

**MINUTES**  
**COUNCIL FINANCE COMMITTEE MEETING**  
**TUESDAY, MARCH 18, 2014**  
**9:05 A.M. to 10:25 A.M. – Municipal Building / Council Chamber A**

**1. Call to Order.** Jessica Holbrook, Finance Chair, called the meeting to order at 9:00 a.m. Finance Committee Members present – Edward Blaise, William Donovan and Jessica Holbrook; also present were Thomas Hall, Town Manager, and Ruth Porter, Finance Director.

**2. Approval of Minutes.** Motion by E. Blaise, seconded by W. Donovan, to move approval to except the minutes of January 21, 2014, Finance Committee meeting.  
Motion passed: Vote – 3Yeas

**3. Discussion Items.**

a. Review and Discussion of the Financial Statement Period End February 28, 2014

1. Ruth Porter, Finance Director gave a brief overview of the month-to-date financial report. The Director indicated that the Town and School combined are at 70.5% expended and normally should be 67% expended. The reason is due to the County Taxes and all debt service payments are paid in full. Administration is 78% spent due to legal expenditures, Public Works is high due to encumbering purchase orders for expenditures throughout the year.

Capital Equipment is at 97.5% which includes purchases for the current year plus items that were budgeted for in previous years that had not been expended. Items from previous years do not come out of the current year funding it would be the budget year from which they were approved.

Councilor Donovan inquired if the Finance Director anticipates the Town exceeding 100% of the Capital Equipment line funding? The Finance Director explained that there is always corresponding revenues to offset an overage in the capital lines.

The Finance Director indicated that the School Department's budget is right on track going into the 8<sup>th</sup> month of the current fiscal year. In the School Nutrition Program account allocations will show unexpended until near the end of the fiscal year. The reason is that only enough funds are transferred into the account to cover what is actually spent.

The Finance Director stated that Revenues are approximately 93% collected with excise slightly over which is a positive sign and the State Revenue Sharing are better collected as well. R. Porter stated that the Town and School

combined expenditures are at 65 million and revenues are at 67.4 million which is slightly better than expected.

The Finance Director reminded the Finance Committee that the Town Auditors would be here at 6 P.M. before the March 19<sup>th</sup> Town Council meeting. The Auditors will provide a joint Town and School Financial Statement to the Town Council and School Board at that time.

b. Review and Discussion of Proposed Positions in the FY2015 Budget

1. At this point in the meeting J. Holbrook, Chair brought forth a discussion on various department's proposed positions for the FY2015 Budget. This came from a previous combined School and Town workshop where there was a discussion on various Town positions continue to be offset and put aside due to budget constraints. As a rule the Finance Committee may never see some of the proposed positions as the Town Manager may cut them before they reach the Finance Committee's review. J. Holbrook, Chair has turned over the discussion on the upcoming proposed FY2015 positions to the Town Manager to bring forward.
2. The Town Manager stated that this year is no different than most years except that after several discussions with the Finance Chair it was decided that the committee should hear what the needs are and why. The Manager indicated that he feels the obligation to his staff to allow them the opportunity to share their arguments as to the need of the proposed positions. There are fourteen proposed positions across Town Departments which would cost approximately cost \$800,000 if all were approved. The Manager provided a short overview of all the positions presented. By the end of this week the Manager will make his own recommendations to the Departments about the proposed positions. The Manager stated that not all of the positions will survive his cuts and thanked the Finance Committee for their input.
3. The Town Manager regretfully informed the Finance Committee that at this time we are unable to come in at the flat funding requested by the Town Council. The budget is at a 5.2% increase and has a lot of work to be done to bring it lower. One of the issues pushing this rise is the bad news received from the County Assessment that has gone up by 7.3% with a \$200,000 increase this year. The Manager stated this has been the continuing trend from County in the past few years. Even with the tax increase from the County at this time the Town tax rate would increase by 1.7%. The Manager projects a 15 million increase in property value.

#### **4. Future Agenda Items.**

Budget Reviews:

- Tuesday, April 1, 2014 - 9:00 – 10:00 a.m.  
Public Safety, Police, Fire & EMS
- Tuesday, April 1, 2014 10:00 to 10:30 a.m.  
Planning
- Tuesday, April 1, 2014 @ 10:30 to 10:45 a.m.  
Finance
- Tuesday, April 1, 2014 - 10:45 – 11:00 a.m.  
Assessing

#### **5. Future Meeting Dates and Times.**

- Tuesday, April 1, 2014 - 9:00 – 11:00 a.m.  
Library, SEDCO, & Administration
- Tuesday, April 8, 2014 10:00 to 10:30 a.m.  
(Community Services, MIS Department & School Department)
- Tuesday, April 15, 2014 @ 9:00 to 11:00 a.m.  
(Community Services, MIS Department & School Department)
- Tuesday, April 22, 2014 @ 9:00 to 11:00 a.m.  
(Final Review- Recommendations)

**6 . Adjourn.** Motion by E. Blaise, seconded by W. Donovan, to adjourn at 10:25 a.m.  
Vote – 3 Yeas.

Respectfully Submitted

Colette A. Mathieson  
Recording Secretary