

To the Residents and Taxpayers of Lincoln, RI

The Lincoln Budget Board (LBB) is committed to providing taxpayers and residents with frequent updates as to our progress towards finalizing the 2009-2010 Budget. As we stated in our original letter, this year is not like most years and therefore we feel additional communication is warranted.

The key points have been broken down into significant areas:

- Tax Revenues – it has come to our attention that the expectation of 100% collection of taxes during each financial period is and was overzealous. A historical review confirms this premise; therefore, calculations have been evaluated and adjusted. This variance is caused by a number of legitimate reasons such as assessment disputes, reduction in taxable property from year to year, and hard economic times, forcing delinquencies. Hence, we must adjust our accounting to properly reflect our expectations. Collections have been more realistically projected at approximately 96% in the upcoming Budget.
- School Aid –the state and local governments are seeing dramatically reduced school aid amounts. Given these challenging economic times, cities and towns are not in a position to make up the difference. We anticipate that our state aid to education will be reduced to \$6,401,141, representing a decrease of \$1,002,127 over the current year budgeted revenue.
- Municipal Budget - the Town Administrator has submitted a municipal operating Budget in the amount of \$16,614,856. The LBB considers this proposal to be a bare-bones Budget but we have agreed to support the Budget direction as submitted.
- School Budget – the School Budget recommendation from the Town Administrator and the LBB is the same amount, \$47,197,873. After a thorough analysis, we firmly believe that our current programs and standards can be maintained by meeting the statutory minimum level of funding standards.

As we noted in our prior communication, we thought our forward-going challenge would be to manage within the state mandated spending caps. The economic events of the day have caused us to turn our attention to reducing spending wherever possible, rather than limiting the amount by which we annually increase our spending.

The LBB meets on a regular basis throughout the Budget season at the Lincoln Town Hall. We post notice of these meetings as well as the minutes from these meetings. The Budget Board's proposal dated April 22 will be available online at <http://www.lincolnri.org/>. We encourage you to familiarize yourself with the key facts now so that we can all participate in an efficient and effective Financial Town Meeting on Monday, May 11, 2009 at 7:30PM in the Lincoln High School Auditorium.

Respectfully Submitted,
Town Of Lincoln Budget Board Members
Ken Booth, Chairperson