**Town of South Thomaston**

*Frequently Asked Questions about the Proposed Fiscal Year Change, Collecting Taxes in Two Equal Payments per year, and Voting for Selectboard and Schoolboard Members at the Polls.*

**Note**: This FAQ should be reviewed in conjunction with the warrant for the proposed November 17, 2020 Special Town Meeting. Location of the proposed Special Town Meeting is yet to be determined.

**Q**: Are their advantages to changing the Town’s financial year to July 1- June 30 (Fiscal Year)?

**A**: The primary advantage would be to improve the accuracy of Town budgeting, cash follow planning and revenue forecasting. The change would align the Town’s financial year with the State and RSU 13’s financial year. This would enable the Town to have a much better understanding of projected total expenses and revenues during the budget process.

Currently, when the Town develops its budget in January/ February timeframe, only one half of the RSU 13 assessment (the Town’s largest single expense) is known, resulting in a high degree of uncertainty regarding total expenses. Additionally, as the Town’s budget is developed 4 to 5 months before the State adopts its budget, there also exists a high degree of uncertainty regarding the amount of state revenues the Town will receive. Another advantage would be that the Town would adopt its budget prior to the beginning of its fiscal year, as opposed to three months into the year, as is the current practice.

**Q**: Can’t the Selectboard change the Town’s financial year without Town Meeting approval?

**A**: Yes it could. However, this Selectboard would be reluctant to institute this change without the endorsement of the Town, but that is why the question in Article 2 (see warrant) is advisory in nature.

**Q**: How does the transition from a calendar year to a fiscal year, beginning July 1, work?

**A**: The plan is to have an 18-month long transition budget that would run from January 1, 2021 to June 30, 2022. It is contemplated that taxes during the transition would be due in two equal installments on October 1, 2021 and April 1 2022 for the 18 month transition budget. Actual due dates would have to be approved by the 2021 annual Town Meeting.

**Q**: What are the advantages of having taxes due twice per year in two equal installments?

**A**: In the past two years Town expenses, particularly the monthly RSU 13 school payments, have risen faster than the Town’s undesignated fund balance (surplus) and other funds used to cover short term cash flow needs. Thus, the Town has had to borrow from its bank in the form of Tax Anticipation Notes (TANs) and pay interest on those borrowings. This situation is very likely to continue, if not worsen over time. Collecting taxes twice per year will mitigate, if not eliminate, these cash flow issues.

**Q**: When would taxes be due?

**A**: That is a decision that would still need to be voted upon each year at the annual Town Meeting. The Selectboard is proposing that the first half would be due on October 1st and the second half would be due April 1st and is seeking endorsement from the Town in Article 4 (see warrant) which is also advisory in nature.

**Q**: What about interest on delinquent taxes? How would that work?

**A**: Again, that would be a decision left to each years annual Town Meeting. The Selectboard is contemplating interest would begin to accrue on October 2nd on any outstanding balance of the half that is due on October 1st. On April 2nd, interest would begin to accrue for the entire outstanding balance, if any.

**Q**: Is there any advantage to the taxpayer?

**A**: The Selectboard has been told that taxpayers in other towns seem to like taxes split into two installments, instead of receiving a single bill for the entire amount. Also, as interest payments on tax anticipated borrowing is reduced or eliminated, all taxpayers share in that expense reduction. This does not limit any property owner’s ability to pay the entirety of their tax bill on October 1st or at any other time prior to the due date.

**Q**: Why change the method of electing Selectboard and RSU 13 members?

**A**: The current process in South Thomaston is known as the “Alternate Nominating Process” and is rarely used by other municipalities. By adopting a Secret Ballot election and associated nominating process, the Select Board hopes to encourage more candidates and more participation in their elections.

**Q**: How would the voting work?

**A**: Voting would be at the polls from 8:00 AM to 8:00 PM on the regular State election day in June (the first Tuesday after the first Monday). This is also, typically, when the RSU 13 budget referendum is held. This means voters would not have to come out at night in March to vote for candidates for those two offices. Also, residents who winter out of state would most likely have returned home by June and hence would be able to participate. This style of voting also allows for ballots to be submitted absentee by mail.

**Q**: Would write-ins still be allowed?

**A**: Yes, but individuals wanting to have their names listed on the ballot (be a “candidate”) would need to take out and return nomination papers.