

## FINANCE COMMITTEE MEETING MINUTES

TUESDAY, JUNE 11, 2019

6:30 PM

### TOWN HALL

**Present:** A. O'Dwyer, T. Blauvelt, E. Curletti, M. Loubert, M. O'Connor

#### **6:30 PM - OPEN MEETING**

**1. CALL TO ORDER:** A. O'Dwyer called the meeting to order at 6:30PM

**2. APPROVAL OF MINUTES:**

A. May 21, 2019

T. Blauvelt and M. Loubert requested corrections.

**MOTION:** T. Blauvelt made a motion to accept as amended.

**SECOND:** E. Curletti

**VOTE:** 5-0

**3. SCHEDULING OF MEETINGS**

A. Finance Committee will reserve the 3<sup>rd</sup> Tuesday of each month at 6:00PM for meetings.

**4. FINANCE COMMITTEE MEMBER REPORTS:**

A. **T. Blauvelt:** The Community Preservation Committee met this evening at 5:30 and welcomed Leigh Davis as the Selectboard member. They will meet again on July 9<sup>th</sup> at 5:30PM, and hold a Public Hearing on the CPA Plan on August 6<sup>th</sup> at 5:30PM. The Plan is available on the Town Website. A robust application season is anticipated for CPA funding. Step 1 applications will be reviewed in October, and Step 2 in November. Some citizens at large were unsure if their terms had expired. C. Rembold will investigate and if any have expired, they will go before the Selectboard for renewal. This will be confirmed at the July 9<sup>th</sup> meeting.

B. **A. O'Dwyer:** The Economic Development Committee meets tomorrow.

**5. FINANCE COMMITTEE BUSINESS:**

A. Review of 2019 YTD Budget

a. New/Increased lines for contracted services

i. 'Overview of "Revised Budget" Column – S. Carmel

The revised budget column can be: 1) Holdover from FY18 Budget

2) Department transfers between line items 3) Reserve Fund transfers

ii. Contracted Services

1. Police and Fire

S. Carmel explained the reason for change here. These expenses existed in previous years, but did not have designated line items. For this budget, specific line items were created, rather than burying several distinct expenses under one item.

The PR person expense has been allocated to all three budgets to reflect the true share of their expense. The Police Department has done a transfer to cover this expense-it is no longer in the deficit.

“Care of Prisoners” cost was in another line item, so this too has been placed under a new line item. This expense includes food for incarcerated individuals, washing blankets, etc.

The Overtime line item seems high. S. Carmel asserts that they have been on budget, she in in contact with them bi-weekly to be sure all is on track. Funds have been transferred to cover any deficits, and the Police Department is confident they will not require additional funds.

b. Areas of Concern

- i. Legal Fees  
There is \$18,000 on the budget, with \$9,900 remaining, and \$18,000 in invoices to be paid. This may be able to be covered through line item transfers. M. Loubert asked about using encumbrances/ a Purchase Order system to increase transparency. S. Carmel asserts that it is a goal to develop a PO/encumbrance system. Discussions are ongoing with Department Heads to begin this. Senior work-off program could be considered to assist with Purchase Order entry to take some of the additional work this would pose to the individual departments.
- ii. Collector/Treasurer Budget  
Professional Services is holding a \$4,000 deficit, largely due to the Tax Title Litigation. This will likely be able to be covered with a line item transfer from the Postage Account.
- iii. Town Clerk Elections  
Election workers is showing a \$1300.00 deficit. FY19 was tighter, so the line was shorted. There are funds in the Supply line to cover this deficit.
- iv. Department of Public Works  
The DPW budget will likely face a \$50,000 deficit. This should be able to be made up between the 4 departments. The overall budget was only increased by 2% from FY18-FY19, which does not even cover salary. Therefore, funding was not in place as it realistically should have been to avoid facing a deficit. S. Bannon, Chair of the Selectboard, commented that the Town Manager and Department Heads need to budget realistically, and go before the Finance Committee and Selectboard if more funds are needed to avoid ending in a deficit.
- v. Fire Department  
Increases in Equipment Maintenance and Repair, line item transfers will take care of deficits.
- vi. Animal Control  
\$260.00 deficit will be allocated to the Health Department for a joint purchase of tickets.
- vii. Tree Warden  
This line was not funded appropriately, any shortfall should be able to be made up through DPW budget.
- viii. Education  
\$142,000 remaining. All 4 quarterly payments have been made. School noted that due to excess, they have a 5% cap, and had to allocate monies back. This will go to Free Cash at the end of the year.

- ix. Highway  
Snow and ice, a legal deficit is raised in the tax rate and is around \$42,000. With this out of the picture, the Highway Department is facing a \$10,000 shortfall overall.
- x. Street Lights  
Shortfall is anticipated
- xi. Cemeteries and Parks, Parks and Recreation Departments  
Doing well, no shortfalls.
- xii. Veteran's Affairs  
\$40,000-50,000 surplus
- xiii. Debt Services Budget  
Based on when the payments are due, bonds are due in June, and will bring the item down to zero.
- xiv. Insurance Budgets  
Surplus is anticipated. The \$8,000 deficit transfer was processed, and taken care of.

c. Chapter 70 Funds Payment – PILOT (Payments In Lieu Of Taxes)

The Town receives 1.1M in State Aid, used to offset the budget. There has been talk of these funds decreasing. The FY20 estimate was \$237,000 in State Owned Land and was then increased to \$250,000. The Finance Committee agrees that they will advocate if necessary to continue receiving these funds, should they move forward with cutting them.

d. Update on Cannabis Revenue

We receive funds quarterly from the State split into two funding sources.

1. 3% Local option tax provided \$45,000+/- for the first quarter, though it is really just one month, as Theory opened in January and reports a month in arrears. This goes into Free Cash. We can spend as we choose, and further discussion will be done on how these funds are spent in next year's budget.
2. 3% Community Impact Fee provided \$185,807.22 for the first quarter, which also goes into Free Cash. This will require discussion as to how the funds are used in the future.

e. Update on the 2018 Audit

Currently on hold due to the discrepancies found in the Tax Collector office. There is a forensic audit taking place, and we may see a final report by the Fall. A reserve funds transfer request has been presented for the additional work required this year. This request is for \$25,000, and an invoice/hours will be presented at the end of the audit.

Other Reserve Fund Transfer Requests Already Approved in FY 2019

- \$15,000 for an A/C Unit in the server room – came in under estimate
- \$15,000 for the Town Manager search - \$2,500 remains
- \$25,000 for Legal Fees - \$100,000 has been budgeted in the past.

**MOTION:** T. Blauvelt made a motion to approve the request for \$25,000 to be transferred from the Reserve Fund for this audit.

**SECOND:** E. Curletti

**VOTE:** 5-0

**6. EMAIL/LETTERS FROM CLAUDIA SHAPIRO:**

Letters were received via email, and also sent certified mail to Finance Committee Members, and the Selectboard. It was determined that the subject falls under the purview of the Selectboard/Building Inspector. It is recorded as being acknowledged in a Public Meeting, and no action will be taken.

**7. YEAR END INTERNAL FUND TRANSFERS:**

Departments cannot transfer funds between salary and non salary lines during the year. However, the State does allow these transfers with the approval of the Selectboard and Finance Committees in the months of May and June, with a final date of July 15<sup>th</sup>.

A meeting will be set for July 8, 2019 at 6:00PM to discuss these transfer requests.

**8. TIMELINE FOR BUDGET REQUEST DOCUMENTS:**

It will be requested that documents are received by the Committee by noon on the Friday prior to the meeting on Tuesday. A. O'Dwyer will put this request in writing and send to S. Carmel, copying M. Pruhenski and S. Bannon. S. Carmel will circulate to the Department Heads. E. Mooney will be notified of any changes in meeting times.

**9. REVIEW OF TOWN BUDGET FINANCIAL POLICY 2019:**

It was noted that the FY18 budget is still up on the website, which was voted for in 2016. This needs to be updated. The review of the 2019 policy will be tabled until the next meeting.

**10. MENTORING NEW FC MEMBERS:**

This is tabled until the next meeting as well.

**11. CITIZEN SPEAK:** None

**12. FINANCE COMMITTEE COMMENTS:** None

**13. MEDIA TIME:** None

**14. ADJOURNMENT:** On a motion by T. Blauvelt and seconded by E. Curletti, the meeting adjourned at 7:50PM.

**NEXT MEETING: Tuesday July 23, 2019 at 6:00PM**

Respectfully Submitted,

Tabitha Brewer  
Recording Secretary

Approved August 21, 2019



