

Town of Lunenburg

Finance Committee:
Terri Burchfield, Chairman
Mark Erickson, Vice-Chairman
Jay Simeone, Secretary
John Henshaw
Hannah Anderson



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Lunenburg Finance Committee Minutes September 8th, 2016

Location: Town Hall

Present: Terri Burchfield, Jay Simeone, John Henshaw, Hannah Anderson
Absent: Mark Erickson
Guest: George Martin, Karen Brochu - Town Accountant

1. The Chairman called the meeting to order at 7:00 pm.
Non televised meeting.
2. Comments:
 - a. Public comment: None
 - b. New Communications: The Town Finance Committee Organization will be meeting at Devens on October 15th.
 - c. George Martin has been appointed to the FinCom, but has not been sworn in yet.
3. FY16 Salary Reserve Transfer:
 - a. Karen presented the transfer request form with the list of 4432B transfers that the Finance Committee and BOS have to approve. They include: \$58K for the APR for Lanni Orchards and the sick leave buy-back for clerical union. JH made the motion to approve transfer amount of \$120,828.26. Hannah seconded. Discussion of the sick leave buy-back. All in Favor. 4-0
 - b. At the close of FY-16, revenues collected amounted to \$643,840 more than what was budgeted. Including all the transfers, we had appropriation close out of \$289K. Which leaves a positive close out of approximately \$900K. Tax levy and local receipts were the largest revenue source. Reduced utility cost, lower gas prices, lack of snow and ice all contributed to reduced expenditures. Collected \$575k more than what was anticipated in local receipts. Collected \$400K in prior year tax liens revenues. Collected \$30K more in state aid than anticipated.
 - c. Meadow Brook trailer park is behind in paying there water betterment. The Town pays \$62K in debt service per year for the water betterment portion of that project. Meadow Brook is suppose to match the Town dollar for dollar. No funds where collected in FY-16. Legal council is working on it.
 - d. Members asked the Town Accountant for an explanation of the tax levy and tax rate. Tax levy can only go up 2.5% of prior year levy, plus new growth. The State looks at accessed housing values. As housing values go down, tax rates can go up, and when housing values go up, tax rates usually go down. Tax levy is tied to the value of housing.
4. Budget Goals and Opportunities:

Financial policy for managing debt service:

 - a. JH presented a spreadsheet on "Debt service cost from Debt exclusion as a % of the total tax levy". The graph shows FY13 thru FY29. Debt service cost projected to increase significantly from 4% in FY-15 up to about 10% in FY16, increase up to about 12% in FY18, then slowly decrease to about 6% in FY25 thru FY29. The data also included the five year forecast for FY17 thru FY21 when the new Middle/High School comes on line.

- b. Member discussion regarding the life of debt exclusion for items like a firetruck. Does the debt service follow the life of the unit? For the most part it does. Discussion regarding borrowing, interest and bond ratings. Mass General Law Chapter 44 references Municipal Finance. Lunenburg Tax levy = \$23,384,000. FY16

5. Minutes: none

6. Committee and Department Updates:

<u>Committee/Department</u>	<u>Update</u>
Public Access Cable—John H.	Meeting 9-12-16
Capital Planning—John H.	Police dept: Capital request for new cruisers. Talked with John Londa and Loxi Calm regarding timing of their capital needs so as not to have negative affect on other dept's capital needs. Next meeting 9-20-16
Dept. of Public Works—John H.	No report.
Library—Terri B.	
Public Safety—Terri B.	No report
Schools, Monty Tech, COA	Possibly adding one more bus. More students than expected for kindergarten, considering adding one more kindergarten teacher because of overcrowding. Handed down mobile labs to elementary and primary school. Trying to roll out an Adult education program called Lunenburg Life Long Program. John Londa - Facilities Director. Capital plan: move security cameras move out to FY21 for Primary and Elementary school. Upgrade building envelopes. Remove from Capital plan. Look to Green Communities Task Force for funding. Plus LED lighting. Looking to bring Fire alarm system up to code for THES and TC Passio. Look for funding for insulation and expanding A/C in the Primary for FY19 or FY20. No cost estimate yet. Review early child hood education with in the district as it may have a budget implication.
Green Task Force—Jay S.	No Report.
Sewer Commission Task Force—Jay S.	No Report.
School Bldg. Comm., Building Re-use – Mark E.	No Report

5. Next meeting: 9-22-16 at 7:00 PM at the Town Hall. PACC on agenda

6. Public comment: Jeff, a reporter with the Lunenburg Ledger, asked about the function of the committee and where the towns money comes from and how do we figure where to spend it. Terri gave an overview of the FinCom responsibilities.

7. Adjournment: JH made a motion to adjourn. HA seconded the motion. 8:34 PM