

How and Why To Read a Town Report

Compiled by Paul Gillies

A few days before town meeting, it's time to sit down and look over the town report. Often it doesn't take that long, because it doesn't seem all that interesting. Oh sure, there's a nice picture of a new plow or sewage treatment plant on the front, and a list of those who haven't paid their property taxes this year, but most of the pages in the town report just don't sing. Who would blame us for dozing off after only a few minutes?

Before you doze, however, think about what this report means. A good town report can tell you a great deal about your town. While town expenditures and tax rates are important to all of us, the reports of town officers--from the select board to cemetery commissioners--help us understand what has been going on during the last year and what may be planned for the future.

The budget is up for a vote, but is it a fair and responsible budget? How does the highway budget proposed for this year compare with last year? How much did the zoning administrator take in fees and penalties, and how much did the grand list grow? The answers to these and other questions are in the report, but for many voters, the town report arrives in the mail, gets put somewhere where "I'll read it later", dropped behind some chair, and then if read at all is zipped through in less than a minute, often with a distasteful feeling because it reminds you of some other tax you have to pay.

Sit down with it, in good light, and give it a chance. It's the report of your town.

Opening the Cover

Find the index or table of contents. Some town reports have both, but others only a listing of the various items, often without any discernable order. Look either at the front or back of the booklet. Now scan the listings. Usually there are three or four parts to a town report.

First is the audit, done by professionals or our own auditors, listing how money of the town (and school, in some towns that don't separate the reports) was spent during the previous year. A year can be either the calendar year, or a fiscal year beginning July 1.

Second is the budget--what the selectboard proposes to spend on town needs during the coming year. Actually, if you're a town with a calendar fiscal year, you're already more than two months into that year already, but that's the way it's always been.

Third will come a series of reports from town officials, including the selectboard, the zoning board, the tax collector, followed some times by a listing of the salaries and payments made to town officials during the year.

Those are the big categories. Before diving into them, however, we have to locate one vital entry first before all the others. That's the warning for the meeting.

The Warning

The first item we want to look at is the warning. It's usually within the first five or six pages at the front or at the back of the booklet. Occasionally it is in the middle, at the staples. Don't go any further with the book until you find it. There is usually one for the town and one for the school district.

Look at the heading. Are you sure this isn't last year's minutes? They are important, but keep hunting for the warning.

Now let's see. Where and when the meeting is being held. Put it on the calendar right away.

Reserve the day or evening and protect it from excuses or competing events. This is town meeting. Come on.

Okay, let's see what they are trying to put over on us this year. Find the budget article. Circle that amount. Write it on the back cover right now. Later we're going to want to know the answer to the most important question to be asked at town meeting this year. How much does the budget increase over last year? And why?

That information is in a different

continued on page 2

The better the town report, the more knowledgeable the community. Who could complain about that?

Knowing enough about the rules of town meeting to handle basic motions is an important advantage at a floor meeting of the town. You might want to read "The Meeting Will Come to Order," another in this series of pamphlets. Call VIG.

The Warning *(continued)*

part of the report, and we'll find it.

First, read through or skim each of the articles. Elections, setting the tax due date, discounts, installments, the rate of interest on delinquencies, and a whole long list of organizations who want some town money, each have their own questions. It ends with "Other Business," and we're out of here.

See if there are any public questions in the list. Do you get to vote on a zoning amendment or a bond this year? Is there something political, like supporting some legislation or taking a stand on national or international policy?

Some questions may be voted by Australian ballot. Make sure you distinguish them from those to be discussed on the floor of the meeting.

Fold the page of the warning or mark it somehow so you can find it when you need it at the meeting.

The Budget

Okay, I want to know how much the budget went up and how. The answer is in this book.

First, find the budget. Look at expenditures first. This section is usually broken down into categories, beginning with "General Government," and running down, page by page, each of the departments and functions of town government, including roads, sewer, water, and the like. Each heading is followed by a series of columns, showing the actual and budgeted expenditures for the last three years. Running your finger or a straight edge along this line shows how the budget has changed over time. It also shows how well the selectboard has been in predicting how much the town needs for line items.

Go to the last page of the bud-

continued on page 3

PRE-TOWN MEETINGS. Many towns have pre-town meetings several days before the official town meeting. These are usually called by the selectboard and their purpose is to give voters a chance to raise questions and hear explanations without having the pressure of needing to vote on them that day. Often the discussion of issues at pre-town meetings is more thorough than at the regular town meeting. Voters should carry their town reports with them to pre-town and town meetings. A report is the essential guide book, the program, the menu. Without it, you'll be lost. With it, you can be more than a spectator.

Exhibit C:

TOWN OF ALBANY
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Taxes	\$ 3,554,326	\$ 3,562,985	\$ 8,659
Licenses and Permits	13,350	11,408	1,942
Fees and Franchises	190,850	173,961	(16,889)
Rents and Leases	147,000	198,095	51,095
Fines and Penalties	72,000	71,658	(342)
Federal and State Aid	132,500	210,219	77,719
Interest	50,000	48,076	(1,924)
School Participation	24,100	24,100	0
Enterprise Funds	178,000	178,000	0
Other Revenue	93,500	102,324	8,824
Total Revenue	4,590,066	4,538,866	(51,200)
Expenditures:			
General Government	1,239,459	1,302,121	(62,662)
Public Safety	1,614,093	1,594,082	20,011
Public Works	799,036	750,433	(48,603)
Health and Sanitation	17,555	16,783	772
Insurance and Benefits	464,915	442,163	22,752
Public Parks and Trees	9,500	10,771	(1,271)
Recreation and Library	193,098	201,098	(8,000)
Comms Tax	40,000	41,720	(1,720)
Debt Service	78,000	36,776	41,224
Voter Approved Assistance	70,000	70,000	0
Community Development	20,000	19,840	160
Transfer to Capital Improvement Fund	0	45,000	(45,000)
Total Expenditures	4,490,066	4,533,987	(43,721)
Excess/Deficiency of Revenues Over Expenditures - Note 15	\$ (100,000)	(16,321)	\$ 83,679
Fund Balance - July 1, 1995		326,196	
Fund Balance - June 30, 1996		\$ 509,675	

The accompanying notes are an integral part of this financial statement.

The Budget *(continued)*

get where it says "Grand Total" for all expenditures. This is the money proposed to be spent in the town this coming year. The grand total does not include money to be appropriated at town meeting for special expenditures, including social service requests.

The next section is revenues. This is a listing of where the money needed to run the town originates, hopefully. State funds, fees, penalties, and interest are listed there. So is the amount proposed to be raised in property taxes for the town. At the bottom of this section you see "Total Revenues."

Town meeting will consist of various skirmishes about individual lines in this budget. People will debate how much officers should be paid in salary, and why the salt budget is so high. Some will argue over math errors, or how things are presented in the budget. Beware of the distractions of minor issues. The budget is the key to everything a town does.

The Audit

What can we say about the audit. It usually takes up many pages in the town report and is the least read of the sections. Some say it is written by CPAs for CPAs. But take a little time with it. In it is the detail on how money is spent in the town, category by category.

Start with the letter from the accountant to see objections on how the books are kept. Review the balance sheet and statements of revenue and expenditures, and the others. Skip the Summary of Significant Accounting Policies unless you're preparing for the accountancy exam.

Why care about all this? A lot of money is being spent here, and it belongs to you. Don't just leave it to others to run your government. You are one of the bosses.

The Reports

Tired of numbers? Here come the words. It can be just fascinating if you read them all at one sitting. People write like they speak, and we all have different voices, and here among the reports are a good number of your neighbors, telling you how it went this year.

Generally the reports are upbeat, except perhaps the select-board's contribution. It will recite the washouts, the unexpected expenditures, and the hardships that the town encountered during the year.

There is a lot of interesting details in the reports. You can learn how many zoning permits were issued, how many fires were extinguished (hopefully all of them, eventually), and how many of the social services agencies work. Some of this won't interest you, but give everything a try. They're trying to report to you, after all.

Use of the report at town meeting

The town report is obviously essential to a full appreciation of town meeting. You don't have to read the whole thing to recognize it doesn't answer all your questions. But it can certainly get you organized to form those questions and have them ready to go at town meeting time.

Rolled up, it can serve as a great prop for railing against government spending. It's also handy for taking notes on things. There are sometimes blank pages at the back.

Having your report handy, you can follow along when the debate gets hot. Don't wait until town meeting to read your report, but having it with you during boring portions of the meeting may actually provide some entertainment.

Most importantly, the report gives you a reference tool for finding answers from town officials. Asking what something means, culling out a number that seems excessive or too conservative, you

can cite authority if you have your report with you at town meeting.

Use of the Report after town meeting

Keep it handy. It has phone numbers and addresses of town officers. It has sentimental value. Some families keep theirs in order, year after year, building a set. It's history in the making.

History of the Town Report

Before there were town reports, there was a committee of people in town to "settle" with the clerk, treasurer, and overseer of the poor. The committee would review expenses, authorize payment of bills, and file a report for the town clerk to transcribe in the records. As citizens became more interesting in knowing about town finances, a different method evolved--the town report.

The earliest town reports came at the end of the Civil War and were broadsides--single sheets posted at stores, post offices, and on trees where people could read them. About the middle of the 19th century, printed booklets began to appear. From these early beginnings town reports have grown into substantial volumes as each part of town government has sought to report its activities. Today, the modern town report is a fascinating compilation of information.

The law makes the auditors primarily responsible for the report. In many towns the town clerk and treasurer also play a leading role in putting it together. Citizens can help by making sure their officials know what the town report lacks, either in content or organization.

Most important is a good index, in addition to the table of contents. An alphabetical index helps people find what they want to read, without having to flip through the whole report again and again.

How to Get a Copy of the Report.

Getting a copy of the town report may take a little work. The law requires towns to make them available to every voter. Some mail them directly to each home. Others expect the voter to stop by the town office in order to get a copy or to call to get one by mail. But don't let town meeting come with you having to read the report at the meeting itself. It just won't be the same. You need to know what the warning says before you vote those articles. You need to know the financial background in order to understand what the officials are asking of you.

Remember, town meeting belongs to the voters who participate; the articles are really only proposals. Too often, voters feel compelled to accept the recommendations of local officials without question, confusing loyalty to the town with acquiescence to the wishes of local officials. The two aren't the same thing at all. Town meeting is the one place in the world where the voter decides directly how much money to pay out for government. It isn't the place to punish all government for its sins; that wouldn't be fair. But if voters don't turn out on the first Tuesday of March, insist on answers, and exercise their authority, we might as well give up on the idea of democracy altogether.

A test to see if you read your report

Find your current town report. Find the answers to these questions:

1. What was last year's tax rate?
2. How much was taken in by the town in property taxes last year?
3. Did the town have a deficit or surplus, and if so how much was it?
4. What is the town's total outstanding debt?
5. What monies does the town have in special funds that don't revert each year to pay for the annual needs of the town?
6. How much was spent on winter road maintenance last year?
7. How much did the selectboard make in town salaries last year?
8. Is the town involved in any current lawsuit?
9. How many speeding tickets were issued last year?
10. Name the health officer.

A Word about The Vermont Institute for Government

The Vermont Institute for Government (VIG) is a nonprofit corporation dedicated to improving educational opportunities for local officials and the public on how government works. It consists of representatives from each of the major groups in Vermont that offer such training.

The VIG has published other pamphlets that may be of use or interest to you. They include:

- *The Meeting Will Come to Order*, covering town meeting procedures;
- *Changing the World*, about how to increase your effectiveness in meetings of local and state boards and commissions;
- *Are You Appealing?*, which covers the tax grievance and appeal processes at the local level;
- *Isn't This My Land?*, relating to local planning and zoning; and
- *The Vermont Citizenship Comprehensive Examination*, a fun test of basic information a citizen ought to know about Vermont government.
- *The Public Right of Way and You*, covering town highways.

Contact the VIG office for free copies of any of these pamphlets or to learn more about VIG.

Vermont Institute for Government

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