



**TOWN OF OAKHAM
ANNUAL REPORT OF THE FINANCE COMMITTEE
FISCAL YEAR 2013 ANNUAL TOWN MEETING
OAKHAM CENTER SCHOOL, MONDAY, JUNE 4, 2012 at 7:00 P.M.**

Introduction:

During the months of February through May of this year; the Finance Committee conducted budget request hearings and informational meetings with the Town's Department Heads, School Committee, and Board of Selectmen in order to compile the information in this report and make its recommendation to the Town at the Annual Town Meeting for the fiscal year 2013 budget. The recommendations contained within this report are based on the most recent information available when this report went to print.

The Finance Committee's planning goals for this upcoming fiscal year budget have been focused on budgeting within this year's levy limit, maintaining property taxation as close as possible to FY12 levels, while maintaining level services, addressing increasing costs of materials in some departments, and improving town employee salaries by the rate of 2%. Within the Town's operating budget, the Finance Committee has reviewed each line item of each department and has scrutinized the spending plan so as to best meet the planning goals expressed above.

Budget Overview:

Overall Town revenues this year are projected to be at or slightly above last year's level. It is expected that there will be minimal new growth to the tax base, or to local receipts to allocate in FY13. Local aid figures will not be finalized until mid-July. Presently, the House and Senate's local aid budgets are recommending a range between level funding to a slight percentage increase, which would result in a \$0 to a \$11,733 increase in State funding to our Town from last year.

This year the Finance Committee considered new budget requests from some departments for future capital equipment purchases, personnel increases, expense increases as well as the school committee recommendations. Here is a brief summary of the committee's deliberations: 31 Town department units are recommended for level funding, 8 Town department units are recommended for decreased funding, and 11 Town department units are recommended for increased and/or new funding. Both School Departments (QRSD & Pathfinder) are presenting increased assessments.

Oakham Fire, Police, Highway and the Library have each presented increases and new requests that they recommend to meet our town's needs in the coming year(s). Our Town Library is expecting increased utility bills due to the recent installation of air conditioning. The committee's recommended budget funds this request. Our Highway department is expecting many material costs to increase and is recommending the acquisition of a new dump truck. The committee's recommended budget partially funds the Highway's request for expense increases but respectfully does not recommend purchase of a new truck at this time. Our Public Safety departments are all expecting expense costs to rise by more than 8% from last year. The committee's recommended budget fully funds these expense increases. Additionally, the Police Department is recommending the acquisition of a new police cruiser. The committee respectfully suggests that this request be postponed until next year. The Fire Department is recommending the acquisition of a new Fire Truck. The committee recommends passage of article 19 to authorize a process to raise and appropriate necessary funds for this purpose. Furthermore, the Fire/Ambulance Departments jointly recommended consideration of full-time, weekday staffing by two personnel-qualified as both firefighter and EMT- for improved response capability during those hours. The committee supports this plan in principle, however, the budget impact is such that we suggest more time be taken to consider, plan, and present a feasible budget strategy to present for further consideration. The Finance Committee considers all of the large capital and personnel requests by our Public Safety Departments to be important and prudent, however, we also recognize that priorities must be made in light of the limited funding available.

The Finance Committee has reviewed the Pathfinder School assessment and has concluded that the increase from last year's budget is largely due to an increase in enrollment from last year, and the actual percentage increase to the town of Oakham's contribution rate is approximately up 2.61 percent.

The Finance Committee has reviewed the Quabbin Regional School District's (QRSD) assessment and has concluded that, though enrollment from our town has decreased, the overall percentage increase requested is approximately up 15.6% from this current year's assessment. The Finance Committee recommends that the Town approve an increase to Oakham's QRSD contribution in the amount 2% from this current year's assessment. Should the Town instead vote to approve a higher increase to the QRSD contribution, or be otherwise compelled to do so, our Town's proposed operating budget would either require cuts, or our levy would require increases, or, a combination of both would need to be implemented.

Operating Budget:

The recommended fiscal year 2013 Operating Budget totals \$2,963,875. This figure represents an increase of \$58,289 (2%) more than the fiscal year 2012 Operating Budget.

Special Articles: Special Article requests funded within the recommended budget total \$36,188 and include:

Ambulance Department –	Lease 5 defibrillator units	\$2,700
Fire Department –	Purchase 7 breathing apparatus air bottles	\$7,500
250 th Town Anniversary -	Event costs	\$2,000
Highway Department –	1 Ton Truck- (3 year lease)	\$18,988
Highway Department-	Police Detail Costs	<u>\$5,000</u>
	TOTAL:	\$36,188

The special articles are recommended to be funded by utilizing available funds from Free Cash, the current balance of which is \$165,304.

Overall Budget:

The recommended overall fiscal year 2013 budget (\$3,000,063) is funded at an estimated 99.1% of our Town's maximum allowable levy limit, not including the possible addition of article 19 (new fire truck). This figure (99.1%) can be reduced, contingent upon passage of article 21. The Finance Committee recommends passage of Article 21 in order to preserve a safe levy capacity by balancing a portion of the budget with available Free Cash carried over from fiscal year 2012. Oakham's municipal appropriations have averaged 97.7% of the levy limit over the last six years. In 2011, as well as 2010 we were operating at 99.1% of the levy limit. We recommend appropriating at a lower percentage if possible, given the depressed economic conditions, future economic forecasts and the future needs for large capital purchases by our public safety departments.

Acknowledgements:

The Oakham Finance Committee has worked with the Board of Selectmen, Department Heads, Town Committees and Administrative employees in preparing the recommended operating and Special Article budgets for this coming fiscal year. We thank them each and all for their support, diligence, and admirable commitment to serving our community. Throughout this process all parties have made every effort to preserve the quality of Town Services in Oakham that we rely upon, and to assure that we receive significant value from all dollars spent.

Respectfully submitted:

Oakham Finance Committee

Matthew Broderick, Interim Chair
Dennis Creed, Interim Secretary
Clare Hendra, Member
Paul Rochette, Member