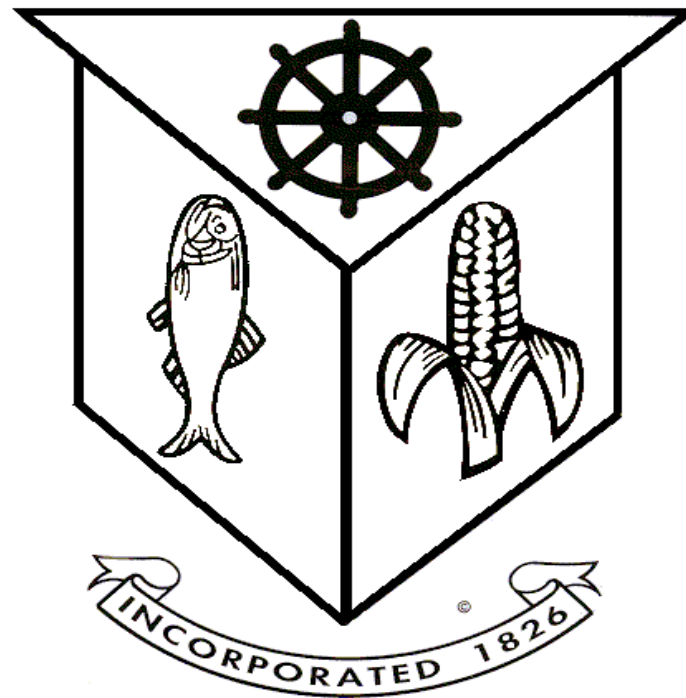


**Town of Madison
Board of Finance
Recommended Budget
Public Hearing
April 25, 2011**



Board of Finance

- Kathy Stahelski, Chair
 - Lisa Favre
 - Peggy Lyons
 - James Matteson
 - Kathleen Rossini
 - Jennifer Tung
- 

2011-2012 Budget Process

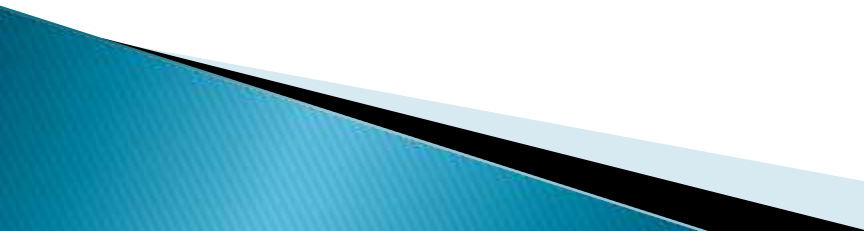
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April 25th Public Hearing

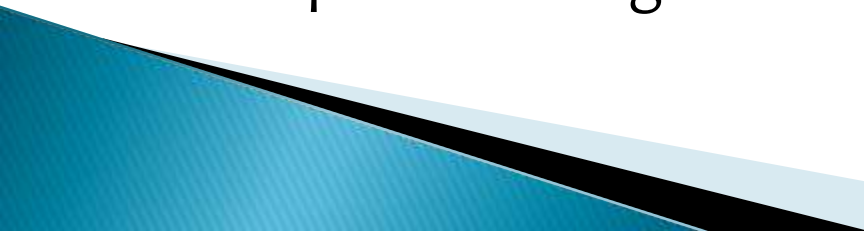
Purpose of tonight's meeting

- ▶ Part 1: Share Board of Finance's
 - approach to budget review and
 - changes made to the recommended budget
- ▶ Part 2: Listen to your comments about this recommended budget before we finalize for referendum

BOF APPROACH

- ▶ Goal: to provide a budget that minimizes expenses and promotes a continuation of services that make Madison a great place to live
 - ***No easy task***
 - ▶ Mindful of what the voters told us last year
 - No “new full time” positions
 - Mindful of the current economic climate
 - ▶ Detailed Review
 - We did not just examine changes to prior year budgets but reviewed every budget category
- 

BOF Priorities

- ▶ Infrastructure – Support maintenance of roads, buildings and technology
 - ▶ Public Safety- full year of new police staffing, investment in fire prevention
 - ▶ Education – Maintain quality by supporting current program
 - ▶ Senior Center – “almost” full year of operating costs
 - ▶ Capital Investment – funding obligations for new approved capital projects
 - ▶ Town Services –considered those that have a positive impact on the greatest number of people
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Recommended Budget

	2010-2011	2011-2012		
	Approved	Recommended		Increase/ (Decrease)
	Budget	Budget	Change	
Town of Madison Budget	\$19,878,581	\$20,441,981	\$563,400	2.83%
Board Of Education Budget	\$50,336,165	\$50,279,058	(\$57,107)	-0.11%
TOTAL BUDGET	\$70,214,746	\$70,721,039	\$506,293	0.72%

Budget reductions made to date....

	2010-2011 Approved Budget	2011-2012 Original Requested Budget	Change	2011-2012 BOS Recommended Budget	BOS Reductions	2011-2012 BOF Recommended Budget	Additional BOF Reductions
Town of Madison Budget	\$19,878,581	\$21,128,428	\$1,249,847	\$20,524,951	(\$603,477)	\$20,441,981	(\$82,970)
Board Of Education Budget	\$50,336,165	\$50,729,364	\$393,199	\$50,729,364	\$0	\$50,279,058	(\$450,306)
TOTAL BUDGET	\$70,214,746	\$71,857,792	\$1,643,046	\$71,254,315	(\$603,477)	\$70,721,039	(\$533,276)
		2.34%		1.48%		0.72%	

Expenditures

	(\$000's) 2010-11 Approved	(\$000's) 2011-12 Recommended	% Change
Town Operations	\$15,068	\$15,436	2.45 %
Education Operations	\$41,498	\$41,699	0.48 %
Capital Projects & Planned & Cycled Maintenance	\$2,141	\$2,264	5.74%
Health Insurance	\$7,156	\$7,221	0.91 %
Debt Services	\$4,352	\$4,101	<5.77%>
Total Budget	\$70,215	\$70,721	0.72%

Town Operations Budget– Key Points

- ▶ Public Safety – up 3.96%
 - Full year of fully funded positions in police department
 - Savings from reductions in overtime as a result of manpower restructuring by the Chief
 - Includes funds to support the rising costs of contracting paramedics
- ▶ Public Works/Facilities and Land Use – up 2.65%
 - Budgeted true maintenance costs – both new and existing facilities
 - Identified operating cost saving opportunities – telephone, meeting minutes
 - Reflected full year costs of new building inspector
 - Maintained existing staffing levels in land use (reduced in prior year)

Town Operations Budget - continued

- ▶ General Government/Benefits – up 1.9%
 - Increased costs from prior year for pension, workers compensation, heart and hypertension and unemployment benefits
 - Re-instated planning reserve contribution to levels in previous years
 - Lowered legal expenditures and professional and technical services
 - Legal fees substantially lower – better management, resolve past issue
 - Accepted BOS recommendations to further reduce legal budget
 - Legal fees remain unpredictable – but direction is good

Town Operations Budget - continued

- ▶ Library – up 2%
 - Agreed with BOS – did not fully fund request by Library Board –
- ▶ Social Services and Health – up 1.1%
 - Increased utility expenses and supplies for new senior center
 - Minimal funding provided to Senior Center for part-time help in managing evening hour building usage
 - Reduced VNA funding

Town Operations

Component	2010-2011 Approved Budget	2011-2012 Recommended Budget	Change	Increase/ (Decrease)
Public Safety	\$4,545,320	\$4,725,395	\$180,075	3.96%
Public Works, Facilities and Land Use	\$3,079,146	\$3,160,869	\$81,723	2.65%
General Government and Benefits	\$4,350,051	\$4,432,654	\$82,603	1.90%
Library	\$1,256,018	\$1,281,136	\$25,118	2.00%
Social Services and Health	\$1,108,120	\$1,120,336	\$12,216	1.10%
Beach and Recreation	\$430,580	\$421,040	(\$9,540)	-2.22%
Private School transportation	\$298,396	\$294,802	(\$3,594)	-1.20%
SUBTOTAL	\$15,067,631	\$15,436,230	\$368,601	2.45%

Board of Education

	2010-2011	2011-2012	Change	% Change*
	Approved Budget	BOF Approved		
General Education	30,344,541	30,229,492	\$ (115,049)	-0.38%
Special Education / Student Services	6,555,259	6,738,558	\$ 183,299	2.80%
School Facilities / Daily Services	4,548,360	4,680,509	\$ 132,149	2.91%
School Facilities / Emergency Maintenance	50,000	50,000	\$ -	0.00%
Operational Budget	41,498,160	41,698,559	\$ 200,399	0.48%
Planned and Cycled Maintenance	237,938	237,937	\$ (1)	0.00%
Health Insurance / Self Funding	5,816,552	5,866,247	49,695	0.85%
Sub Total	6,054,490	6,104,184	49,694	0.82%
Debt Service / Interest School Bonds	966,515	788,315	\$ (178,200)	-18.44%
Debt Service / Principal School Bonds	1,817,000	1,688,000	\$ (129,000)	-7.10%
Sub Total Debt Service	2,783,515	2,476,315	\$ (307,200)	-11.04%
Total Comprehensive BOE Budget	50,336,165	50,279,058	\$ (57,107)	-0.11%

Education Operations

Component	2010-2011 Approved Budget	2011-2012 Recommended Budget	Change
General Education	\$30,344,541	\$30,229,492	<\$115,049>
Special Education	\$6,555,259	\$6,738,558	\$183,299
School Facilities / Daily Services	\$4,548,360	\$4,680,509	\$132,149
School Facilities / Emergency Maintenance	\$50,000	\$50,000	\$0
SUBTOTAL	\$41,498,160	\$41,698,559	\$200,399


Education – Operating Budget

- ▶ BOF did not make any changes to this **operating** budget
 - Budget includes the elimination of 12 positions
 - Recognized strong, prudent fiscal management of this budget in recent years
 - History of unspent funds returned to town – embargos mid-year
 - Higher costs of special education – mostly due to anticipated shortfall from state for excess cost reimbursement – state has a track record of not meeting its obligations
 - We **all** benefit from the high rankings our school system achieves

Capital Projects and Planned and Cycle Maintenance

- ▶ Discussion on reserve concept
 - Appropriate sums of money on an annual basis which will accumulate to provide funding for long-term financial obligations
 - Capital reserves: ambulance replacement, fire vehicles, highway equipment, major roads, LOCAP, etc.
- ▶ LOCAP
 - What is this? – Long Term Capital Maintenance for existing Town and School owned land and buildings
 - Siding, roofing, HVAC upgrades, boilers, etc...
 - How is this reserve funded?
 - How are LOCAP projects approved?
 - Who is the JFRC?

Capital Projects and Planned and Cycle Maintenance – Key Notes

- ▶ LOCAP increased funding for future maintenance needs
 - ▶ Technology reserve funding – obsolescence replacement, new permitting system and server virtualization
 - ▶ Communications – equipment to allow connectivity of ambulance, fire and police
 - ▶ Water Tanks – North Madison
- 

Capital Projects and Planned and Cycle Maintenance – Both Town and Education

Component	2010-2011	2011-2012	
	Approved Budget	Recommended Budget	Change
LOCAP	\$1,024,864	\$1,074,864	\$50,000
Technology	\$0	\$35,000	\$35,000
Major Roads	\$285,000	\$285,000	\$0
Highway Equipment	\$120,000	\$107,500	(\$12,500)
Vehicle Replacement	\$47,715	\$47,715	\$0
Communications	\$0	\$22,500	\$22,500
Fire Truck and Hose, Ambulance, etc	\$295,000	\$303,840	\$8,840
N Madison Water Tanks	\$30,000	\$50,000	\$20,000
Planned & Cycle Maintenance	\$337,938	\$337,937	(\$1)
SUBTOTAL	\$2,140,517	\$2,264,356	\$123,839

Health Insurance

Component	2010-2011 Approved Budget	2011-2012 Recommended Budget	Change	Increase/ (Decrease)
Town	\$1,339,377	\$1,354,351	\$14,974	1.12%
Education	\$5,816,552	\$5,886,247	\$49,695	0.85%
SUBTOTAL	\$7,155,929	\$7,220,598	\$64,669	0.90%

- Since budget originally developed – more months of actual (lower) experience and a better understanding of the impact of health care reform
- Education – new contract included savings due to changes in co-pay structure and program design
- Result – revised lower renewal rate
- Reviewed reserve fund balance – lower balance required

Debt Service

Component	2010-2011	2011-2012		
	Approved Budget	Recommended Budget	Change	Increase/ (Decrease)
School Interest and Principal	\$2,783,515	\$2,476,315	(\$307,200)	-11.04%
Town Interest and Principal	\$1,568,996	\$1,624,981	\$55,985	0.85%
SUBTOTAL	\$4,352,511	\$4,101,296	(\$251,215)	-5.77%

- How did we accomplish this?
 - Open space reserve - \$125,000
 - Undesignated fund balance \$300,000
 - Savings due to re-financing in 2010
- Paying for approved principal and interest spending with funds in “savings”

Let's Review again - Recommended Budget

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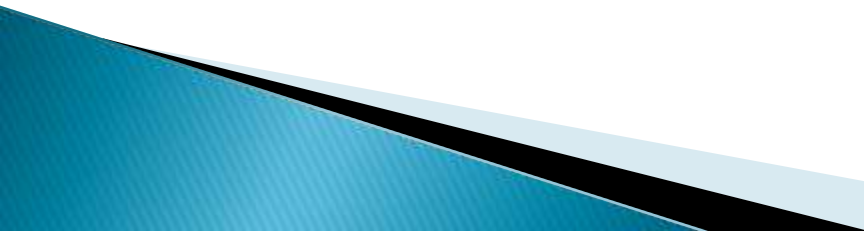
Impact of the Mill Rate?

- ▶ Discuss how the mill rate is set
 - Budget, anticipated revenues, grand list, abatements and deferrals, **and** amounts allocated from undesignated fund balance
- ▶ Set after approved referendum with grand-list at that time
- ▶ Estimated range for mill rate increase with this recommended budget?
 - 0.5%- 0.8% **estimated** increase

Budget Process - Timeline

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Part #1 Summary

- ▶ Lowest budget increase (.72%) in memorable history
 - ▶ Budget promotes continuation of services and long term capital needs that help keep Madison fiscally sound and a great place to live
 - Fiscal picture of Madison remains strong with consistent tax collection rates, adequate cash reserves, strong credit rating, and oversight by boards
 - ▶ Considered services that have a positive impact on the greatest number of people
- 

Part #2 of the Meeting

Public Comment

- Reminder – need to introduce yourself by saying your name and address (including your house number) before you may speak
- Lots of experts here tonight to answer your questions....

