

Call to Order

The meeting was called to order by Mr. Stumpf at 7:05 p.m. in the Third Floor Conference Room B at Town Offices. The meeting was taped but not live cablecast.

In attendance were Chairman S. Jon Stumpf, Margaret (Peggy) Kruse, Joanne Marden, Linn Anderson, Bonnie Zahorik (arrived at 7:15), Max Arai and Eugenie (Janie) Moffitt. Also present was Donna Walsh, Finance Director. Absent were John Barry and Greg Serrao.

Approval of Minutes

October 8, 2014 Meeting

Upon motion duly made by Ms. Marden and seconded by Ms. Moffitt, it was voted to approve the above minutes with minor suggested changes. Motion passed 6-0. Ms. Zahorik arrived after this vote was taken.

November 12, 2014 Meeting

Upon motion duly made by Ms. Anderson and seconded by Ms. Marden, it was unanimously voted to approve the above minutes. Motion passed 7-0.

FY2016 Revenue and Expenditure Projections

FY2015 Excess Tax Levy Capacity

Property Taxes Annual Increase

Mr. Stumpf referenced the attached Budget Exhibit. After a brief discussion, it was agreed that it needed to include additional explanatory information. Ms. Kruse will work with Mr. Barry to redraft and present the exhibit at the next meeting.

Finance Committee Budgetary Goals – Second Reading

Capital Projects Fund

Discussion ensued with regard to “not living up to” current policy of 2% of operating budget being allocated for capital projects. Ms. Kruse recalled a phrase she had heard years ago that the Finance Committee is the only committee to advocate for maintenance. Concern was expressed that we are under spending in this category.

Ms. Walsh confirmed that FY15 CIP amount represented 1.6% of general fund revenues. Topics of discussion included redrafting of policy to reflect a) what is included in this category; b) what is base and c) what is percentage.

Other Post Employment Benefits (OPEB)

Mr. Stumpf suggested the budgetary dialogue address the following key components:

- a) excess levy capacity from last year;
- b) prop 2.5 % this year; and
- c) unfunded obligations of pension and OPEB – which one do we fund first and why.

Topics of discussion included: a) place cap on compensation (including benefits) equal to the social security increase percentage of 1.7%; b) the “knowns” of retirement vs. the “unknowns” of OPEB; and c) with 1,800 health insurance subscribers, 50% are retirees. It was then agreed that, in the interests of saving money by “paying off the mortgage early,” retirement funding is a priority. Therefore, the Committee supports a) the Town Manager’s recommended 1 million dollar appropriation for pensions which would accelerate the date for full funding from the state-mandated 2040 to 2032; and that with

regard to OPEB b) at a minimum, the Town Manager's recommended pay-as-you-go annual appropriation proposed last spring should be continued. The OPEB subcommittee report will be presented at the Triboard meeting on Monday, November 24th. It is anticipated that specific recommendations will be made for reducing long-term liability by taking steps now to reduce the growth of our OPEB obligation.

Full-Time Equivalent (FTE's)

Mr. Stumpf opened the discussion on the need for a monthly, rather than quarterly, report from the school department. He wanted to be sure that the Committee was in agreement with the need for this report. After a brief discussion, consensus was not reached on this issue.

Compensation

Mr. Stumpf opened the discussion on establishing a cap in the aggregate on compensation, including benefits. Following discussion, it was agreed it was a good idea philosophically, but questions remained on how it would be implemented in practice. Also education is needed on understanding the value of a total compensation package.

Finance Committee's Budgetary Goals – Second Reading

Ms. Zahorik referenced the attached document as the second draft of Finance Committee Goals, which added a sixth goal. She asked that members review the draft for purposes of further discussion.

Future Meetings

The Triboard is scheduled for November 24th.

Liaison Updates

Municipal - Ms. Kruse reported that the Board of Selectmen at its meeting last night reviewed several possible sites for the Town Yard.

Retirement – Ms. Marden reported that there will be a meeting of the Board on December 5th. Insofar as staff is available, this meeting and subsequent meetings will be cablecast.

School Dept – Ms. Moffitt reported she requested that the budget be available to the Committee a week prior to its formal presentation on March 11th.

IT – Ms. Anderson reported she just came from IT advisory committee meeting, at which Paul Puzanghera gave a very organized presentation. December 9th is ITAC's next meeting.

Adjournment

Upon motion duly made by Mr. Arai and seconded by Ms. Moffitt, it was unanimously voted to adjourn.
The motion passed 7-0.

The meeting was adjourned at 8:50 p.m.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

Minutes of Meetings
Revised Budget Exhibit
Redraft of Finance Committee Goals