

Budget & Advisory Committee 2009 Annual Report

INTRODUCTION

The Budget & Advisory Committee (BAC) and the Board of Selectmen (BOS) met periodically during the year to review operations and discuss the budget. In the fall the BOS requested that the BAC once again hold budget hearings with department heads and develop a 2010 operating budget for the Town of Francestown. The initial goal was to draft a 2010 operating budget equal to the operating budget as voted at the 2009 Town Meeting. Starting in October, public meetings were held to review budgets with department heads. All meetings of the BAC are open to the public and held in the meeting room at Town Offices; notices are posted at the Post Office and Town Offices.

MISSION STATEMENT

The responsibility of the Francestown Budget & Advisory Committee is to formulate and recommend an annual operating budget that will best meet the present and future needs of the Town of Francestown. The Committee will review all warrant articles requesting an appropriation of money and provide guidance to the Selectmen thereon. The committee will also advise the Selectmen on financial and other issues as requested.

OVERVIEW

The BAC recommends a 2010 operating budget, including bond payments of \$1,386,592 or a decrease of 0.11% over last year's appropriations. Without inclusion of bond payments the proposed gross operating budget will increase 0.07% over 2009 appropriations. The BAC and BOS have proposed a budget that is essentially flat as compared to last year without significantly affecting safety, recreational and town services to residents.

BUDGET REVIEW

The BAC and BOS agreed that for 2010 there would again be no salary increases for town employees. In addition, actual usage and costs for all fuels were reviewed and conservative downward adjustments were made accordingly.

Highlights of the proposed 2010 operating budget include decreases to the budgets for Revaluation, Planning & Zoning, Police, General Highway, Solid Waste, Welfare, Recreation, and Conservation. Revaluation update costs will be significantly less this year, following the town-wide revaluation last year. The Police budget was reduced to \$136,420, which represents an amount slightly higher than the three year (2006-2008) average of actual expenditures of \$135,137. Solid Waste costs were reduced due to the diligence of the Waste Disposal Committee, continued recycling efforts of residents, stabilization of the market for recycled products and elimination of the hazardous waste disposal day (for 2010 only). The BAC recognizes that the Waste Disposal Committee wishes to continue the latter as an annual event and proposes that Hazardous

Waste Day be again scheduled for 2011. The Recreation budget was reduced to reflect the Recreation Committee's use of its revolving fund for program fees and related expenses.

Increases for this year's budget include increases to General Government Building, Cemeteries, Insurance, Ambulance, Fire, Library and Heritage Commission. General Government Building increased due to a new IT contract to provide improved computer services to the Town Offices. Medical insurance costs increased 11.7% (see BAC proposal discussed later). Other specific increases were for property and liability insurance, ambulance, and dispatch and protective clothing for the Fire Dept. The proposed Library budget increased 2% as compared to the last budget year (2007) when it occupied the Bixby Library. Costs related to the new addition were a significant factor in its budget. The Heritage Commission requested an increase to continue its application for grant funding and study of the old Town Hall.

BUDGET & ADVISORY COMMITTEE PROPOSAL

The Town of Francestown currently pays 100% of the health insurance costs for the town's permanent employees. Over the past five years these costs have increased over 31% and current estimates are for increases to continue for the foreseeable future. Therefore, the BAC recommends that the Selectmen appoint a committee to review health insurance costs for town employees, investigate options including employee participation in paying a portion of health insurance costs and make recommendations to control cost increases. Said committee's review should include, but not be limited to, other benefit costs (i.e. dental and life insurance), other options (health savings accounts) and total compensation for employees.

Respectfully Submitted,

Charles M. Pyle, Chairman
For the Francestown Budget & Advisory Committee
January 29, 2010