

CRF/ETF Funding

Present:

BAC Members: Bob Carter, Stephen Fogelson, Gary Samuels, Jill Smith, Rebecca Mitchell (BoS Rep)

Also Present: Town Administrator Julius Peel (Town Administrator), Brian Houghton (Road Agent)

Call to order: 6pm

Minutes from 23 November 2021 discussed & amended: removed "BAC recommended accepting the Cemetery budget as presented" and added expanded section on BAC scope discussion.

Cemetery Budget

J Smith confirmed the Cemetery ETF's purpose ("funds to perform maintenance and repairs at the Town cemetery properties") and that adequate funds were available (\$21k+). Committee discussed and recommends the cemetery supplies/equipment (\$500) and upkeep/maintenance (\$1500) requests be funded from the ETF versus the budget. BAC recommends accepting the Cemetery budget as presented with these exceptions.

Capital Reserve Fund / Expendable Trust Fund funding

TA Julius Peel presented the proposed CRF/ETF funding amounts.

Ambulance / Grader

The Ambulance and Grader are coming due for replacement. The plan allocates \$50,000 to the Fire & Rescue Dept Vehicle Replacement CRF (Ambulance) and \$100,000 to the Highway Vehicle CRF (Grader). TA Peel explained that these funding amounts could be reversed, and/or Grader funding could be applied as \$50k for each of the next two years, or \$100k now and \$0 next year. Road Agent Houghton noted that the Grader estimate has stayed virtually level (estimated \$410k) while the Ambulance cost has increased (\$265k to \$325k) due to market conditions. When asked which vehicle required replacement first, and therefore needed more funding upfront, it was mentioned that the Fire Chief stated support for directing more funds towards the Grader than the Ambulance this year.

Road Construction & Maintenance ETF

TA Peel noted that the Road Construction & Maintenance ETF balance of approximately \$249k is expected to be depleted by expenditures already in process. The presented plan allocates \$150,000 for Longwoods Road's final layer pavement installation. It is TA Peel's recommendation and Road Agent Brian Houghton's request that \$250,000 be allocated so the fund is not at a zero balance. Per Houghton, between the Town's trust fund funding and the State-provided aid, the typical yearly funding is \$250,000. The State aid amount had not been determined as of the time of the meeting.

Total Request & Funding Sources

The Total CRF/ETF funding request as presented was \$401,238 with \$200,000 funded from the Undesignated Fund Balance (UFB) and \$201,238 to be raised through taxation. Tax impact was estimated at \$0.83 (per thousand). If another \$100,000 was added for Road Construction, the estimated tax impact would increase.

The Undesignated Fund Balance was discussed. The guidelines recommend a minimum retention of 5% to a maximum of 17%. The Current Amount Retained of \$1,403,594 sits above the recommended maximum at 21.6%, or roughly \$300,000 over 17%. There was concern about overusing UFB money (which provides stabilization). Smith noted that the prior year's UFB was at 19.75% and, even after using \$407k towards trust fund funding, the UFB recovered to 21.6%.

After discussion, the BAC recommends:

- Once the roads State Aid amount is determined, calculate & set the Road Reconstruction & Maintenance CRF amount as \$250,000 less State Aid = amount to fund.
- Increase the amount funded by the UFB from \$200,000 to \$300,000.

The \$250,000 is achieved, the UFB 17% maximum recommended is retained, and tax impact is lessened.

BAC recommends accepting the CRF/ETF funding as presented with the above changes.

BAC Scope

A member again raised concern regarding the BAC's current area of review which is limited to short-term budgetary line items only. The member felt it was important to call out that, due to either the unavailability of information and/or current BAC scope, the following aspects of the budget were not considered during the BAC's review:

- BAC recommended Appropriations in total (line review only)
- Anticipated revenue
- Warrant articles (none noted as submitted as of time of meeting)
- Long-term projects/equipment/capital purchase (timelines & estimated costs)
- Trust Funds (purpose, fund availability, application - ie. fund from budget or CRF/ETF?)
- Budget as a whole (appropriations, warrant articles, anticipated revenue)
- Estimated tax impact

The BAC has consistently maintained that an updated CIP is critical to budgeting. A member again raised that the BAC should amend its future process and request Department Heads present short-term budget line items alongside identified long-term capital improvement needs (projects, equipment). This would fill a gap should a current-year CIP not be available.

Members present felt it might be worthwhile to explore if expanding the BAC's advisory scope would be of value to the Board of Selectmen and town. Members agreed that, prior to the first Department Head meeting next year, an additional session should be scheduled to discuss and outline the BAC's scope and bylaws.

Final Report

Members discussed the Final Report and agreed it should be compiled from the minutes of the previous sessions. Steve Fogelson accepted this task.

Adjournment

Meeting adjourned at 7:47pm.

The next meeting will be the presentation to the Board of Selection – Thursday, 16 December 2021 at 7pm.