



# Finance Committee

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ARTICLE 5

ANNUAL TOWN MEETING REPORT – MAY 2019

# Goals of the Finance Committee

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- **Realigned** the operating budget – no automatic increases, looked at historic events
- **Proposed increased services** through warrant articles for the operating budget
- **Manage long-term** debt via capital planning process
- Address unfunded **retiree benefits (OPEB)** and **manage available cash flows & stabilization funds**

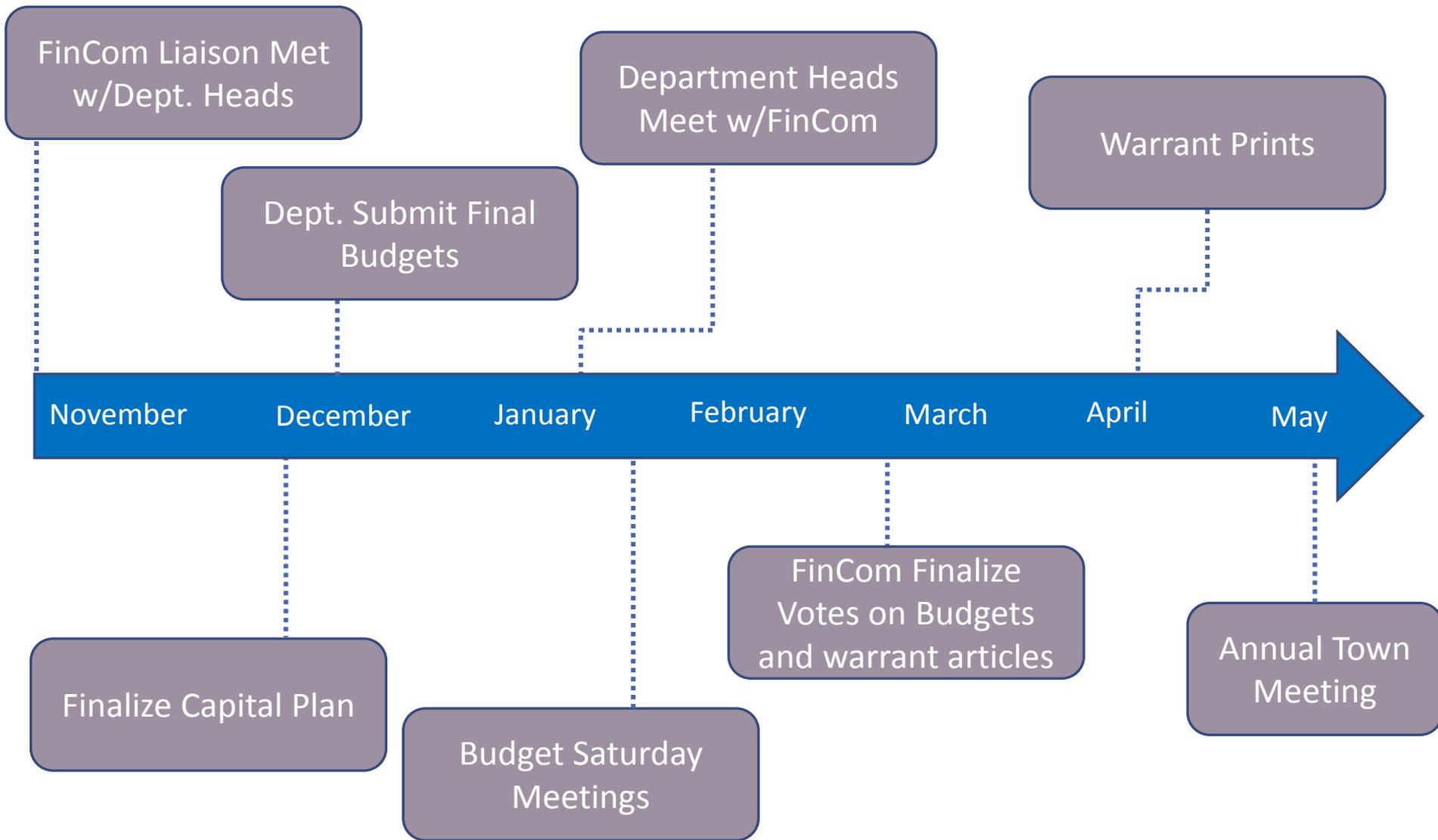
# Role of the Finance Committee

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**Volunteers** appointed by the Town Moderator that **represent the taxpayers**

1. Responsible for receiving, analyzing and presenting the budget to the Town
2. Review & provide a Recommendation on All Warrant Articles
3. General financial oversight of all town matters and short/long-term financial planning including both Expenses and Revenue
4. Serve as liaisons to Town and AB Region Committees for open communication
5. Active participants on Town building committees, CPC and Housing Board

# Typical Finance Committee Process

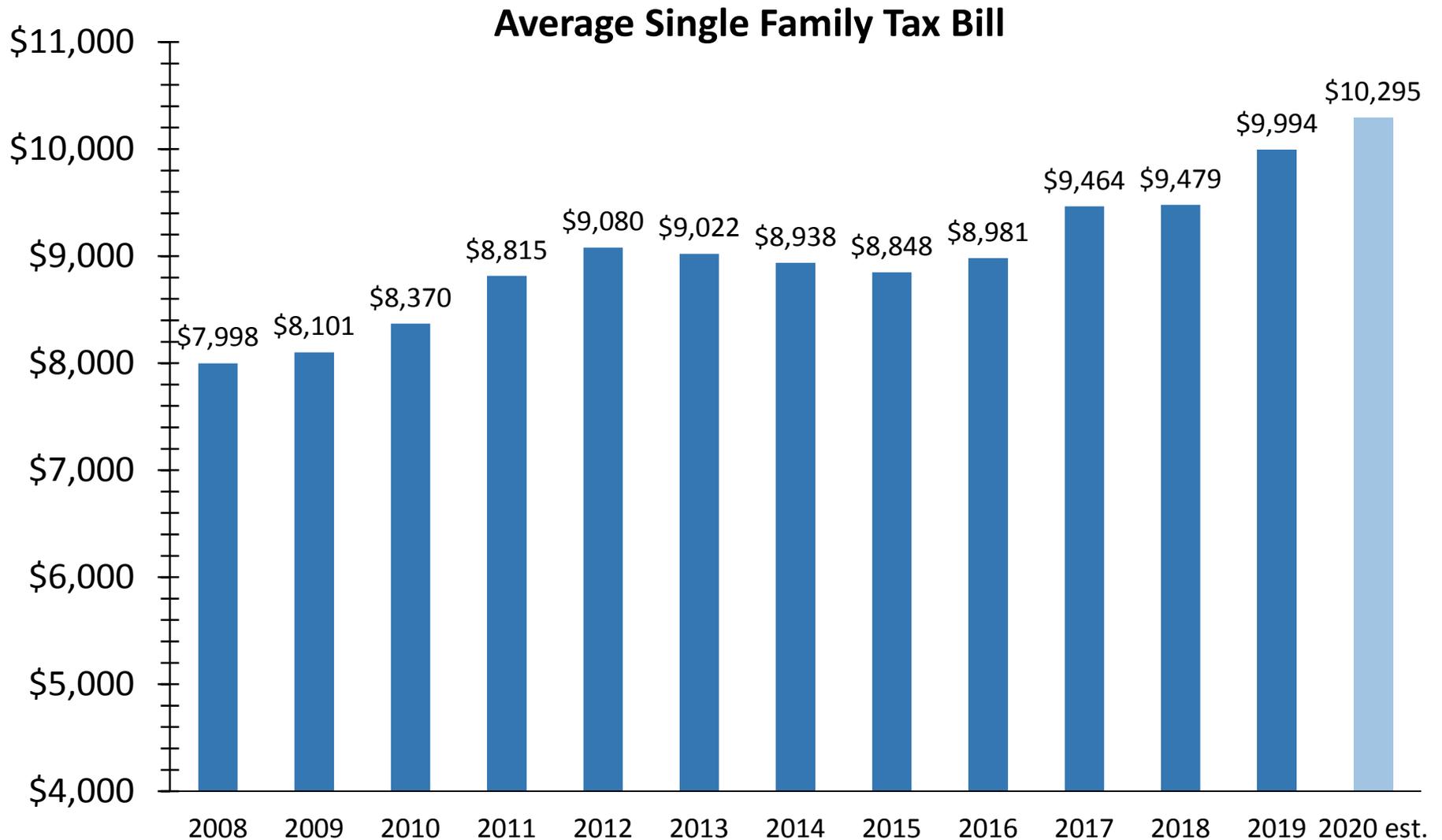


# 2019 Process Improvements

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1. Started the process earlier in the fall of 2018.
2. Prior to FinCom Budget review, Town Administrator and Town Accountant met with Department Heads and Committees to review budgets and define goals.
3. Increased communication/coordination with the Select Board regarding the budget to improve the effectiveness of the overall process.
4. Completed all voting on time for warrant submissions.

# Financial Overview - Average Single Family Tax Bill



# Revenue

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Our Budget is funded from essentially 3 sources:

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

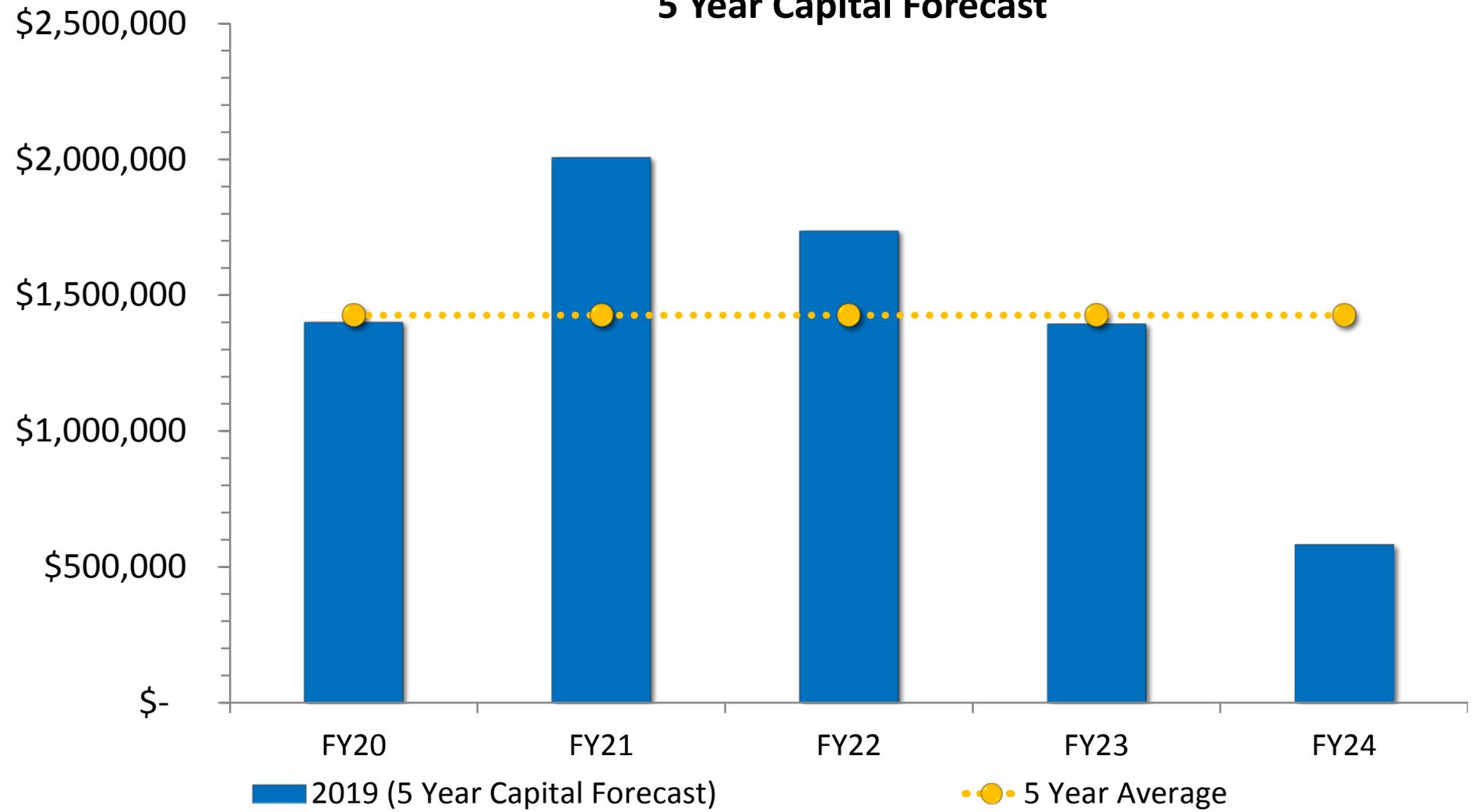
# Tax Base Shift

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Shift from Commercial to Residential	Total Shift of Residential Taxes	Equivalent # of New Homes	Projected tax increase average residential household
5%	\$204,739	20.5	\$109.56
10%	\$409,477	41.0	\$213.03
15%	\$614,216	61.5	\$322.59
20%	\$818,955	81.9	\$426.06
25%	1,023,693	102.4	\$535.62

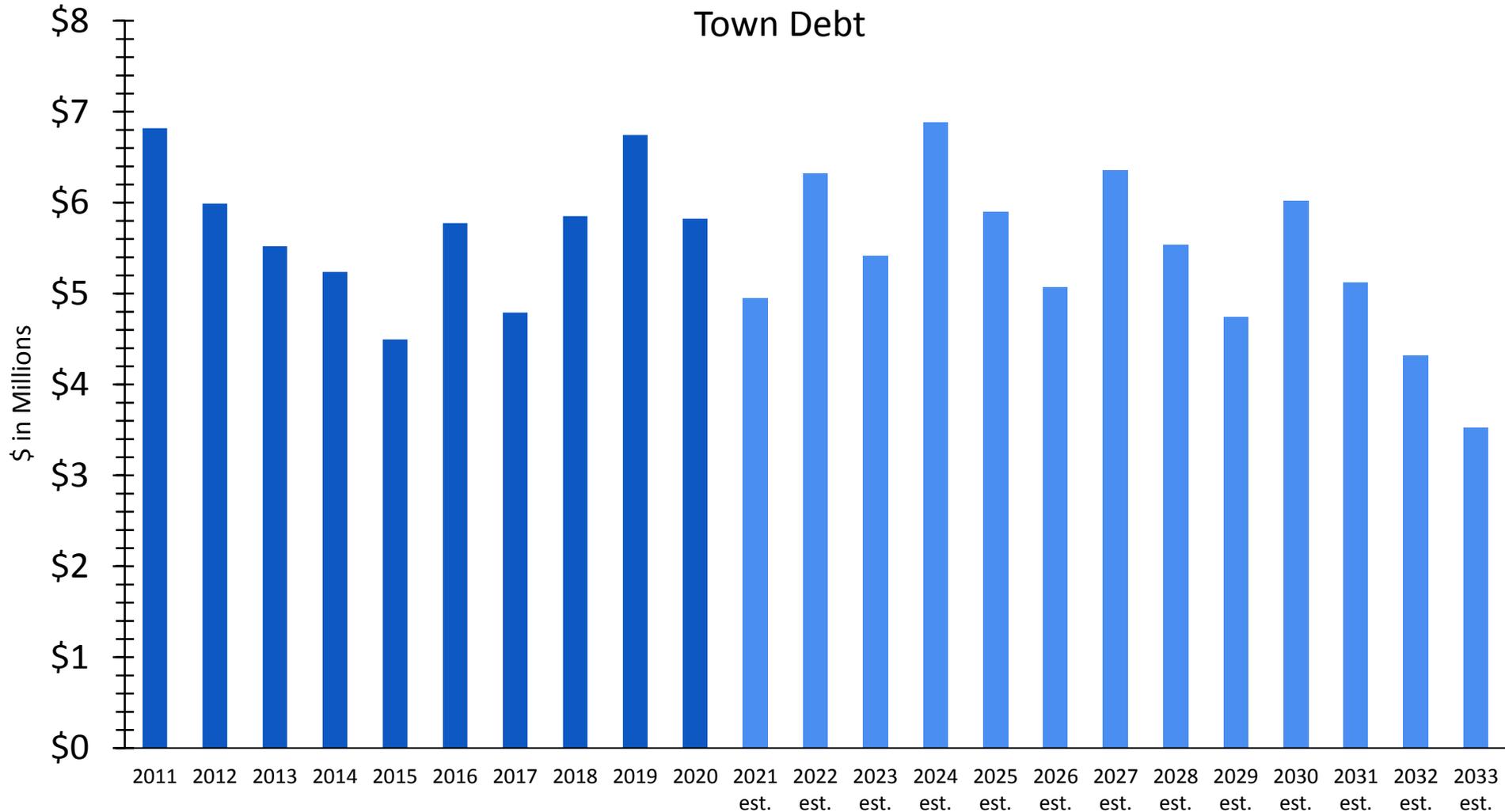
# Financial Overview - 5 Year Total Capital Forecast

## 5 Year Capital Forecast



# Financial Overview - Town Debt

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



# Financial Overview - Fiscal Year 2020 Budget Overview

	FY 2019	FY 2020	% Change
<b>Expenditures</b>			
Operating Budget	\$20,510,785	\$21,098,845	2.87%
Warrant Articles (ATM & STM)	\$3,096,618	\$1,791,576	-42.1%
<b>Total Expenditures</b>	<b>\$23,607,403</b>	<b>\$22,890,421</b>	<b>-3.04%</b>
<b>Revenues</b>			
Tax Levy	\$19,176,486	\$19,838,495	3.45%
Local Receipts/State Aid/Other	\$2,810,888	\$2,571,926	-8.5%
New Borrowing	\$1,944,900	\$800,000	-94.6%
<b>Total Revenue</b>	<b>\$23,932,274</b>	<b>\$23,210,421</b>	<b>0.4%</b>

# Cost of Abatements

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

<b>Fiscal Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD</b>
Abatements	\$53,349	\$58,061	\$154,796	\$93,494
Cost/parcel	\$26.32	\$28.64	<b>\$76.37</b>	<b>\$43.24</b>

**183% increase in abatements Since FY2016**

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

**So far in FY2019: Commercial property abatements total \$51,394**

# Financial Summary

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1. OPEB is 20% funded; estimate \$100,000/year until 2034
2. Reserve fund decreased from \$200,000 to \$150,000  
✓ *Represents 1.5% budget: not including School Assessment*
3. Free Cash was used to fund many warrant articles to avoid increasing the tax rate

# Financial Summary - Continued

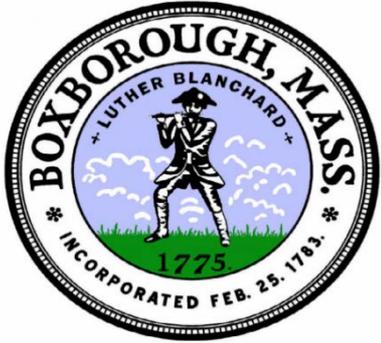
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FY2018 Average Estimated  
Single Family Home Valuation = \$576,600

FY2019 Average Single  
Family Home Valuation = **\$608,661**  
*(after Revaluation)*

FY2019 Average Actual  
Single Family Tax Bill = \$9,994

FY2020 Average Estimated  
Single Family Tax Bill = **\$10,295**



# Thank You

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