

5/2/05

SAD #51 Board of Directors

Annual District Budget – Three Year Plan

Mindful of the community's interest in a more predictable budgeting process, the Finance Committee of the board has been meeting over the last several months to see if some kind of a three-year plan could be developed. The following ideas were presented to the full board in March and this document serves as written follow-up.

1. The target annual increase to the operating budget (including repairs and property maintenance) would be guided by the rate of inflation published by Bureau of Labor Statistics as CPI-U (All Items) for October of the year preceding the budget year. For example when developing the budget for the July 2006 – June 2007 fiscal year, the reference point would be the average 12 month percent change for October 2005.
2. The annual increase to the debt service would be dictated by the increase in the amount of debt service payments on voter approved debt.
3. The amount of any decrease in previously approved debt service would be allocated to a Capital Reserve Fund to address major replacements and repairs. This would have to be approved annually as a separate warrant at the District Budget Meeting.
4. As per statutory requirements, no additions to debt service would take place unless approved by voters of the district.
5. Early each fall the Board of Directors will indicate to the Administration any particular areas of the operating budget it would like reviewed.

Again this is a target goal and special circumstances could dictate deviations from this plan in either direction. Additional public input will be sought at future meetings.

Polly Haight Frawley – Chairperson

Peter K. Bingham – Chairman, Finance Committee