

Finance Committee Meeting

August 14, 2012

Regular meeting called to order: 6:50 pm by Kevin Stetson, Chair

Present: Kevin Stetson, Kathy Panagiotes, Joe Armstong-Champ.

Absent: Susan Caron

Guest: Doug Briggs

Minutes: June 26 hold until Sue Caron is available to vote

July 24 Approved

New Business:

Invoice # ATFC-605: FinCom annual association dues approved

RFT 13-01: Review of estimate of \$1800.00 for technology

New computer system for Electric Inspector

New firewall for Fire Station computer

Access Town Hall server via Virtual private Network approved

7:00 Recess called by chair to attend Special Town Meeting at the Ashby Elementary School

8:55 pm: FinCom reconvened

Guests: Terry Walsh, Doug Briggs, Mike McCallum

- FinCom requests all Town Hall documents be dated so all know what version we are discussing.

Discussion/explanation related to operating budget vs. free cash vs. stabilization fund ensued:

- The amount of free cash from last year was discussed between Doug, Terry and FinCom. Free cash comes from the following places:
 - money not expended from the budget at the end of the fiscal year
 - extra revenue not projected
 - overlay surplus (the overlay account is money set aside to fund anticipated tax abatements, exemptions and uncollected taxes)
- The free cash has to be certified by the Department of Revenue each year and cannot be used by the town until this has been done. This year's

anticipated free cash is estimated to be approximately \$500k.

- Joe raised the question that since we have so much free cash, can it be used to offset the school budget increase every year. In other words, can we get tighter with our budget estimates and use the extra to offset tax increases?
- Doug and Terry explained:
 - the extra revenue and overlay amounts this year are one time amounts and can't be counted on every year.
 - Therefore the true money that is extra in the budget is \$152K, which is less than 3% of the total budget.
 - This percentage is not large enough to play with when estimating the budget in the spring. We don't want to take a chance of not having enough money to fulfill the budget requirements, so it's better to project a little higher.
- Joe also raised the question of how we will track money being spent by the departments now that there is a single line item approved for each department.
 - Doug and Terry talked about using the current expense report as the tracking mechanism. Each department still breaks down their budget into the same categories as in prior year so this will be sufficient to keep track of things.
 - Examples of sub categories are payroll, office supplies, utilities, etc.

Meeting Adjourned: 9: 30 pm.

Next Meeting: September 11, 2012 at 7:30 in the Town Hall

Respectfully Submitted:

Kathleen Panagiotes

Secretary