

The Budget Advisory Committee met January 7th in the Town Hall meeting room

Members present: Spec Bowers (Chairman), Ken Meyer, John Augustine Members absent: Veronica Hastings who had to work that day

The meeting was called to order at 3:05 pm

Members discussed the draft annual report (included below). After lengthy discussion and some suggested edits, the committee approved the report.

The committee briefly discussed whether the warrant would include a Hydro article. The chairman would ask.

The committee briefly discussed the timing of a possible withdrawal from the school's special ed reserve fund and whether that would affect taxes in the coming year. The chairman would ask.

The meeting was adjourned at 4:10 pm

Spec Bowers, acting clerk

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This year was a difficult year for the BAC - and for the taxpayers.

The smaller problem was with BAC membership. We are missing one person from the five we ideally would have. If anyone is interested in learning all the nitty-gritty about how the town operates - including a behind-the-scenes tour of the transfer station and the waste water treatment plant - then please contact Donna Nashawaty or myself.

A secondary problem we faced was that it was difficult to find days and times when all four of us were able to meet. Each of the four of us at one time or another had a conflict with previously scheduled obligations. I expect that other town committees have seen the same problem on multiple occasions, but that problem is exacerbated when we start out one member short.

The more important difficulties will be faced by the taxpayers. Both the town and the school budgets show large increases. Everybody involved, the department heads, Donna Nashawaty, the selectmen, and the BAC all worked hard to reduce what we could, but the end result is still a sizable increase. Similarly, on the School side of the budget, the superintendent, principals, school board, and BAC did what we could, but we still have a large increase.

Starting with the Town budget, many of the increases were due to events last year, not due to decisions this year. The voters decided last year to increase spending in future years (i.e. this year and beyond) by \$100,000 for paving town roads and to spend approximately \$60,000 per year on a point system to reimburse however slightly our volunteer firemen for their time and service. Voters also approved borrowing for the new town library and for the Perkins Pond sewer. Interest on those notes amounts to about \$40,000 per year. So the operating budget is approximately \$200,000 higher due to past voter decisions even before we made any decisions about this year's budgets.

If the rest of the budget stayed exactly the same, that \$200,000 of higher spending would result in about an 18 cent tax increase. Nobody should be surprised by that much of the tax increase; the warrant articles spelled out that the increases were permanent. I'm not sure, however, whether anybody last year pointed out the cumulative effect on taxes of the various warrants. Henceforth, I think we should make clear the effect on future taxes if warrant articles are approved.

But the budget did not stay the same; there were unavoidable increases. The town's grader, an important piece of equipment was scheduled for replacement next year but died a year early. There is also a dump truck scheduled for replacement this year. Normally, we buy such equipment from a capital reserve (CR) fund, but there was not enough money in the fund to buy both pieces. One option considered was to raise taxes even more this year to put enough money into the CR so that we could take the money right back out to buy equipment; another option was to rent a grader for one year, then buy one next year, but that would have been a waste of money. The final decision was to recommend to the voters a lease-purchase of both pieces of equipment. This results in a very large saving in taxes this year, at a cost of somewhat higher taxes for the next 10-15 years.

The warrant articles this year will include a large increase for paving town roads, this on top of the substantial increase last year. The selectmen asked what it would cost to repave all of our paved roads on a 10-year schedule. That came to \$400,000 per year which all thought was too high in a year when we are already seeing a large tax increase. They then requested a price for a 15-year repaving schedule. That came in at \$325,000, which is an increase of \$125,000 per year from the current budget. The warrant article will ask for that amount, which is roughly an 11 cent tax increase this year and in future years.

The bottom line is a large tax increase this year and predictable increases for future years.

The School budget is simpler but worse. There is a 10 cent tax increase due to the teachers' contract approved by the voters last year. But the big problem is special ed. Spending in the current year is up by \$326,000 for some students who needed out-of-district education. This is a double-whammy because the extra spending this year means a much smaller carry forward from this year to the next, and it also means that the school must budget much more for next year than was budgeted for this year.

The bottom line for the school is a very large tax increase this year, but the spending increases won't necessarily continue in following years.