

FINANCE COMMITTEE MINUTES

Meeting Date: 6 June, 2008

CALL TO ORDER

7:30 A.M at Town Hall. Morton chaired the meeting.

COMMITTEE MEMBERS IN ATTENDANCE

Brian Morton (Chair), Marilyn Blaustein, Alice Carlozzi, Kay Moran, Doug Slaughter, Andrew Steinberg

OTHERS PRESENT

John Musante (Assistant Town Manager/Finance Director), Walter Wolnik

AGENDA:

1. Discussion of Multi Year Plan – Revenue Estimates
2. Member Reports
3. Minutes 5/8/08 and 5/28/08
4. Next Meeting and Agenda
5. Miscellaneous

COMMITTEE ACTION

Moran moved to accept the minutes of the May 8, 2008 meeting as drafted. The motion was seconded by Slaughter and passed on a vote of 5 in favor, 0 opposed

Carlozzi moved to accept the minutes of the May 28, 2008 meeting as amended. The motion was seconded by Slaughter and passed on a vote of 4 in favor, 0 opposed, 1 abstention.

DISCUSSION

Musante presented a draft of multi-year revenue projections for review and discussion. The discussion was about revenue, but he reminded the committee that we should expect annual increases in wages for current positions, health coverage, and utilities to be 5%. He projects revenue to increase approximately 3%. He termed his projections as “reasonable and conservative.”

When considering increases in taxation due to new growth and state aid from the cherry sheet, he presented and considered the experience of the most recent three, five, and eight years. There was discussion and questions about chapter 70 and how increases are distributed to the Town for elementary schools and to the region. The region is affected by enrollment and a “property wealth formula.” The committee agreed that we need to understand the formula and how it affects the regional schools. The projections for non-school aid is essentially flat.

There was a question about the state revenue projections due to the current economic circumstances and the effect on municipal and educational aid. Musante said that some members of the Community Choices Facilitation Committee had asked this question and suggested that

there might be a revenue scenario that is less than level funding. The Finance Committee considered whether there should be a revenue scenario based upon a FY 10 reduction and growth thereafter, as happened when there have previously been recessions.

The committee reviewed a section on other financing sources and discussed ambulance receipts. Musante described the current discussions with Hadley. It was agreed that projections should include no additional use of reserves.

Projections included additional revenue from economic development, college/university partnerships, possible legislative initiatives (a 1% local meals tax option, an option to increase local lodging taxes, and the closure of communications tax loopholes.)

The committee expressed appreciation to Musante for the draft revenue report and made four recommendations, without a motion.

1. Provide, if possible, an explanation of how chapter 70 increases are distributed.
2. Consider whether a "worst-case" scenario from a state aid decrease should be presented.
3. Include some information about the amounts and uses of Community Preservation Act funds.
4. Provide, if possible, more information about economic development with projection of the year when each project would become productive.

While, this report was about revenue, there was some discussion about whether expenses in future years might be reduced by regionalizing emergency dispatch, public health, veterans agents, inspections, and health coverage, and combining school and town technology resources. The Blue Ribbon Committee has met but needs more support. Musante and Guilford Mooring are comparing Department of Public Works expenses to other towns. He is working with Town Manager Larry Shaffer and LSSE Director Linda Chalfont to articulate a vision for LSSE and the amount of tax support that is appropriate.

The committee agreed that it does not need to meet again before projections are presented to the Facilitation Committee.

The next Finance Committee meeting will be on July 14 to consider reserve fund transfers.

Steinberg reported briefly on the initial work of the Facilitation Committee.

The meeting adjourned at 9:45 A.M.

Respectfully submitted,
Andrew Steinberg, Acting Clerk