

Conway Finance Committee  
Minutes  
Monday, October 28, 2013 7:00 PM  
Town Office

**Members Present:** Jim Bosman, Tanya Campbell, Roy Cohen, Bob Stone. Liz Braccia was present but was not voting because she didn't get sworn in yet. Andrea Llamas was absent. Guests: Jan Warner

**Next Meeting Date**

6 pm before the Special Town Meeting (understood to be planned for either December 9th or 16th).

**New Fin Com Member**

Liz Braccia was appointed by the moderator.

**Free Cash and Tax Rate**

Free Cash Amount: \$578,131

Taxes Going Up 10%

Jan brought us some summary information about the departments that underspent in FY13. The list highlighted those with turn-backs over \$10K. There are some departments that were \$10K-\$47K under budget. The Town Admin article was \$50K underspent. Total turn-backs were about \$265K per Jan, but \$50K of that was from the Town Admin article, so maybe about \$215K was turn-backs from town departments.

Jim noted that on the revenue side, there was only about \$40K in excess revenue on budgeted revenue items and said that between budgeted expense and revenue items, about \$255K free cash was generated, which is in line with our expectations. However, there are a number of one-time hits that are adding substantially to the free cash including \$174K in misc. non-recurring revenue which we believe includes about \$100K of revenue from FEMA/MEMA. Another large source of excess \$\$ was in the School Choice assessment. The actual assessment was \$42K under the budget and the town doesn't have any control over these numbers.

The question at hand is if we should once again appropriate some free cash to offset the tax rate. Liz expressed that rather than taking one-time funds and throwing them against the tax rate, that it is better to transfer funds to stabilization.

We could put it on the December Special Town Meeting warrant to vote \$150K against the tax rate. This would cut the increase by roughly half. This figure could not be increased, but it could be reduced. Liz noted that Terry Williams in Dalton uses open-ended language mentioning "an amount". \$150K appropriation would leave \$428K in free cash for appropriation at Annual Town Meeting

If we do this, it will be the repeating what we did last fiscal year. Several expressed concern that once you start doing this, it becomes hard to stop doing it.

Tanya suggested that Conway does have a lot of money in stabilization accounts, so if we throw some free cash against the tax rate, and some big expenditure comes up, we have these other sources of funds.

Jim moved we recommend putting an article on the Special Town Meeting warrant to take \$150K from free cash to reduce the tax levy. Roy seconded it. Tanya supported it as a reasonable number. Jim pointed out that we don't know the school budget for FY15 it. Roy said if we don't do it, it is like paying for insurance you don't need. It shows the town that we are trying. Liz said she didn't like the

idea but she was not voting because she hasn't been sworn in yet. Bob voted yes too. So the vote was 4-0 in favor of recommending that the article be placed on the December STM warrant.

### **Budget Process Improvement Note**

Liz explained that it is good not to totally zero budget an account like Audit because of the current situation that requires a Special Town Meeting to vote the money for the Audit to support the borrowing for the new town garage. If we had an Audit budget, regardless of the budget amount, we could have spent the money from Audit account and covered the deficit from Reserve. But since there is no money in the Audit account, we have to have a special town meeting to set it up. In the future, we could leave it on the warrant and just budget \$1.

### **Other Revenue Sources**

Jim noted that the town took three properties for back taxes. Jan noted that though two of the properties are in terrible shape, overall the town should make back the taxes owed and other costs and still make some money on the auction.

### **Four-Town FRS Sustainability Committee**

Roy reported that he and Andrea recently represented Conway at a Frontier meeting about the mechanics of the budget. The committee will produce a non-binding report some time in the summer next year. Jim noted that he did not hear from anyone yet about the Frontier capital budget process committee that he and John O'Rourke signed up for at the September four-town meeting.

### **Old Revenue Accounts**

Jan indicated that at the next Financial Team meeting they are going to start to assign folks to research and close out old revenue accounts where possible.

### **Starting Capital Process in the Fall**

Jim recommends that like Deerfield, Conway run the capital budget collection and review process in the fall. This will relieve some of the pressure we experience during the operating budget review in the winter/spring. Liz noted that Greenfield also does this. We propose to have Tom send out a memo and have departments submit their capital requests by the first week of December. All agreed and Jim will contact Tom about drafting and sending the memo. Then we will review the requests at our December meeting.

### **Next Meeting Date**

Fin Com could meet at 6 pm before the STM (either Dec 9 or 16).

### **Adjourned at 9:00 pm**