

## Durham Budget Watch

July 1<sup>st</sup> marked the beginning of our new fiscal year and I already have bad news to report. We began our new budget year with a \$40,000 deficit due to the late bids that came in for heating oil and diesel fuel. The good news is that we have time to put some cost saving initiatives in place to offset the difference. We are also fortunate to have staff members actively seeking ways to realize some savings anywhere we can.

As you may have seen on the news, many towns are reporting budget deficits due to increased prices in sand, salt and any petroleum based product. Through the efforts of our public works staff, we have purchased a substantial amount of our sand supply at last year's price realizing a 19% savings per ton. They also hustled to complete our annual chip sealing and sweeping programs earlier than anticipated. Early in July we were notified that as of August 1<sup>st</sup>, materials would increase significantly. Because we were able to complete our project in the month of July, we were able to avoid the increase. Although we still didn't complete as many miles as we would like, we were able to do more than we would had we waited.

We are looking at all our current contracts and agreements to find savings. As a result, we will realize several thousand dollar savings in changing cell phone carriers effective next month. We have also altered the contract with our electricity supplier which will at least stabilize our energy bills. The Clean Energy Task Force will analyze the usage and billing information for all municipal buildings and will make a recommendation for energy conservation. We may not be able to implement a program to save money this year but with their effort we can start the process.

Through the efforts of my Executive Assistant and Finance Director, we were able to save significantly through the competitive bid process. The bid for Liability, Auto and Property (LAP) insurance came in with a 25% cost savings and janitorial services came in with a 8% cost savings above our budget projection. We hope to be just as successful when we bid out for a new hybrid vehicle for the health department. A portion of the cost of the vehicle will be paid for with a grant from the CTDOT Clean Fuel Program.

We know that you are watching your household budgets. It hasn't been easy to absorb the increases in gas, food and energy costs. Please be assured that we are trying our best to watch over your town budget as well. Hopefully as we go forward, there will be more good news to report. Stay tuned and enjoy the rest of the summer.

Laura Francis 8-5-08