



Gateway to the Blackstone Valley
Millbury, Massachusetts

Finance Committee
Municipal Office Building
127 Elm Street, Millbury, MA 01527

Michael O'Connor, Chairman
Stephen Hebert, Vice - Chairman
Donald Gauthier - Clerk
William Hamilton
Albert Kupcinkas Jr.
Daniel Girard Jr.
Sandra Gaspie, Secretary

May 5, 2009

Dear Millbury Residents,

Thank you for taking the time to participate in our Annual Town Meeting (ATM). In this booklet are your Finance Committee recommendations for the coming fiscal year 2010 budget, beginning July 1, 2009. It is your vote that determines the final results. Please understand that additional spending at tonight's meeting could put us over the levy limit. The budget is based on the governor's budget: state aid has not yet been finalized. Changes with a negative impact could require us to return to town meeting until we are able to vote a balanced budget.

The financial well being for the Town of Millbury is under a level of stress that will require a significant effort in order to ensure short and long term stability. The initial budget submittals for next fiscal year from the municipal and school departments for a "level services" (same exact services next year as this year) framework created a deficit condition when measured against Millbury's Allowable Proposition 2 ½ Levy Limit. Reaching a deficit condition is a direct reflection of Millbury's local spending habits, meaning Millbury reached the allowable levy limit through its own actions. A reduction in State Aid for next year added to the deficit projection, making the total level services budget deficit that needs to be eliminated \$1,619,650.

So, essentially Millbury has "bumped" into the Proposition 2 ½ Levy Limit and it will take a significant increase in future local and state revenues, coupled with concerted constraint in spending going forward to stay within the Limit or the situation we face this coming year will be repeated for a number of years to come.

No Millbury officer, or elected board or committee took a decision to place an article on this evening's warrant for an override of the Proposition 2 ½ Levy Limit which is a reflection of everyone's understanding that budget reductions are required to balance the FY2010 Budget.

The Finance Committee looked at a number of factors and figures to determine the levels of budget reductions that needed to be enacted to bring a budget to you this evening that is in balance. There are two main sources of funding that the schools and municipal departments have at their disposal (1) outside revenue sources, such as those from the State, and (2) local revenue sources, such as, local receipts, free cash and you, the taxpayer through your property taxes. The State earmarks its contributions to specific departments, i.e., for schools needs through Chapter 70 Aid and municipal departments through General Government funds. The Finance Committee's calculations directed these funds to those specific departments to cover a part of their respective budget requirements.

The balance of schools and municipal budget requirements would be met from local revenues with Millbury Public Schools requiring 63.55% and Municipal Departments requiring 36.45% of local revenue dollars.

The Millbury School Committee and the Board of Selectmen reached an agreement to split the required budget deficit reductions at 60% for Millbury Public Schools and 40% for Millbury Municipal Government. The budget presented to you this evening reflects that agreement.

It should be noted that after the elimination of the \$1,619,650 deficit, the Millbury property tax rate for FY2010 is expected to rise 5.3%.

The Finance Committee weighed all aspects of budget requests and held a public hearing for your input. We believe what we are now recommending to be in the best interests of the Town of Millbury. We appreciate your support tonight of our recommendations.

Respectfully,

Millbury Finance Committee