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FY 2011 BUDGET STATEMENT

The Finance Committee respectfully submits this overview of the fiscal year 2011 town budget to help voters understand the thinking behind our decisions. We have taken input from all departments, including the school district, to help us understand the needs of our community. It is our charter to recommend the best way to spend the town's nearly \$8 million in budget revenue. We try to balance public safety, school needs, and other general government functions. Below you will find a synopsis of our recommendations. It should be noted that the town is taxed at its levy limit, so any changes to this proposed budget would need to be offset elsewhere in the budget.

Two significant changes occurred within the budgeting process this year. The request and submission of budgets was done entirely on-line, and the format of the budget has changed to show greater detail and to correlate with the specific account numbers used in the town's accounting software.

Attached in **double-sided page format is the budget that will be voted on at town meeting**. This format only shows two line items for each department: Salaries and Operations. The benefit to voting at this level is that departments will have greater flexibility to manage their expenses without requiring transfers or additional approvals. This will be especially helpful for covering unforeseen circumstances such as equipment repairs. It is also anticipated that voting at this level of detail will expedite the process at Town Meeting.

Fincom also provided another document containing four double-sided pages which delves into greater detail within the Salaries and Operations budgets for each department which can be made available upon request. (Note that some departments do not have Salary items, so only Operations expenses are shown.) The detail corresponds directly to the accounting software used by the town, and allows for greater granularity in the budget process. Not every item from FY 2010 will necessarily tie out exactly to an item in the FY 2011 budget, so it may be helpful at times to refer back to the department's overall budget to see whether there is a difference from last year.

The 2011 budget process began in the fall of 2009 with a review of the 2010 revenue, which showed that the Finance Committee was very accurate in its predictions. The FY 2011 budget we are recommending is a balanced budget, based on a conservative revenue prediction of State and local receipts for 2011. This letter highlights the budget changes, so you are better prepared to ask questions at Town Meeting.

The Municipal Budget was basically level funded, with some exceptions for items we can not control. These include County Retirement, Insurance premiums and areas of inflation. We increased Town Hall energy expense by \$5000.00, as we have been underfunding the account for a number of years. Each year we have transferred money from our reserve account to offset the shortfall. We have reduced our reserve account by \$5000.00 to offset the shift in funding.

The committee's recommendation for the FY 2011 budget includes funding the following articles and new expenditures:

- A 3% wage increase for town employees. This was increased from 1.5% based on feedback received during the Public Hearing on April 26, 2010.
- \$10,000 for Stabilization. We would prefer to put more into Stabilization but at this time revenue will not permit it. We need to increase our Stabilization Fund so our bond rating will continue to improve.
- An administrative assistant for the Police Department, who will increase the department's efficiency and allow for better use of the trained officers' time. To that end, the board recommends reducing the overtime budget. This position will also allow for a daily presence at the station during normal business hours. This is the first addition of personnel to the entire Town in over 15 years.
- A \$39,000 Records Management software program for the Police Department, funded by a transfer from the Stabilization fund. The Finance Committee believes that this system will provide payback to the Town and allows the officers to better react to situations and file reports. It also allows the department to interface with other local and state police information.
- Additional wages for the Fire Chief to pay firefighters for training and answering calls. The chief expects this to improve participation and response to calls. The increase is \$7000.00 over last year. The department has gone from a volunteer to a call fireman department in nature.
- \$7975 for Repeater FCC license for the Highway Department. This is a safety issue that helps with Highway Department communications across the entire Town.
- An increase in the Highway Snow account by the amount of the override passed by the Town two years ago to cover a snow & ice deficit. We have diverted \$25,000.00 of Snow Removal to the Machinery Fund for the purpose of buying a new sander. This will have a direct payback to the Town, as we will not require an outside contractor with a 4-hour minimum.

The Groton Dunstable Regional School operations budget request calls for an override of Proposition 2 ½ in the amount of \$309,648.00. This equates to a \$0.60 increase to the tax rate or an annual increase of \$250.00 for an average appraised home in town. With a split vote, the Finance Committee is not supporting this override request. The majority of the committee believes that the override provides a one-year solution and not a sustainable plan for future years. The majority opinion is that the school's budget deficit will continue unless the teachers' union makes significant concessions. The other primary factor in the school's budget shortfall is the huge reduction in State revenue to schools across the state. The Finance Committee recognizes that the School Committee and the District Administration have made significant cost savings over the past three years, but thinks these savings have just gone to support the teachers' contract. Not supporting the override is a difficult decision for the Finance Committee, but the majority agree that approving the override means putting off the difficult choices just one more year.

We would like to extend a thank you to all the department heads, the Selectmen, the School Committee and Administration, the Police Chief and the Fire Chief for their help in formulating this budget. We also thank you, the voter, for your consideration of the 2011 budget that we have put forth.