Finance Committee

October 1, 2018, Town Hall

Chairman Whitsett call the meeting to order at 7:05 pm; also present Shelley Roberts, John Payne, Guests Karen Blom and Ciara Hayden from the Buckland Finance Committee.

Mohawk School Budget process –

1. In an effort to change the process to give towns more impact on the school budget, members and guests discussed the idea of a subcommittee of Finance Committee and Select Board members from interested towns meeting with School Board and School Budget committee members well in advance of the start of the budget season. The focus of such discussions would be how much the towns can afford for school expense; not how much the schools would like to receive. This approach would require the town finance committees and Select Boards to evaluate their current budgets, project future town needs, and then determine what the towns can afford for school expenses.
2. Members had proposed such an approach last year, but somehow the plan never gained traction. Members noted that even this year it is late to form such a committee but the towns need to start somewhere.
3. Buckland and Shelburne members decided to invite the two town’s school representatives to a meeting on November 5, 2018 at 7:00 pm at Shelburne Town Hall to discuss this year’s budget process. In preparation members should form a view on the amount that each town can afford for the upcoming 2020 budget. Members noted the frustration of the state calculations for each town’s minimum and above minimum contributions, which often has no relationship to the school budget’s actual increase.
4. Reassessment schedule. Part of the wide swings in minimum contributions results because the 9 towns currently preform their 3-year real estate reassessments in different years. If all the towns performed reassessments in the same year, swings in the minimum contribution would likely be reduced significantly.
5. Other issues
   1. The basic dynamics of the education in the rural area is rising costs despite falling enrollments; further compounding this trend is an increasing number of seniors and declining number of young and working families to support the rising school budgets;
   2. The flows and uses of the Excesses and Deficiency account remains a mystery to members who have had difficulty understanding what amounts go into the account and what amounts are drawn out; the budgets are set around January – March each year, but actual enrollments, teacher requirements and other staffing are not known until September. The E & D account is often used to bridge any increase costs, but can also be used to reduce the town assessments.
   3. Towns’ minimum contributions is determined in part by IRS income figures which are calculated based on an individual’s zip code. Buckland has 5 zip codes, of which 2 or 3 are shared with other towns. Thus, its minimum contribution calculation almost certainly includes individuals who live in other towns. It is unclear whether this inaccuracy unfairly increase or decreases Buckland’s minimum contribution.
   4. A major component of each school’s cost relates to mandated Special Education requirements. Some of these costs are education related, but some are medical related. Town have pressed for years to have the State bear the medical costs, unsuccessfully to date.

Police Department merger: Karen raised the possibility of Buckland and Shelburne merging their police departments. Issues –

1. Buckland uses a “Strong Chief” structure while Shelburne uses a “Weak Chief” structure.
2. A merged police force will need only one chief; Buckland’s chief has been considering retirement for a few years but has not set a date yet.
3. Buckland might be interested in selling is current police station, which has some structural issues; Shelburne’s proposed new police station is large enough to accommodate additional officers.

BSE withdrawal: Should BSE withdraw from the Mohawk District and provide elementary education (grades pre K - 6) only to Buckland and Shelburne students? Such a step would require significant analysis about costs, cash flow, benefits, negative impacts, revised relationship with the Mohawk district, parents’ views, effect on choice in verses choice out, state administrative requirements for a separate school district and effect on town’s minimum contribution, among other issues.

John will explore with FRCOG what studies and research support might be available.

Busing: Members believe the busing contract is excessively expensive and would like to renegotiate it. The contract has another 3 years to run, but members want ideas about revising the contract are explored early and that Finance members are involved in the process. A BEST subcommittee explored the busing issue in detail; its work should be a starting point for considering busing alternatives.

Joint meeting – November 5: Members decided to schedule another joint meeting on November 5, inviting town school representatives Jason Cusimano, Jeremey McGeorge, Martha Thurber, and Dave Parella; John will invite members of Shelburne’s Select Board to join, if available.

Our Buckland guests departed at 8:25 PM

Minutes of September 10, 2018: On a motion by John, seconded my Kristian, members unanimously approved the minutes of September 10, 2018.

Old Business:

1. Highway – Members had meet with highway boss Mark Shippee and SB representative Andrew Baker to discuss Highway’s projected capital needs. John subsequently analyzed the cash flow requests for the next 6 years from all departments, including the debt service on the new police building. With outright purchase of highway equipment, the cash requirements in 2020 and 2021 exceed $500,000, well in excess of the towns normal free cash cushion each year of about $300,000. If Highway leases the next two large purchases over a 72-month period each, that change would spread the cash requirement more evenly over the 6 year period.
2. Senior Center – John reported on a meeting among Senior Center leaders, and select board and finance committee members. Mole Hollow continues to be the strongest choice of Senior Center leaders, who are meeting later this week with the Owner’s son to discuss a possible transaction. If those negotiations fail, the SC has two or three other possible sites that it has analyzed.

New Business:

1. Town Website - Kristian attended an orientation session on the new town website; he noted it is a big improvement and anticipated being able to load FC Agendas, Minutes, various graphics, school budget and other financial information.
2. Projector and Screen – In preparation for town meeting, members discussed having available at the meeting a large screen and projector to introduce a brief presentation on the budget and the financial needs of the town; the presentation might also include more details of the school budget and other large expenses.
3. Town Building Costs – members would like to establish a system to track operating costs of each town building. Items would include utilities, maintenance, forgone tax revenues, debt service and miscellaneous repairs. The system would differentiate between operating and capital costs. Kristian will ask Jackie if she would take on this project.
4. New member – The search for a 5th member continues.

Next Meeting: November 5, 2018, 7:00 pm, Town Hall; joint meeting with Buckland Finance Committee, to include school board representatives and possibly SB members. John will contact Shelburne SB members, Kristian will contact Shelburne School Board members.

Adjournment: At 9:05, on a motion by John, seconded by Shelley, members voted unanimously to adjoin.