

February 12 Finance Committee Meeting

The meeting was called to order at 6:05pm

In attendance were committee members: D. Drugmand (via phone), L. Levernoch, D. Megas, S. Thomas and Town Administrator Sean Curran.

The minutes of the January 8 meeting were approved unanimously. Motion D. Megas, second S. Thomas.

Preliminary Review of Budget Worksheet and Budget Requests Received So Far

The Committee performed a preliminary review of the budget worksheet and requests received thus far. This was a very limited exercise as the Committee didn't have local revenue projection figures (which we anticipate having for our March meeting) nor information regarding the FY23 actuals. Many recurring expenses such as insurance rates for the coming year were also unknown.

The highway superintendent requested an increase in the winter roads account totaling 4.4%, in large part due to an increase in the cost of salt, rising from \$72 a ton to \$101. (On average the town uses 1,000 tons of salt a year.) In addition, the town anticipates a cost of approximately \$12,000 for primary ambulance coverage (which had been provided at no cost in previous years) and an increase of 3% for fire protection. The Cost of Living Adjustments (COLA) for staff also need to be considered.

On the positive side, the proposed CBRSD operating budget saw an increase of only 1.1%. Some of the departments requested no increase in their budget.

Based on the information currently available, it appears that total appropriations would increase by 7.1%; town operating budget by 8.6%. Keeping in mind that we have a 2.5% levy limit to work with, these figures indicate that carving out the FY25 budget will be very challenging. Funds for many line items may have to be reduced or eliminated entirely.

Budget to Actual 2nd Q FY24

Another component of the budgetary process is a comparison of the FY24 budget with funds actually spent so far this fiscal year.

The Committee discussed the information presented regarding account balances halfway through the current fiscal year. The expectation was that figures would indicate that account spending would be approximately half of what was appropriated. This was the case for many of the accounts. However, a few had little money remaining while the funds in others had barely been touched. The committee will reach out to fiscal staff for more information regarding these accounts.

Highway Tree Cutting Proposal for Washington Mountain Road

Highway Superintendent, Tom Johnson, appeared before the Committee to discuss a proposal to cut back trees 30 feet from the road on both sides of Washington Mountain Road, from the Appalachian Trail to the Dalton Town line.

This action is seen not only as a cost saving measure (as the highway crew is often called upon to clear the road of debris from numerous dead trees in this area) but also as a means to improve public safety, decreasing the likelihood of trees falling onto the road as well as allowing sunlight to permeate the area helping to melt the snow and ice from the road. It was thought that the town could leverage an MVP tree action grant to assist in funding this \$200,000 project.

Financing Online Permitting Module Cost

The Building Inspector has been advocating for online permitting as a means of easier, more accurate record keeping and will also help the assessors capture new growth. Town officials felt his request was reasonable, and the mechanism by which the town could do this has been researched.

It was hoped that the cost of the online permitting module (\$5000) would be covered by a grant. However, the grant monies have to be spent by March 31, and the software won't be ready for us to purchase before the deadline. Instead, this grant money could be used to redesign our website. The town had appropriated \$5,000 for web design software, which has been carried over, and could be used to cover the cost of the permitting module software.

It is thought that the annual fee for the permitting software will be \$2200. To help offset this cost, the fee for permits was raised on Sept. 1. Previously, inspectors received the entire permit fee as payment for their services. Going forward, a portion of the fee will be used toward the annual software cost.

Treasurer's Report

Treasurer Ben Gelb is intending to issue quarterly reports, showing account interest revenue, total cash balances and account safety ratings. His first such report, for the 4th quarter of FY 23, was distributed at the meeting.

Policies Update

D. Megas recently met with Select Board Chair K. Lew to review the Finance Committee's recommendations concerning several Financial Planning Policies. Their discussion resulted in some proposed changes.

While the majority of the changes were minor and centered around the assignment of job duties and decision-making responsibilities between the Town Auditor, Town Treasurer, Town Accountant and Town Administrator, there were two areas where changes of note were recommended—the first pertaining to free cash, the second in the use of the town's credit card.

- Free Cash – “The Town will strive to realize year-to-year free cash certifications equal to five percent of the annual general fund budget.” (Amended from 7-10%.)

“Furthermore, the Town will strive to keep its year-end unappropriated free cash balance at a minimum of 20 percent of the annual certification.” (Amended from 25%.)

- Town Credit Card Use – It was recommended that the procedure be amended to provide tighter oversight and that real consequences for failure to adhere to this process be instituted. The proposed amendments:

“The employee will submit to the Town Accountant a completed Credit Card Use Pre-Approval Form prior to making a credit card purchase. As soon as the goods are ordered, received, and accepted, the employee will immediately provide the Town Accountant with a detailed vendor receipt as part of the accounts payable warrant submissions. Failure to follow this process may result in withdrawal of credit card usage privileges. In addition, failure to obtain and submit prior approval may result in the employee being required to pay the credit card expense out of pocket.”

If these amendments to the credit card policy use are approved by the Select Board, all department heads would be made aware of these policy changes.

It was hoped that the Select Board would approve these policies as amended during their meeting tonight.

Meeting was adjourned at 7:42pm so that Finance Committee members could meet jointly with the Select Board regarding budget priorities.

Next meeting March 11.

Respectfully submitted,

Linda Levernoch, Clerk