

RTM Finance & Budget Committee - Regular Scheduled Meeting Minutes 3/30/2015

Present: J. Palen, R. Cardone, T. Duffy, J. Davis M. Banks, K. Hoffman, M. Thorne

Absent: G. DuPont, J. Boulton, B. Hayes, D. Ritchie, A. Millar, S. Anderson

Guests: Board of Education members, including Chair B. Hagerty-Ross.

With 7 of 13 members present consisting of quorum, J. Palen called the meeting to order at 7:38 p.m. in Town Hall Room 206. The agenda was unanimously approved.

J. Palen began meeting by asking for questions and comments for the BOE capital budget. J. Davis asked for more detail on technology plan. B. Hagerty-Ross responded new superintendent would be in better place to provide more detail. J. Palen asked BOE for more detail of priority 2 and 3 capital items. B. Hagerty-Ross responded that they were asked to move forward those items that may be bondable at direction of BOF given rates. These were Priority 2 items. Telephones moved from operating to capital. Two automobiles were included in-district special ed transportation.

J. Davis questioned whether original priority 1 items totaled about \$1.5m (excluding the high school fields). M. Banks questioned if paybacks had been calculated for the energy conservation projects. The payback for the \$130,500 project is in the process of being calculated and could range from less than 1 year to 6.5 years. The \$20,000 dimming light project for Tokeneke has not had a payback calculated. M. Banks asked if the gas line is definitely going to be installed. It will be another year before they know. The premium for a dual fuel burner is small. The capital cost of \$240,000 does not include the cost of piping if a gas line is installed. M. Banks wonder if it would be advisable to delay the project until it is known whether there will be a gas line. The BOE did not want to wait.

J. Davis asked about timing of facilities study and impact on capital items that may be approved/not approved before study completed. B. Hagerty-Ross stated study said all buildings in good shape. No schools were to be rebuilt. Capital items generally viewed favorably. J. Palen asked about update on oval turf. Discussion ensued on pending lawsuit as well as endowment. BOE will leave turf item in capital budget while discussion remains.

J. Palen requested questions/comments on BOE operating budget. J. Palen asked about assumption on excess 68-70% reimbursement. B. Hagerty-Ross said BOE will remain conservative and not increase assumptions.

General committee discussion on capital budget and numbers. R. Cardone questioned whether overall mill rate increase would remain 3-4% and reluctance to support 4+% increase. J. Palen noted mill rate depends on what gets bonded. J. Davis questioned timing of capital projects and future savings. R. Cardone noted that pulling forward on tight year makes next tight next year. M. Thorne noted that facilities study will likely result in more capital spending next year. M. Banks said we should not bond most capital items as practice. K. Hoffman inquired whether bringing forward capital items this year would result in less spending next year or just result in low-priority items being completed earlier than necessary in future years. Additional discussion across committee on mill rate and true impact of prioritizing items.

J. Davis suggested that committee issue statement to BOF that the F&B committee believes that the tax rate should not exceed 3.5% for next two budget years—including BOS, BOE and capital budgets. J. Davis thought we should note there were minor concerns on individual items but understand BOE items were moved forward for sole intent of bonding. Statement should say that if not bonded, lower priority capital items should not be made this year; revert back to original priority.

T. Duffy noted desire for statement to include higher special ed reimbursement estimates to achieve more specific budget.

J. Palen asked for Board of Selectman comments. J. Palen said revenues should be reviewed on fee-based systems to determine if cost versus revenue is tracked and considered. R. Cardone asked whether committee was generally ok with BOS operating budget. No present member expressed heightened concern for specific line items. J. Palen asked for comments on capital. Committee determined it would like more data on the boat purchase as well as additional analysis on insurance costs.

J. Palen asked for motion to make statement that BOF ensure it reviews every budget item and only advance those capital items that were moved forward in priority that it intends to bond. Request that target tax increase no more than 3.5% increase, including next year mill rate. Statement also to request that revenue items and tie to cost structure in specific areas and there be a review of insurance items and contracts. The budget, on a spend basis, is 4.6% -- a figure that is too high.

M. Thorne moved to accept statement, J. Davis seconded. Vote in support was unanimous.

T. Duffy moved to approve March 16 minutes, R. Cardone, seconded. Minutes unanimously approved by those present.

J. Davis moved to adjourn meeting. R Cardone seconded. Unanimously approved by committee a and meeting adjourned at 10:00 pm.