

REPORT OF THE BUDGET COMMITTEE

MUNICIPAL BUDGET OVERVIEW

Over the last several months, the Budget Committee met with various Department Heads, the Town Administrator, and others to review the proposed town budgets. When making its recommendations, the Budget Committee took into consideration the current economy and its resultant decline in revenues for the Town from building permits, various registrations, and possible lower property taxes due to increased number of homes in foreclosure. Because of this, the Budget Committee recommended less than the Selectmen. It should be noted that even though the Budget Committee reduced proposed spending by not recommending certain items, in actuality the Budget Committee presents only a bottom line figure so the department heads and the Selectmen can still change spending priorities based on need.

Police Department: The Budget Committee recommended less than the proposed request. This was in part in agreement with the Selectmen's proposal regarding the new wage matrix. Since the new wage matrix would already increase wages it was decided that there was not a need to also grant step increases on employees' anniversaries. Instead, all step increases would be based on merit and occur at the beginning of each fiscal year. Also, the Budget Committee recommended a reduction in training monies to pay for only the 8 hours/year mandated by to the State instead of the 24 hours currently provided for inservice training. It was also noted that two current part-time patrol officers already receive training from their respective towns where they are employed full-time. The total reduction on cost is \$2,100. The Budget Committee also did not support the withdrawal of monies from the CRF to purchase a Detective Vehicle. The cost of purchasing and equipping of the Detective Vehicle of \$18,197 with \$11,000 withdrawn from the CRF and the remaining funded by taxpayers. The Budget Committee thought that it would be cheaper to simply convert an old police cruiser as this would not require extra money to equip it. The Budget Committee also discussed whether the next police cruiser could be a 6 cylinder rather than an 8 in order to save money on gas and purchase price. Several towns in the area are purchasing 6 cylinder vehicles.

Parks and Recreation: Due to declining enrollment, the Budget Committee recommended funding the summer camp as a part time program. This reduced summer staff salaries by \$3,276. Also, the field trips were recommended to be reduced from two to one trip/week which will reduce bus expenses by \$1,750 and trip expense by \$1,500. Eliminating the movie because of light attendance resulted in another \$1,500 savings. The Budget Committee agreed with the recommendation of the Selectmen to eliminate the Red Sox trip for a reduction of \$7,500. Total savings from the Selectmen's recommendation is \$8,026.

Library: The Budget Committee recommended that book purchases be cut by \$5,000 and the new replacement computer not be purchased for a savings of \$2,000. The latter was in keeping with a Budget Committee resolution not to recommend new equipment this year. The original Library proposal was a 9% increase over the previous year. This was thought as unsustainable and so cuts were sought in areas that did not affect Library hours.

There was a recommendation of \$40,000 for tax anticipation note interest. The requested amount was \$50,000 though only about \$24,000 was spent last year. For this reason, the Budget committee recommended a reduction of \$10,000. With interest rates most likely to remain low, there should be no difficulties meeting this obligation. There was discussion again as to whether biannual tax billing would reduce the need to borrow in anticipation of revenues.

CRF Police Cruiser: By not withdrawing money to purchase the Detective Vehicle \$11,000 more would be left in CRF meaning only \$1,500 would need to be added this year instead of \$12,500, so the Budget Committee recommending placing only \$1,500 in this CRF.

Highways and Streets: Winter equipment hire was reduced by \$4,000 and summer equipment hire was reduced by \$5,000. The tree budget was cut by \$1,000. The Budget Committee rejected the proposed increases and rolled the budget back to last years figures when no justification was given for the proposed increase in expenditures.

The Budget Committee did not recommend Mosquito Control because there is no documentation that it works. There are millions of the targeted mosquitoes in the area.

The Budget Committee did not recommend the Highway roller due to concerns that it would not be heavy enough. This would lead to ruts being left in the road after vehicles were driven over it.

The Highway Building CRF of \$15,000 was not recommended. The Budget Committee recommended a study to see whether continuing to lease vehicles or purchasing them would be more cost effective. There would be no need to build a Highway Building if there were no vehicles to put into it. Also, the Budget Committee wanted to see more specific plans as to what the building's size and shape would be. Until the study comparing leasing with owning is completed, the Budget Committee also decided not to recommend putting \$20,000 in the Highway Equipment CRF.

The Budget Committee did not recommend the Town Hall basement renovations. It was thought that the one time 35 cent tax impact would not be affordable to many. And with potentially declining revenues, the tax impact could turn out to be greater. Doing the renovations this year would have required withdrawing \$100,000 from the Capital Reserve Fund and funding \$140,000 from taxpayers. The Budget Committee did recommend continued payments to the Capital Reserve Fund for the renovation project.

All in all, the Budget Committee recommended a total of \$413,768 in reductions from the original proposed municipal budget.

SCHOOL DISTRICT BUDGET OVERVIEW

Over the past several months the Budget Committee met with various School employees and officials, School Board members, and SAU representatives, to discuss the budget proposed for this fiscal year. When reviewing the budget, the Committee took into account the original proposal of 11.07% increase over Fiscal Year 2009, along with the 2.82% increase of Fiscal Year

2009 over Fiscal Year 2008 and a 13.23% increase of Fiscal Year 2008 over the actual amount spent in Fiscal Year 2007. The Budget Committee also took into account the 10% increase in the tax rate over last year as well as reported declines in revenues from impact fees, building permits, as well as the growing rate of tax delinquencies in Fremont. For this reason, the Budget Committee thought that the budget as originally proposed was unaffordable and so sought to keep the budget to a 2.5% increase over last year. This was made more challenging by the fixed costs of tuition to Sanborn Regional High School (a 17.31% increase) and the funding of salaries and benefits for the Paraprofessional Contract and the Teacher Contract.

Add to this the various State and Federal mandates for Special Education and Kindergarten and there was little maneuvering room. The School Board proposed another approximately \$300,000 in budget cuts, still leaving the proposed budget about \$600,000 above the Budget Committee's target.

For this reason the Budget Committee followed State requirements and went through the budget line by line making recommendations for specific cuts. Even though the Committee recommends specific cuts, in actuality it presents a bottom line budget only. For this reason, the SAU is not required to follow the Budget Committee recommendations as long as they stay within the bottom line.

After closely reviewing class sizes the Budget Committee recommended the elimination of a First Grade and Second Grade teacher. The class sizes would still be under the maximum allowed for each classroom, though they would be more than what is recommended by the State. There was some discussion as to whether the calculations were correct for the second grade. The Reading Specialist was eliminated as there appeared to be no concrete justification for the position. The health insurance cost of the above positions as well as the new Math Teacher position and Health Teacher position eliminated by the SAU was reduced, the FICA was reduced and the retirement costs were reduced.

The Sanborn Tuition was reduced as the Budget Committee thought at first that there would be seven less students than predicted. When informed that there were 7 students who would be attending for a fifth year, the Budget Committee decided not to change their recommendation. One of the Budget Committee's considerations was that the SAU is currently running a surplus in the Sanborn Tuition account (estimated by the SAU on 1/15/09 to be \$120,489). Supplies were reduced because the Budget Committee at first thought that the original line item was based on the wrong number of students as the number of students in the budget was less than the actual number of students at Ellis School. When informed that the actual amount proposed was based on the correct number of students, the Budget Committee decided to retain its original recommendation. New equipment, but not replacement equipment, was not recommended to keep in line with the stance the Budget Committee took with the Town not to recommend new purchases. This was applied to the areas of General Education, Special Education, Nurse, and Library.

The Gifted and ESL program was not recommended due to the low impact of the program compared to the total cost. The athletic and extracurricular programs were not recommended. Even though the Budget Committee recognizes the value of such programs, in

these difficult economic times they simply were not considered affordable. They were also targeted as a means to reduce the increase without affecting direct education. The Staff Development Coordinator was not recommended as it appeared to be mostly a clerical position that could be handled by current staff as well as something the staff themselves could keep track of. For the School Board a portion for the Annual meeting and the Newsletter was not recommended as the request were above what has been spent on those items in the past. Under Special Education Administration the Budget Committee did not recommend the Coordinator for Staff Travel as it was considered not necessary. Under Operation of the Plant, reductions were made to keep them in line with historical expenses as well as to take into account the lower cost for heating oil. Under Transportation, the Budget Committee did not recommend Athletic Transportation to be consistent with not recommending the Athletic Program.

The Budget Committee also took note that last year's health care costs actually declined by 2.5% rather than the 10% increase budgeted by the School Committee. Only a small amount of the approximately \$49,000 savings was returned to the taxpayers.

In the end the Budget Committee recommends a \$10, 286,597 budget, \$7,345 more than the Committee's target.

Respectfully Submitted,

Charles Kimball, Chairman
Andy Kohlhofer, Vice Chairman
Patricia Martel
Doug McElroy
Michael Nygren
Richard Violette
Peg Pinkham, School Board Representative
Donald Gates, Selectmen's Representative

Also see the spreadsheet on the following pages representing the School Budget recommendations.

"A thoughtful mind, when it sees a nation's flag, sees not the flag only, but the nation itself; and whatever may be its symbols, its insignia, he reads chiefly in the flag the government, the principles, the truths, the history which belongs to the nation that sets it forth.

~ Henry Ward Beecher