

# Finance Committee Minutes

## December 10<sup>th</sup> 2015

A joint meeting was held with the selectmen for the purpose of reviewing the Financial Policies for the town, and to discuss the budget for FY 16. Attending were the three selectmen, Chairman Mrs. Shalaby, Ms. White, and Mr. Nathaniel Yohalem, Mr. David Herrick chairman of the Finance Committee and other members of the Finance Committee Mr. Mark Carson, Mr. John Pshenishny and Mrs. Prudence Spaulding. Mrs. Mari Enoch, town manager and Mr. Peter Schuyten (Five Village News reporter), guests included Mrs. Marsha Pshenishny and Mr. Chuck Loring Highway superintendent.

Minutes for October 22<sup>nd</sup> 2015 were circulated and accepted as amended, Mr. Carson 1<sup>st</sup>, Mr. Pshenishny 2<sup>nd</sup> unanimously accepted.

The Financial Policies were circulated and a motion was made by Mr. Herrick to accept them with Mr. Carson 2<sup>nd</sup> were unanimously accepted.

Mr. Herrick stated that there were two vacancies on the Finance Committee. Mrs. Spaulding suggested that Edgar Zucauskas might prove to be a valuable candidate for one of the vacancies since he has served on the committee before. She also added that perhaps Mr. Richard Long might be interested in the other position. Mrs. Shalaby stated that she had, in fact, e-mailed Mr. Long but had not received an answer. Mr. Herrick stated that candidates need to submit a letter of interest to him. Mrs. Shalaby stated that the select board would like to have proposals from the Finance Committee.

Mrs. Shalaby reported that the school's finance as of last night revealed that New Marlborough now had a credit of \$20,000 rather than the previous reported debit!

The town has not received a strong candidate for the position of treasurer, and will hire a municipal treasurer consultant who will fill the position up to the end of the fiscal year and use the same computer programs that the town has previously used, and hopefully then there will be someone in place to take the treasurer's position. It is hoped that the account for the treasurer will cover the cost of this service.

Mr. Pshenishny asked if an audit was planned. The auditor suggested that it would not be necessary. Mrs. Shalaby reported that the errors made with the IRS had been somewhat resolved and the interest payment was left to pay and that the town was hoping that they could get that waived. Mrs. Spaulding questioned as that since since it was an error made by a bonded member of the staff whether the bonding would cover the interest left to pay. Mrs. Shalaby reported that they are still hoping to work with the IRS and get the remainder "forgiven".

Mrs. Shalaby then suggested that the group review some charts of the figures taken from FY15 to gain some perspective upon the structure of FY16!

The first chart revealed:-

FY 15 anticipated Revenue	\$4,609,000
Collections	\$4,432,000 (noted that this revealed 96% of the revenue and 94% of the and 94% of the motor vehicles)

It is hoped that the tax rate will be sent to Boston and set next Tuesday.

Discussing the Capital Funds:-

Stabilization Balance 10/12	\$600,914
Reserve 5% (approximately)	\$ 275,000
Available for capital expenditures	\$325,914
Free Cash (non-certified estimate)	\$545,965
From Reals Estate sales	\$311,000
From budget excess	\$234,965
Reserve 5%	\$275,000
Available for Capital expenditures	\$270,965

Total Capital Available would be \$325,914 + \$270,965 + \$70,816 = \$667,695

The above figure will provide the basis for the capital expenditures... So far the only capital request appears to be a Police department Cruiser for \$40,000. Other items might be the purchasing of a machine that would hot patch the roads and an excavator (mid-size for \$140,000).

There were other large ticket items tentatively suggested.

Mrs. Shalaby stated that there is a balance of \$70,816 in the Town Hall Renovations budget. Some thought should be given as to whether we should proceed attempting to get these renovations done. The problem appears to be that there are few contractors that are state approved and are willing to submit a bid for the work. The renovations are designed to make a bathroom handicapped accessible and install some shelves in the assessor's office. Mr. Pshenishny asked if there were grants that might help increase this fund since the town hall is a historical building. Nevertheless repurposing the money in that account must be considered.

Mrs. Shalaby then introduced the estimated road budget for the next five years. Everyone agrees that the repair and the maintenance of the roads provide daunting economic challenges. For instance if the desired work for the roads for FY 17 were to be accomplished the cost would be \$2,002,896. The Chapter 90 funds are expected to be \$346,000 and the NM road budget will yield about \$94,000, leaving a remainder of \$1,562,340. The group will have to decide how much money can be allocated to the road maintenance. At this time Mr. Yohalem stated that he would be tempted to secure a bond to cover the cost of the road repairs, however the town was facing the added financial cost of the school's repairs (furnaces roofs and now the sprinkler system) not to mention the fiber installation within the town! The two would need a \$6 million bond to cover these costs! And the condition of the bridges must be considered. The Canaan-Mill River culvert will be repaired this year, but this will result in the closing of that road, and other roads must be in good condition and able to handle the traffic when this road is closed!

The attention of the group was now directed toward the formation of the FY16 budget with a maximum increase within 2 ½ of \$139,170. The following amount reflect an increase over the FY15 budget;-

Annual Reserve Fund	\$5,000
Roads and Bridges	?
Group Insurance	\$195,000 <sup>19,500</sup>
New person and 5% increase	\$7,500
Retirement (10% increase)	\$11,200
Wage increases (COLA,1% increase, Social Security)	\$4,900
New Position	\$2,000
Animal Control Officer	\$2,500
Transfer Station Revenue	\$38,000 (eliminate the Transfer Station Stickers?)
Vocational Education	\$8,500
School @ + 2%	\$50,000
Treasurer	\$1,000
Audit and longevity payment	?

Regarding the increase of the school budget the roof is reported still leaking and the sprinkler system is faulty. There was the suggestion that we write a letter demanding that the school level fund their budget, whereupon Ms. Shalaby stated that their increases were related to the teacher's contract. Mrs. Spaulding stated that since the enrollment was consistently declining the school administration needed to re-evaluate their classroom structure with the goal of eliminating some staff.

Prudence Spaulding  
December 12<sup>th</sup> 2015

The foreseen FY16 increases suggest that part of the budget will have to be placed outside 2 ½. Mr. Herrick stated that he considered that the department heads and other budget requestors be notified by letter to level fund or reduce their budget. Mrs. Spaulding stated that most of the department heads were extremely careful when spending money and the large ticket items absorb most of the increase costs. Mr. Carson stated that the computer programs appeared to be continually rising.

Mrs. Shalaby then reported that there had been a phone call suggesting that the town make a contract with the state police to do some of our patrolling. We now have one full time policeman and on ½ time policeman. Mrs. Spaulding stated that this had been a suggestion to do this in the past and upon further examination it was decided that it did not prove to be a viable suggestion.

Mrs. Spaulding then as Director of Senior Services stated that upon examination our town had by far the smallest COA budget (\$200 per year!) Most small town had between \$2,000 and \$3000 a year to provide services for their seniors. She reported that she used the state grant money as much as she could, but could not provide transportation to events, and even the events must be educational in nature. She reminded the group that when the seniors came for lunch there was always an informational aspect to the meal! For instance Monterey took their seniors to the Clark Museum, the bus was paid for under the town's line item and the entrance to the museum was paid for under the grant money.... Mrs. Shalaby asked how much should be allocated for the FY 16 budget and Mrs. Spaulding suggested \$2,000! \_\_\_\_\_

With little more to discuss Mr. Herrick proposed adjournment at 8:40 with Mr. Carson 2<sup>nd</sup>, passed unanimously.

Respectfully submitted,

Prudence Spaulding, Secretary.

