

April 6, 2010

Citizens of Topsfield
Topsfield, Massachusetts 01983

**RE: Town of Topsfield Fiscal Year 2011 Revenue and Expense Plan
Finance Committee Overview and Recommendations**

Dear Fellow Citizens:

In accordance with the bylaws of the Town of Topsfield, we the members of the Finance Committee have completed our review of, and prepared recommendations regarding, the Town's Operating Budget for Fiscal Year 2011 and for other Warrant Articles to be voted upon at the Annual Town Meeting scheduled to be held at 7PM on May 4th, 2010. The proposed budgets were prepared by department managers with reference to guidelines established by the Finance Committee. The guidelines continued the call for no new government or governmental programs, seeking to maintain Town essential services during the continuation of this difficult financial period. Articles were placed on the Warrant by the Board of Selectmen on their own behalf or on behalf of other Town Boards, as none were by Citizen Petition this year. This letter outlines some of the significant issues and facts that our Committee has considered. You may find these important to your decision making process.

The Finance Committee has recommended a FY 2011 budget comprised of two components. The first, the Base Budget, is supplemented by the Contingent Budget which requires passage of a Proposition 2 ½ override question and a Proposition 2 ½ capital exclusion question at Town Meeting and at the ballot.

The FY 2011 Base Budget recommended by the Finance Committee includes total appropriations in the amount of \$21,918,655 representing a small decrease from FY 2010. We have been informed by our state level elected officials to construct the Town budget anticipating a **4% reduction in state aid**. Accordingly, after making adjustments for reduced state aid, diminishing local receipts and other revenue and assessments, the resulting total to be raised through real estate taxes will be \$17,177,778, an increase of 3.26% over the current year.

Additionally, the Contingent Budget being offered for your consideration, subject to a Proposition 2 ½ override question and a Proposition 2 ½ capital exclusion question is structured as follows. The override question, in the amount of \$104,307 seeks funding for Police Liability Training, the Police School Resource

Officer, a portion of Road, Bridge and Sidewalk Reconstruction and Maintenance and a portion of the Masconomet assessment. The capital exclusion question, in the amount of \$93,500 will enable the funding of a 4x4 Police cruiser, a 15 lead defibrillator for the Fire Department, replacement of Proctor School exterior doors and the lease/purchase of a Highway Department Dump/Plow/Sander/Wing Truck.

A significant contribution to the recommended budget level has been made by the willingness of dedicated Town personnel (both those non-represented and those represented by five of the Town employee unions) to agree to 0.00% wage increases for FY 2011.

Other factors contributing to the recommended funding levels for the proposed budget(s) are the following:

- ~ Public Safety -The Public Safety Base Budget has been increased by \$12,828 or 0.62% for FY 2011. Passage of the Contingent Budget would add \$7,805.
- ~ Elementary Schools - The Elementary School Base Budget for FY 2011 has decreased by \$3,348 or 0.06% over the previous year.
- ~ Public Works and Facilities - This Base Budget has been decreased by \$28,772 or 3.8% for FY 2011. Passage of the Contingent Budget would add \$25,000.
- ~ Masconomet Regional School- The Topsfield Assessment for the Masconomet Regional School budget for FY 2011 has increased by \$142,607 or 2.43%. \$63,000 of this increase is contingent upon a Proposition 2 ½ override.

In addition to the above discussed items the FY 2011 recommended budget includes a limited amount of capital expenditures, such as the amount of \$11,865 for significant improvements to Town Hall computer capabilities. We encourage you to review the Warrant for our specific recommendations. We should point out that the Finance Committee supports the selected capital expenditures and believes them to be important to the operation of our Town. We recommend your consideration of these expenditures.

The Topsfield Finance Committee believes its recommendations are consistent with the ideals of our community while staying responsive to the needs of the taxpayers. We have taken advantage of all available cost savings and revenue sources in order to propose a Base Budget that remains within Proposition 2 ½ guidelines. In an attempt to maintain Town services and education consistent with the values historically embraced in Topsfield, a Contingent Budget requiring a

Proposition 2 ½ override question and a Proposition 2 ½ capital exclusion question in the total of \$197,807, has also been offered for your consideration. We encourage you to participate in the annual Town Meeting and to give careful consideration to both the immediate and long-term implications of all of the important decisions before you.

Additional detail for each budget addressed in this Warrant, including salaries, wages and other expenses, is available on the Topsfield website:
<http://www.topsfield-ma.gov/index.shtml>.

Respectfully submitted,

Topsfield Finance Committee

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