

Conway Finance Committee  
Draft Minutes  
Monday, April 5, 2010 7:15 PM  
Town Office

Present: Jim, Roy, James, Patty

**Other Meetings:**

April 12<sup>th</sup> Town Meeting

**Request for Transfer from Reserve** – Voted unanimously \$517.03 from Reserve Fund to pay for interest on tax abatement.

**School Building Project**

Reasons not to wait for state money as stated at April 1<sup>st</sup> Grammar School hearing:  
Conway is classified as a relatively wealthy community so the thinking is we would be low on the priority list for state SBA funding  
Construction & Materials costs will be higher in the future  
If we have another winter like 2008-2009, the situation could get very bad  
Moving forward now, we may still be eligible for some SBA funding  
The engineering plan may go out of date requiring additional funds to update it.

Select Board's Grammar School Funding Proposal includes:

\$900,000 from Borrowing  
\$213,000 from General Stabilization  
\$206,947 from Free Cash

We took a look at the funding proposal drafted by the Selectboard and were concerned that it did not leave enough money in free cash. We started discussing how to address this and Patty needed to leave at this point. She suggested borrowing more and taking less from free cash.

From this point forward we had no quorum.

Further discussion of the funding proposal ensued and Liz stopped by and told us that the free cash position could actually be better at the end of FY10 which alleviated our concern about the amount of Free Cash being tapped in the SB proposal. Liz also mentioned that the new federal health care law provision which lets kids stay on parents insurance until age 26 may bring some subscribers back to the family plan from individual as they add their kids onto health insurance.

Jim expressed concern that the SB's broader funding proposal for special articles does not put any funds into Capital Stabilization. We discussed the idea of taking more for the school building project from General Stabilization, and reducing the amount of Free Cash going to the building project by an equivalent amount and putting that into Capital Stabilization instead. After all, Finance Committee had voted to recommend the article to put "a sum of money" into Capital Stabilization at our previous meeting. \$50K seemed like a reasonable figure to us. Then we discussed the Garage Stabilization and the issue here was that there is an article earlier on the warrant to spend a sum of money (\$125K) for plans to build a new highway garage and we wondered about how that vote would impact this later

article. Thought maybe \$50K might be transferred to Garage Stabilization along the same lines as outlined above for the Capital Stabilization.

James said that a way to look at the situation is that this school building project is our “a rainy day” and this is the time that we spend down our reserves or stabilization and postpone spending on other priorities.

We reviewed a revenue spreadsheet and Jim expressed a desire for us to be sure that the town is generating enough free cash in future years, now that we have had an impact on Article 2 appropriations. We would either need to see that a little extra is included in Article 2, or tinker with the local receipts estimate.

We sat down with the Select Board and floated the suggestion of putting funds into Capital and Garage Stabilization accounts as outlined above. SB said it really doesn't matter, all stabilization funds can be used for whatever you decide, regardless of the name of the fund. Fin Com countered that having named funds is important because the money is put there with a purpose, and it helps keep track of the purposes of various stabilization funds. SB also said that after the school spending, town meeting might not want to spend any more money this year, and subsequent spending articles might suffer from a lack of support, so if you don't take the money from Free Cash for the school, you might actually end up with the town voting down the transfers to Capital and Garage Stabilization and at the end of the day winding up with \$100K less in your stabilization accounts. (Jim's comment: as I walked home tonight, I thought why not then just make them transfers of funds from General Stabilization to Capital and Garage Stabilization. This would also be a good litmus test, if the article to spend \$125K for plans for the garage does not pass, but this one does, then you will know people are still wanting to move towards the garage eventually, but just not at this time. Just a thought.)

Tom O'Brien is going to get up at town meeting and tell folks that the proposed construction is wrong and that they should just re-do the roof and spray foam insulation under the roof and essentially have a heated attic. So this way you totally avoid having any impact on the interior living space of the school. And that this will cost somewhat less since you avoid having to move people and the project itself will be a smaller different scope and also less expensive.

Fin Com will not have any handout for town meeting this year as we were not able to make any additional recommendations as a committee due to lack of quorum tonight, and James has not received the numbers he needs for a new and improved financial trends exhibit.

**Said good night to Selectboard at 10 pm**