

BOLTON BOARD OF FINANCE
SPECIAL MEETING
April 9, 2015

Minutes & Motions

Attendance: Barry Stearns, Robert DePietro, Judy Wilson, Chairman Robert Munroe, James Bruner, Morris Silverstein, and Ronald Rousseau were present. Also present were Interim Finance Director Linda Savitsky, BOE Chair Karen Bergin (until 8:30), BPS Business & Finance Director Kusal Huynh, and BPS Operations Director Ray Boyd.

- 1. Call to Order:** Chairman Munroe called the meeting to order at 7:44 p.m.
- 2. Public Participation:** There was no public participation.
- 3. Discussion Regarding FY 2016 Proposed Budget (Revenue & Expenditures)**

L. Savitsky provided documents on updated expenditures, revenues, as well as mill rate calculations, the motor vehicle supplement, and a 7-year tax collection rate history. The Chairman noted the tax collection may exceed the budgeted amount by around \$100,000. However, L. Savitsky pointed out the low motor vehicle collection, saying the overall tax collection is expected to balance out as predicted. In revenues, there is an operating revenue shortfall of \$60,708; the final figure depends on whether or not expenditures come in low. If they do not, the shortfall will be supplemented by the fund balance.

Chairman Munroe began with the reminder that some things needed to be covered regardless of cuts. Besides the debt service, there are contracted salary increases and expenses which the boards are obligated to meet. For a 5% increase, a minimum of \$451,522 has to be cut. A 5% proposal is not expected to pass but is being used as a starting point due to the town's unusual circumstance.

Discussion followed on the BOF history of budget reductions and trends in low state funding. B. Stearns noted a missing \$20,000 in BOS revenue, which they will be asked to add. After adjusting for \$170,000 in additional revenue, \$280,000 in cuts was still needed. The Chairman brought up the possibility of giving the boards a reduction amount to be met, though it is too early for the BOE to know what they can return. R. Rousseau was concerned about rolling money into next year, which he said the BOE, at least, is generally not supposed to do. He said the cash fund is catching up with the town, and thought that to say town services were not being provided for would not be supported by the numbers. J. Bruner saw the situation as an example of a trend of the town not accepting the cost of what it wants.

In response to R. Rousseau's point, the Chairman pointed out some changes that had potential for good in the future, such as the subdivision of one lot on 44 into two lots (which may become a trend), and some business expansion. R. Rousseau acknowledged that it will not always be the same, but said the tax increase may be getting to the point where it is inhibiting growth that would help the town. He also said the BOF needs to take a position on the bond package that is being pushed through.

Chairman Munroe returned to the problem of giving reduction amounts to be met when it was still too early for the BOE to make a decision. He said the boards can't be treated the same, yet the BOF needs

to be consistent and fair. He suggested telling them to return money by next Monday. R. Rousseau said it is hard to be consistent because the boards operate differently, as seen last year when the BOE was badly affected. He pointed out that town operations make up roughly 30% of the budget, while BOE is around 70%, and to be technically fair would mean keeping that ratio in returns.

M. Silverstein and R. Rousseau thought returns should not necessarily return to the boards, but rather go to the fund balance. J. Bruner said that would also help next year's spending budget situation. L. Savitsky noted they still have to be careful as they now know there is potential for revenues to fall short. The Chairman asked if returned funds would be recognized by the BOF as revenue. L. Savitsky said it is not good policy, professionally speaking, because statutorily, surplus funds cannot be over-budgeted. R. Munroe said they have however regularly put away money in the fund balance. J. Bruner said maybe the BOF should not continue the practice of returning to get back funds anymore. He was open to returns without promising any to the boards, saying it would improve future budget scenarios.

Given the \$280,000 remaining to be cut for a 5% tax increase, the Chairman asked the BOF to be thinking about what to cut to either meet it, or go further than \$280,000 if they do not support a 5% increase. There was some leaning towards the Capital Reserve and BOS budgets to look for reductions.

4. Adjournment: B. Stearns moved to adjourn. J. Bruner seconded. The meeting was adjourned at 9:58 p.m.

Respectfully submitted,

Sarah Benitez, Recording Secretary

Please see minutes of subsequent meetings for approval of these minutes and any corrections hereto.