

MINUTES**TOWN FINANCE COMMITTEE****Wednesday – April 24, 2024****Hybrid****6:00 P.M.**

Item 1. Call to Order. J. Anderson called the meeting to order at 6:07 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, Norman Kildow - Finance Director and Kate Bolton, Director of Business and Finance for the School.

Item 3. Approval of Minutes: Not available.

Item 4. Discussion on FY2025 Municipal/School Budgets.

- J. Anderson stated that the Committee would be getting an update from staff in terms of latest information regarding adjustments that have come forward. He understood that there is information from the School as well and hopefully the Manager can share so we can get a sense of where we are and then spend some time on the fund balance again a little bit more in depth and make sure we understand the current fund balance Health, the metrics kind of where we are and just continue to explore that as part of how we may want to offset some tax impacts this year.

A. Review Recommended Adjustments Scorecard: T. Hall, Town Manager, stated that he would like to start with just updating and capturing the work that the Committee worked through at the last meeting. He reviewed the first three documents that had been provided in the packet. At the end of the last meeting and the Committee sent us home with some further homework and he offered to identify an additional \$200,000 in adjustments and I believe your directive to the school was \$1M.

He further noted that the School Department did meet with their Finance Committee yesterday and there is a number of other adjustments that they are proposing to bring forward to this Committee. K. Bolton is present if you wish for her to respond.

J. Anderson noted that he would like to spend some time hearing from the Town on the \$166,000 and if there are things that the school has to kind of help us understand where they are tracking after saying I'm not

K. Bolton noted that School finance Committee would be meeting again tomorrow and so they are partway through their process and wasn't really comfortable in saying here is what has been decided. There are some items still in motion.

L. Gallagher, Assistant Town Manager, presented information to the Committee on the additional cuts that would reflect approximately the \$200,000 that the Committee

recommended at the last meeting. Discussion ensued around the cola and possible adjustments. There was also discussion around using the TIF Funds to pay for Senior staff that could potentially help reduce the operating budget. There are some portion of salaries that are covered by the TIF Funds, e.g. Engineer Director, the Sustainability coordinator and some portion of their costs includes Finance Director, Assessor, portion of the Town Manager and the same would be true of Economic Development. Further discussion ensued on the use of TIF Funds.

The objective of this budget is to come in at level services, which means we need to make some tough choices. Discussion ensued regarding new positions or deferred positions. There continues to be growing needs for staffing to meet the various demands that are implemented by State and Federal regulations. There was discussion regarding the Route One Greening Initiative; Facilities Assessment; Vulnerability Assessment; sidewalks; implementation of Grants and unexpected items that occur during the budget year.

B. Fund Balance History/Rating Agency Factors: T. Hall, Town Manager, stated that N. Kildow, Finance Director, would lead this discussion noting we provided more information than you want, but figured we would give you a sense of the history of our fund balance, where it's been and where it's likely to be going. This schedule also models the proposed use of fund balance and how the Credit Agencies view and consider fund balance in their evaluation process.

N. Kildow, Finance Director, presented a slide that showed a schedule that had been seen at Finance Committee meetings in the past. This schedule is the same schedule that's in the budget book except for those bar right hand columns that are titled "projected" that those have been added. In response to a question from J. Anderson relating to the percentage and did it include the School's Fund Balance, Mr. Kildow stated the school fund balance is excluded because the school fund balance is restricted for its purpose, which is education. He then went on to explain the changes from the last time this has been presented. The use of Fund Balance was discussed at length by the Committee. Mr. Hall and Mr. Kildow responded to questions and concerns from the Committee.

This information would be of interest to the full Council and should be in the workshop packet and if the Committee would provide feedback in terms of what they would like in preparation for the joint Workshop next week that would be helpful. J. Anderson stated that it would be helpful if the school and the town come forward with where they are at, at that point. We want to make sure that getting from the Council the direction this Committee has taken and the choices that have been made are choices that they're supportive of or give us feedback so that when we come and do our final recommendation we at least hear from Councilors where they want to go.

J. Anderson mentioned the FAQ form on the web and emails that have been received. He wanted to make sure that all questions are responded to and he would be glad to assist. He wanted to make sure that residents are being responded to.

There is a we'll get enough feedback at the workshop scheduled next week then the regular meeting on May 9th to finalize everything. An amended budget order will be reviewed by the Committee to vote on and move forward to the full Council. The public hearing on the budget will be on May 1st.

Item 5. Public Comments.

- Jim Pritchard of Maple Avenue voice his concerns around the discussion on using fund balance, TIFs, grants toward payroll.

Item 6. Adjourn. Motion by D. Cushing, seconded by K. Shupe, to move approval to adjourn the meeting at 7:33 p.m.

Vote: 3 Yeas. Motion Passes.

Respectfully submitted,

Yolande P. Justice
Town Clerk