

# Report of the Town Manager

December 9, 2013

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1. **Personnel Updates-** None.

Action Requested- None.

2. **Financial Updates-**

- a. **Year End-** As earlier advised, I have been briefed by our Town Accountant Donna Allard regarding our FY13 year end.

She has had a very trying time.

When the dust has settled, as much as it has to date, she is requesting that you call a special town meeting (STM) to reconcile the year end accounts. After easily covering any minor departmental lines with deficits with other departmental lines that finished with balances, as things stand now we ended our FY13 with an expected and customary deficit of \$160k+/- in Snow and Ice and what has become a customary deficit of \$53k+/- in Veterans Benefits.

What was entirely unexpected---and to Donna's thinking shouldn't have been---is the fact that our state assessments for School Choice and Charter came in at \$100k more than had been budgeted.

Between now and the STM her efforts will be focused on reducing these projected deficits internally by combing the accounts to be certain that all charges made against these lines were appropriate and that all enterprise account transfers were made as planned.

Once those efforts are exhausted we will know what the actual deficits are and will need to address them in the STM. Assuming the state assessment increase stands that will be an amount that is an allowable charge to net school spending (NSS) and we will need to address it in that regard such that the school department covers the hit without it appearing as though such a payment artificially suggests that the current year's NSS obligation is not met. This is very much like the issue currently before the DOR regarding prior year's NSS obligations.

Presuming the remaining snow and ice and veterans deficits stand we will be left with the following options, or any combination thereof, at STM to cover them:

- Reallocate any prior year special articles with remaining balances,

- Reduce the current year general government budget to free up the funds, or
- Appropriate from reserves.

Her serious concern is that her discussions with the Department of Revenue (DOR) have made it very clear that we must do this as immediately as can be legally scheduled to enable us to close the books in balance and from there to set the tax rate for the current year----in that order.

This is admittedly not optimal and is only being requested as Donna advises that DOR directs that it is required to be finalized prior to December 31, 2013.

Action Requested- Accordingly, what is being requested is that you call a STM such that the warrant opens on this coming Monday night, December 9, 2013 at 7:00pm and closes on Thursday night, December 12, 2013 at 7:00pm (this meets the required 72 hour opening requirement for an STM and we will keep the town hall open until 7:00pm on Thursday for this purpose). We will draft the warrant on Friday and request that the Board call a meeting for Monday December 16, 2013 at 6:30pm for the sole purpose of voting and posting the warrant for the STM to be held on Monday December 30, 2013 at 7:00pm as it requires a 14 day window between the posting and convening of the meeting.

3. **Project Updates-** None.

Action Requested- None.

4. **Miscellaneous Updates-** None.

Action Requested- None.