



May 8, 2007

Barbara Rich
Treasurer
Town of Woodstock
415 Route 169
Woodstock, CT 06281

Re: Proposition 46 Allowables

Dear Barbara:

At your request, I have reviewed the five areas of expenditures outlined in your e-mail dated May 7, 2007 in the context of the allowed exceptions to the Proposition 46 ordinance. The five areas of expenditure are:

1. The Board of Education budgeted \$6,000 for special education legal fees for the current year. The Board was sued by parents of a student. The lawsuit required the Board to spend a large amount of money defending their special education program. Can the Board of Finance include these additional legal costs in calculating the Proposition 46 limit on expenditures?
2. There was an oil spill at the school. The cost to clean up the spill was \$3,979.
3. You plan to classify a \$5,000 insurance deductible relating to a bus accident as an emergency expenditure.
4. The Town Hall roof is leaking and needs to be replaced.
5. The Town's insurance company is requiring that the middle school parking lot be rebuilt.

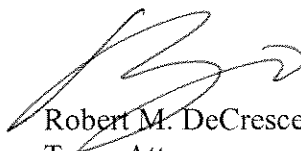
The increases in expenditures allowed by the Proposition 46 ordinance in calculating the increase in the town budget are for expenditures necessary to cover: (1) debt service; (2) court judgments against the town; (3) state mandated programs; and (4) emergency expenditures.

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Based on the terms of the Proposition 46 ordinance, in our opinion, the following qualify as emergency expenditures under the ordinance: (1) the oil spill at the high school; (2) the deductible for the bus accident; and (3) the costs related to the town hall roof repairs. The remainder of the proposed expenditures outlined above do not qualify under any of the four exceptions to the Proposition 46 ordinance.

I trust this responds to your inquiry. Should you have any further questions, please do not hesitate to contact me.

Very truly yours,



Robert M. DeCrescenzo, Esq.
Town Attorney

RMDe/psm

FINANCE MEETING
5/8/2007

**TOWN OF WOODSTOCK BUDGET 2007-2008
PROPOSITION 46 CALCULATION**

TOWN OF WOODSTOCK BUDGET 2006-2007

| | | |
|---------------------------------|--|------------------|
| REVENUES | | |
| EXPENDITURES | | |
| INCREASE FROM GRAND LIST | | 349,418 |
| INCREASE IN STATE GRANTS | | 527,150 |
| INCREASE IN OTHER INCOME | | - |
| INCREASE IN SPECIAL ED | | - |
| INCREASE IN TRANSPORTATION | | 285,723 |
| INCREASE IN DEBT | | - |
| EMERGENCY EXPENDITURES | | 73,978 |
| LEGAL JUDGMENTS | | 15,445 |
| total increase allowable | | 1,251,714 |

\$ 19,205,276

\$ 349,418
\$ 527,150
\$ -
\$ -
\$ 285,723
\$ -
\$ 73,978
\$ 15,445

\$ 1,251,714

MAXIMUM ALLOWABLE BUDGET 2007-2008

\$ 20,456,990

BUDGET REQUESTS 2007-2008

| | |
|--------------------|---------------|
| Education | \$ 15,681,355 |
| General Government | \$ 4,520,074 |
| Redemption of Debt | \$ 1,083,818 |
| Total | \$ 21,285,247 |

Cuts Required to Meet Prop 46

\$ 828,257

| | |
|------------------------|---------------|
| Total Allowable Budget | \$ 20,456,990 |
| Estimated Revenue | \$ 19,898,728 |

Revenue Shortfall (3/4 mil - .75 mil) \$ 558,262

1 mil = \$752,766

Calculated at 97.25% Collection Rate