

Meeting Date: November 3, 2010

Called to Order: 6:00 PM

Finance Committee Members Present: John Hanold, Andrew Killeen, Michael Naughton, and Lynn Reynolds

Selectmen Present: Pat Allen, Mark Fairbrother and Christopher Boutwell

Others Present: Frank Abbondanzio (Town Administrator), Carolyn Olsen (Town Accountant)

Reserve Fund Transfer

The Treasurer requested a transfer of \$6,000 from the Reserve Fund to the Tax Title expense account, which will be overspent when she pays the next bill. Most of the expenses are for a specific case which she hopes will be resolved in a few more months.

Finance Committee Moved:

To transfer \$6,000 from the Reserve Fund to the Treasurer/Tax Collector's budget for tax title/foreclosure expenses (line item 001-5-145-5781).

Vote: 4 In Favor 0 Opposed 0 Abstained

Minutes

Finance Committee Moved:

To approve the minutes of October 20, 2010.

Vote: 4 In Favor 0 Opposed Abstained

Board of Selectmen Moved:

To approve the minutes of October 20, 2010.

Vote: 3 In Favor 0 Opposed 0 Abstained

Compact for Funding Education

The revised compact was presented for approval by the Board of Selectmen and Finance Committee:

- Mr. Killeen was disappointed that others approved the document before the Montague committees were able to make additional suggestions for changes.
- There was discussion about the using the word "must" versus "should". Mr. Killeen feels that the word "must" in contract language is very specific and feels it is out of line that the process does not facilitate allowing changes such as "must" to "should". Mr. Killeen noted that words have power, and care should be taken in how they are used.
- Mr. Naughton said that Tupper Brown, an attorney and one of the authors, disagrees with Mr. Killeen's interpretation and feels the word "must" is important. Mr. Brown had also noted that the document is not a contract.

- Mr. Naughton noted that document not intended to be a contract, merely a written agreement in general terms of what each party will try to do.
- Mr. Killeen noted that a business proposal that offered a way for the business to break even in 3-5 years after investing \$500,000 would not be received favorably. Mr. Killeen still feels it's a rosy picture that gets us to zero.
- Ms. Allen noted that 2 sections of compact allow for revision of table B.

Finance Committee Moved:

To endorse the Compact for Funding Education and authorize the Chair to sign the document.

Vote: 4 In Favor 0 Opposed 0 Abstained

Board of Selectmen Moved:

To accept and authorize the chair to sign the Compact for Funding Education as presented.

Vote: 3 In Favor 0 Opposed 0 Abstained

Revenue and Expenditure Forecast/General Observations (Incorporating impact of state election votes on reducing sales tax percent – defeated- and eliminating sales tax on alcohol - passed)

- Mr. Abbondanzio reviewed his handout, which is part of the minutes file.
- At this point state revenue estimates vary widely. The consensus revenue forecast that is expected in mid-December will help to clarify estimates.
- Departments will most likely be asked to submit two different budget scenarios for Fiscal Year 2012.

Fiscal Year 2012 Budget Hearings

- Per handout, Mr. Hanold suggested holding budget hearings for the Police/Dispatch/Animal Control, school districts, Department of Public Works, and Water Pollution Control Facility.
- Mr. Naughton suggested having a hearing on Finance and Reserve Fund.

Impact of State Election Results on Fiscal Year 2012 Budget – incorporated in revenue forecast above.

Future Meetings

It was decided to schedule meetings for December 8th and 15th to review the outcome of the District Meeting, discuss any updated budget information, and review the Special Town Meeting warrant for January 6, 2011.

Regular weekly meetings for the Fiscal Year 2012 budget process will begin January 5th, and continue through the end of April. It is still anticipated that the Annual Town Meeting will be May 7, 2011.

List of Documents and Exhibits

- Reserve Fund Transfer Request and supporting documentation

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- Revised Compact for Funding Education
- Preliminary Revenue and Expenditure Forecast for Fiscal Year 2012
- The Fiscal Year 2012 Budget Cycle Plan Version 1.0
- Fiscal Year 2012 Budget Calendar

Next Meeting – November 17th - Revisit In-depth Compensation Study

Tasks for future meetings

February or March 2011 - Reconsider changes to Board Stipends

Adjourned 7:55 PM

Respectfully Submitted,
Carolyn Olsen