

ASHLAND BUDGET COMMITTEE SEPTEMBER 12, 2013

Members Present: Scarano, Ruell, Badger, Stewart, Coleman, Cilley, Heidenreich, Newton, Toth, also alternate DeWolfe

Others Present: E. Badger, A. Cilley, S. Felton

Chairman called the meeting to order at about 6 p.m. in the School Library.

Financial Forum Scarano went through the Power Point presentation he had prepared for the Financial Forum. Committee members asked questions and made suggestions for minor changes. On the recommendation that the public be informed regularly of the budget and financial status of the town, Coleman raised the issue of the missing monthly budget reports, stating that, although the town did eventually supply reports through June, the committee has not received the reports for July and August. Scarano noted the change of financial personnel now underway in the Town Office. Stewart said that she did not know if the July and August reports were ready yet, but she would check on them the next day.

At the end of the presentation, Scarano asked the committee to review the many recommendations made at the last Financial Forum and decide which to continue as recommendations for this Forum. He felt that economic development and the sharing of services should be at the top of the list. Toth said that an independent financial review with recommendations for improvements should also be included among the top recommendations. The members agreed to these top three. They then went through the remaining recommendations and decided by consensus to keep several more recommendations, paraphrased as follows, to ensure that all budgets limit spending and increase capital reserves, to continue the CIP plan, to increase the unassigned fund balance to recommended levels, to reduce long term debt, to explore and apply for grants, to explore outsourcing, to explore reducing non-essential costs, and to inform the public regularly of the budgets and local finances.

CIP Plan Steve Felton, chairman of the CIP Committee, spoke on the CIP plan, explaining that the committee had prepared a ten year plan of capital expenditures. The committee will also be looking at operating budgets. They are now researching operating budgets for the past ten years and will be projecting operating budgets for the next ten years, so that they can better determine future costs for the town. He reviewed the CIP committee's recommendations for 2014. They include renovations and improvements at the Town Hall, an \$82,000 payment for the replacement of Fire Engine 1 (to be continued for seven years), \$54,000 annually to a capital reserve fund for the eventual replacement of three highway department vehicles, \$125,000 annually for the road repair capital reserve fund, the replacement of the forklift and the baler at the transfer station, and repairs of courts, etc. at the ballfield. (He noted that there was

nothing in 2014 for police vehicles, but the committee is considering starting a capital reserve fund for them in 2015. Paving at the fire station was recently removed from 2014 by the CIP Committee.) He pointed out that the town's long term debt, after paying off the fire truck debt in 2014, will consist mostly of three general obligation bonds for past water and sewer projects. The total cost in 2014 of the proposed new capital improvement projects and the existing long term debt was around \$600,000, about one-third of that amount for the debt. The CIP plan projects spending about \$600,000 to \$700,000 per year for new and old capital costs.

Scarano pointed out that the CIP plan did not contain funds for economic development such as water and sewer extensions, and that an economic development plan should be created. Felton agreed that the CIP plan should work with the Master Plan and should address economic development. Toth noted the lack of new amenities, such as a library and a community center, in the plan, calling it a bare bones plan which pointed out the need for economic growth.

Felton also addressed the need for an independent financial analysis, which could make suggestions for improvements in town government. He expressed concern about the capital needs of the water and sewer systems, which over the next ten years, add up to 3.8 to 4 million dollars. If the user fees are not able to fund all the necessary needs of the utilities, the town may need to fund general obligation bonds for essential repairs to the systems, such as sludge removal from the sewage lagoons.

Meetings There was a brief discussion of the meeting scheduled for the school budget on November 14 in the school library, as that night is Family Night at the school, so there is no room for the meeting and school officials will be otherwise occupied.

On a motion by Newton, seconded by Heidenreich, it was voted to adjourn at about 7:40 p.m.

Minutes prepared by David Ruell