

May 18, 2009

The following minutes of the Board of Finance hearing are submitted subject to approval at the next meeting.

Chairman, Michael Jackson called the Hearing to order at 4:58 p.m.

Present:

Members: Jack Boyer, Jack Field, Michael Jackson, Craig Schoon, Barbara Brown

Alternates: Liddy Adams, Tony Bedini, A. J. Dubois

Selectmen: Mark Lyon, Nicholas Solley

Treasurer: Linda McGarr

Minutes:

Minutes of the 4/13/09, 4/20/09, 5/7/09 budget hearing and 5/7/09 meetings were reviewed. It was noted that both A.J. Dubois and Liddy Adams had also been in attendance at the April 20th meeting. Minutes accepted as corrected.

Budget:

Discussion on the proposed Town budget was held. The General Fund and Capital Fund proposed expenditures will continue to be reviewed by the Selectmen prior to the Town Meeting. Any changes will be discussed and presented at the Town Meeting.

Treasurer's Report: Accepted as submitted.

Financials:

Funds remaining in the Boat Launch account will be returned to the Nonrecurring Capital Fund once remaining projects are complete. LoCIP grant funds received for completed Capital projects have also been deposited to the Capital Fund.

Washington's Financial Planning Model:

The Financial Planning Model assumptions were discussed at length. While tax collections in the current year are anticipated to exceed the 98.8% budgeted, non-tax revenue (i.e. interest income, land use & building fees, conveyance taxes, etc.) are lower than anticipated, resulting in a lower overall income than budgeted. Town operating expense for the current fiscal year will exceed budget in the winter maintenance and pension areas. This may result in a higher overall total operating expense than budgeted, resulting in a slightly negative net General Fund balance for the current year than anticipated.

The Grand List for the 2009-10 fiscal year is \$1,250,524,800. This includes the revaluation figures, as well as agreements reached following the 196 appeals addressed by the Board of Assessment Appeals. It is estimated revenue will decrease by \$272,000 in the same non-tax revenue areas as the 2008-09 year, while operating expense will increase by \$63,000. Education is currently estimated at a \$171,000 increase. (The Education budget has not as yet been approved and these figures would be amended once approved by the voters.) A drawdown from the Town's Fund Balance may be used to offset the 2008-09 budget. Michael noted a word of caution regarding the Fund Balance and suggested it not be reduced further. The use of these funds over the past five years has allowed the Board to maintain a more stable mill rate; however, the reduction in income this year had not been anticipated. Maintaining a fund balance is not only important to the Town's municipal bond rating, but also to that of the Region. Michael also noted the importance of protecting the Town's funds when investing is of utmost importance. He felt the townspeople have trusted the Finance Board in the past to set a reasonable mill rate. He hoped not to end

the current year with a Net cash deficit greater than planned, but felt it reasonable to assume this may occur. Hopefully, tax collections will be greater than planned and sufficient to cover shortfalls in non-tax income.

The Selectmen will consider further capital expense reductions before the Town Meeting. It was agreed the future state of the economy remains questionable.

Boat Launch Fund:

It was agreed to transfer funds remaining in the Boat Ramp account to the Nonrecurring Capital Fund once the final aspects of this project are complete.

The meeting was adjourned at 6:10 p.m.

Respectfully submitted,
Kathy Gollow, Secretary