

Members Present: Chairman J. J. Malone, Rich Gottlieb, Ian Johnson, Jo Lown, Judy Lucas, Ronn Moody, Carolyn Spring (arrived at 8:45 p.m.), Cliff Watts

Member Absent: Polly Howard

At 7:00 p.m. Chairman Malone called the meeting to order in the Selectmen's Meeting Room.

Open Forum

There were no requests to address the committee.

Discussion of FY2007 Treasurer-related budgets

Treasurer/Collector Joanne Savignac presented and explained these budgets:

Treasurer/Collector

Salary/Wages \$184,427 and Expenses \$43,025 for a total of \$227,452.

Certification of Notes

Salary/Wages \$0 and Expenses \$70,000 for a total of \$70,000.

Debt – Principal

Salary/Wages \$0 and Expenses \$5,093,684 for a total of \$5,093,684.

Debt – Interest

Salary/Wages \$0 and Expenses \$3,748,549 for a total of \$3,748,549.

Sewer Debt

Salary/Wages \$0 and Expenses \$654,871 for a total of \$654,871.

Water Debt

Salary/Wages \$0 and Expenses \$1,801,565 for a total of \$1,801,565.

Ms. Savignac asked for consideration of combining Debt – Principal and Debt – Interest into one budget.

Mr. Malone raised the possibility of having Certification of Notes as a line item within the Treasurer's budget.

Discussion of FY2007 MIS/GIS budget

MIS/GIS staff Joe Lawrence and Patrick Cullen presented and explained the proposed budget:

Salary/Wages \$75,488 and Expenses \$157,396 for a total of \$232,884.

Discussion of points of focus for the Finance Committee

Each member commented on the role of the Finance Committee and possible points of emphasis for the Committee. FinCom will develop a statement based on this discussion. (This statement will be discussed at the Committee's March 16 meeting.) Several FinCom members have written summaries of their remarks – these summaries are attached to these minutes.

Comments and concerns of Committee members

Mr. Malone noted the upcoming regional update meetings of the MMA.

Adjournment

At 9:17 p.m. Mr. Watts moved to adjourn the meeting. The vote to adjourn was unanimous.

ATTACHMENT TO FINANCE COMMITTEE MINUTES, MEETING NO, 15, 3-6-06

Rich Gottlieb:

The AFC should focus on whether the Town's Administration and its various departments are delivering appropriate value for the money that the Town's operations cost the taxpayers. This should be an on-going function of the AFC and not just an ad-hoc activity in preparation for the ATM.

A standard and documented process needs to be put in place to link planning to budgeting and performance management. This process should be common for all departments and functions, and it should also provide the basis for regularly measuring department, project, and management performance against goals, objectives, and budgets. The AFC should work with the various Town Boards and Town management personnel to help define and put this process in place.

Cliff Watts:

If the members of the FinCom are taken as a positive asset by the town, they are not optimally utilized when brought into play only after budgets and warrant articles have been formulated.

Judy Lucas:

We need to know how each budget addresses the goals of the department and the justification for increases in personnel, major expenses and warrant articles. We should be very concerned with financial planning, management, policy and educating the public (including ongoing debt).

Jo Lown:

"Throughout the budget cycle, the committee's main goals should be:

- to optimize the value of each dollar spent;
- to address the town's long range as well as immediate needs;
- to present a balanced budget to town meeting; and
- to present budget recommendations in a clear and readable format, with sufficient detail and explanation so that town meeting members can understand the basic goals, policies, tradeoffs and constraints that shaped it."

The Association of Town Finance Committees, Finance Committee Handbook (Nov. 2004 rev.)

Ian Johnson:

While it is increasingly important for the Advisory Finance Committee to be diligent concerning all town budgets, the bigger bang for the buck comes from scrutinizing capital expenditures as they are the items that dramatically increase the town's expenses. We should be careful to consider future planned expenditures when analyzing current expenditures and should be ever mindful of the impact of financing on future year's budgets. If we look at debt as a fixed cost, the more we encumber debt, the less flexibility we will have in future years to fit expenditures within our Prop 2 1/2 limits.