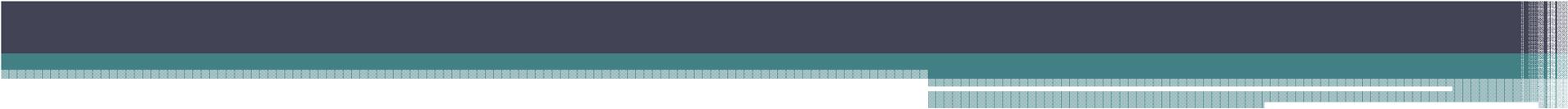


FY12 Operating Budget

CFO/Town Manager Recommendation

Summary Presentation

March 16, 2011



FY12 Budget Summary

- **FY12 Recommended Revenue Amount**
 - \$215,867,083
 - \$4,227,294 or 2% growth from FY11
- **FY12 Recommended Spending Level**
 - \$216,004,801
 - \$4,372,383 or 2.1% growth from FY11
- **FY12 Projected Balance**
 - \$137,719 in deficit

FY12 Budget Summary

- Revenue changes
 - Property tax revenue increases \$5,145,833 (3.3%)
 - Base levy increases \$5,396,894 (3.5%)
 - New growth decreases \$251,061 (-17%)
 - Property tax revenue is 75.5% of total revenue
 - State Aid increase \$880,826 (2.8%)
 - Chapter 70 increases \$1,640,754 (8.4%)
 - Chapter 70 amount is \$750,000 less than House 1
 - General Government Aid cut \$608,442 (-7.2%)
 - State aid is 15.2% of total revenue

FY12 Budget Summary

- Revenue Changes (cont.)
 - Local Receipts reduced \$1,885,559 (-11%)
 - Excise and local taxes down \$896,419 (-10%)
 - Licenses and permits lower by \$259,486 (-11%)
 - Investment income down \$199,925 (-62%)
 - Miscellaneous revenue drops \$439,675 (-31%)
 - Local receipts are 7.2% of total revenue
 - Enterprise Indirect increases \$79,481 (3%)
 - Enterprise indirect is 1.2% of total revenue

FY12 Budget Summary

- Revenue changes (cont.)
 - Free Cash used is \$1,820,000 up \$213,672 (13%)
 - Certified free cash for FY10 was \$2,070,490
 - \$1.5 million used for operating budget
 - \$100,000 used for FY12 Capital Budget
 - \$220,000 used for FY12 Stabilization Fund
 - Free Cash is less than 1% of total revenue
 - Revenue Risks: lower State aid and Local Receipts
 - Revenue gains: Telecomm Tax, State Aid

FY12 Budget Summary

- FY12 Spending Recommendations
 - Fixed/Centralized Costs
 - Health insurance increases \$2,927,509 (8.6%)
 - Will be 17.1% of total budget if remains at this level
 - Liability insurance \$105,346 (10%)
 - Unemployment is \$150,000 less than FY11
 - Retirement increases \$67,651, less than 1%
 - Stabilization Fund is \$1,420,000
 - Combination of \$1.2 million room & meals tax and \$220,000 free cash
 - Debt Service increases \$231,607
 - \$225,240 is FY12 Capital Budget impact

FY12 Budget Summary

- FY12 Spending Recommendations
 - Education
 - School Department increases \$2,078,249 (2.3%)
 - This is \$2,177,101 less than level service estimate from LRF
 - Keefe Tech decreases \$70,152 (-.8%)
 - Public Safety
 - Fire Department increase \$62,602 (.5%)
 - Includes potential labor settlement from state
 - Police Department reduced \$102,847 (-.9%)
 - Includes potential labor settlement for patrolmen
 - Animal Control reduced \$5,338 (-3.3%)

FY12 Budget Summary

- FY12 Spending Recommendations
 - Public Works
 - Total Division reduced by \$255,000 (-2.8%)
 - Highway Department reduced \$137,521 (-4.7%)
 - Sanitation Department reduced \$106,041 (-2.8%)
 - Snow and ice removal increases \$500,000 (55%)
 - Parks and Recreation
 - Department decreased \$41,016 (-1.9%)
 - Council on Aging reduced \$4,906 (-1.4%)
 - Loring Arena cut \$14,078 (-3%)

FY12 Budget Summary

- **FY12 Spending Recommendations**
 - **Inspection/Code Enforcement level funded**
 - Weights and Measures reduced \$10,214 (-8.3%)
 - **Public Health reduced \$16,623 (-3%)**
 - **General Government**
 - Selectmen/Town Manager cut \$7,877 (-1.3%)
 - Purchasing increased \$391 (.5%)
 - Building Services reduced \$56,990 (3.8%)
 - **Library budget increased \$18,833 (.7%)**
 - **Planning Board decreased \$8,409 (-4.2%)**

FY12 Budget Summary

- **FY12 Spending Recommendations**
 - **Town Clerk decreased \$2,914 (-1.2%)**
 - Elections reduced \$35,004 (-18.9%)
 - **Community and Economic Development**
 - Department increased \$1,273 (.4%)
 - Zoning Board increased \$826 (1%)
 - **Technology Services reduced \$36,889 (-3%)**
 - **Financial Services**
 - Accounting Department increased \$1,802 (.4%)
 - Assessing Department decreased \$20,048 (-4.5%)
 - Treasurer/Collector reduced \$11,734 (-2.1%)
 - CFO increased \$188 (.1%)

FY12 Budget Summary

- FY12 Spending Recommendations
 - Total salary spending increase \$547,662 (.5%)
 - School salary spending increase \$731,235 (1.1%)
 - Municipal salary spending decrease \$183,573 (.5%)
 - Total operating spending down \$57,721
 - Increase School operating by \$198,245
 - Decrease Municipal operating by \$255,966
 - Total energy spending up \$8,371
 - Slight increase in School of \$28,699
 - Slight decrease in Municipal of \$20,328

FY12 Budget Summary

- **FY12 Spending Recommendations**
 - Total Municipal Dept spending decrease \$574,184
 - Total School Dept spending increase \$832,749
 - Total Keefe Tech decrease \$70,152
- **Expenditure risks**
 - JLMC labor decisions on Firefighters, Fire Deputy Chiefs and Police Patrolman
 - Additional snow and ice costs
- **Expenditure Gains**
 - Health insurance bargaining concessions
 - Snow and ice offsets

FY12 Budget Summary

- House Budget probably end of March beginning April
 - Already stated Governor Local Aid is not achievable, question is how much
- Senate Budget probably mid/end May
 - Comments same as House
- Many, many issues still outstanding
 - Budget recommendation amounts will likely change several times depending upon the results of these issues