**Minutes of the Finance Committee March 12, 2020**

Members attending: Mr. Fenton (Chairman), Ms. Herron, Mr. Linton, Mr. Love, Mr. Peters, Mr. Anthony Domineck.

Members not attending: Ms. Lennon, Mr. Cotey Collins

Additional Attendees: Ms. Carol Riches (Town Administrator), Mr. Peter Bogren (Selectman),

Meeting called to order at 7:30 pm.

Chairman Fenton indicates that Jeff Kent, chair of the CIPC couldn’t come tonight, so report of the CIPC will be presented by FinCom representative to the CIPC Mark Love. Capital Project Nominations were presented as compared the listing identified by the Collins Center. Noted that the DPW building replacement was rated highest priority by the committee, and the dump truck the lowest. Mr. Love discussed briefly the evaluation criteria used by the CIPC. Noted that the new DPW facility would cost $426/year to the average homeowner but is a vital project for the community. This would be funded by a debt exclusion of 27 year duration. Three of the projects did not involve exclusions, but would be paid out of Chapter 90 funding and the road stabilization account. The rest are small ticket items with borrowing durations of 5 or 7 years. There is question concerning whether the Supply Hoses should require borrowing. It was suggested by Mr. Love that hoses be purchased with Capital Depreciation funds. Motion made to request the Select Board to fund hoses from Capital. Seconded. Approval unanimous. Question was raised whether DPW facility should be funded by 40 year borrowing. This would lower the average assessment and more equitably distribute the cost with time. Mr. Bogren pointed out that with a 40 year loan, everyone who benefits from the building would pay for the building. Mr. Peters asserted that interest rates are low now. Mr. Love indicated that the building size has been reduced to the lowest that they can use. Furthermore every year building is postponed, the price goes up substantially. With respect to the items suggested to be funded by the Road Stabilization account, Ms. Herron asked if this will reduce road repair substantially. Mr. Love pointed out that substantial funds would still remain in the account with the projected expenditure.

Vote taken on submitted Building Commissioner budget # 1241. Motion to approve $30,496 made by Ms. Herron, seconded by Mr. Linton. Approved unanimously.

Moving on to consideration of the budget deficit, Mr. Fenton distributed a list of possible sources of funding that would be available to cover the $306,000 deficit. The list included not only sources of revenue but possible areas of the budget that can be adjusted. Mr. Fenton indicated he met with the Town Administrator and Select Board liaison Mr. Bogren to discuss ideas pertaining to balancing the budget. Ms. Riches provides information concerning financial possibilities since she works closely with the Assessor, the Accountant and the Treasurer. Mr. Bogren as a member of the Select Board provides insight into town operations. Mr. Love agreed with Mr. Fenton that we should consider the mentioned list.

1. Utilize all free cash. The Select Board had previously voted to recommend that 5% of certified free cash be placed in each of Stabilization and Capital accounts. This procedure was suggested and implemented by the Finance Committee for FY20. The Finance Committee agreed that all free cash this year should be applied toward the budget.
2. Transfer $36,376 from OPEB Account to the appropriate budget account. General agreement that this should be done. After some discussion of the mechanism by which this would be accomplished, Mr. Love indicated that it will require a carefully worded warrant article to accomplish this.
3. Water Revenue of $15,000 for Municipal Assistant. The Municipal Assistant position was created to consolidate four previous assistant positions. One of the positions receiving attention was within the Water Department. Question concerning whether the Water Board would have to approve this. Answer that they were doing it anyway. The source of funding wasn’t clear. $15,000 will be added to the Revenue column of the spreadsheet.
4. Transfer total Overlay Surplus of $100,000. This will require approval by the Board of Assessors. They have been requested to make this available already. The difficulty with this approach is that it totally eliminates this account and there will be nothing available should there be need for future access.
5. Reduce Overlay by $10,000. The Overlay is to fund abatements and exemptions of committed real and personal property taxes. This will require approval by the Board of Assessors.
6. Level fund Snow and Ice (#1423)for $1,579. This budget is the only one that can run a deficit, so it is safe to level fund it. Motion to re-visit #1423 by Mr. Linton, second by Ms. Herron. Unanimous approval. Motion to approve Snow and Ice budget of $188,683 by Mr. Domineck, second by Ms. Herron. Unanimous approval.
7. Vote Reserve Fund to $40,000. Noted by Mr. Love that only rarely is the full Reserve Fund even close to utilization. However, Mr. Fenton noted that it is required as a fast source of revenue for emergencies. Otherwise, would require a Special Town Meeting and all that goes with it. Reduction back to FY19 level considered reasonable. Motion to approve by Mr. Love. Second by Mr. Peters. Approved unanimously.
8. Reduce Health Insurance (#1910) by $22,850. Question asked can this be done. Ms. Riches indicated that any shortfall at the end of the FY can be covered by year-end transfers. Motion to re-visit #1910 made by Ms. Herron, seconded by Mr. Peters. Unanimously approved. Motion to approve budget at $800,350 made by Mr. Love, seconded by Mr. Domineck. Approved unanimously.
9. Approved newly submitted Police Budget (#1210). Chief Savasta reduced several line items in subaccount 5103 by $53,233. Motion made to re-visit #1210 made by Mr. Linton, second by Ms. Herron. Approved unanimously. Motion to approve budget of $1,037,213 made by Ms. Herron, seconded by Mr. Domineck. Motion approved unanimously.
10. Remove Fire On-Call Officer and Additional Recruitment Stipend $19,600 (#1220). Mr. Fenton indicated that the approach to reducing the deficit involves both utilization of available revenue and reduction of the projected budget. Three budgets experienced new budget expansion: Police, Fire and Emergency Management. For this reason, it was proposed by Mr. Fenton to reduce the Fire budget by the amount reserved for these two additions. Mr. Love objected in that he felt that changes in the Fire budget will hamper their operation, especially since another source of revenue is available. Ms. Riches indicated that a similar situation existed for the Emergency Manager and his need for an assistant. Motion to revisit the budget made by Ms. Herron, seconded by Mr. Peters. Approved unanimously. Motion to reduce the Fire budget to $415,463 made by Ms. Herron, seconded by Mr. Domineck. Vote: 5 for Approval, 1 for Disapproval (Mr. Love).
11. Did not consider the Emergency Manager budget. Will consider next week once the school debt exclusion is determined and the voted changes are put into the budget spreadsheet to see where we stand. Other options can be considered.

Mr. Love wanted us to consider the new growth estimate as a source of revenue. Presently the estimate stands at $60,000 as determined by the Assessor. Ms. Stanley submitted an explanation of how and why she arrived at this value. Mr. Love drew attention to the differences between the estimates and the actual new growth values. Whereas, new growth values were 2015 - $98,499, 2016 - $71,759, 2017 - $149,763, 2018 - $148,356, 2019 - $154,443, 2020 - $120,729, the estimates were less than half of the final achieved new growth. Mr. Love suggested raising the estimated new growth by $20,000 to $80,000. This would increase the levy. Ms. Riches indicated that there is no guarantee that our new growth will exceed the estimate by this much. Mr. Fenton asked if the assessor was required to approve an increase in the estimate in the same sense that the Board of Assessors votes to increase the Overlay. Ms. Riches indicated that she always relied upon the estimate given by the Assessor.

Mr. Fenton suggested we suspend discussion on this until the final remaining deficit is determined. The budget can be finalized at the next meeting. Mr. Love agreed.

Meeting Adjourned at 8:40.

Respectfully Submitted,

Richard Fenton, Chair.