

FINCOM FY11 PROPOSED BUDGET

March 4, 2010

I – OVERVIEW (As submitted by Town Adm. And Schools)

	<u>FY11</u>	<u>% vs FY10</u>
Total Revenues	\$74,990	FLAT
Total Expenses	80,830	(8)
Total Deficit	5,840	

II – MAJOR DRIVERS

	<u>FY11</u>	<u>vs FY10</u>	
	<u>FY11</u>	<u>%</u>	<u>K\$</u>
School Salaries	\$32,704	13.9	\$3,987
Total Health Benefits	9,534	18.9	1,512 (i)
Total expenses	12,303	(1.9)	(234)
Capital	0		

III – FINCOM PROPOSED FY11 BUDGET

Total Revenue	\$74,990 (ii)
Fixed Costs	25,171 (iii)
Available Revenue	49,818
Schools (70%)	34,873
Admin Town (30%)	14,945

Based on above, the deficits by area are:

School Admin	\$5,773
Town Admin	68

IV – EXPLANATION ON DEFICITS

Town Admin submitted a budget with a 5% reduction versus FY10

Schools Admin submitted a budget with an 11% increase versus FY10

V – SUGGESTED ACTIONS NEEDED

a- Concessions on Health Insurance (Town wide)

b- Reduction on the Schools contractual obligations

c- Decrease management levels; increase efficiencies (Town wide)

d- Consolidations / reorganizations resulting in costs reduction (Town wide)

VI - FINANCIAL OVERVIEW: SHORT TERM

**a- Based on information from our Representatives and Financial organizations:
revenues will continue to grow at a very slow pace.**

**b- Cannot continue to have a “structural deficit”; if not injection of new cash will be
needed on a yearly basis.**

**c- Health Insurance will continue to grow at double digit level, outpacing our
revenue growth. We only have a commitment for a year at 17.31%.
Private sector average growth: 35%.**

d- Cannot go below NSS.

e- Concerns:

- the % of Salaries versus total Budget continues to grow**
- disposable income continues to decrease**
- no capital in the budget**
- low stabilization**
- increases in taxes WILL impact negatively our Industrial/Commercial
population**
- maintenance of infrastructure (roads & buildings)**
- Five Year effect: dramatic worsening unless corrected NOW**