**Budget Committee Recommendations**

**Directive from Council:** Reduce each department by 20% due to the possible reduction of state funding for revenue sharing to the towns, changes resulting from the separation from the RSU and some unfunded commitments from the previous budget in an effort not to raise taxes on the community.

To that end the budget committee has reviewed all of the departmental requests, took input from the community during our meetings and deliberated. The committee recognizes that without structural changes in the provision of services little than minor reductions can be made. Nonetheless, we are making the following recommendations for your consideration:

**Municipal: Background-**Staff salaries are the major component for all the departments within the municipal side of the budget. Some of the salaries are negotiated and are under contract so changes may require re-opening of negotiations. Salary reductions would most likely affect the level of services provided and the council may want to consider “What level of service is optimal?” Significant changes could only be achieved by structural reorganization such as that of the public works department during the past budget cycle. Please refer to the minutes for specific discussions and line item amounts.

* Executive Department: $306,024 - 20% decrease April 17th minutes
* Fire Department: $234,697 -0% decrease (with sale of engine 191 ~ 16.1% decrease)

***Note: changes to personnel will bring this down further***

* Police Department: $331,189 5% decrease proposed + plus the following reductions predicated on the governor’s proposed cuts being implemented: 1. Uniform line, 2 Cruiser repair line, 3. Training line, 4. Subscription, 5. Office supplies. This results in a 6.7% decrease. See April 17th minutes.

 ***Notes Changes to personnel and coverage can bring this down further.***

* Public Works: $126,348 for a 35% decrease over the previous year. See also minutes of April 9th for other recommendations.
* Parks & Rec: $90,123 proposed for a 1% decrease…. See April 9th minutes where the committee recommends charging higher fees to make most of the programs offered self-sustaining through fees. This is especially true for the summer and after school programs. See April 9th minutes.
* Community Investments: $23,600 for a 25% decrease. The committee had many questions and recommendations for this category. See notes of April 17th page 2.
* Capital Accounts: $117,750 for a 9% reduction.
* Mandatory Assessments: $386,505 for a 44% increase over the previous year due to an oversight of the sewer assessment payment. April 17th minutes

**Veazie School:** **Background**-The committee has looked at the proposed school budget for 2013- 2014 and like the municipal side, the staff and supporting staff make up the major cost categories. The Veazie School operating costs are much higher than the State of Maine averages for the K-8 grades but in line and slight below State average for the high school grades (see attachment). This is due primarily to low teacher/pupil ratios and economies of scale. At the present time, there are 12 teachers in the school for 10 grades. The pre –K class was added in budget 2009-2010 school year and the cut off is 12 students. If pre- K enrollment goes higher than 12, a second section is added. In other grades, if the size is considered large (23 students) then the class is split. Overall, two teachers are used in a flexible way to split large class sizes at the school. From the 2008-2009 budget years to the proposed 2013-2014 school year, the salary increase for teacher salaries is 19.6%. A decrease of one F/T teacher would have savings of approximately $69,330 and would mitigate one less "split class" teacher.

Besides staffing areas, operating costs within the Veazie Community School continue to climb. A number of these costs are discretionary and could be postponed or reconsidered. Building cost items such as custodial and ground maintenance should be bid out or worked in conjunction with the town municipal side for the best price. See April 23 minutes

* $4,394,547 proposed 2013-2014 with a request for town funds of $2,904,082 for a decrease request for town funds of 2.9%.

The budget committee suggests a decrease of $100,000 to Veazie School’s presented budget for a total new total of $4,294,547. Even with this additional reduction the 2013- 2014 budget is $213,950 above the 2008-2009 budgeted amount. We believe that the additional cut of $100,000 would not impact the overall quality of the education provided by the Veazie Community School and would put Veazie more in line with Maine State averages for cost per student.

The budget committee would like to continue the contingency funds for the High School and Special Ed at the level presented in the budget.

Lastly, the committee feels that more cost savings could come in the 2014-2015 budget when teacher salaries/benefits are negotiated and when there are better historical numbers for the various budget lines of the Veazie Community School as a standalone school. Administration including superintendent costs could be an area for cost savings if not this year then next year.