**Town of South Thomaston Frequently Asked Questions (FAQs)**

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

**Q**: **Are there advantages to changing the Town’s financial year to a Jul 1- Jun 30 (Fiscal Year)?**

**A**: The primary advantage would be to improve the accuracy of Town budgeting, cash follow planning and revenue forecasting. It would align the Town’s financial year with the State’s and RSU 13’s financial year. This would enable the Town to have a better understanding of projected total expenses and revenues during the budget process. Currently, when the Town develops its budget in January/ February timeframe, only 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 is also a high degree of uncertainty regarding the amount of state revenues the Town receives. The Fiscal Year change would allow the Town to adopt its budget prior to the beginning of its fiscal year, as opposed to three months into the year, as it currently does.

**Q**: **Can the Selectboard change the Town’s financial year without Town Meeting approval?**

**A**: Yes. However, this Selectboard prefers to institute this change with the endorsement of the Town. The questions in Article 2, 3, and 4 (see warrant) are 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 develop an 18-month 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 tax 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 tax payments, have risen faster than the Town’s undesignated fund balance (surplus) and other funds traditionally used to cover short term cash flow needs. Thus, the Town has been required to borrow from its bank in the form of Tax Anticipation Notes (TANs) and pay interest on those loans. This situation is very likely to continue, if not worsen over time. Collecting taxes twice per year will mitigate, if not eliminate, the Town’s cash flow issues.

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

**A**: That’s 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 seeking endorsement from the Town in Article 4 (see warrant).

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

**A**: This would continue to be decided at each year’s annual Town Meeting. The Selectboard is contemplating that interest would begin to accrue on October 2nd on any outstanding balance of the first half that is due on October 1st. On April 2nd, interest would begin to accrue for the entire outstanding balance, if any.

**Q**: **How does this benefit the taxpayer?**

**A**: The Selectboard has been told that taxpayers in other towns seem to appreciate the ability to pay taxes in 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 benefit from the lower Town costs. This would not change any property owner’s decision to pay their entire 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 School Board 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 allow greater participation in the election.

**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 (usually the first Tuesday after the first Monday). This is also, typically, when we vote on the RSU 13 budget referendum. 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 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 for those positions 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 to be considered.