



## Town of Northwood 2022 Voter Guide Summary

Voting Day: March 8, 2022 7:00am to 7:00pm

Northwood Elementary School



# Know the Facts and Vote!

As Town voting day approaches, we would like to be sure all Northwood voters are equipped with the necessary facts to make an informed decision as you enter the voting booth on March 8<sup>th</sup> to decide on the important warrant articles that will determine the course of our community for 2022 thank you for your continued support of our local government!

Northwood Select Board

**Fact:** Where do my property tax dollars go? This is a common question asked each year by many taxpayers. Property taxes are split into four different parts, in 2021 the Town is approximately 15% of the total rate or \$2.32, local school is 69.5% of the total or \$10.74, state education tax is 10.5% or \$1.62, and the county tax is 5% or \$.79. All tax rates are calculated as per thousand of the assessed valuation of your property. For example: take a property assessed at \$300,000, the 2021 total tax bill was \$4,641 with \$696 for the Town, \$3,222 for the local school, \$486 for the state school taxes and \$237 for the county.

**Fact:** The 2022 proposed operating budget includes increases in uncontrollable cost of operations for 2022 such as employee benefits, rising energy costs and annual wage adjustments for staff so that we can retain the capable and dedicated staff that we have in all our departments. With inflation now at a 30 + year high, the impact to all Town operations has already been significantly affected and we may have to make some very difficult decisions this year in regards how we provide services to our community. The proposed operating budget in article #4 contains funds to cover some of these increases but the default budget does not.

**Fact:** What is the surplus fund? (Officially known as the unassigned fund balance) Each year the budget committee in cooperation with the Select Board assesses the financial needs of the Town. In preparing the operating budget and other warrant articles, they estimate the amount of money needed and the amount of operating revenue we expect to receive for the year. For a number of reasons like a vacant position that took some time to fill during the year or less snow removal expenses than expected, at the end of the year not all of the money is spent, and this becomes part of the Town's surplus. This may also happen with the estimated revenue for example if vehicle registrations bring in more money than last year or the state gives more to

the town than estimated, the extra money is also added to the surplus fund. These are the ways the Town surplus may grow from year to year. Money from the surplus fund can only be spent in three ways 1. By approval of the voters in a warrant article at the annual town meeting 2. By the Selectmen using the funds to reduce the property tax rate when the rate is calculated each fall, 3. In an emergency when budget funds are completely expended with approval of the Department of Revenue.

**Fact:** The Select Board continues to manage the surplus fund carefully this year proposing to use approximately \$400,000 for warrant article expenditures that result in a “\$ 0 tax impact” for these articles. What this means is because we already have the money in the surplus fund from a prior year, there will be no new taxes needed to be raised for this article in 2022. If the \$ 0 tax impact articles don't pass, then the money simply stays in the surplus fund. Additionally, the Board anticipates using an additional \$200,000 or more of surplus funds when setting the 2022 tax rate. These efforts will continue to reduce the surplus fund balance in a responsible way while bringing some tax relief to taxpayers year after year. The benefit of a solid surplus (also sometimes referred to as unassigned fund balance) plan is critical for two reasons; 1. A sufficient fund balance will assist the town with cash flow needs throughout the fiscal year avoiding the need to borrow funds in anticipation of taxes which is costly. 2. Using the fund balance to offset typical annual cost such as deposits into capital reserve or trust accounts and some capital purchases helps maintain a stable tax rate from year to year.

**Fact:** In 2021 the Select Board authorized the sale of several town owned properties of which most were acquired by tax deed. An auction was held in October and approximately 36 properties were sold to the highest bidders. All 36 properties will be returned to the tax rolls in 2022. The sale of these properties brought in over \$700,000 in revenue of which a large portion was used to lower the 2021 Town portion of the tax rate which dropped by \$2.01! This onetime “tax holiday” provided significant relief to taxpayers in 2021!

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