

Finance Oversight Committee Meeting April 2, 2025
Minutes

Members present: Jim Broderick, chair, Dawn Starks, vice-chair, Kathleen Hill, Anna Jones, Richard Freccero, Connor O'Shea, Council President, ex-officio.
Also present, Tom Christensen, Town Manager, Kim Collins, Finance Director

The meeting was held in the COA Media Room and was called to order by Council President Connor O'Shea at 5:06pm.

President O'Shea called the Town Council meeting to order at 5:09 pm, in accordance with the Open Meeting Law. Council members present were Anna Jones, Kathleen Hill, James Leydon, Ralph Page, and Marilyn Richards.

The first item of business for the Financial Oversight Committee (FOC) was the election of a committee chair. After brief discussion around the benefit of co-chairs, a motion was made (Freccero/Hill) to nominate Jim Broderick as chair, and Dawn Starks as vice-chair. Voting YES were Jones, Hill, Freccero, and Broderick.

Chair Broderick's first item of business was to establish meeting dates, locations, and time of day. After discussion, it was agreed that meetings would be held on Wednesdays at 4 on April 9, 16, 23, and 30. The goal was to present the committee's recommendation to the Council by May 7. Chair Broderick noted that additional meetings could be scheduled as necessary prior to May 7. Meetings will occur at the COA Media Room. It was also agreed upon to continue the practices used by the FOC in past years, (1) recommendation votes would be taken as topics are addressed, and (2) committee members would rotate the minutes taking responsibility.

President O'Shea announced that the Town Manager's DRAFT Budget could be accessed by going to the Town's website under Town Manager and using the link FY26 DRAFT Budget.

Chair Broderick asked the Town Manager to give a general overview of his budget proposal. Manager Christensen, supplemented by Finance Director Collins, highlighted the following points.

- The budget reflects level services only, and allowance for contract obligations, Approximately \$1M was cut from original submittals.
- The greatest increases in expenses attribute to health insurance, liability insurances, and retirement obligation.
- \$1.3M remains available for use before reaching the levy limit.
- The budget reflects a 2.6% increase in town expenses, and an 2.5% increase in school expenses.
- \$300K was used from the excess levy capacity, however, an intentional decision was made to retain the remaining \$1.3M to guard against reaching the levy limit.
- A concerted effort was made to flatten the expense curve; no 'wants' in any department were entertained.
- The Capital Plan includes approximately \$1.5M in general fund outlay and \$2M in projects funded by Enterprise Funds, grants, and other sources.
- The estimated tax rate is \$19.85 This rate includes \$1.87 in excluded debt relative to the new high school/natatorium projects.

During the overview, FOC and Council members posed several questions outlined below.

Jim Broderick What is the rationale for holding back \$1.3M in levy capacity instead of using the 'tax to the max' philosophy? *Historically over the past several years, the excess capacity stood at approximately \$2.7M. Recent trends in the expense curve have brought the level to \$1.6M. Considering budget uncertainties at the federal and state levels, town administration is adopting a conservative use of the levy capacity.*

Marilyn Richards Where is the town in the bonding process for the new high school/natatorium projects? *83% is currently bonded. The remaining 17% will be bonded over upcoming two years.*

Jim Broderick Why such a spike in local receipts? *The spike reflects a very large project that yields approximately \$100K in permits (Lenox's solar project). It is a one-time occurrence.*

Ralph Page What is the status of the town's Cherry Sheets? *The Governor's Budget reflects modest increases on local aid. Three additional iterations of the state budget will occur before the final Cherry Sheet numbers are announced.*

Rich Freccero What is included in 'other expenses' in the General Fund? (p.10/43)

Jim Leydon Pointed out the Net School Spending Graph (p.26/43) and that the Town was currently funding the school budget 135% above the Required School Funding.

Chair Broderick suggested that FOC members review p.11-12 (explanation of department requests) and use the line-item department budgets as a reference when developing questions for the April 9 meeting. Jim and Dawn will develop an agenda for the meeting. Tom will provide the backup information for the Capital Plan as requested by Ralph Page. Kim will provide the financial policy to explain the town's Free Cash and Reserves ratios.

The FOC meeting adjourned at 6:20pm (Freccero/Hill). All members voted YES.

The Town Council meeting adjourned at 6:21pm (Richards/Page). All members voted YES.

Respectfully submitted,
Kathleen Hill