

## Town Manager's Budget Message

The FY 2010 budget for Reading is one of the most difficult ones that this community has had to prepare in decades. Yet Town and School leadership have cooperated in a most extraordinary manner to develop a budget that is mindful of current financial difficulties on a global, national, and state level, while doing our best to meet commitments and provide essential services.

The Town is also mindful that these financial difficulties will be with us for more than one year, and we need to be prepared to deal with continuing to provide quality services over the next several years as we hopefully transition to better times.

Finally, the Town is also aware of the impacts that these broad financial difficulties have on our residents and businesses through frozen or reduced income, loss of jobs, potential home of business foreclosures, loss of current and retirement income because of reductions in value of 401K's and other investments, and other individual impacts.

During the budget process this year, the Town Manager and School Superintendent and their respective staffs have been in close contact and each have taken a look beyond the FY 2010 budget to what may lie ahead. As the conversations developed, a few things became clear: (1) both the Town Manager and the Superintendent of Schools are very concerned about future budgets beyond FY 2010, and wished to preserve as much free cash as possible in order to more gently ease into a future

marked by global financial difficulties; (2) the needs of the Municipal Government and the School Department varied by budget year, beginning in FY 2009; and (3) both the Town Manager and Superintendent of Schools were very respectful of the specific needs of the other, and of sharing the total budget difficulties in an equitable manner, and of using their energy to solve any problems jointly for the betterment of the entire community.

The budget presented to Town Meeting this year is basically a flat budget, with minimal increases in expenditures on behalf of the community. There are no new programs or initiatives, and there are some painful reductions in programs and resultant reductions in staff, through attrition where possible.

Even with all of the dedicated hard work by elected officials, the Superintendent of Schools and Town Manager, the Assistant Town Manager and the Director of Finance and Human Resources for the School Department, and the various Department Heads, there is still much that is unknown about impacts of other levels of government on our financial plans:

- State budget is not passed;
- Stimulus funding – how much, and what it can be used for?

Regardless of these and other unknowns, this financial plan is a reasonable one at this time, and our recommendation to Town Meeting is to move forward with the plan as presented, with the knowledge that it may need to be amended at a later date.

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Town Manager

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Assistant Town Manager