the will of the voters.

Article 6: See the detailed spreadsheet that follows. One consideration the Budget Committee made was not to recommend any COLAs as it did not recommend them in the past.

The Budget Committee's recommendations on the School District Budget proposal for 2010 – 2011 are on the spreadsheet that follows, pages 127 and 128 of the Town Report.

Public input to the budget process is important. The Committee's meetings are posted at Town Buildings, on the Town website at www.Fremont.nh.gov on the Budget Committee page; and posted on Cable Channel 22. We hope that by next budget season the meetings will be able to be broadcast as well. Updates and reports are available in the Selectmen's Office and on the website.

Respectfully submitted,

The Fremont Budget Committee

Charles Kimball, Chairman
Andrew Kohlhofer, Vice Chairman
Laurene Allore
Susan D'Eon
Patricia Martel
Michael Nygren
Peg Pinkham, School Board Representative
Greta St Germain, Selectmen's Representative

*"We must open the doors of opportunity.
But we also must equip our people to walk through those doors."*

~ Lyndon B Johnson
Address, National Urban League Conference