

Budget Committee Inquiries #4

Question #1: At last night’s meeting, before we could finalize our vote, we confirmed the budget numbers by article except for Fiscal Operations. The numbers we used were from your latest updates on the website.

Here is what we pulled together:

Capital Improvements	\$114,800
Reserve Accounts	\$429,000
Debt Service	\$163,007
Committees	\$ 38,300
Outside Agencies	\$ 82,889
Library	<u>\$245,612</u>
Total Article	\$1,073,608
Your Sheet	\$1,032,908
Unexplained Difference	\$40,700

Can you kindly let us know where we are different from your sheets? **If you click on the number on the worksheet the numbers included will appear on the “formula bar”.**

FISCAL YEAR 2025 Preliminary (as of 3.14.24) OPERATING BUDGET WORKSHEET					
TOWN OF ELIOT Proposed Referendum Warrant Articles FY 2025 - to be funded by taxation		FY 2024 TOWN VOTED BUDGET	TOWN MANAGER PROPOSED FY 2025 BUDGET	FY2024 BUDGET TO FY2025 BUDGET % +	
Article #5	Administration-A	\$ 2,412,574	\$ 2,876,517	19.	
Article #6	Fire Department-C	\$ 409,079	\$ 425,800	4.	
Article #7	Police Department-D	\$ 1,413,424	\$ 1,471,412	4.	
Article #8	Public Works	\$ 2,524,703	\$ 2,412,634	-4.	
Article #9	Community Services/Recreation	\$ 438,565	\$ 393,772	-10.	
Article #10	Fiscal Operations	\$ 573,677	\$ 529,808	-7.	
	Budget Totals	\$ 7,772,022	\$ 8,109,943	4.	

Question #2: We all would appreciate more information to help us fully understand the LD1 calculations. Perhaps Don could fill us in at the meeting next Wednesday? **See explanation above of LD1, I do not see the need at this time to have the Assessor come**

before the BC any calculation is not ready for final form and could cause confusion if taken out of that context. In “Fiscal Operations” if the proposed budget was to “raise and appropriate” funds for Capital or Reserve Funds they would be included, however given the large reserves cited in the FY 23 audit it was our intent to invest the unassigned funds (over \$6 million in audit) and allocate the requested amounts to the respective funds as opposed to asking the taxpayer to raise the funds. Therefore, Capital and Reserve are removed from the article and are requested to be allocated from the unassigned funds in a separate article. The debt service for Town only (no Sewer debt), Outside Agencies, Wm Fogg Library, and Standing Committees are contained in this article.

Question #3: We would appreciate a brief discussion with you explaining the revenue and expense numbers for the new Sewer department. Once we have our heads around that we can decide if the BC needs to opine on the Sewer. **Creating the Sewer Budget was something suggested/requested by the auditors. This year’s budget is articulated more fully including the debt service which was creating accounting concerns in regard to the General Fund Budget as it is intended to operate by way of ratepayers. The Select Board is the de facto Sewer Commission, setting rates and authorizing expenditures. It is common practice in municipalities to separate out larger enterprise operations (utilities, golf courses, harbor operations etc.) from the general fund when they operate via fees.**

Question #4: We were curious how it came to be that the budgeted articles represented only a 1.8% Yr/Yr increase in the overall plan. Given the significant increases in certain other weighty categories in the budget, we would have expected a higher growth rate overall. If we have time, we will go back through the categories and piece that story together or maybe you could more easily shine some light on how it worked out at this level of increase? **Yes, when we revisited the calculations, we discovered an inequity between FY 24 and FY 25 which caused an anomaly in the percentage. The County Assessment was removed and the Sewer Debt from FY 24, as they are not in the FY 25 GF budget (County funded outside GF, Sewers are an enterprise). Once recalculated you can see the budget increase is still a modest 4.3%. This did not affect the LD1 or the mil rate estimates as they were previously not included in commitment. I apologize for the error.**