

Finance Oversight Committee Meeting April 30, 2025
Minutes

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

Town Council members present: Marilyn Richards, Ralph Page

The meeting was held in the COA Media Room and was called to order by vice chair Dawn Starks at 4:03pm

President O'Shea called the Town Council meeting to order at 4:04 pm, in accordance with the Open Meeting Law. Council members present were Anna Jones, Kathleen Hill, Ralph Page, and Marilyn Richards.

The first item of business was to complete a final review of the school department budget. Committee comments included:

- The School Department did a good job to reduce their submittal in accordance with the Town Manager's directive.
- Documents provided by the School Department were exceptionally informative and transparent
- The school budget is very complex and relies on a variety of funding sources to fulfill its mission,
- As expenses continue to grow and financial support from the State is unpredictable, the School Department is focusing planning efforts for FY27 and beyond.
- It is imperative that the Town maintain its fiscal prudence mindset going forward
- The collegial and cooperative efforts of the School Department are acknowledged
- The tireless efforts of the Finance Director and Town manager were also acknowledged as key to making the 'budget process' effective and successful

A motion was made to recommend to the Council that the School Department budget be approved as submitted (Starks/Jones). All members voted YES

Discussion continued as to whether the Chapter 70 funds, should they increase beyond what the pre-liminary Cherry Sheets reflect, flow directly to the School Department to help mitigate expenses. Comments included:

- Chapter 70 funds belong to the Town to use for town wide expenses
- This decision is not in the purview of the FOC
- 300K was already taken from the 1.6M level capacity to assist the School Department
- The top priority is to replenish the excess levy capacity
- The decision should wait until final Cherry Sheet numbers and a final State budget are known

A motion was made to consider giving 'additional' Chapter 70 funds to the School Department should the final numbers reflect an increase (Freccero/Broderick). The motion did not pass, with a vote of 1-4-1.

The next item of business was a review of the Town's Revolving Funds. After a discussion of the various factors regulating how revolving funds are determined and retained, a motion was

made to recommend the acceptance of the Council on Aging, Health Department, and Ambulance Revolving Funds to the Town Council (Starks/Freccero). All members voted YES. Both the Finance Director and Town Manager commented that a study of ambulance fees, Medicare/Medicaid fees, and private insurance fees has recently been started. Currently, 30% of ambulance runs make up the bulk of the revenue with 70% of ambulance runs are reimbursed at the Medicare/Medicaid rates.

The Committee continued with a review of the Town's Reserves. Points made about these funds included:

- Free Cash target is 5% and currently stands at 8% at \$5,695,152.25
- OPEB is funded at 24%, though the full obligation exceeds 58M.
- Stormwater is at 70%. Retained earnings used to support equipment and vehicle repairs
- CPA funds flow into each category by a % formula. Currently the State funds the account at 40%.
- Stabilization target is 8%.

A question was asked why a \$6.00 stormwater fee increase was implemented across all categories. The Manager and Finance Director indicated that a review of the rate structure would be started soon.

The final area of discussion involved the Town's Sources and Uses. Jim suggested that in future budget years the FOC begins its overall review by starting with sources and uses instead of considering it at the end of the review process. The projected tax rate for FY26 stands at \$19.85. This rate includes \$1.87 of excluded debt (new high school).

Jim will develop the FOC's annual recommendation to the Council and it will be finalized at the Committee's final meeting on May 5 at 4:30pm (Zoom).

The FOC meeting adjourned at 5:41pm (Freccero/Jones). All members voted YES.

The Town Council meeting adjourned at 5:41pm (Richards/Page). All members voted YES.

Respectfully submitted,
Kathleen Hill