

Finance Committee FY11 Budget Message

The Fiscal Year 2011 budget represents another year of severe economic constraints on municipal operations. The continued fallout of the economic recession which has affected the ability of all levels of government to sustain appropriate levels of revenue has resulted in another year of negative impacts on Reading and all local communities' ability to sustain the levels of service the community has previously supported and expected. The revenue the state returns to Reading has once again fallen below levels previously experienced. Accommodated costs continue to rise especially in the area of health insurance severely limiting funds available to sustain core services. While you will see cuts in service in some areas, town and school management have worked collaboratively to minimize the impacts as much as possible. Town employees are contributing to the effort by accepting zero COLA and zero step increases in the FY 2011 budget except in areas of previously committed contract agreements. Town management has begun to take steps to sustain services by setting the groundwork toward a future four day work week.

Reading has been able to hold off on the kind of devastating erosion of services experienced by many communities by continuing to follow sound fiscal policies established over many years. These policies have allowed reading to sustain financial reserves with which to fund future years. However, the continued use of reserves to make up for reduced revenue from traditional sources is not a sustainable financing model. In order to achieve progress in maintaining and improving services going forward traditional levels of revenue from state funding must return and grow and Reading may soon have to consider the prospect of additional funding from our own resources. While all the elected and appointed bodies and management staff constantly look for creative ways to raise revenue and accomplish service we all must face the fact that to avoid debilitating cuts in education, public safety

and public health which will effect all our property values, additional revenue will have to be raised at the local level.

Reading taxpayers can remain assured that the sound fiscal policies practiced over the past decade or more and the cooperative efforts among your municipal representatives which has been occurring at ever increasing levels will enable Reading to maintain the quality of service they have come to expect and enjoy but only if going forward the financial resources necessary to sustain what that cooperation and expertise has been able to achieve is provided.

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