

**TOWN OF WINCHENDON
FINANCE COMMITTEE MEETING MINUTES**

Tuesday, December 12, 2017
Town Hall, 2nd Floor Conference Room
109 Front St., Winchendon, MA 01475

Present:

Thomas Kane, Chairman
Christian Orobello, Member
James Robichaud, Member
Doug Delay, Member

Katie Broome, Recording Secretary

Absent:

Dr. Maureen Ward, Member
Tonya Dokulil, Member
Charles Corts, Member

List of Documents Presented At Meeting:

- Town Of Winchendon Year To Date Budget Reports

7:00PM Town Hall Meeting

The meeting was reconvened by Chairman Kane at 7:08PM. Chairman Kane explained to those at Town Hall, and those watching the live broadcast of the meeting that the Finance Committee had began their meeting at 5:30PM, at the Winchendon Fire Department, and was now reconvening for their scheduled 7:00 PM meeting at Town Hall. Chairman Kane then led the meeting in the Pledge of Allegiance.

Approval of Minutes:

Minutes of November 13, 2017

Mr. Delay motioned to approve the minutes of November 13th, 2017, Mr. Orobello seconded the motion.

KANE(Y) OROBELLO(Y) ROBICHAUD(Y) DELAY(Y)

Minutes of November 14, 2017

Mr. Delay motioned to approve the minutes from both the DPW Meeting and the Formal Finance Committee meeting of November 14th, 2017, Mr. Orobello seconded the motion.

KANE(Y) OROBELLO(Y) ROBICHAUD(Y) DELAY(Y)

Minutes of September 12, 2017

Chairman Kane postponed the approval of these minutes until the January meeting, so Dr. Ward could be present to discuss previous issues she had found with the September 12th minutes in person.

Year to Date Reports:

Chairman Kane noted that the Year To Date reports were not completed as of November 30th, 2017, however, most of the major departments were completed for the Finance Committee to review. Chairman Kane pointed out to the Committee certain revenues that are incoming from the state, that would probably be updated for the next report. Mr. Delay asked Chairman Kane if the state would be paying its revenues to the town after the fiscal year has ended, and if that was the reason for this delay in update. Chairman Kane responded that while this had occurred with the school board before, due to clerical error, it is rarely the case, and that the state would most likely be paid in full before the end of the fiscal year, to keep its budget on track as well.

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Chairman Kane noted that, at November 2017, the income revenue was at 37.7%, which is good, and the real estate tax was at 50%, which does skew the percentage slightly.

Chairman Kane further noted that the free cash that was appointed to the School Board for various electrical accounts at the November 13, 2017 meeting had been transferred from Town Hall. Chairman Kane also noted the transfer to the Snow and Ice budget, from the Finance Committee budget, also approved at the November 13, 2017 meeting, had also been transferred. Chairman Kane mentioned there were transfers he had seen that he had brought to the Town Manager's attention, because he wasn't exactly sure where the transfers had come from, but expects they were also from various capital expenditures that were also approved at the November 13, 2017 town meeting.

Mr. Delay noted that for the school board, while most teaching positions were around 37% of their expenditure, certain other teaching positions were at a much higher percentage. Chairman Kane stated that he also saw that certain teaching positions were at 0%, so he can assume that certain positions were not filled, and other teachers may be teaching these courses, or teaching in place of these courses, which would justify the difference in expenditures.

Member Comments:

Adhoc Revenue Sharing Committee Meeting

Chairman Kane raised the topic of the first meeting of the Revenue Sharing committee, that Mr. Robichaud is representing the Finance Committee in. Chairman Kane noted that there were some interesting questions that were being raised at the adhoc committee meeting, including focusing on how the budget works, and how other communities handle the revenue sharing, revenue enhancement and focusing on how to best make revenue sharing work for Winchendon. Chairman Kane noted that he looks forward to seeing how this committee will evolve to meet the town's needs. Mr. Robichaud agreed, and noted that the Revenue Sharing committee had also taken the time to focus on financial efficiency.

January Meeting:

Mr. Orobello asked Chairman Kane if the Finance Committee would be doing another department meeting before the formal Finance Committee meeting in January, or if the Finance Committee would be postponing the next department meeting until after the necessary discussions and meetings about the next fiscal year have been concluded. Chairman Kane agreed that it would be best to postpone the department meetings until June, in order for the Finance Committee to focus completely on the next fiscal year.

Free Cash

Mr. Orobello raised that the Finance Committee should look to urge the town to implement a Free Cash/Stabilization fund policy, to ensure the town continues to save some of its free cash in a stabilization fund so that the town doesn't find itself in a deficit again after it has finished paying off the state. Chairman Kane agreed that it makes sense to save some of the free cash in a stabilization fund, while using a separate percentage on capital expenditures. Mr. Orobello suggested that the town should also focus on which departments are routinely saving money for the town, so in the future, some of the extra money that these departments helped save

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goes back to those departments. Chairman Kane noted that different departments have different circumstances, and that, while this option would be ideal, it may not always be possible or prudent. Mr. Orobello agreed, but noted that the town should look into encourage its departments to be efficient with their finances. Mr. Orobello noted that there should be a Capital Planning Subcommittee to act as a neutral voice, and listen to recommendations without the infighting the occurs between different committees. This committee would be able to differentiate between the wants of the town and the needs and emergencies of the town, and would thus be able to give strong recommendations about how the town uses its finances responsibly. Mr. Robichaud agreed, and would have such a committee also keep time tables for maintenance expenditures needed by the departments, such as updating a building's roof every 10-20 years, so that these necessities don't catch the town by surprise. Instead, by predicting these expenditures, money can be saved away, and brought forward as needed. Chairman Kane agreed, and mentioned that addressing these issues to the town, and raising the need to create this subcommittee will be put on the agenda for the next meeting.

Adjournment:

Mr. Orobello made a motion to adjourn the meeting at 8:04PM. Mr. Robichaud seconded the motion.

KANE(Y) OROBELLO(Y) ROBICHAUD(Y) DELAY(Y)