

**West Newbury Finance Committee
Minutes of the Meeting
Monday, July 25, 2016**

Chairman Codair called the Finance Committee to order at 6:35 p.m. in the second floor hearing room of the 1910 Building with Mr. DeLena, Mr. McGrath, Mr. Phillips, and Mr. Winch present. Mr. Bertino also joined the committee.

There being no public comment, the Committee considered its agenda.

Joint Meetings with the Board of Selectmen (BOS)

Chairman Codair announced the scheduled meeting with the BOS has been cancelled. This evening the BOS will be interviewing candidates for the School Building Committee. FinCom members agreed to attend the meeting. The Finance Department, including FinCom, is required to appoint a member to the School Building Committee. Chairman Codair reported Ms. Grammer agreed to act in that capacity.

Minutes — June 20, 2016

FinCom voted to approve the minutes, 3-0-2, Codair and Phillips abstaining, absent.

Minutes — June 27, 2016

The minutes were reopened due to the presence of a typographical error.

FinCom re-voted to approve the minutes with the correction of the error, 5-0-0.

Minutes — July 11, 2016

FinCom voted to approve the minutes, 4-0-1, Winch abstaining, absent.

Omnibus

A discussion developed regarding the appearance of the omnibus. Mr. McGrath requested all updated copies of the omnibus display the date corrections were made. Chairman Codair suggested adding a column to the omnibus, reflecting any changes from the prior copy. This would allow FinCom to view the progression of the developing budget.

Previously, FinCom and the Finance Director received copies of the individual department budget requests simultaneously. Chairman Codair stated it would be more efficient for the Finance Director to act as a gatekeeper for the budget. Rather than multiple copies of the budget being circulated, the Finance Director, alone, would receive the requests and subsequently provide FinCom with a one page summary sheet for each department. The FinCom meeting was suspended at 7:15 p.m. Members proceeded to attend the BOS meeting in progress.

BOS Meeting — Interview of candidates for membership of the School Building Committee

Ms. Grammer's name was presented as the FinCom representative on the School Building Committee.

School Building Committee

FinCom members resumed their meeting at 7:45 p.m. A brief discussion developed with regards to the general makeup of the School Building Committee. Each of the three towns of West Newbury, Groveland, and Merrimac, will send to the committee: four representatives: a Finance

member (Ms. Grammer), a Selectman (Mr. Kemper), a resident with a construction back ground, and an at-large member. The latter two members will be selected by the BOS this evening.

Revenue

Mr. Bertino stated the All Department Expenditure Report had been emailed to FinCom members on July 14th. Mr. Bertino pointed out the turn-backs are not only from operational expenses but also include funds from Free Cash (Articles).

FinCom discussed methods of distinguishing funds from varying operations. In order to determine turn-backs relative to the omnibus, FinCom would need to examine the balance left from the Articles.

Mr. Bertino explained turn-backs from line items are transferred to Free Cash at the close of every fiscal year. Whereas, funds associated with Articles will remain with the Article until sunset (a predetermined expiration date, typically a three year period).

Tax Rate

A conversation developed regarding Free Cash. Would it be practical to use Free Cash to reduce the tax rate or should the tax rate increase gradually over the next five years in order to cover the cost of the new school building? Mr. McGrath stated large projects, such as the school building, are generally bonded at a low rate. The debt advantage is a low fixed rate.

Stabilization vs. Free Cash

Mr. DeLena remarked standard policy is 10% of Free Cash (non-binding) is transferred to Stabilization on an annual basis. In order for FinCom to discuss the budget, it is important to view a five year Capital Plan issued by the Capital Improvement Committee (CIC). Ideally, individual town buildings would have some plan in place to map expenses including depreciation.

Future FinCom and BOS meetings

Free Cash and Tax Rate Discussion

The meeting to discuss the handling of free cash and the tax rate has been rescheduled for Monday, August 22, 2016.

Historical Demolition Bylaw

Chairman Codair reported a tentative date to discuss the Demolition Bylaw with the Historical Commission and the BOS has been scheduled for August 29th. FinCom will meet at 6:30 p.m.

Upcoming Schedule

The next meeting of the Finance Committee is scheduled for Monday, August 22, 2016 at 6:30 p.m.

The Committee meeting adjourned at 8:45 p.m.

Respectfully submitted,

Elisa J. Grammer
Secretary

