

Board of Selectmen's Meeting

December 8th, 2011, 5:30 PM

Sanford Hall, Town Hall

155 Village Street

Present: Chairman John Foresto, Selectmen Glenn Trindade, Selectmen Dennis Crowley, Selectmen Andrew Espinosa. Selectmen Richard Dunne absent.

Also present: Town Administrator Suzanne Kennedy, Carol Pratt and Melanie Phillips

At 5:35 PM meeting called to order by Chairman Foresto and board recited the pledge of allegiance

Discussion – FY13 Budget Policy

The Board reviewed the following information: Town of Medway General Fund – Fiscal Team 5-Year Projections FY13 – FY17; Projected Fiscal Year 2013 Revenue Allocation Model; Town of Medway FY13 – Revenue Assumptions

Town Accountant Carol Pratt indicated to the Board that that Town of Medway has accounted for new growth, certified in September, which will reduce the projected deficit to \$246,382. The Board reviewed the Town's five-year budget projection provided by the Town Accountant.

Ms. Pratt discussed the five-year projection handout which showed what the Town deficit is based on, and noted that it is hard to pin down an exact budget number for the school. She stated she used the numbers provided by the school and added a 2% increase across the board, and included steps and lanes. Non salary items (utility, maintenance, etc) were also increased by 2%. The hand out showed the school budget with a \$532,000 increase over last year. She also noted that the 5-Year Projection is not the same as the Revenue Allocation Model.

Ms. Pratt discussed the Revenue Allocation Model. She stated the total revenue projection is \$42,677,528. This would cover the entire projected gap (except for \$21,539) She stated she could find a place for this in the Town's fixed costs. Ms. Pratt also stated that \$23,908,602 is slated for the School Department, which is \$100,000 short of the five- year budget projection (using the of FY2012 funding plus 77.1% of incremental revenue)

The Board discussed how the revenue percentage of 77.1 was determined. Ms. Pratt stated that the revenue changes from year to year, which also causes changes in the other Town numbers.

The Board discussed its responsibility to put a budget together, and wanted to ensure that all the budget items are accounted for and submitted correctly. The total process could take between four and five months, and this Selectmen's meeting is a starting point for the FY2013 budgeting process.

Selectman Crowley said the Board should plan to discuss what operational reserve revenues should be used for. The Board agreed and noted that when the economy is solid enough, this reserve should be dissolved.

Chairman Foresto said he is set with the Town's revenue numbers and with the 77.1% for the Schools. The School Dept. would receive this percentage of all incremental revenue, as well. This revenue sharing model will be referred to as the Medway model (not the Lexington model on which it is based), and Board should make a motion on the split: 77.1% school and 22.9% for the Town.

Selectman Crowley moved that the Medway revenue policy for Fiscal Year 2013 reflect revenue less fixed costs, and that the balance be distributed 77.1% to the Schools and 22.9% to the Town. Chairman Foresto added a friendly amendment that the budget would be submitted in Munis. Mr. Espinosa seconded and it was so voted: 3 to 1. Mr. Trindade opposed.

At 6:35 PM, a motion to adjourn was made by Chairman Foresto; Mr. Espinosa seconded the motion, and it was unanimously voted.