Town of Lunenburg

Finance Committee:
Mark Erickson, Chairman
Terri Burchfield, Vice-Chairman
John Henshaw, Secretary
Karin Menard
Caroline Griffis
Jay Simeone

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Mark Erickson 1/22/15

Lunenburg Finance Committee
Minutes: January 8, 2015 Meeting

Location: Town Hall
Present: Mark Erickson, Terri Burchfield, Karin Menard, Jay Simeone, John Henshaw
Also Present: Jamie Toale--BOS Liaison, Kerry Speidel
Absent: Caroline Griffis

1. Mark called the meeting to order at 7:02 pm.

2. Communications:
   A. Public: None.
   B. Committee:
      i. Mark circulated to the committee notification of the Central Mass. Mosquito Control meeting at the Northborough Free Library on January 14 on the FY16 mosquito control budget.
      ii. Mark also handed out the Budget Hearing Schedule and the Proposed Schedule for FY2015 Annual Town Meeting.

3. Highlights of the Review of the Report of the 2014 Audited Financial Statements by Powers and Sullivan, LLC. For more detail than given below, note that the audit report is on file at Town Hall.
   A. The Town received a clean report finding on the way the Federal Award Program funds was accounted for and managed.
   B. The audit tested internal controls and audited the Town's Balance Statement and Accounts and found all in good order.
   C. Financial statements conform to generally accepted accounting principles (GAAP).
   D. Their audit established that the budget is operationally sound and cited in particular:
      i. Free Cash levels and planning.
      ii. Stabilization funds – general and dedicated – prudent balances.
      iii. Funding of capital expenditures.
      iv. Debt Reserve balances.
      v. Budgeting for Snow and Ice Removal.
      vi. The Town's projections of reserve requirements are valid.
   E. The Management Report included recommendations in three categories:
      i. Documenting the work processes of Town Hall employees so that when new or other employees have to fill in or take over other jobs, the transition is smooth.
      ii. Computer passwords and restricted access to documents to those who need access to do their work to better secure information.
      iii. OPEB: The recommendation is that the Town take proactive steps to at least mitigate the long term liability consistent with those steps taken by towns that are peers to Lunenburg in the state.

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4. Town Manager Report:
   A. Charlie Baker, as new governor, gets an additional month to prepare the state budget. Thus the Town will put together the FY16 budget without formal input on levels of state aid. However Kerry said that she does not think there will be any changes in state aid to the Town—at least for FY16.
   B. The Library is concerned about the effect to their expenditures relative to FY15 budget from the increase in electricity costs. There may be a $5,500 overspend.
   C. The Schools are looking into an apparent discrepancy regarding 87 students who reportedly have opted to choice out to other districts. This if valid, means a $100,000 increase in costs to the Town. However, 87 students is much higher than recent experience and may be an overstatement. Loxi is working to find out whether the information is correct.

5. Minutes of the December 11, 2014 Meeting: Mark had two corrections, which John will make to the Minutes. Terri moved that the minutes be approved as amended. Jay seconded her motion and the committee approved the motion 5-0.

   >Action item: John will correct the minutes, sign them and give them to the Town Clerk's office next week.

6. Committee/Department Liaison Updates:

Committee/Department—Reported By:	Update:
Capital Planning--John H.	• The CPC has completed a nearly final priority list of capital requests for funding in FY16. • We also discussed scenarios of borrowing and the effect borrowing to fund the purchase of high cost capital requests on the capital budget in FY 17 and beyond. John handed out a work-in-progress spreadsheet illustrating the process and framing the issues around borrowing. • Mark recommended we study the spreadsheet/process to prepare for the Capital Planning Committee presentation of the proposed capital plan on January 22.
Public Works--John H.	There is nothing to report.
Library—Caroline G.	No update.
PACC--John H.	The PACC met, elected officers and reviewed the status of the Public Access Cable.
Building Re-Use--Mark E.	• Mike Mackin brought a rough draft idea of the minimum lot sizes for TC Passios and the Brooks House. • The Planning Board hopes to review the layout by January. • Jamie will update his spreadsheet with the new information. • The next meeting will be in March.
School Building--Mark E.	The School Building Committee will meet next week.
Schools--Karin M.	At the 1/7 meeting the school committee decided on an FY16 budget that would be a 6.09% over the FY15 budget. This proposed budget will increase further as the full effect of an increase in paraprofessionals and regular teachers is factored in.
Monty Tech--Karin M.	Nothing to report.
Council on Aging, Caroline	No Update.

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Public Safety--Terri B.	Nothing to report, but Terri will be in touch with both the Fire and Police Departments regarding their budget presentations—e.g. round the clock schedules and how budget constraints would affect service levels.
Sewer Commission—Jay S.	There is nothing to report.
Green Community—Jay S.	• The Green Community is moving on installing LED lights at the Library as there is grant money for this.

7. Future Agenda Items
   - Capital Planning Presents the proposed capital plan for FY16 to the Fin Comm on January 22.
   - Departmental FY16 Budget Presentations weekly from Feb. 19 through March 26.

8. Meeting Adjournment: Karin moved to adjourn the meeting, her motion was seconded by Jay and approved 5-0. The meeting adjourned at 9:10 PM.

Respectfully submitted by John Henshaw January 16, 2015

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