

Town Article 12 – Operating Budget/Default Budget

This article will raise and appropriate \$8,487,677 to fund the Operating Budget, or if the article fails, will raise \$8,687,412 to fund the Default Budget. (1) These amounts do not include other money warrant articles on this year's ballot that may pass or fail. These amounts do include the Water Department Budget (2), which is self-funded by water users, has no tax impact, and is not included in the information that follows. 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 proposed Town Operating Budget, without the Water Budget, is \$7,637,631, which is a decrease of \$142,633 or -1.83% as compared to last year's actual operating budget. (3)(4) Budget increases include State-required labor costs (e.g. contributions to the State retirement system, exempt/non-exempt labor law), division of Tax Collector/Town Clerk from one position to two positions as voted in 2018, postal charges related to Covid-19, and welfare department payments for rent. Budget decreases include oil-based energy savings due to lower demand relating to Covid-19, moving budgeted lines to Warrant Articles to allow citizen vote, ongoing implementation of 2018 spending protocols, fewer anticipated legal expenses, and one eliminated position in the Planning Department & Economic Development.

The proposed Water Department Operating Budget is \$850,046 which is a decrease of \$57,100 or -6% as compared to last year's budget. (4) Water budget increases include life insurance contracts. Water budget decreases include consulting & engineering, contracted equipment & services, infrastructure repair & maintenance, and other technical services.

The estimated tax impact of the proposed 2021 Operating Budget (without the self-funded Water Budget) is \$5.198 per thousand of valuation or \$1,039.60 on a \$200,000 home. The estimated tax impact of the Default Operating Budget is \$5.315 per thousand of valuation or \$1,063.00 on a \$200,000 home.

A YES vote would raise and appropriate \$8,487,677 to fund the Town's Operating Budget and the Town's Water Budget.

A NO vote raises and appropriates \$8,600,468 to fund the Town's Default Budget and the Town's Water Budget.

Reasons why some voters might vote yes:

- To approve the proposed Town's Budget for 2021.

Reasons why some voters might vote no:

- To approve the Town's Default 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

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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. The actual budget includes the 2021 proposed budget plus any money warrant articles voted forward in March 2021 plus any obligations already contracted for.
4. “Town of Raymond 2021 Appropriations Package Operational Budgets and Warrant Articles.”