

# FIRST SELECTMAN COLUMN

04/20/23 ISSUE DATE

The Annual Town Budget Meeting will be held this Saturday, April 22 at 10am in Mallory Town Hall. In preparation for this meeting you received the budget mailer including a letter highlighting the

last fiscal year. Although the budget numbers are set for the April 29 budget referendum, which is a vote on the Town budget and a vote on the Education budget, the Annual Meeting is still a good time to learn more about the decisions that were made to create the 2023/24 budget.

What you will learn from the mailer and also from the Annual Budget Meeting is that the mill rate is reducing again for the fifth consecutive year. This year the tax reduction is 2%. This decrease makes a cumulative 12.2% tax decrease over the last 5 years. For this fiscal year, despite a 3% increase in the education budget and a 0.7% increase in the Town budget, our revenue projections are strong enough to offset the budget increases due to a better-than-average increase in the Grand List from rising home values, revenues related to building permits, and investment income from rising interest rates.

More budget info: Our surplus remains at an historically high level of \$5.2 million, which translates to 35.4% of the total budget. This surplus is considerably higher than the recommended 10% to 14% budget surplus, but we feel with the rising cost of construction that it is wise to keep as much "rainy day" dollars on hand, within reason, as we can. One never knows when a bridge or a road needs an unexpected repair, plus there are always other capital surprises. Speaking of capital funding, this budget, as have the previous six budgets, adds \$500,000 to the capital non-recurring fund. Our unencumbered balance at the start of 2023/24 fiscal year (July 1) will be slightly more than a million dollars.

Sherman is, presently, in top-notch fiscal health. We have the highest bond rating from Moody's that a town of our size can achieve, but more importantly, Sherman has historically paid acute attention to its financial positioning. This goes back to well before my time as First Selectman as each Board of Selectmen over the years has responsibly dealt with Sherman's finances and capital planning in the best ways possible. This current Board of Selectmen with Bob Ostrosky and Joel Bruzinski is particularly strong as these two individuals have both proven to be extraordinary. Equally extraordinary, is our business manager Liz LaVia and our treasurer Eric Holub, each of whom serve Sherman exceptionally. Every day I am thankful for how fortunate I am to work with these people.

In the future, Sherman will be facing one of its toughest financial challenges as we go about repairing the Sherman School, arguably Sherman's most valuable asset. Without the school we are decidedly a different Town and, in both short and long term respects, will be worse off without it. Decisions are still being made on how to bring the Sherman School facility back to being a school with proper working infrastructure, so the expense of this is still unknown. However, in any scenario, the future expense for this project will be significant.

Quick reminder for those entering an institution of higher education or for students currently enrolled in an institution of higher education: The Sherman Higher Education Fund grant program deadline is May 1. The application is a simple one-pager that asks for your Sherman address along with asking for proof of either acceptance for new college students or proof of current enrollment for those attending college. The grant is usually \$500 or somewhere near that number. Sherman college students should take advantage of this wonderful program, which was started in 1960 as a way to help with the cost of post high school education.



DON LOWE

TOWN OF SHERMAN