

**TOWN OF MONMOUTH**  
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**To: Select Board**

**From: Justin L. Poirier, Town Manager**

**Date: 1/9/23**

**RE: First Draft of the Operating Budget**

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Enclosed is the first draft of the operating budget. Some of these numbers are estimated, namely the numbers we don't control such as the County Tax, RSU2 and some of the donations. We have also estimated some of state revenues since we do not have those numbers yet either. Overall, this is a pretty good representation of where we stand at this early point in the budget process. Keep in mind that this draft budget does not include any capital items except adding \$75,000 to a revaluation reserve.

Some of the large drivers of the increases in this budget come from the union contract wage increases, utilities (heating fuel and electricity), supplies, and the town's debt service payments. As you may recall we offset some of the increases in last year's budget by using the undesignated fund balance to pay for a substantial investment (\$600,000) in paving. In the 5-year capital plan you can see that increases in debt service has increased quite substantially over the last several years increasing pressure on the operating budget. One option to reduce this cost center would be to use ARPA monies to pay down some of the debt we can pay early such as leases and loans on equipment. We can discuss in more detail as we move through the process.

I look forward to discussing the budget in more detail with you over the next few months. As we get closer to end of the process Marc Roy will be available so you can ask him questions should you have any. In the meantime, please reach out if you have any questions.