

ANNUAL REPORT OF THE FINANCE COMMITTEE - 2018

The Finance Committee worked diligently over the past four months to develop reasonable budget recommendations for FY19. The Finance Committee is recommending a FY19 Town Operations budget of \$5,068,403 which represents 3.63% change from the FY18 Town Operations budget. The Finance Committee believes that the FY19 budget recommendations as presented will fund a level of services equal to those of the prior fiscal year without overburdening taxpayers.

The Finance Committee also reviewed the capital project recommendations from the Capital Improvement Planning Committee. After careful consideration of those requests, the Finance Committee recommends the following capital projects be funded:

Department/Facility	Item/Equipment/Program	Cost
Highway	Replace Plow (F550)	\$7,000
Highway	Deck Mower	\$12,700
Highway Garage	Replace Roof	\$25,000
Fire Station	Monitored Fire Detection System	\$6,000
Whately Elementary School Building	Sprinkler System Repairs	\$50,000
Town Office Building	HVAC Repairs	\$8,000
Town Office Building	Roof Repairs	\$3,500
Athletic Fields	Installation of Fence	\$1,800
Library	Lights & Electrical Upgrades	\$5,000
Cemeteries	Lawnmower	\$6,000

After extensive discussion and the receipt of additional information from both the Fire Department and Police Department, and in light of the current positive financial position of the Town, the Finance Committee recommends the following two additional capital projects be funded this upcoming fiscal year.

Department/Facility	Item/Equipment/Program	Cost
Police Department	Police Cruiser	\$45,000
Fire Department	Rescue & Transport Vehicle	\$40,000

The Finance Committee also voted to support the additional spending for the Town Hall rehabilitation project. The Committee voted 4 to 3 to support the requested \$102,000 to complete the project, while several of the members would have supported contributing a lesser amount. The amount requested is proposed to come out of available funds, free cash and receipts reserved for appropriation (proceeds from the sale of the cell tower easement) so that the additional spending will not increase the tax levy or the tax rate for FY19.

The total cost for the recommended capital projects supported by the Finance Committee is \$312,000. The Finance Committee recommends that all the capital projects be paid for with available funds (FY17 Free Cash and Vehicle Stabilization Fund). The use of available funds to pay for capital projects helps keep the tax levy and tax rate lower.

The Finance Committee voted to accept the Personnel Committee's recommendation of a 2.25% cost of living adjustment for Town employees. The cost of living adjustment will ensure that the Town remains competitive with other communities and to ensure the Town is paying its valuable employees equitably for their time and commitment to providing our residents with the services they need.

Increases in health care costs and education funding continue to be the primary driver of increases to the Town's operating budget. For FY19, the costs for the group health insurance have increased by \$72,413 or approximately 19.5% from the previous fiscal year. This increase is due to premium increases and the addition of five additional subscribers to the group health insurance over the past year.

While the Town's assessment for Frontier was slightly less than the previous year, the Whately Elementary School budget increased by \$41,003 or 2.5% from the previous fiscal year.

Annual increases of this magnitude to the education and group health insurance budgets are simply not sustainable over a long period of time without a reduction in the level of services provided by the Town and/or additional increases in taxes. The Finance Committee will continue to work with the School Committee and the Selectboard to address these concerns.

The Finance Committee once again feels that the budget as recommended balances the financial needs of the Town without overburdening our taxpayers.

Respectfully submitted

Whately Finance Committee

Paul Antaya, Chair

Roger (Dan) Kennedy

Robert Fydenkevez

Thomas Mahar

Joseph Zewinski

James Kirkendall

Fred Baron