

Part 1 - This year's budget

- Good morning. I'm Jeff Brown, and I'm going to review the current year's budget.
- I'm happy to report that almost all the expenses came in at, or under, budget.
- As we review this year's budget, I'll note any *significant differences* between the *actual* dollar amounts that we project for this year, and the *budgeted* dollar amounts.
- I did want to give a reminder that any differences between the tick tax in this year's budget and next year's budget are not material – since the revenue is always exactly the same as the expense – it's just a user-paid expense, and only those owners who have chosen to participate incur this fee.
- For our bottom line, we received \$3,200 in revenue above our budgeted amount, as a few past due tax payments came in.
- We were under budget in several categories, including:
 - Lyme disease (\$2,000)
 - Insurance (\$1,600)
 - And a number of other categories were a few hundred under budget.
 - The road maintenance budget was about \$28,000 under budget. As we worked through this past fiscal year, and it became clear that the drop in oil prices would significantly decrease the cost of any paving projects we did this year, we focused on saving money in other areas so that we'd have enough to do the project this year, and we ended up with savings in the following areas:
 - * a little over \$600 in plowing
 - * \$4,100 in mowing
 - * \$5,000 paving
 - * \$3,300 in drainage
 - * \$1,600 for the crack sealing
 - * \$2,500 in gravel road maintenance (*going to pave*)
 - * \$2,600 for the management fee (*because the items I just listed were less*)
 - * \$5,200 remained in the Unplanned Storm account. We spent about \$5,000 total as a result of the late January blizzard, but that still left us \$5,200.
- So with these \$36,000 total savings we had this year, our Reserve Fund for the Roads will grow from \$109,000 to \$145,000. There will be a motion made later requesting that we this allocation to the Road fund.
- The other Reserve funds for Fire, Catastrophe, and Unreserved are all back to where they were before the 2 hurricanes depleted them.

Part 2 – Next year's budget

- Hello again. Before I get started I wanted to thank a few individuals who have helped make my job easier over the past 4 years.
 - Our Presidents have been Jim McAuley, Kay Tower, Marie Saluk & Melinda Carlisle.
 - Our road czars John McGowen, Ethan Tower, and also Lydia Herd for all her help on many of the big projects we've had to study.
 - Our two tax collectors, Sue Johnson and Lydia.
 - And Rufus Allyn, for getting me all the information I need, and for ***coming in under budget on almost every job***, particularly this year, when we were trying to save enough money to take advantage of the large decrease in the cost of paving that is going on right now.
- For next year's budget, the mil rate will remain the same, and the total tax revenue we are requesting *will be the same for the 5th year in a row* – no tax increase!
- As we review next year's budget, I'll again note any *significant differences* between *this year's* budget and the proposed budget for *next year*.

REVIEW

- The revenue is a little higher this year than last, as we expect to receive a little extra from a few overdue tax payments.
- The road maintenance is \$8,600 lower, as we expect some savings in:
 - * maintenance-related paving expenses, since we're proposing repaving some roads and they won't need any work.
 - * crack seal, as the cost of oil is lower this year
 - * drainage, as it looks like our annual costs have decreased since we did the 4 projects a few years ago
- Insurance should be a little higher than last year, but lower than last year's budgeted amount.
- Traffic control at the guard booth will cost us another \$1/hour.
- We'll save \$2,500, as no audit is planned for next year. We'll do one at the end of this year.

We are again setting aside \$11,500 for unplanned events like hurricane or blizzard.

Road Project

- Lastly with the approval of this year's budget, we will have enough to proceed with the planned repaving of the main road, and Ethan Tower will review our plan now.
- The total cost is expected to be approximately \$173,000, and we will fund it by using the \$145,000 already in the Road fund, and \$48,000 more is going in from this year's proposed budget, giving us \$18-19,000 more than needed.

Motions

1. After I present and review the **current year's budget**:

- (i) Motion to accept the report as presented
- (ii) Motion to move the surplus from this year's budget into the Road Reserve Fund (estimated at \$32,000).

2. After I present the **proposed budget for next year**:

- (i) Motion to approve next year's budget as presented.
- (ii) Motion to authorize the use of the Road reserve fund to be spend on paving Chippechaug and upper SchoolHouse, ~~Crossover~~, and Black Duck.