

January 8, 2025

Savoy Finance Committee

Present: Justin Kaczowski, Allen Haskins, Ross Kunzmann

Absent: Brenda Smith

Fiscal year 2025 budget figures were updated to include additions made during the annual town meeting for a total of \$2,525,925.94 to use as reference for FY26 budget considerations. The committee received budget request responses from Dept of Public Works, Town Clerk, Treasurer, Tax Collector, Fire Department, Police Department and Transfer Station. Ross questioned the reason vacation pay is listed separately and whether the amount was deducted (or included) in the total salaries noted. This will need clarity.

Kathy questioned whether the requested information was available for reference for the meeting. It was confirmed with Brenda she did not receive the information from the Treasurer. Kathy shared numerous documents she researched from the DLS website that include historical trends in state aid, local taxes including comparisons to numerous other similar towns. Referencing prior annual reports (only issued through FY22), she also generated summaries of year end account balances for general cash, stabilization fund, various revenue sources. She stressed that it is imperative that the Select Board and finance committee have necessary information available in order to make prudent decisions for the Town. In the past, only prior year expenditures were used to set the budget with no consideration to the revenue side of the equation. And current information is imperative during fiscal discussions. It is not an effective way to build a budget and impacts her willingness to continue to serve on the finance committee. The lack of information places the town in significant jeopardy and the finance committee cannot do its job.

The committee discussed residents' concerns regarding the recent tax rate increase. Although significant, it was noted that expenditures have not "kept up with the times" given necessary changes in technology, salary demands, highway needs and general inflation. Expenditures / taxes have remained level or even lower in recent past years resulting in greater increase for the current fiscal year. Kathy shared a salary comparison noting underpayment of various positions.

The committee reviewed prior numbers associated with the school noting the complexity of state aid vs town costs as well as mandates from the department of education. Questions regarding details of group insurance costs (\$64,000), general insurance (\$61,000) and retirement (\$54,374) were raised that require a better understanding. It is believed the town currently pays 75% of group insurance (for those working 20+ hours) and 50% for retirees and discussed the need to better understand these benefit costs.

Kathy reported that a Capital Improvement Committee (CIP) was formed to begin discussions regarding capital improvements. Far too much money is being spent on repairs and maintenance of very old equipment. It was also noted that building repairs are being neglected. The CIP committee prepared a list of needs, and it was suggested that the town reserve 5% of prior year expenditures (or roughly \$125,000 each year) be established for an on-going CIP reserve. She also noted that other town policies should be established to better guide the Select Board and Finance Committee with fiscal decisions such as general fund reserves, use of free cash, etc. These policies assist the town to plan for the future vs making decisions isolating only the current year.

The next meeting is scheduled for February 5th at 5:00.