



Town of Fairhaven
Finance Committee

April 2, 2024

To Fairhaven Town Meeting Members:

The duty of the Finance Committee is to thoroughly review all articles on the warrant that call for appropriations of money and any articles that may affect the finances of the town. Once complete, the Finance Committee provides written recommendations to Town Meeting.

This year, you are being presented with a balanced General Fund budget and a fully funded Capital plan.

Keep in mind that just 2 months ago, we were presented with a massive 2.2-million-dollar deficit, that was caused by expenditures outpacing revenues. It took the establishment of a trash fee and requesting all departments to cut their budgets to close the gap.

In reducing department budgets, there are a few structural reductions, with the most significant being sharing of administrative staff at Town Hall, reductions in Police and Fire OT, and staffing and OT reductions in Highway. The School Department was able to secure funds to close the remaining \$447,000 deficit and keep the system above the net school spending limit. The result of all this is that department heads need to put extra effort to closely monitor expenditures next year. It's possible that money available for capital projects will go down next year.

In regards to Capital, we are presented with the smallest general fund capital budget of at least the past 7 years and includes the smallest expenditure on roads in memory.

With expenditures still outpacing revenue, our financial situation will need to be closely monitored. It is possible there will be more difficult choices down the road.

The Broadband Study Committee has also presented Town Meeting members with a proposal to borrow \$20,000,000 to start a new fiber optic internet service in town. If enough people commit to this project (roughly 50% of residents), rate payers could see some reduction in their monthly cost and increased internet speed. There are concerns to be addressed such as what department will manage the project, how it will be rolled out and how rate payers will be committed to make the project viable. The consensus of the Finance Committee is that this is a good beneficial project, but there are too many unanswered questions. There needs to be the formation of a specific plan before embarking on the project. As of this writing the expectation is the article is going to be modified and more discussion at the Selectboard before Town Meeting. As a result, the Finance Committee has noted "At Town Meeting" in your mailed warrant with expectation that we will make our final recommendation prior to Town Meeting.

Respectfully submitted,
The Fairhaven Finance Committee