

Town Article 5 – Operating Budget/Default Budget

This article will raise \$8,687,412.00 to fund the Town’s Operating Budget, or if the article fails, will raise \$8,801,633.00 to fund the Default Budget. (1) If the Operating Budget fails, and the Default Budget is in place, the Town may revisit the Operating Budget and call one special meeting so that voters can vote on the revision. The amounts above do not include other money warrant articles on this year’s ballot. These amounts do include the Water Department Budget, which is self-funded by water users and has no tax impact. (2)

The proposed Town Operating Budget (without Water Department) is \$7,780,265.00. This figure represents an increase of 0.85% (3) from last year’s Operating Budget of \$7,714,563. It is less than the Default Budget for reasons such as energy savings, staffing changes, fewer Workers’ Compensation claims, insurance changed to an HMO, and moving some categories out of the budget and into other funds (such as moving the budgeted funds for Culverts & Bridges into Capital Reserve Funds).

The proposed Water Department Operating Budget is \$907,147.00 whereas last year it was \$1,046,387. The 2020 proposed water budget was created by combining the Water Department budget with water funds from the Department of Public Works and is a decrease of 13% or \$139,240 due to debt forgiveness by the State of NH.

The annual tax cost of the proposed 2020 Operating Budget is \$5.468 per thousand of tax valuation or \$1,093.60 for a \$200,000 house. The annual tax cost of the Default Operating Budget is \$5.589 per thousand of tax valuation or \$1,117.80 for a \$200,000 house.

A YES vote raises \$8,687,412.00 to fund the Town’s Operating Budget and the Town’s Water Budget.

A NO vote raises \$8,801,633.00 to fund the Town’s Default Budget and the Town’s Water Budget.

Reasons why some voters might vote yes:

- To fund the proposed Town’s Operating Budget.

Reasons why some voters might vote no:

- Prefer to fund the Town’s Default Operating Budget.
- To allow the Town the option of revising its Operating Budget and calling a special meeting for voter action.

References:

1. The Town’s default budget is defined by state law. RSA 40:13, IX (b): “Default budget” as used in this subdivision means the amount of the same appropriations as contained in the Operating Budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the Operating Budget. According to RSA 40:13 X and XVI: The Default Budget is automatically in place if the

proposed Operating Budget fails and if the Town opts not to revise its proposed budget and call a special meeting.

2. The Water Budget is self-funded by all users of Town water according to a rate schedule set by the Selectmen. The Water Rate Schedule can be found at Town Hall.
3. Town Manager Joe Ilsley speaking at the Budget Committee meeting, 1/7/20.
4. See the proposed 2020 budget on the Town website and click on Voter Information or go <https://www.raymondnh.gov/voter-information>