



**MINUTES
TOWN FINANCE COMMITTEE**

Thursday – April 18, 2024

Hybrid

5:00 P.M.

Item 1. Call to Order. J. Anderson called the meeting to order at 5:01 p.m.

Item 2. Those Present. Finance Committee members present: Jonathan Anderson - Chair, Donald Cushing and Karin Shupe. Others present: Thomas Hall - Town Manager, Liam Gallagher - Assistant Town Manager and Norman Kildow – Finance Director.

Item 3. Approval of Minutes: Not available.

A. Anderson, Chair, noted that the Town Manager had a couple of things he wanted to setup before we move forward with the agenda.

Mr. Hall, Town Manager, stated that he would like to make a clarification that had been noted by a resident while reviewing the budget book pointed out an error and Mr. Hall would like the Finance Director to speak to this and get on the record. We will update the proper charts and numbers in the budget book on Monday. The good news is that it is none of the relevant information changes, all the net numbers that were reported are accurate. With that being said we wanted to acknowledge an error and correct it.

Mr. Kildow, Finance Director, presented a slide that showed the table that is in the letter of transmittal where we summarize the gross in net, the municipal gross for FY2024 was reported incorrectly. The bottom table reflects that correct numbers. The municipal gross should be the \$42,987,850 and the TIFs and the other rows were also incorrect in the gross column, but everything to the right of that net FY2025 gross and net and the calculations are all unchanged and correct.

Mr. Hall accepted responsibility noting that he was working from a tax rate comp sheet that he had included in the proposed budget last year as opposed to the final one that had commitment and there were changes that were made and it would certainly be corrected.

Item 4. on FY2025 Municipal/School Budgets.

A. Review Potential Adjustments: Mr. Hall, Town Manager, stated that with respect to organizing your conversation this evening, the first item is potential amendments budget. We kept kind of a running scorecard of the Committee's discussion points with department heads and the School Board. Staff done some additional work. He noted that the first sheet in the packet helped him organize his thoughts. The first grouping under the heading Recommended Adjustments we broken out them out by School and town these are items that had been discussed either at this Committee's meeting last week or they're new items that staff has identified that they are comfortable in recommending to the Finance Committee to make these

changes. Mr. Hall then went through the different groupings then we can loop back for further discussion.

Committee discussion ensued and to focus on the things that the Council can control and what the tax impact of those things are. D. Cushing stated that a 5% net budget increase translates to a 2.25% tax increase due to real growth in the tax base independent of the revaluation. He went to suggest we keep the tax rate lower and maintain things by having some level of moderate growth. There was discussion on whether to use fund balance which is roughly \$1.95M. K. Shupe felt what was presented captured what the Committee expressed at the sessions from last week and was looking forward to seeing if we could bring the numbers down. J. Anderson agreed with the previous comments. Further discussion ensued. Mr. Hall responded to questions from the Committee.

It was recommended that the School come back to this Committee with a similar list of new adjustments totaling \$1M that include the same three categories as the Town.

Motion by J. Anderson, seconded by K. Shupe, to move approval to request the School to come back to this Committee with an adjustment of \$1M in addition to what has already been adjusted up to this date, which is the \$368,000.

Vote: 3 Yeas. Motion Passes.

B. Review TIF Items: Mr. Hall, went on to review the proposed changes being recommended. He then went on to explain how TIF funds would pay for a couple of the CIP Projects – the Haigis Parkway TIF and the Downtown TIF. Discussion ensued.

Motion by J. Anderson, seconded by K. Shupe, to move approval to accept the Town Manager's recommendation to the four TIF's/CIP items and make the changes as recommended between the Haigis TIF and the Downtown TIF for the Committee to see the impacts of that at our next meeting and come forward with an additional \$200,000 in recommendations.

Vote: 3 Yeas. Motion Passes.

Further discussion ensued on other areas of budget that could be .

Motion by J. Anderson, seconded by K. Shupe, to move approval to modify the budget to include the pickup truck with Beach reserve money.

Vote: 3 Yeas. Motion Passes.

J. Anderson suggested that the direction the Town Manager should go is to come back to the Committee with more recommendations and be prepared to share how some possible not possible so we can have that conversation at our next meeting in terms of where we may want to move things around potentially or go deeper. He then shifted the conversation on fund balance.

Proposed Use of Unassigned Fund Balance: J. Anderson noted that he was supportive of using fund balance this year because of the unique situation with the reval and particularly because the overlay is the source of where we're kind of taking that money. He would use it in order to

make to goal. I wouldn't want it to be the full million I would you know if we have to use \$200,00 of it to get to where. Committee discuss ensued.

For the next meeting, we will be reviewing more recommendations from the town and maybe the School Board. They have an upcoming meeting this discussion could help to shape their meeting.

There was discussion around whether the Committee would need to meet, due to the short turnaround for the town and school to prepare information that had been requested. If the Manager needs more time then we can cancel the April 24th meeting.

Item 5. Public Comments.

- Marvin Gates of Black Point Road [via zoom] spoke on the use of fund balance. occur again because of our values going up and everything so again I think that's also part of what they look at

K. Shupe noted that the Parks and Conservation Land Board would like to have a ballot questions in November to refund the Land Acquisition Reserve Fund. They received a grant to conduct a survey, which has gone and they expect results of that survey on May 9th. We invited them to our May 9th meeting to discuss what we think the actual ask should be for the reserve fund.

Discussion ensued around when, the amount and timing. It was decided that this would go on the June Finance Committee agenda and schedule a time for a July workshop with the Council.

The Town Manager mentioned that the Sustainability Committee had a proposal that would direct a certain percentage of fees to a reserve account and was advised that where this Committee was preoccupied with the budget and that it would probably be in June, depending on the preparation for the final reading on the Budget.

Item 6. Adjourn. Motion by K. Shupe, seconded by D. Cushing, to move approval to adjourn the meeting at 6:36 p.m.

Vote: 3 Yeas. Motion Passes.

Respectfully submitted,

Yolande P. Justice

Town Clerk