

## Please Stay After Our Special Town Meeting for A “State of the Town” Forum

This will be a chance for you to hear short presentations from the Finance Committee, Local and Regional School Committees and Board of Selectmen regarding our current financial situation and the solutions that may be offered at Annual Town Meeting and on the ballot. In anticipation of the difficult choices that will need to be made, Town Officials would like to hear the voter’s questions, comments, suggestions and spending priorities.

Discussion topics will include but are not limited to:

- An overview of our current service levels and budget policies
- How Acton’s override situation impacts Boxborough
- Rationale for a Structural Override to maintain current staffing and services
- Rationale for an Incremental Restored Services Budget and Override
- Potential effects of the override scenarios on future Town services and property tax bills

### Budget Realities

Although all of our budgets are still working documents, our anticipated expenses and revenues for the 2006 Fiscal Year are as follows. More detailed information will be available at the State of the Town Forum, and will continue to evolve right up until Annual Town Meeting in May.

<b>FY’06 Anticipated Expenses</b>	<b>Dollar Amount</b>
<b>Budgets We Have Local Authority Over</b>	
Town	3,552,089
Blanchard School	5,030,883
Reserve Fund (the town emergency fund)	146,000
<b>Non-Discretionary Assessments</b>	
AB Regional Schools	5,409,000
Minuteman Vocational Technical School	183,513
Employee Benefits	1,520,532
Debt	1,335,716
Overlay (for real estate tax abatements)	200,000
<b>Total Anticipated Expenses</b>	<b>17,377,733</b>
<b>FY’06 Anticipated Revenues</b>	
Total Maximum Allowable Levy (Real Estate Taxes)	12,693,497
State Aid	1,895,216
Local Receipts (permits, fees, etc.)	1,315,567
<b>Total Anticipated Revenue</b>	<b>15,904,280</b>
<b>Anticipated Budget Deficit</b>	<b>1,473,453</b>

## Some History

It is important to recognize that the problem of deficit budgets is not new to Boxborough. For several years we have been passing budgets that exceed the growth rates allowed by Proposition 2 1/2 largely because labor costs and benefits alone have grown more than 2 1/2% per year. We have escaped override crises in the past by trimming budgets and using available funds built up in the growth years of the 1990s. But the trends in flat state aid, reduced growth, and depleted cash reserves are coming to a head, requiring careful evaluation of spending priorities. This is the discussion we would like to begin in a constructive way on January 24<sup>th</sup>.

## Our Options

Simply put, prudence and fiscal responsibility require that we fund the budget with some combination of an override, budget cuts and the use of our available funds (savings accounts). There are numerous possible scenarios here, depending upon spending priorities and the willingness of voters to exceed Proposition 2 1/2 limitations.

Currently there are two principal override scenarios being discussed by The Finance Committee, Board of Selectmen and Local School Committee:

- **A Structural Override** which will allow us to maintain most services as currently offered. There may be some adjustments made within departments and programs, but the intent is to avoid reducing the overall services taxpayers currently receive.
- **An Incremental Restored Services Override** which would allow us to add personnel and/or make purchases and complete infrastructure maintenance that have been put on hold, eliminated or cut over the past three years. Examples of this might be revised and updated textbooks for Blanchard, an IT specialist for the Town, completion of postponed facility maintenance such as Police Station and Town Hall roof repairs and painting, or restored training for municipal employees (Town Hall, police, fire, etc.).

In order to help us make these important decisions we will be seeking your input at this meeting as well as through on-line and published surveys. We need your input on the type of override that should be put forward at the Annual Town Meeting as well as what services you find most important and which you may be willing to reduce or eliminate if an override should fail.

## In Summary

- Our revenues are 17% short of our expenses. We cannot use all of our cash reserves to make this up. We also cannot cut non-discretionary assessments.
- Public Officials will be reviewing all local budgets (Blanchard and Town) as well as examining various scenarios for solving the deficit problem. As we begin to formulate decisions, we will continue to inform the voters via our regularly scheduled meetings, the local newspaper and cable station, as well as on the Town and Blanchard websites.
- We are actively looking for voter participation in this process.

The decisions made at the May 2005 Annual Town Meeting and on the 2005 ballot will affect every citizen in Boxborough. Please make every effort to stay informed, ask questions and **BE INVOLVED IN THESE IMPORTANT DECISIONS!**