

*Summary of comments made by Jane Dutcher, Chair of the Finance Committee as recorded by the Town Clerk from her informal notes. Please note this is not a verbatim record but a good faith report on the most important points discussed by her.*

Preparing the budget for our Annual Town Meeting is like working on a jigsaw puzzle. It is challenging, frustrating, and sometimes it is even fun. The committee works very hard to be sure all the pieces are the "right" size and that a piece is never lost. Any of the members of the Finance Committee will attest to each of those statements.

Let me introduce our members — Brian Hervieux, David Lorenz, and Stephen Nestanpower. Most importantly we could not get our puzzle together without the help of our Town Accountant, Joyce Muka. My personal thanks to each of them for their dedication and hard work which began last September and intensified as the year progressed, peaking in March and April. During that time, we met with many of the town departments and committees and sought financial and other information to help complete the budget picture.

The Finance Committee had a goal to keep the tax rate level this year.

When you came in you probably picked up a copy of the Warrant and, hopefully, a copy of an abbreviated spreadsheet prepared by the Finance Committee.

I will highlight a few items in those documents:

Certified free cash this year was \$479,969. We believe that Free Cash should be reserved for one-time and extraordinary expenditures or saved for big \$ items and should NOT be used for recurring expenditures. So, to this end, Free Cash has been designated for AND with your approval will be used for a number of items this year. Most are marked by the letter F in the 2<sup>nd</sup> column of the various tables.

Items in the budget that I would like to highlight before we begin are:

In Article 5 under Debt Service:

1. \$80,000 towards the Turners Falls Road Bridge over Dry Brook. Last year you approved borrowing up to \$350,000 for this project. Since that time the estimate has soared to \$380,000. The Selectboard and the Highway Superintendent have agreed to cover this extra \$30,000 from highway funds. We have already borrowed \$60,000 for the preliminary work and the repayment plus \$504 in interest is due early in FY 18. When we put this budget together we expected that work would begin in June and therefore we would be adding to this borrowing and would thus have a 2<sup>nd</sup> payment due during FY18 which we anticipated to be \$80,000.
2. \$50,000 to pay the balance due for the Parking Lot at BES. \$100,000 was borrowed last year to be repaid over 2 years. The payment due in July is \$50,840 (including interest). Our recommendation is to pay the entire balance and avoid paying any more interest.

3. Board of Health – Clerk’s salary now all Raise & Appropriate; formerly ½ came from their Revolving Fund.

In Article 6:

The Finance Committee recommended a level funded assessment for PVRs. We believe the administration is working hard to make necessary adjustments in the District, we do not believe that all of the School Committee understands that need. Level funding our assessment seemed the only way to make our voices heard. The Selectboard, however, decided to override our recommendation and thus the Article calls for PVRs Operating Budget at the level requested by the District.

Funding capital projects at BES and Bernardston's share of the Capital Projects at the High School are all earmarked for Free Cash allocations.

Operating budget FY 2017 should read \$ 2,839, 601

In Article 9:

1. We are recommending an additional \$50,000 for the Bridge Repair Account. This account was started to pay for painting and maintenance of the 2 bridges over the Falls River. We hoped to have a firmer number by Town Meeting, but sometimes the wheels of progress just turn very slowly. So our hope is that by increasing the deposit to this account to total of \$80,000 we will be able to contract to complete the work on at least one of the bridges.
2. Also in this article is an increase of \$10,000 for the Vehicle Stabilization Account. We expect this addition to be funded by an increase in the Room Tax revenue. You are asked to increase this to 6% in Article 10. If you recall, a few years ago the Finance Committee recommended, and you approved, adopting both a room and a meals tax and using the proceeds to fund a Vehicle Stabilization Account. I am happy to report that the income to the general fund has far exceeded our expectations and also exceeded the amount we allocate to the Vehicle Stabilization Fund (VSF). The VSF has so far covered the cost of a Highway Dept. Truck, Police Cruisers, and for the Fire Dept, Rehab of Engine #2, and with approval of Art. 17 this year, replacement of the Squad Truck. The income from the inception of the Room and Meals tax has exceeded \$60,000 per year and the allocation to the VSF has remained at \$40,000. We do not want to penalize the general fund by just increasing the allocation so we offer Article 10 — increase room tax - which will more than offset the increase to the Vehicle Stabilization Fund. Hopefully, this increase will allow the fund to grow so that it will cover the future costs of the more expensive vehicles.
3. The \$45,000 is a repayment of the amount we used last year for the gym roof.

Article 18:

1. Allows for some needed work at PI. The sidewalk next to the parking lot is crumbling and needs replacement.
2. And, installing a split system in the basement should help to alleviate some or all of the problems there.

Article 19:

Requests funding to become part of a Mosquite Control District should this district be established this fall. The purpose of the District would include establishing what species of mosquitoes are in Bernardston and allow the Town to Act if an outbreak of a mosquito-born illness such as West Nile Virus or Triple E (Eastern Equine Encephalitis) is detected in our area. It is a little more complicated than that, but that is the general overview.

Article 20

Asks that we establish an Other Post-Employment Benefits (OPEB) Liability Trust Fund and Article 21 starts the fund with \$25,000. State statute requires Towns to establish such a fund to pay future Other Post-Employment Benefits to our retirees. Once this fund is established, we would plan to add \$2,000 to \$3,000 to it each year until it is fully funded.

Article 22

Asks to establish, with \$20,000, a fund to pay employee retirement/separation costs. For example, when an employee retires, that employee is entitled to be paid for some of the accrued sick-time and unused vacation time due to him/her. The Finance Committee felt that it was time to set aside some funds for this possibility and the Selectboard concurred.

Last, but certainly not least, each payroll line includes a 2 ½% increase for each employee. Additionally, each year the Finance Committee attempts to review some pay rates. This year we looked at the Police and Highway Departments and the Town Coordinator. Additional adjustments were indicated in each of these areas.

Respectfully Submitted June 6, 2017

A handwritten signature in cursive script that reads "Paul W. Luther". The signature is written in black ink and is positioned above the typed name.

Paul W. Luther, Bernardston Town Clerk