

Special Town Meeting  
November 28, 2022

Article 2

Vote to rescind the use of American Rescue Plan Act (ARPA) Fund

As the Fiscal Year 2022 general fund budget was prepared for Town Meeting's approval, the pandemic continued with economic stress and concern whether or not the Town's revenue estimates would return to previous levels. To continue services to the residents and stabilize staffing levels, the recommendation to Town Meeting in May 2021 was to use \$1.4m from the Stabilization Fund to balance the budget in that fiscal year. This was the recommendation in order to not jeopardize the AA+ bond rating the Town had achieved and minimize the impact to the year-end financial statements reminding Town Meeting that a special town meeting may need to be required in the fall for further votes regarding the fiscal year 2022 operating budget.

As in the previous fiscal year, the administration returned to Town Meeting in the fall of 2021 prior to setting the fiscal year 2022 tax rate. New growth had been certified and revenue for quarter 1 of FY22 has been received, and the administration requested that this vote be rescinded and recommended the use of free cash in order to maintain the balance in the Stabilization Fund.

Fiscal Year 2022 is now closed and as we prepare to set a tax rate for the current fiscal year, the local aid estimates have been finalized at the state level and new growth has been approved by the Department of Revenue. As you know, from the special town meeting in October 2022, the local aid estimates came in higher than they normally have in prior fiscal years and the new growth also came in higher than estimated in the spring, thereby eliminating the need to use \$1.5m of ARPA funding. Other sources of revenue like local meals and rooms taxes are also stabilizing near prior levels.

Without the use of the \$1.5m from APRA to balance the fiscal year 2023 operating budget, these funds can be put to other use to fund a capital project. The town-wide meter replacement project has been discussed during the budget process the last few years to recover lost revenue in the water and sewer enterprise funds due to the average age of the water meters being at least 15 years old and having reached maximum age.

Therefore, we are requesting that the vote of the use of the amount not to exceed \$1.5~~m~~ for expenditures from the American Rescue Plan Act (ARPA) as a funding source for Town charges for the Fiscal Year 2023 be rescinded and replaced to include the use of an amount not to exceed \$1.5~~m~~ from the tax levy, local aid, and local receipts as a funding source for Town charges for Fiscal Year 2023.

American Rescue Plan Act Funds	(\$1,500,000.00)
Tax levy, State Aid, Local Est Receipts	\$1,500,000.00