**Town of Wales**

**FY18 Joint Budget Review and Finance Committee Meeting Minutes**

Wednesday, April 12, 2017 @ 6:00 PM

Town Hall, Selectmen’s office

In attendance Bill Darnley, Roy Lainson, Kimberly Jorge

**Call to Order at 6:00PM**

Overview of the budget presented by Roy Lainson:

Refund from Tantasqua: due to initial overpayment toward the bond, a refund is expected to be received.

Certified free cash for the upcoming year is bigger than usual at $190,884. This helps support the Finance Committee's tanker article which is designed to set aside free cash specifically for paying off the principal of the tanker. Jeff Vannais asked about the debt service on page 8 of the budget proposal: the budget proposal still has a budget allocation to cover interest for the tanker. Roy responded that since the type of loan taken out by the town to cover the tanker purchase does not allow early repayment, it is not possible to complete an early payoff; state house notes cannot be paid off in advance. Interest is approximately $3,000 per year. The proposed article would set aside money for principal payment rather than actually paying it off.

The school budgets went up substantially this year. The elementary school increased by $56,000. Tantasqua increased by approximately $36,000 for a total increase of $92,141, which is attributed mostly to staffing increases.

Charter school change: the annual cherry sheet from the state now includes a charter school line item which requires an additional $46,000 in payment for this purpose. However, the state budget looks like it may calculate this amount to be lower. The Finance Committee made its budget recommendations using governor’s cherry sheet estimate as this is the worst case scenario. It is unclear whether this new line item is directly related to the Sturbridge charter school or whether it is state-wide.

The total percentage increase to the budget was substantial compared to the previous fiscal year: last fiscal year's increase was 1.29 percent, while this year it is a 3.6 percent increase.

Board of Selectmen Budget: central procurement was requested to level fund, however due to the frequent reserve requests, the Finance Committee is recommending to increase it by $3,000. The IT expense line item increased due to the new website expense of $6,175.

Fire department turnout gear is only certified for ten years, and if it is out of date it cannot be used at the academy. The Fire Department asked for $17,000 this upcoming fiscal year for the replacement of several expiring sets. This expense would involve replacing a total of 32 sets over the next several fiscal years as they aged out of academy use. The Finance Committee developed a new line item for turnout gear which will allot $6,900 for three new suits per year which will eventually supply the fire department with 30 up-to-date turnout gear sets

Library: the library has a minimum funding amount required to stay certified, which is necessary for inter-library collaboration. This year, the Finance Committee decided to provide the library budget as a single line item which reflects the budget increase necessary to maintain certification. The library will be free to allocate the line item as necessary.

Senior center van driver: this new line item is included in the budget proposal per the request of the Board of Selectmen. There is a possibility that the currently implemented van driver tax credit could be increased instead of paying a van driver. Town accountant Valerie Bernier: there are three different funding sources for van drivers: budget, formula grant, and a companion grant which allows part of it to be paid through grants, and volunteers are paid federal mileage rates. Valerie presented a grant opportunity which is available to the Greater Springfield area. Bill Darnley: the number of senior residents in the town of Wales suggests that use of volunteers and tax deductions has not yet been adequately pursued, and it is premature to resort to a paid driver. The $8,300 proposed in the budget seems insufficient based on Bill’s breakdown, which suggests that this line item will likely increase exponentially. Ed Boyce states that grants other funding avenues will still be pursued. The Finance Committee suggests that a policy should be stipulated that if you are traveling east of Wales, the Worcester Regional Transit Authority (WRTA) should be used first, and recreational outings should be based on donation rather than funded out of the budget. A gift revolving account could be used to manage donations.

The highway department: the Finance Committee incorporated a new line item which provides an allowance to the commissioner for boots, tools, and clothing. His employees already have a uniform allowance. The way this line item is incorporated into the budget will not cause it to factor into retirement.

The Finance Committee recommends a cost of living adjustment of 3% for all municipal salary and wage earners.

**Questions**

Jeff Vannais questioned the discrepancy between available certified free cash and appropriated free cash. Answer: not all free cash is used, which provides a cushion that helps the town avoid borrowing. The free cash left over will roll into the following year if it is not used.

The transfer station should be contacted to judge whether they are over or under for this fiscal year and whether there needs to be a reserve request.

Jeff Vannais mentioned the offer to assist the capital improvements planning committee, stating that this "may not be a bad idea." However, this would involve a change to the bylaws so it may be too late this year. Ed Boyce expressed concern over consolidating the power over both the fiscal budget and the capital planning responsibilities into one committee.

Motion by Roy to close the meeting at 6:43PM

Seconded by Bill

All in favor

The motion passed unanimously

The meeting closed at 6:43PM.