

Town of Lincoln

Budget Board Meeting

February 18, 2010

Present:

**Linda Noble Carl Brunetti Joe Renning Hagop Jawharjian Jay
O'Grady Greg Leonard Claudette Lussier**

Absent:

Cheryl Ethier Bob Ericson John Picozzi Sheila Chisholm

Call To Order

The meeting began at 7:30 pm with the Pledge of Allegiance.

Greg Leonard made a motion, seconded by Joe Renning, to change the order of the agenda to move the approval of minutes and correspondence to follow The Town Administrator's budget presentation.

The motion passed by unanimous vote.

Public Comment

The Budget Board offered Public Comment and Questions. There was none at the time

Greg Leonard noted that when there is public comment, the Budget Board can clarify but not respond directly to it.

Town Administrator's Proposed 2010-2011 Budget

The Town Administrator acknowledged those present, including the School Superintendent and Council President, and noted that they all worked together to come up with the Administrator's proposed budget.

The proposed budget is a combined \$70,108,684, which includes a decrease in the property tax levy of \$531,615 from the previous year. The municipal budget is proposed at \$17,801,707, with an increase in capital of \$630,000 which is still a decrease in the municipal operating budget of almost \$600,000 from the previous year.

The local school appropriation is proposed at \$40,146,732, which is level-funded from the previous year and includes \$927,700 in revenue provided by the municipal budget.

The Municipal budget will provide \$500,000 in resolution form for school capital, and they can anticipate \$125,000 in revenue for a total of \$650,000 over the local appropriation.

There will be a change in the teacher pension contributions if legislation passes, which could lead to additional revenue.

The Administrator noted what he feels is an inequitable disparity of how funds are allocated to the school and municipal budgets.

There was \$623,000 in operating and \$303,000 capital funds provided by the municipal budget to the schools.

The audit indicates a \$1,962,000 school surplus after their obligatory spending

Income for renting of Fairlawn is proposed at \$275,000.

There is currently a \$14,195 per pupil cost, with 84% of that cost being funded by taxpayers.

The Town Administrator believes there is an overabundance of school funds to operate as needed and meet increasing educational demands next year.

The Administrator noted that his recommendations fund all departments adequately and also funds capital improvements while lowering the tax base, and he brought attention to the State's fiscal crisis which does affect the Town of Lincoln.

The Administrator noted that he was against state budget problems coming down on the towns, and the Town had done things like reduce FTEs by 3 this year by leaving open positions unfilled.

He noted that he feels 3 areas need more attention including staffing levels, benefits, and competitive bidding.

The Town has been able to retire some bonds this year.

Also, The Administrator does have a contingency plan to adjust for

his share of state aid funding if the state cuts aid.

The Town Administrator noted that the town has completed many capital improvements including repair of tennis courts, renovations at Manville Park and Albion Park, building a new Senior Center, all without increasing the budget, and there are also future capital project requests totaling about \$1.7 million which will also have no effect on the budget.

Four areas that the Administrator recommended looking at closely were Litigation, Fixed Costs, Personnel and Post Retirement

There is an 8% increase in the health care rate this year, and the target is 20% co-shares for all employees.

Due to evaluations this year, there will be a decrease in assessed values of real estate.

If motor vehicle tax revenues are lowered the Town cannot make up the lost revenue in taxes because of the cap.

Greg Leonard made a motion, seconded by Joe Renning to offer Public Comment once again.

The motion passed by unanimous vote.

Public Comment

Linda Andrews felt that it was imperative that there were no more tax

increases and that the Town has always been supportive of the school system, but that no more municipal budget cuts can be made. She felt that the town needs to ask the School Department for their cooperation and ask that they do not take salary increases.

Minutes

The minutes of February 11th will be reviewed at the next Budget Board Meeting.

Correspondence

Linda Noble noted that the Town Solicitor sent a written request for a meeting with the Budget Board and Town Administrator.

Old Business

In regards to the 30% reimbursement on School Capital, the Town Administrator noted that they are through the School Department, but the municipal budget pays for bonds and capital so the reimbursements come back to general revenues.

The Town Administrator also noted that in regards to pension funding, the Town has increased pension payments and generally look at a 5-year window to see if they will return to the rate of return on investment they once had.

In discussion of municipal capital, it was noted that last years' budget seemed too lean for municipal capital, and the Budget Board asked if

there were any upcoming capital problems or issues that the Town won't be able to handle.

The Administrator replied that there were not, and that Lincoln is in perhaps the best shape for infrastructure in the state and will have budgeted funds available for the next 5 years for capital projects.

The audit report will be read at the Town Council meeting next week, after which it will be made public and the details and questions can be discussed.

New Business

The Budget Board divided the school budget for analysis, with some of the areas as follows:

Personnel – Carl Brunetti

Administration and Business Office – Greg Leonard

Curriculum – Linda Noble

Closing/Leasing of Fairlawn – Bob Ericson

Special Education - Joe Renning

Non-Certified Staff - Claudette Lussier

The Town Administrator noted that he will be submitting 2 resolutions at the Financial Town Meeting as well, for the animal shelter and the closing/leasing of Fairlawn

The School Committee's recommended capital project list was distributed.

The Administrator noted that any adjustments in state aid given will not change the schools' local appropriation.

The Town does not yet know what motor vehicle taxes will generate for revenue, as it will depend on whether or not the state continues to phase out motor vehicle taxes.

The Town Administrator noted that there could be a promising development in the school budget, as a new school funding formula from the state may pass this year.

This would be good for the Town of Lincoln because in the past, the town has been short-changed, but this would be fixed

If the legislation is passed, the Town can expect \$3-4 million, and the Maintenance of Effort by law may then be modified.

Public Comment

A last call for public comment again yielded none.

Adjourn

There was a motion to adjourn by Greg Leonard, seconded by Joe Renning.

The meeting adjourned at 8:25 pm.