



State of the Town 2022

Budget:

- *What makes up our budget?* • *Why does it keep going up so much?*
- *How bad is it this year?*

Taxes:

- *How are taxes determined?* • *Why do they keep going up so much?*

Prop 2½ Levy Limit:

- *What is a Levy Limit?* • *What does the limit mean for us?*
- *What is an Override and why?*

Town Administrator?:

- *What does a Town Administrator do and why might we want one?*
- *What would it take? What would it cost? What would we gain?*

What's in the Town Budget? *One way to look at it:*

Required Costs: Mandatory costs we have to pay, no choice

e.g.: School District, Vocational Education, Insurance, Health Ins/Medicare/Retirement, Fire Protection & 911, Health Agent, Veterans Aid, Debt

Payroll Costs: People serving our Town

e.g.: Highway, Administration, Assessors, Tax Collector, Treasurer, Accountant, Town Clerk, Police, Transfer Station, Custodian, etc.

Other Operational Costs: What it takes to provide basic services

e.g.: Highway, Transfer Station, Town Hall: equipment, supplies, services, utilities, etc.

“Discretionary” Costs: Things we have some choice over

e.g.: Community events, Becket beach, Town Park, Historical properties, Reserve Fund, Audit, etc.

FY 23 Budget

61% Required Costs

- going up \$194,000 – ↑ 17.5%
- three-quarters Voc. Ed. and School District

16% Payroll Costs

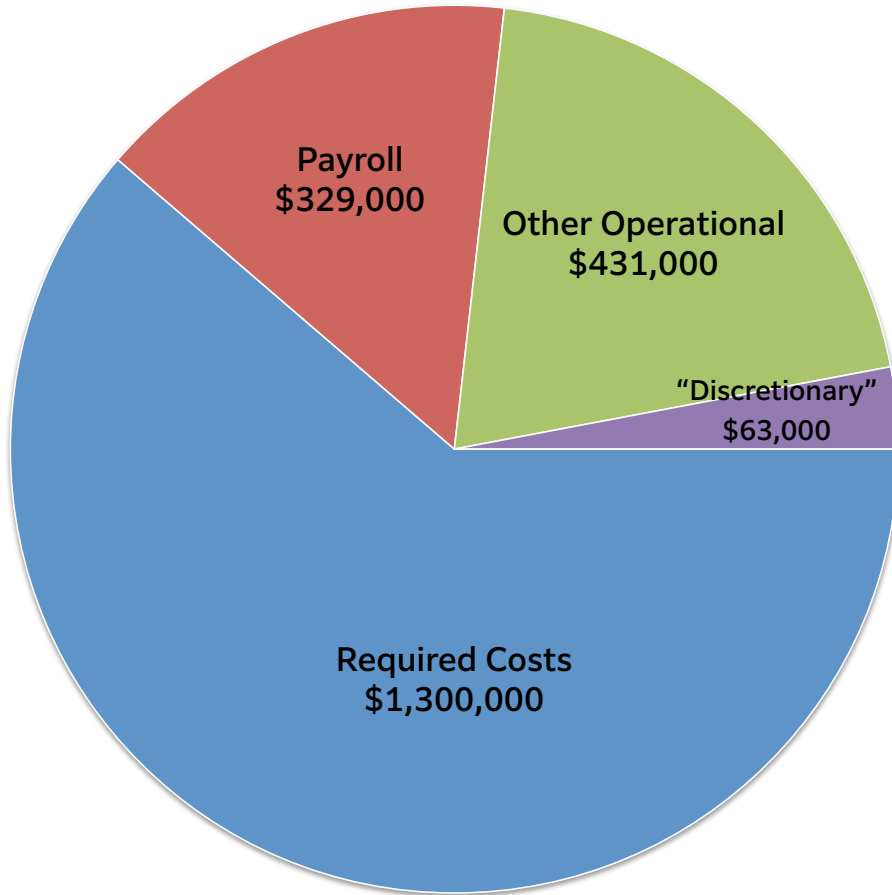
- going up \$28,000 – ↑ 9.4%
- mostly Cost of Living Allowance increases

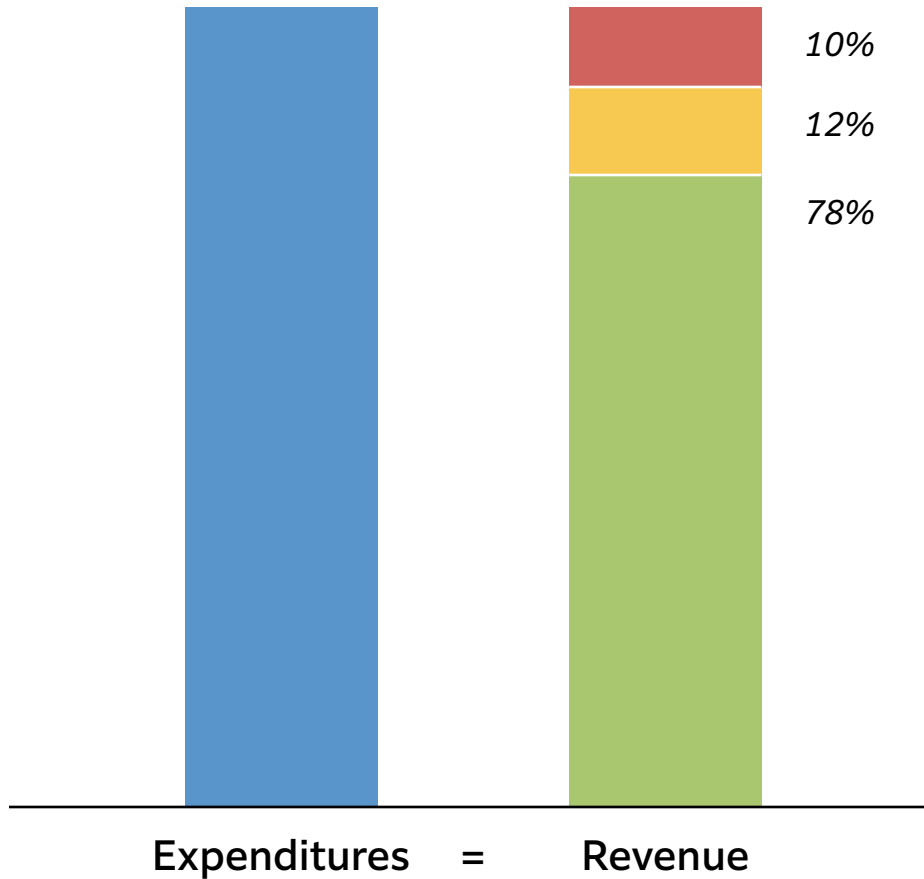
20% Other Operational Costs

- going up \$8,000 – ↑ 1.9% • largely energy costs

3% “Discretionary” Costs

- going up if we can justify a part-time Town Administrator to help solve long-term challenges, otherwise zero change





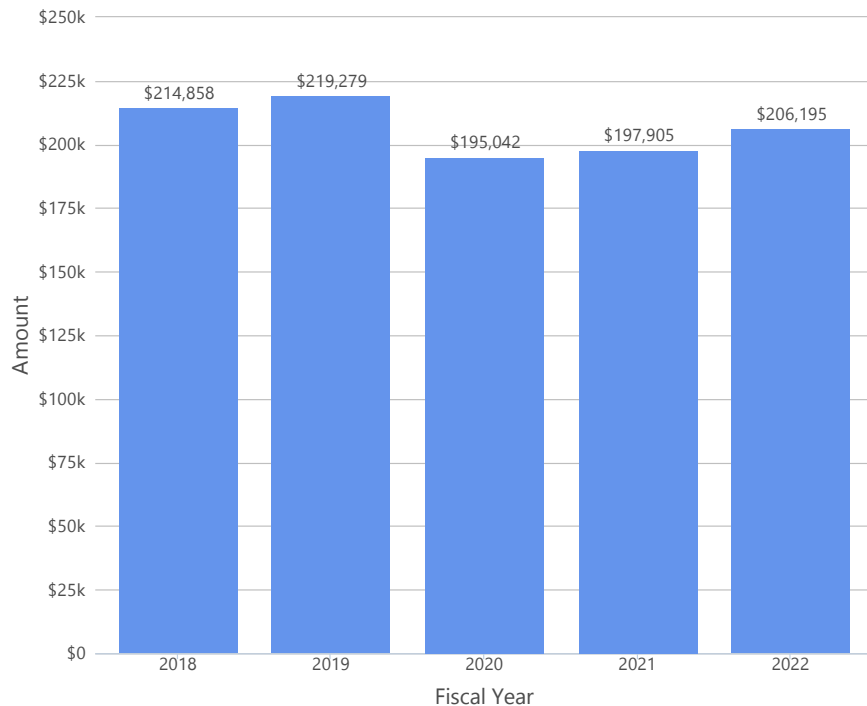
How is the Tax Levy determined?

| | | |
|-------|------------------|---|
| | Operating Budget | ■ |
| - | State Aid | ■ |
| - | Local Income | ■ |
| <hr/> | | |
| = | Tax Levy | ■ |

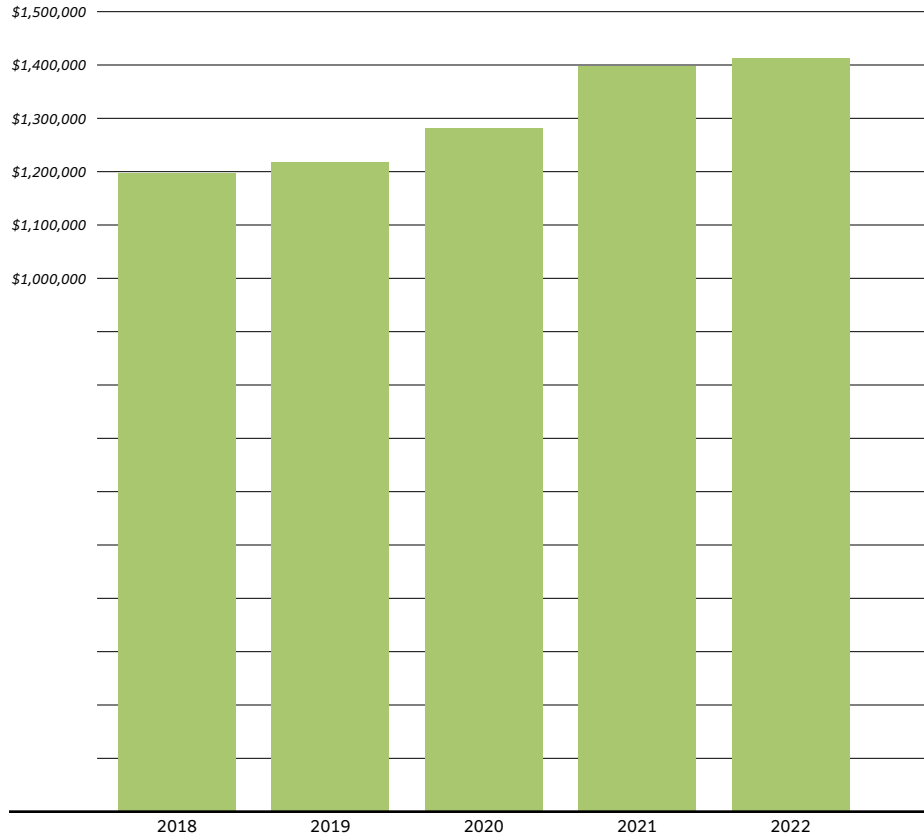
- The overall FY23 budget is going up ~14%
- State Aid estimate is currently flat (Governor's proposal)
- Local Income estimated to go up maybe a few percent
- Therefore the Tax Levy could go up 18% or more

State Aid has not kept up with the costs of running our Town.

Town of Washington



- *We are only just now getting back to the level of State Aid that we received back in 2016.*
- *Local Income only goes up a little bit each year: about \$7K on average.*

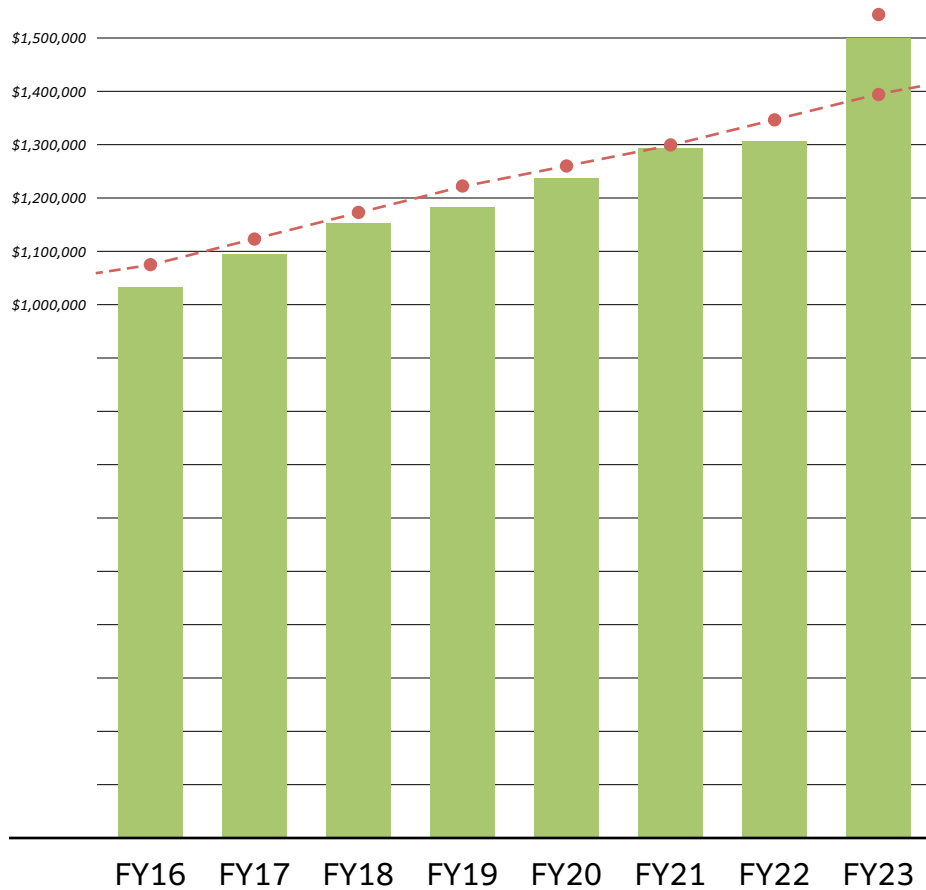


So our Tax Levy has gone up disproportionately.

- *Taxes have gone up an average of 4.4% over the past five years.*
- *As if that weren't bad enough, it gets more complicated ...*

What is Prop 2½?

- *Passed in 1980. Unique to Massachusetts municipal finance.*
- *Imposes an annual limit on property taxes (the Levy Limit).*
- *When the Tax Levy is calculated in late summer, if it is not within the Levy Limit, it will not be approved by DOR and the budget is rejected.*
- *The Levy Limit goes up incrementally each year: 2.5% + new growth.*
- *A community can also vote at an election to “reset” the Levy Limit higher (Override) or lower (Underride).*



Our Tax Levy ■ vs the Levy Limit - - - ●

- *We've been living on the edge for some time, and this year we're finally headed off the cliff.*
- *We have to either "move the dot" (Levy Override), or "lower the bar" (slash the Budget, i.e. cut services)*
- *If we pass an Override and increase the Levy Limit, that doesn't mean we will raise taxes to that limit. If we don't have to, we won't; but if we need to, we can.*
- *If we don't pass an Override and raise the limit ... ??*

Questions, Comments, Thoughts ...

Collins Center Report

- *Last fall, we used a Best Practices grant to hire the Collins Center for Public Management to analyze the Town's operations and organizational structure.*
- *Specifically, we wondered if we would benefit from having a Town Administrator like other towns and if so, what would that look like?*
- *This is not a new idea; Finance Committee, Select Board, and others have been talking about this for several years.*

Findings - Strengths

- Washington does a lot with a little
- Good level of cooperation
- Culture of civility
- Broadband infrastructure
- Excellent guidance documents
 - DLS Financial Policies
 - Comprehensive Town Plan
- Washington Tracks

Findings - Challenges

- Managing day-to-day operations
- Pursuing further opportunities for shared services
- Increasing revenue
 - Applying for and managing grants
- Ensuring clear communication channels between departments and for the public
- Utilizing information technology
- Improving recordkeeping processes
- Planning for the long-term

Recommendations

- Hire a Town Administrator, who will then manage the subsequent recommendations:
 - Apply for and manage grants
 - Adopt DLS financial policies
 - Improve communications and technology
 - Diversify revenue sources
 - Improve recordkeeping processes
 - Manage day-to-day operations and explore opportunities to share services
 - Adopt human resources best practices

The way Washington is currently run is unsustainable.

- *It is too reliant on the Select Board to manage a full-time workload on a volunteer basis.*
- *It is unrealistic to expect them to have a comprehensive understanding of complex municipal operations and keep up with state regulations.*
- *The nature of an elected Board means potential for a lack of stability and consistency in basic operations as members go off the board.*
- *With these expectations, fewer and fewer individuals have the means, interest, or skills to serve.*

Town Administrator

- *Current \$20,000 budget request is only a “down payment”.*
- *Shared position with another town is being explored; possible grant money to offset initial year salary.*
- *But in the future, more like \$45,000 for part-time.*
- *Investment in expertise and experience to run the Town.*
- *Maximize federal and state grant opportunities.*
- *Research and recommend solutions to complex problems.*