



FY11 Budget Guidelines Hearing

Finance Committee

October 26, 2009

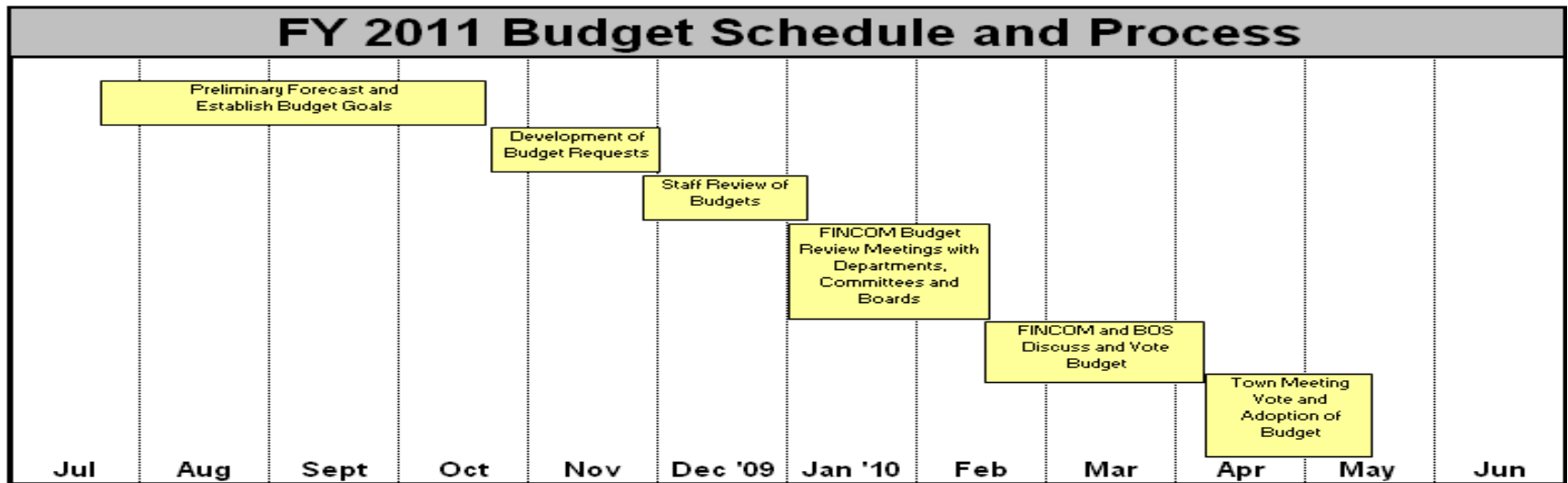


FY 11 Budget Challenges

- Anticipated mid-year FY10 State aid cut.
- Further cuts to State Aid in FY11 likely.
- Negotiation of open labor contracts.
- Uncertain tax growth and local receipts.
- Identify revenue enhancements.
- Manage escalating health care costs.
- Implement administrative efficiencies.



Budget Calendar



Month	Activity	Date
October, 2009	Capital Budget Requests Due	October 15th
	FY 2011 Budget Guidelines Issued	October 19th
	FINCOM Budget Hearing	October 26th
November, 2009		
December, 2009	Budget Requests Due	December 1st
	Town Staff Budget Review Budgets to Fincom	December Late December
January, 2010	FINCOM Budget Review Meetings	All Month
February, 2010	FINCOM Votes Budget/Debt Exclusion	TBD
March, 2010	BoS Votes Budget/Debt Exclusion	TBD
April/May, 2010	Town Election	TBD
	Town Meeting	TBD



FY11 Operating Budget Guidelines

The Finance Committee anticipates balancing the budget within the constraints of Proposition 2 ½ and therefore does not plan to seek an operating override for the FY 11 budget.

How will we balance the budget?

- Sustainable expense reductions of 4% on average.
- Revenue enhancements (e.g. local option meals tax)
- Use of free cash



FY11 Operating Budget Guidelines (continued)

- Budgets are level funded at FY 10 amounts except utilities and salary steps.
- Negotiated wage increases will be budgeted centrally.
- Provide a prioritized list of spending cuts totaling 4%.



FY11 Capital Budget Guidelines

- All capital requests must follow the CIP guidelines that were adopted in 2008
 - Capital projects exceeding \$100,000 will be subject to new evaluation criteria;

Project Feasibility	Improves Service Levels
Operational Budget Impact	Alternative Means
Mandated by Law or Regulation	Efficiency

- Total amount available for capital is unknown at this time
 - Goal will be a tax neutral capital budget (same as FY10)
- All capital requests must be submitted through the budget process, **not as warrant articles.**



Long-Range Financial Plan

- During the next several weeks Fincom will be updating our long range plan using current assumptions and focused on a 4+ year horizon.
- The plan will outline, among other things,
 - A responsible economic development plan to enhance our tax base.
 - A focus on rigorous capital planning and debt management.
 - Preservation of our healthy free cash position.
 - Implement structural and technology changes driving more efficient delivery of services.
 - Collaboration and alignment among **all** departments, boards and committees.
 - No longer a “Business As Usual” approach.



Questions