

MEETING MINUTES
Town of Heath
Finance Committee
June 4, 2020

Call-in Info: **Conference call: 1-605-313-5944 Access code: 240624#**

Meeting called to order at 7:02 by Chair Ned Wolf with Ken Gilbert, Kathy Inman and Jan Carr present on phones. Alice Wozniak absent. Attending: Robyn Provost-Carlson, Gloria Fisher, Barbara Rode. Guest: Budge Litchfield

Public Comment Period – no comments.

5/14 MINUTES - Ken made a motion to accept, Kathy seconded. Unanimous approval.

We have been emailed the 1/12 budget together with statement by Martha Thurber and Pat Bell from MTRSD. Barbara said an open meeting was scheduled on 6/8/20 at 5:00pm.

BUDGE LITCHFIELD JOINED US AT 7:15

Operating budget is greater than last year's \$107,000. How does it appear on warrant? Budget will not be on warrant.

Will not approve a full and formal budget until the District has the numbers. DESE has jurisdiction over the 1/12 – they can make amendments because the money was already voted in last year. Still, don't know what Chapter 70 aid is. Probably 10%-20% less than Cherry Sheet. The numbers on the spread-sheet are not real numbers but the best that we have presently.

What will happen? Painful reductions. Once we know what the numbers are, we will have to produce a budget at STM. How much damage can we undo? Will not be close to the original numbers. Revenue streams will be much less.

For Heath, the biggest increase is in DESE's minimum contribution level. This will also impact our 1/12 budget. A property sold ten years ago spiked our numbers because it affected the wealth factor calculation. We cannot control the minimum contribution factor. Town does not gain – District does not gain.

Is the District tracking school population? Yes. School populations were declining and budgets went up - diseconomy of scale. Now, student population is fairly stable.

Town is not required to vote on the 1/12 budget – Budge will check on that. Vote at STM is to approve final budget.

Money for pre-school is for supplemental program. Budge brought up creating a revolving account?

OPEB

What is the state of OPEB? Now is not the time to bring forward a proposal. Financial models are out the window – not valid. Would have covered a 20-year pay-down. Mohawk is open to considering this but we don't know what the post-Covid numbers are. Will now have to be completely reviewed.

LETTERS

Sue Lively is concerned about her lack of trust in fincom and also the transfer of \$200,000 from general stabilization to broadband. Contrary to what was in her letter, the drop policy will benefit all Heathans plus the State will reimburse \$500 for up to 70% of eligible drops. Furthermore, reserve funds are not for emergencies but, according to the DOR Handbook, usually for capital projects, but not exclusively. We presently have \$243,000 in general stabilization and have requested a transfer of \$200,000. This can be lowered on the floor. One last complaint was the confusion in tax rate terminology, but the fincom mailing portrayed the components quite clearly in the chart at the bottom of the page.

Deb Porter believes we are inflating the budget by not using all of the MTRSD funds as intended for Jacobs Rd. We had discussed various amounts that we had considered for our recommendation on Article 3. At that time, we were discussing putting money into building stabilization; we also discussed mothballing the building. The money is not a designated fund for the building – that was the intention, however. Also, not all expenses at 18 Jacobs Rd. are covered by the MTRSD account.

We will meet with the SB 6:30 next Tuesday to discuss budget. Ned will talk with Hilma tomorrow.

Discussed cost of broadband drops for town buildings – Sawyer, Community Halls and Hwy/Fire at \$657 and Jacobs Rd at \$3,930. May be a warrant article for \$5,901 for installation of 4 drops at Town buildings. Presently, internet for Sawyer/Community Halls and Hwy/Fire are each \$1,300 annually. 1G = \$1,140 for municipal commercial rate. The wiring in the Jacobs Rd. building may not accommodate the speed and have to be upgraded from CAT5 to CAT6 according to North East IT Report (\$7,500-\$10,000).

Looking into booster antenna for Jacobs Rd. Money possibly can come out of Covid account.

Fincom needs to see the warrant. \$20,000 was reduced to \$15,000 for MTRSD account. Preschool carries over. COLA's and stipends will not be considered until very end. The pre-school account is not really a revolving account – money in, money out. We haven't discussed the trash compactor yet – the rules have changed and we can now purchase a used one.

Use of Free Cash \$69,000, down to \$35,000 minus \$15,000 (overspending salt and sand) = \$20,000 going into ATM.

On warrant – compactor, North East IT Upgrade, two plows (fincom voted against smaller plow with understanding it would be used on a half-ton truck.)

Board of Health may need an additional sum up to \$2,500 for expenses.

We will not recommend a tax rate above \$24.25 although given the current situation, it is impossible to predict a tax rate at this point. 1/12 of budget approved a year ago. Instead of \$107,000, it is \$44,099 more that last year. But keep in mind, we need to have a cushion in the budget.

Ken made a motion to adjourn at 9:03, Kathy seconded. Unanimous approval.

Respectfully submitted, Jan Carr