

# WASHINGTON FINANCE COMMITTEE MINUTES

9 January 2017

Meeting was called to order at 7:12 pm.

In Attendance: Kent Lew, Dick Spencer, Sean Connors, and David Weissbrod

## OLD BUSINESS

1. Finance committee meeting minutes from December 12, 2016 were approved as amended.

## NEW BUSINESS

1. Review of FY 17 expenditures through 2<sup>nd</sup> quarter

Reviewed and discussed expenditures through 2<sup>nd</sup> quarter, specifics included:

- a. Town Hall Repair & Maintenance.

Present data shows 60% of appropriation expended but doesn't include costs associated with change of locks and re-keying. Recently the roof has leaked in the main hallway and in the bathroom. Over-run for the year is certainly likely. We may need a new roof in the next year or two. Do we need a pitched roof?

- b. Winter Roads Overtime.

This account is running at 48% of appropriation, with about two-thirds of the winter still remaining. We discussed timing of snow plowing, road prep, and how road crew manages their hours. We will have a 'post-mortem' discussion with Tom Johnson next month or in the spring to discuss strategies to maintain safe winter roads and ensure we're managing this account effectively.

- c. Insurance.

This account is lower than expected. Ask Glen why. Should we budget it differently next year?

- d. Vocational Transportation Expense.

There is a serious problem with a busted bus cam (\$4,000 estimate). We may explore splitting cost with Becket. A letter to be written to Ford by SelectBoard citing issue with the bus may help in lowering towns' repair costs.

- e. Veteran Benefits.

Spending is running ahead of schedule. Question: Are veteran benefits long-term (open-ended) or are they limited in length of time?

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## 1. Review of FY 17 expenditures through 2<sup>nd</sup> quarter (Continued.)

f. Transfer Facility Maintenance. Over-run is due to the cost for new lighting. Plus, the new compactor bin, although planned for, ended up costing more than budgeted for. Will shop around more next time.

## 2. Review of FY 17 budget process

Dick agreed to send out Budget Requests Sheets for the next FY, requesting that they be returned to us prior to our first meeting in March.

The committee discussed possible increases in costs and revenues for next year. No news on Bucksteep Manor.

## 3. Audit Update

Kent opened the discussion stating that he's shifted his thinking on the subject. He said we would need three estimates. He spoke with Tom Scanlon of Scanlon & Associates, who performed town's last audit. Basically came away from discussion thinking that if we don't really have to do a full audit, don't do it. A full audit would cost between \$14,000 and \$17,000. We need to ask, "What do we want out of an audit"?

a. If we do over \$1 million in borrowing, the banks might like to see an audit (we don't).

b. Federal grants over \$750,000 being expended in a single FY would trigger need for an audit. We don't trigger this, as our culvert spending will spread over more than a single year.

c. Public confidence. We don't need a full audit to provide an audit of tax collector, treasurer and accountant. We could pay around \$5,000. We should ask our town officers for their inputs, and then together agree on what we want from this type of audit. Properly capture processes of how we work. Documenting our procedures is certainly a possible result of this type of audit. The audit would produce a report assuring proper controls are in place. Note that DOR reviews our financial statements each year. We will discuss this further this and put to a vote at a later date, and then present to Selectboard.

## 4. Free Cash vs. Stabilization discussion

We need a prudent amount of reserve for three basic purposes: emergency contingency, cash-flow cushion, and capital funding. We tend to treat Stabilization and Free Cash as more or less equivalent. We have been taking extra money from Free Cash to reduce our tax rate. As a result, our treasurer has used the Stabilization to relieve cash flow problems, which limits availability

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## 4. Free Cash vs. Stabilization discussion (Continued.)

for contingency and capital. If we don't transfer so much from Free Cash each year, reducing from \$100K to \$50K, for example, we could start the year with more funds available for cash flow. We need to watch any increases in amount borrowed, especially if interest rates rise, when considering Stabilization and capital funding. We also don't really want to be both paying off debt for an asset and saving to replace that same asset at the same time. We will continue discussing how to balance our tax rate vs. saving for capital and contingency vs. borrowing.

## 5. Any new business

We need to make sure Phil Clark gets paid. Following discussion with Selectboard, this will require a special town meeting. At the same meeting, we could also start approval process for making tax collector and treasurer appointed positions. The town needs to approve this measure at least 60 days before it goes on ballot for approval.

Meeting adjourned at 9:01pm.

Respectfully,

David Weissbrod, Clerk