



Finance Committee

ANNUAL TOWN MEETING REPORT – JUNE 12 2021

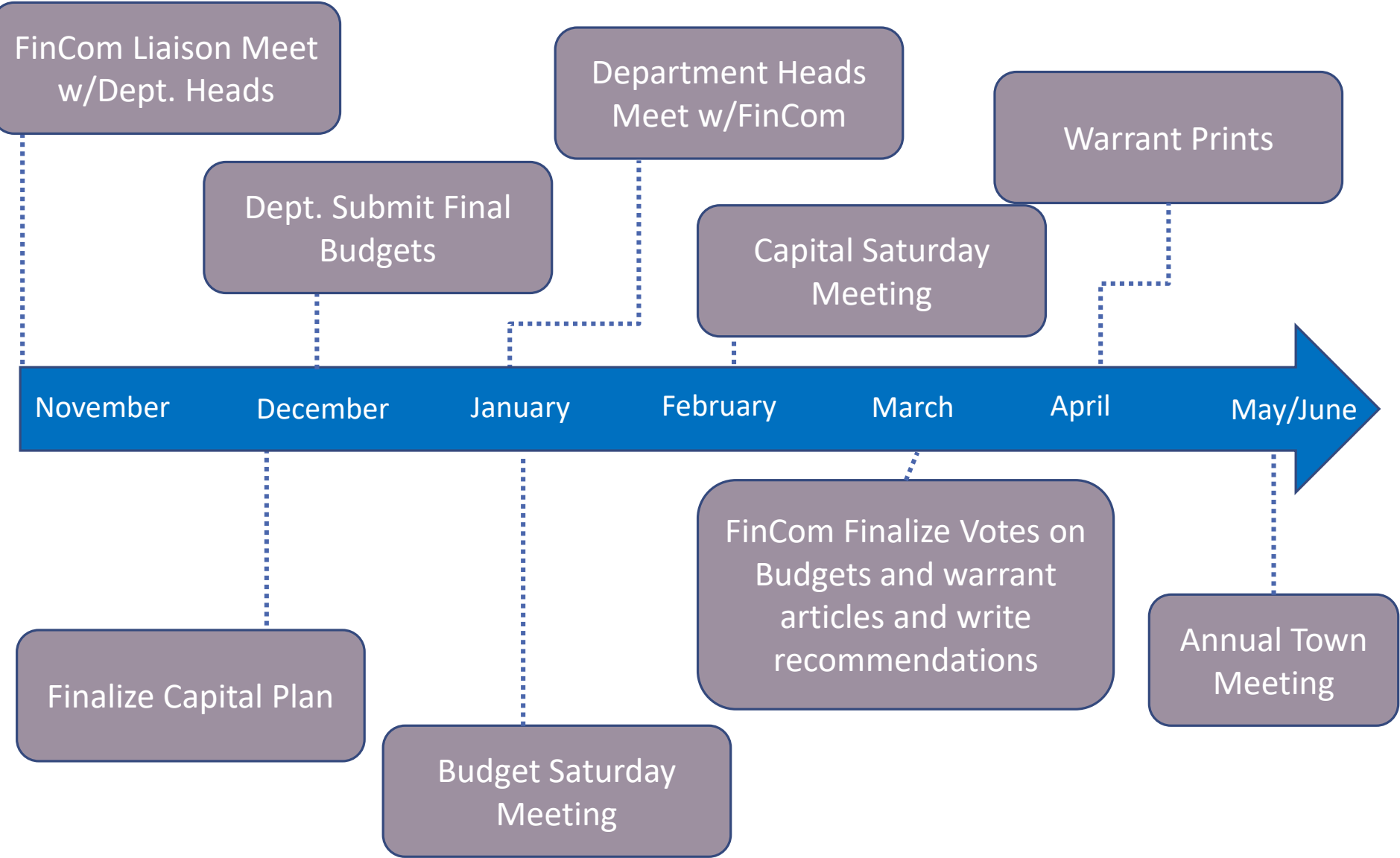
Goals of the Finance Committee

- **Minimize budget increases**
- **Manage the operating budget based on previous approved ATM warrant articles**
- **Proposed increased services through warrant**
- **Plan Capital**
- **Manage long-term debt**
- **Address unfunded retiree benefits (OPEB)**

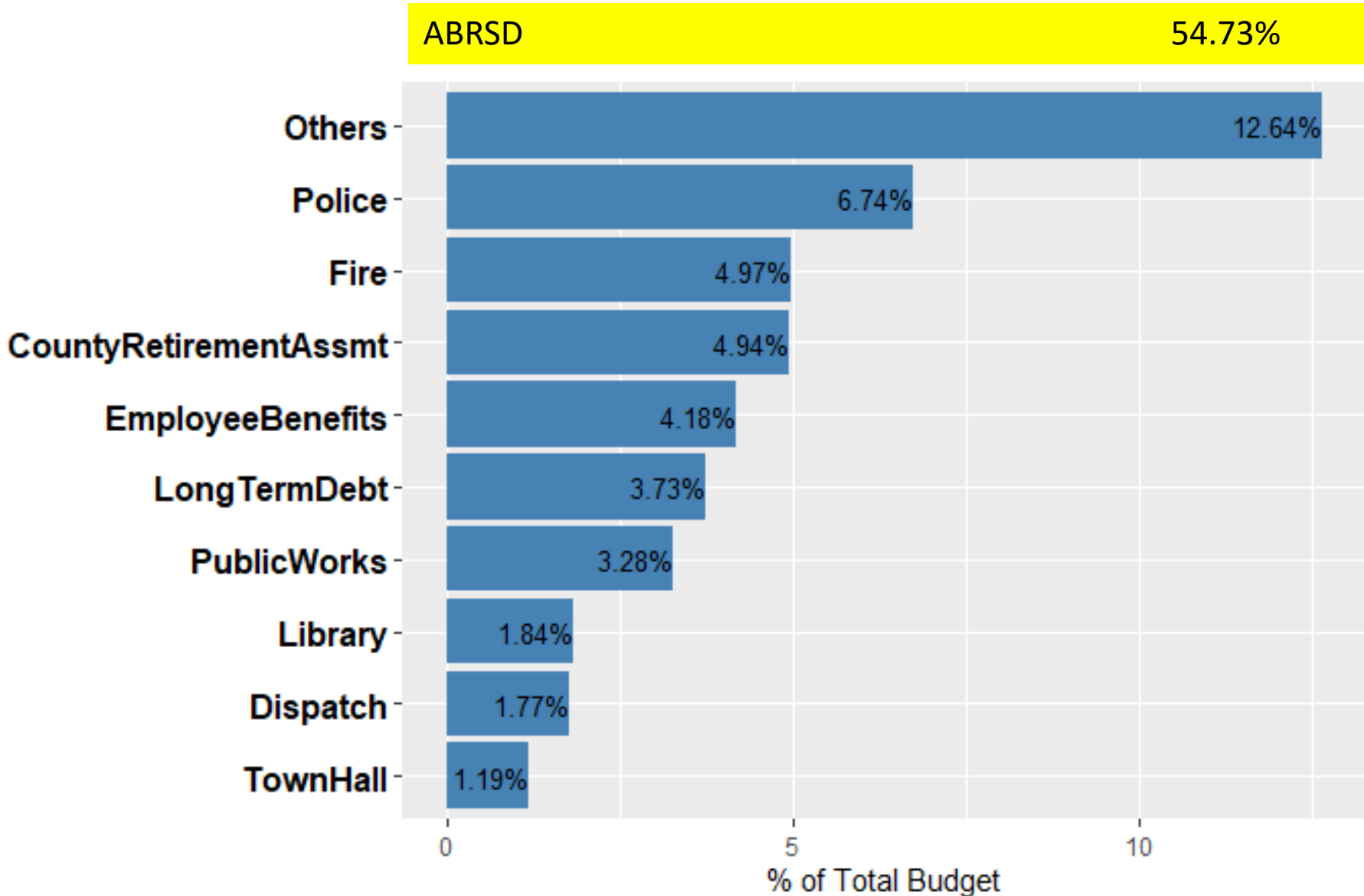
Budget Impacts

- **The FinCom and the Select Board discussed the impacts to the Town**
 - **Second year of pandemic**
 - **Discussed personal raises of 1.4% vs. 2.4% and covered in article 4 of the warrant**
 - **Priorities for the Town**

Typical Finance Committee Process

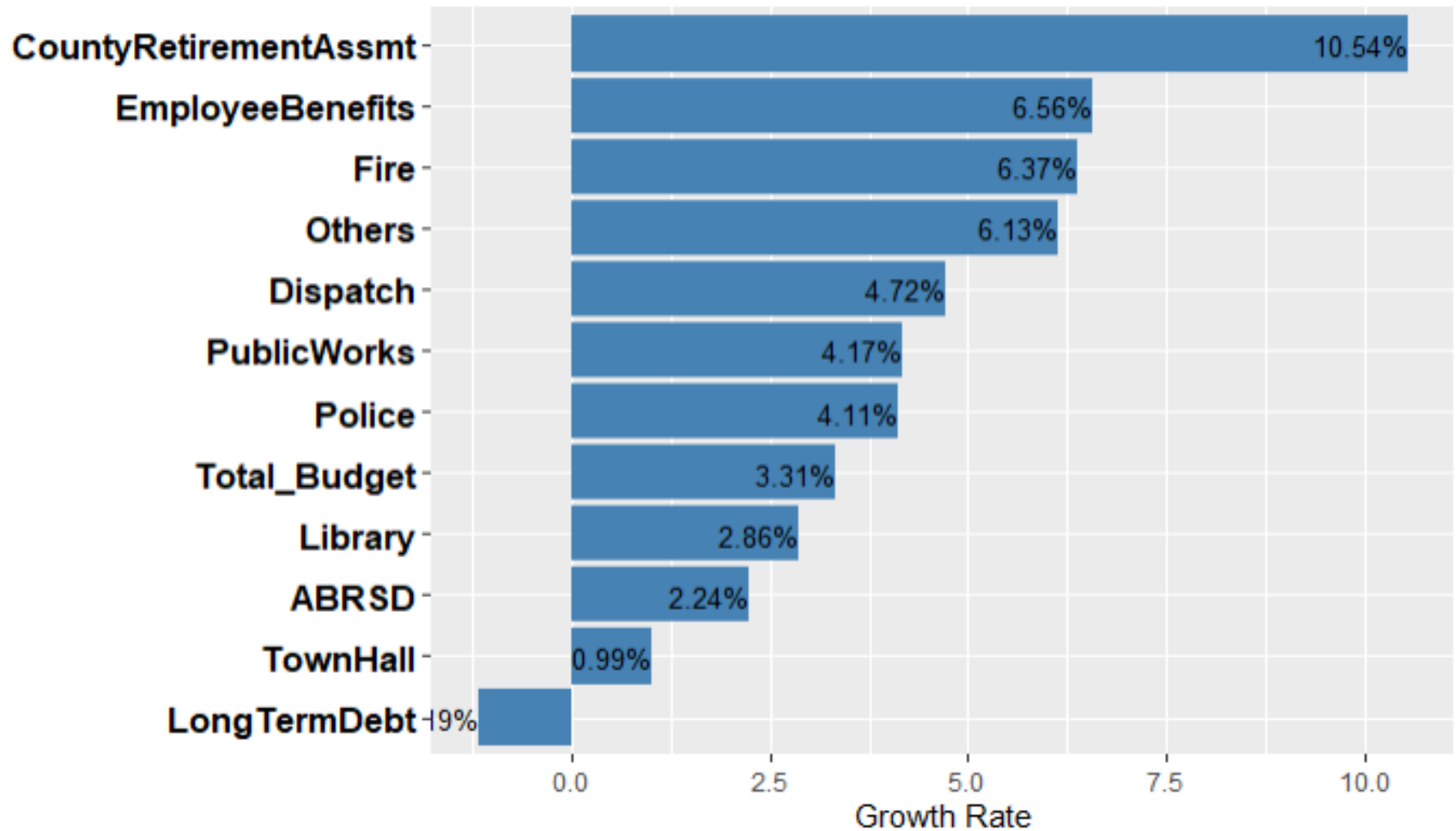


Departmental budget percentages



Avg Growth of Dept Budgets

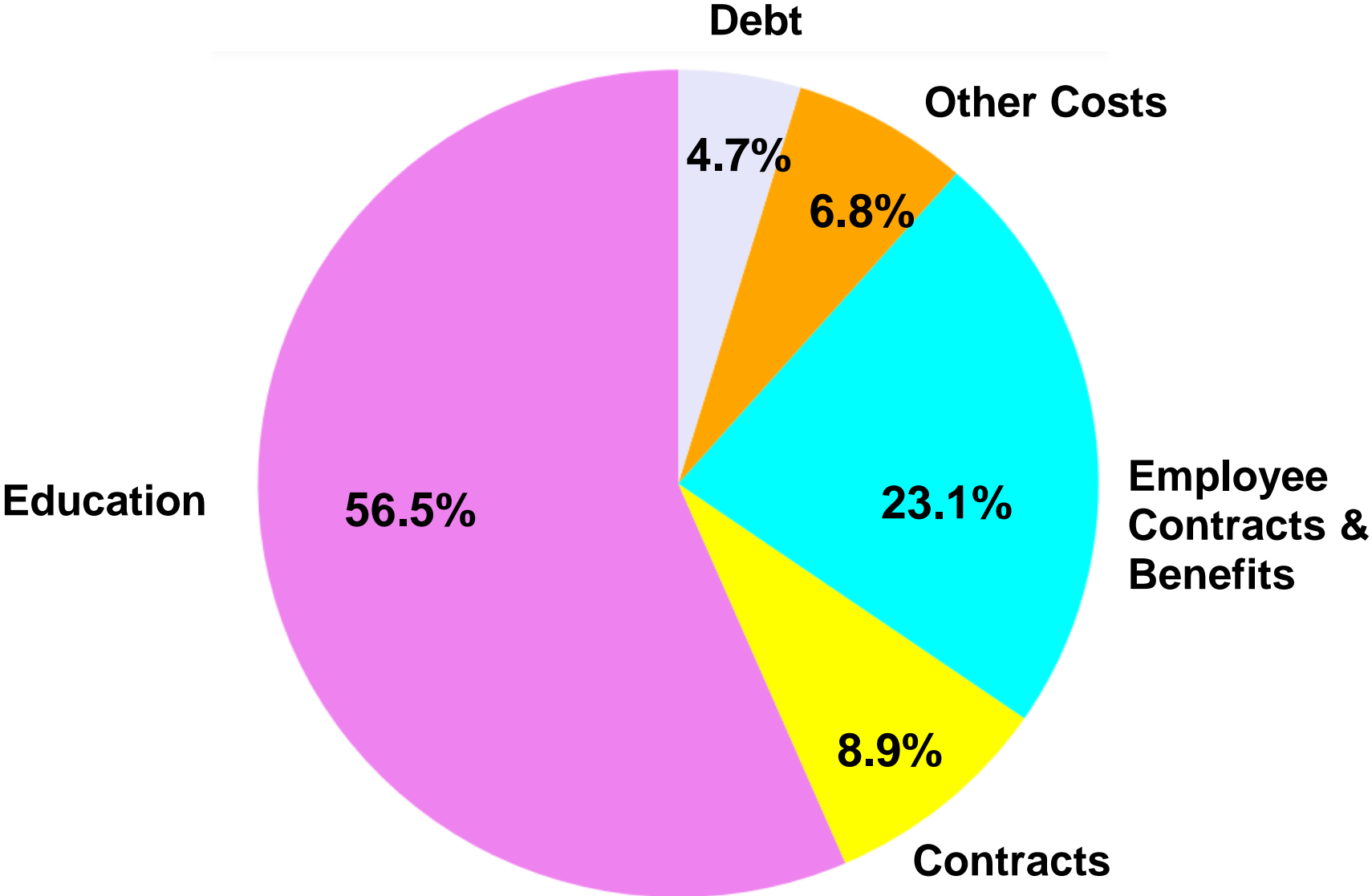
Average Growth Rate Per Year (FY18-22)



Town population during this period grew from 4996 to 5220 (1.1% per year)

Budget using 1.4%

Budget Impacts @1.4%



Budget Impacts @1.4%

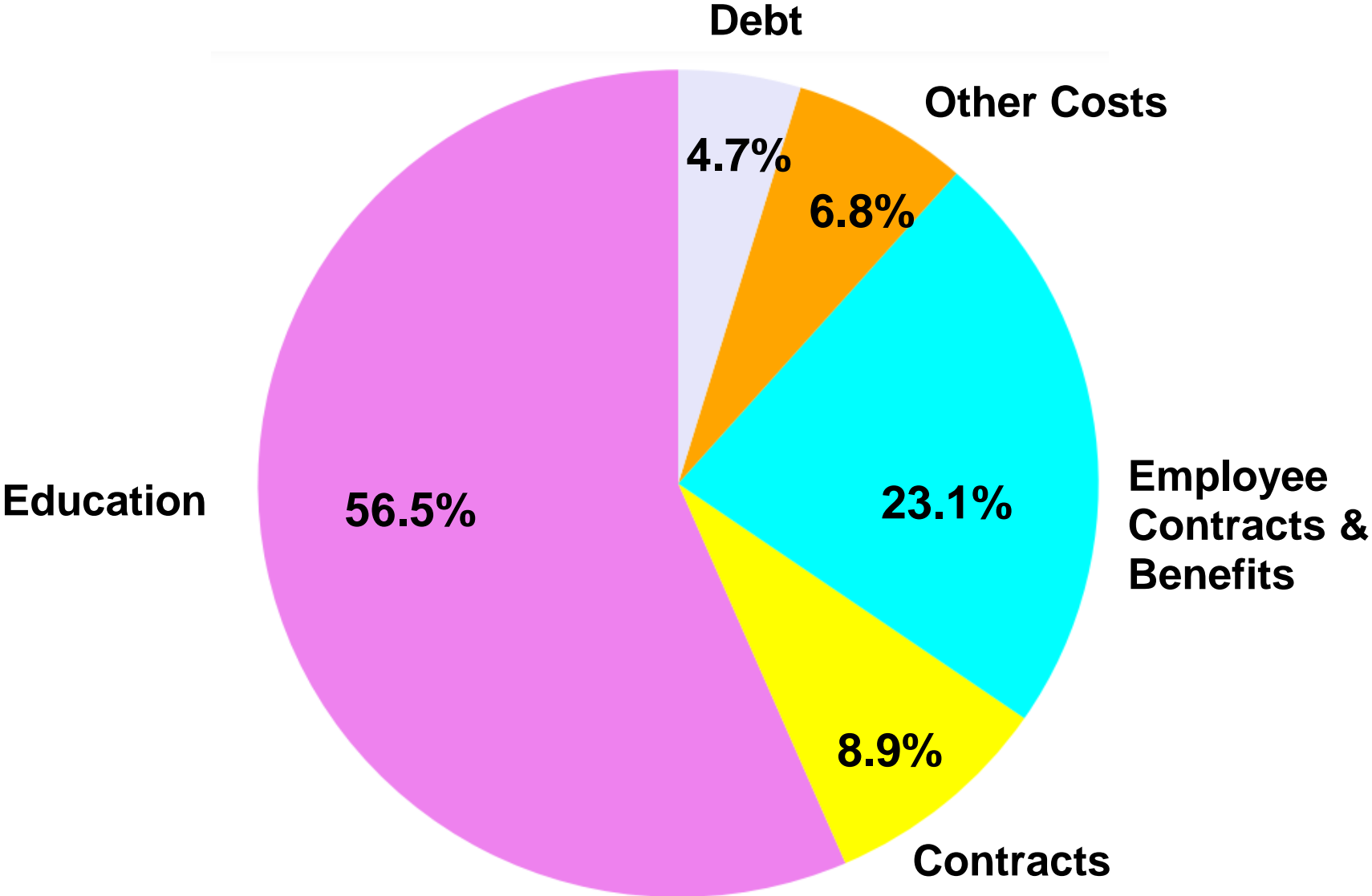
Budget item	FY22	FY21	% of budget	\$ difference	% difference
School assessment	\$13.1M	\$12.55M	56.4%	\$510,895	4.1% increase
Debt service	\$1.09M	\$959K	4.7%	\$135,310	14.1% increase
Employee benefits	\$2.31M	\$2.21M	10%	\$100,090	4.5% increase
Employee Contracts	\$3.04M	\$2.5M	13.2%	\$547,681	21.9% increase
Other Contracts	\$2.06M	\$641K	8.9%	\$1.42M	221.4% increase
Total budget per warrant	\$23.16M	\$22.13M	100%	\$1,027,530	4.79% increase
Non-assessments	\$1.58M	\$3.27M	6.8%	-\$1.69M	

Financial Overview - Fiscal Year 2022 Budget Overview

	FY 2022	FY 2021	% Change
Expenditures			
Operating Budget	\$23,160,535	\$22,133,005	4.64%
Warrant Articles (ATM)	\$3,918,728	\$1,594,950	246%
Total Expenditures	\$27,079,263	\$23,727,955	37.6%
Revenues			
Tax Levy	\$21,523,248	\$20,730,057	3.83%
Local Receipts/State Aid/Other	\$2,310,337	\$2,093,025	10.4%
New Borrowing	\$3,245,678	\$904,873	359%
Total Revenue	\$27,079,263	\$23,727,955	14%

Budget using 2.4%

Budget Impacts @2.4%



Budget Impacts @2.4%

Budget item	FY22	FY21	% of budget	\$ difference	% difference
School assessment	\$13.1M	\$12.55M	56.4%	\$510,895	4.1% increase
Debt service	\$1.09M	\$959K	4.7%	\$135,310	14.1% increase
Employee benefits	\$2.31M	\$2.21M	10%	\$100,090	4.5% increase
Employee Contracts	\$3.04M	\$2.5M	13.2%	\$547,681	21.9% increase
Other Contracts	\$2.06M	\$641K	8.9%	\$1.42M	221.4% increase
Total budget per warrant	\$23.18M	\$22.13M	100%	\$1,027,530	4.79% increase
Non-assessments	\$1.6M	\$3.27M	6.9%	\$1.69M	

Financial Overview - Fiscal Year 2022 Budget Overview

	FY 2022	FY 2021	% Change
Expenditures			
Operating Budget	\$23,180,980	\$22,133,005	4.73%
Warrant Articles (ATM)	\$3,918,728	\$1,594,950	246%
Total Expenditures	\$27,099,708	\$23,727,955	37.6%
Revenues			
Tax Levy	\$21,523,248	\$20,730,057	3.83%
Local Receipts/State Aid/Other	\$2,330,782	\$2,093,025	10.4%
New Borrowing	\$3,245,678	\$904,873	359%
Total Revenue	\$27,099,708	\$23,727,955	14.1%

Revenue

Our Budget is funded from essentially 3 sources:
State Funding, Local Fees, and Taxes

1. The only way to reduce Taxes on Residential properties is to increase revenue from other sources, like Commercial Property Taxes or Local Options Taxes.
2. Unfortunately, Our Commercial Property (including Office Buildings) Vacancy Rate continues to rise resulting in abatements of taxes and shifting the burden to Residents

Abatements

Taxpayers, including owners of commercial properties, can and do request a review of their property taxes.

When it is found that the value of the property is recorded higher than evaluation calculations merit, then the correction is made financially which results in an abatement back to the taxpayer.

The overlay account in the Town budget covers these unknown, but not unexpected abatements.

Cost of Abatements

In addition to the Budget the Tax Rate includes money to cover the cost of Abatements

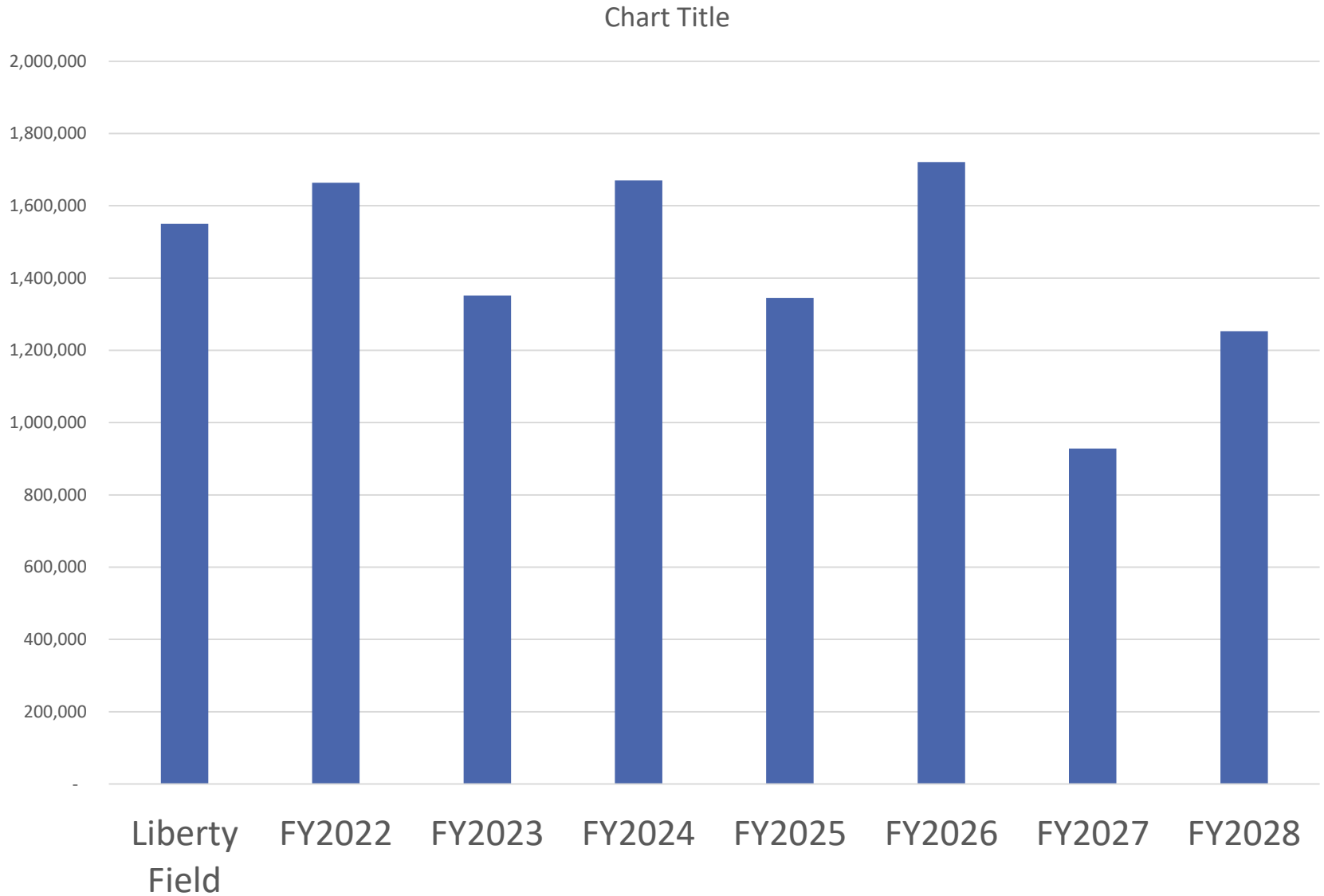
Fiscal Year	2016	2017	2018	2019	2020	2021
Abatements	\$36K	\$53K	\$228K	\$228K	\$285K	\$292K YTD

183% increase in abatements Since FY2016

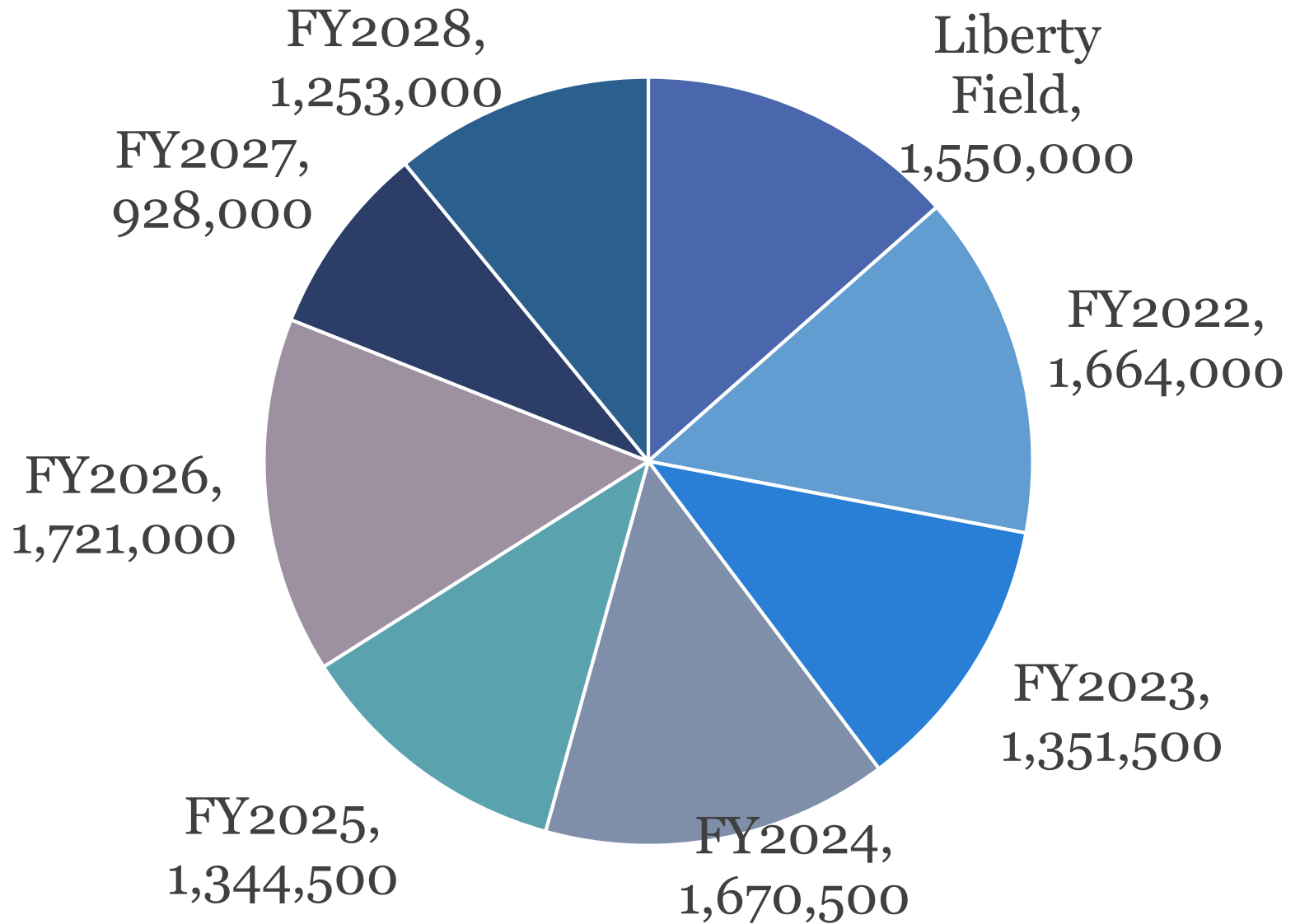
FY2018: \$76,673 in abatements were for commercial properties

FY2019: \$51,394 in abatements were for commercial properties

Financial Overview - 7 Year Total Capital Forecast



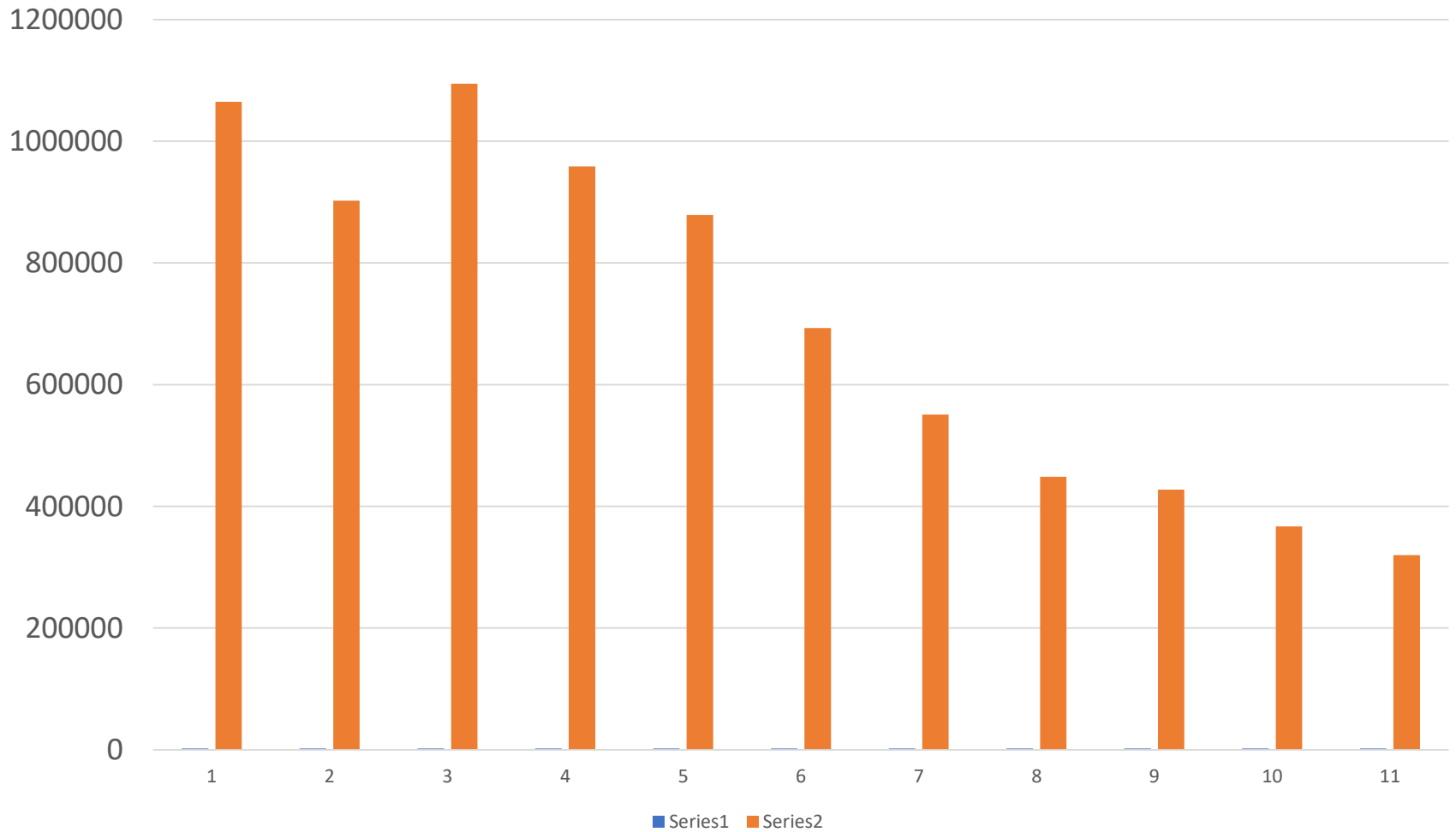
Financial Overview - 5 Year Total Capital Forecast



Financial Overview - Town Debt

Debt Schedule does NOT include new construction for public safety facilities or school construction

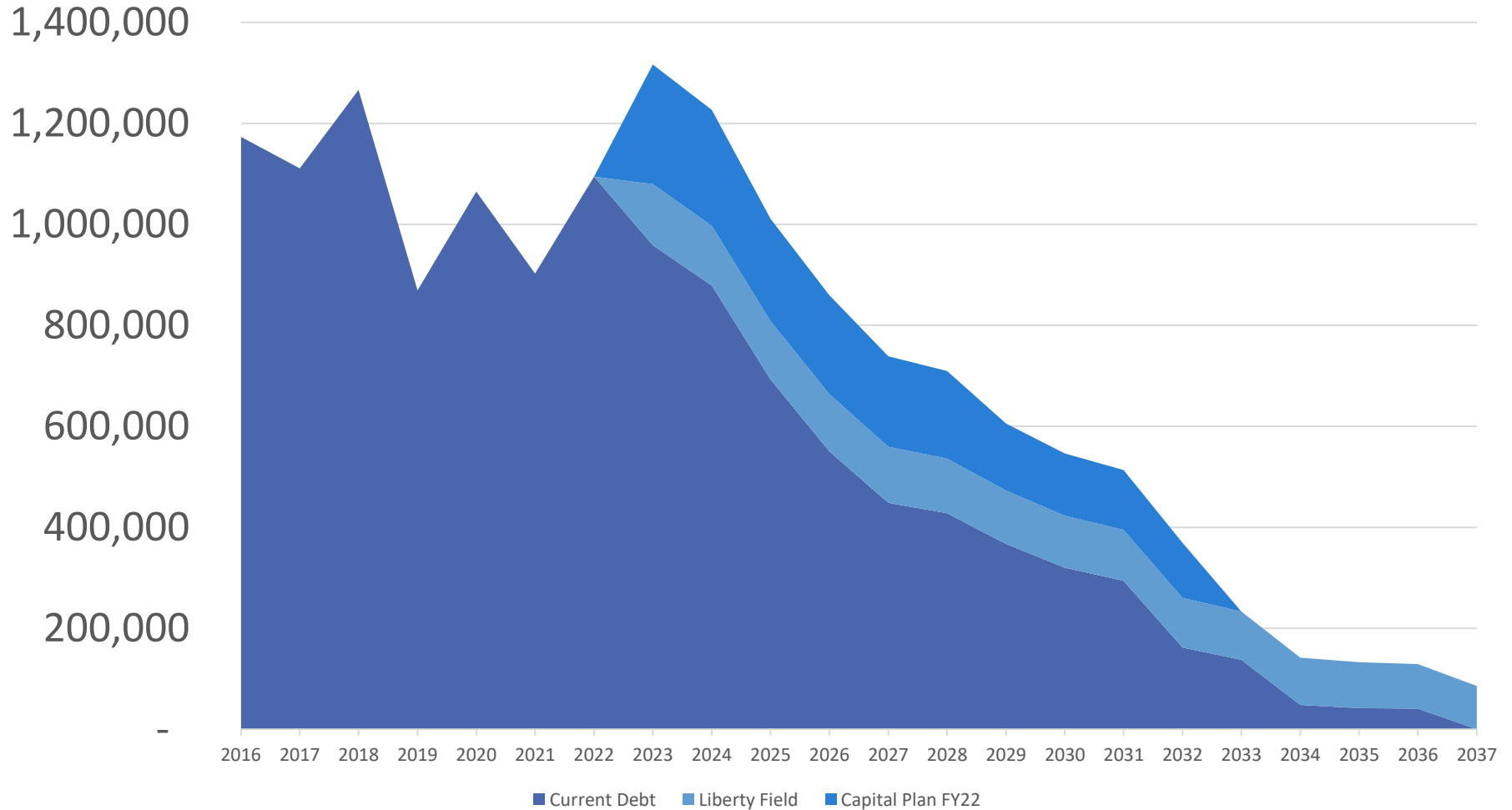
Chart Title



Financial Overview - Town Debt

Debt Schedule does NOT include new construction for public safety facilities or school construction

Current Debt, Liberty plus FY22 Capital Plan



Financial Summary - Continued

FY2021 Average Estimated
Single Family Home Valuation = \$608,780

FY2022 Average Single
Family Home Valuation = **\$617,781**
(after Revaluation)

FY2021 Average Actual
Single Family Tax Bill = \$10,607

FY2022 Average Estimated
Single Family Tax Bill = **\$10,879**
Est. tax rate=17.61



Thank You
