

Budget Committee Report

The Budget Committee has completed its review of the proposed operating budget of the Town of Edgecomb for the 2010-2011 fiscal year. The scope of the committee's work included meeting with department heads in public hearings to evaluate budget requests, reviewing available data from the FY2009 audit of town finances, evaluating revenue sources, and convening with the Selectmen to communicate budget recommendations. The committee attempts to balance providing necessary services to townspeople with limiting the level of taxation to only that which is necessary for prudent operation of the Town

As of the date of this report (April 12, 2010) the proposed 2010-2011 budget contemplates total spending of \$3,414,433, essentially flat with the prior year. Major expense categories in the proposed budget include Education at 73% of the total, Roads & Bridges at 11%, County Taxes at 7%, General Government at 4% and, Safety & Sanitation at 3% of the budget. Each percentage is nearly identical to the prior year.

Significant Year to Year changes in proposed expenditures are summarized as follows:

Category	Change	Comment
General Government	Up \$18,335	Town Hall Repairs; Salary Adjustments
Public Safety	Up \$3,362	Equipment & Hoses
Highways and Bridges	Up \$2,175	Debt Service Down; Snow Removal Up
County Tax	Up \$7,097	Estimated
Education	Down \$26,737	Debt Service Down; Reductions made in Instruction and Technology Expenses

The most significant budgetary impact to the Town is a reduction by the State of Maine in Education Subsidy. At the report date, the subsidy received is budgeted to decrease by \$123,575, or 53.4%. As shown above, Education spending has been reduced, however due primarily to the Subsidy cut, the local commitment to Education will increase by approximately \$146,060. Pending action on the formation of a local Alternative Organizational Structure (AOS) that would include the Town of Edgecomb may favorably impact these figures.

Funding for budgeted expenditures comes from three primary sources – surplus, intergovernmental subsidy, and local revenues. For the 2010-2011 fiscal year the Budget Committee has again recommended minimal use of surplus funds in order to maintain appropriate levels of cash on hand. Intergovernmental revenues such as Road Subsidy, Revenue Sharing, and Homestead Reimbursement are budgeted to remain essentially flat with the prior year. Local revenues consist primarily of real estate property taxes and vehicle excise taxes. As presented, the 2010-2011 budget contemplates an increase of approximately 7.1% in the amount to be raised from property taxes; this estimate may be reduced by the pending AOS action described above. The Selectmen will set actual tax rates once transfers related to the Davis Island TIF are finalized and property valuation figures are updated and available.

Detail information on the 2010-2011 budget is as follows: