

Meeting Minutes for Comprehensive Financial Advisory Committee - Operating Budget Subcommittee

Apr 23, 2025 05:47 PM Eastern Time (US and Canada) ID: 834 6126 4649

Committee Members Present: Lillian Woo, Chris Lauzon, Chris King, Tom Keane

Staff Present: Mark Milne

Meeting was called to order at 6:00 PM

Quick recap

The Comprehensive Financial Advisory Committee Operating Budget Subcommittee reviewed the proposed operating budget for fiscal 26, with a focus on the largest expense category of salaries and wages. The team also discussed the impact of inflation on property taxes, the accuracy of the report, and the need for a more detailed view of the real budget spending. Additionally, they discussed the complexities of the Comprehensive Wastewater Management Plan (CWMP) and its funding, the need to focus on the budget and how it can be supported, and the challenges of funding the CWMP program in the long term.

Next steps

Chris King to redraft the Enterprise Fund report section, particularly focusing on the Sewer Fund and CWMP combination.

Chris King to draft the fixed cost section by the next meeting on May 7th.

Chris King to schedule a 15-20 minute call with Mark to discuss the enterprise fund financials and model.

Lillian Wu to add commentary on CWMP challenges and funding sources to the "Analysis and Comments" section of the report.

Chris Lauzon to complete the police and DPW sections once he receives the updated numbers from Mark.

Mark to provide Chris Lauzon with detailed information on additional funding for police and DPW departments.

All committee members to prepare for discussion on the "Looking Ahead" section at the next meeting.

Mark to set up the next meeting for May 7th.

Tom to incorporate committee comments and reformat his school budget section.

Lillian Wu to update the front matter and revenue projections based on the latest figures and discussions.

Summary

Comprehensive Financial Advisory Committee Operating Budget

The Comprehensive Financial Advisory Committee Operating Budget Subcommittee held a meeting on April 23, 2025. The subcommittee, composed of Tom Keane, Chris King, Chris Lauzon, Lillian Wu, reviewed the proposed operating budget for fiscal 26. Tom Keane presented a revised school budget, incorporating comments from the school department and the committee. The budget was found to be 80% salaries and wages, the largest expense category. The committee discussed the need for a more detailed view of the real budget spending. The subcommittee agreed to start each section on a new page for better readability.

Property Tax Inflation and Funding

Tom discussed the impact of inflation on property taxes, noting that while property taxes increased by 2.5% in 2020, inflation was low, resulting in more money in real terms. However, since 2021, inflation has increased, reducing the real value of property taxes. Mark clarified that property tax increases are actually around 3.5 to 4% annually due to new growth revenues.

Revising the Report and Enterprise Funds

Tom agreed to revise the report based on the comments received, particularly the phrase "equal savings". He planned to incorporate the comments and make further formatting changes before circulating it again next week. Lillian offered to start plugging in the front matter and send it to Mark for finalization. The team then moved on to discuss the Enterprise Funds report prepared by Chris King. Chris acknowledged that the report was rough and had many questions which he had addressed based on the updates received from Mark. He sought guidance on how to proceed with the remaining questions and suggested that it might not be appropriate for him to directly contact each enterprise fund. The team agreed to review the report and provide feedback.

Golf Fund and Clubhouse Renovation Budget

The team discussed the operating budget and the separate budget for the clubhouse renovation. They clarified that the funding for the clubhouse renovation is a separate capital appropriation. The team also discussed the sewer fund, with a focus on the operation of the sewers and the additional expenses of the construction. They agreed to spend some time dissecting the financial data to better understand the sewer fund. They also discussed the possibility of a future meeting to further discuss the sewer fund.

CWMP Funding and Monitoring Discussion

Lillian, Mark, and Chris King discussed the Comprehensive Wastewater Management Plan (CWMP) and its funding. Lillian emphasized that the CWMP is in its first phase and that a debt exclusion will be necessary. Mark mentioned a model for monitoring the funding of the CWMP that will be reviewed in an upcoming meeting. Cking expressed difficulty in finding information for a chart and suggested a link to the model for readers to play with, with upper and lower limits for best and worst case scenarios. Tom agreed with Cking's suggestion.

CWMP Discussion and Budget Focus

In the meeting, the team discussed the complexities of the CWMP and its impact on the sewer fund. They agreed that the CWMP should be a separate report and not included in the review of the operating budget. They also discussed the need to focus on the budget and how it can be supported. The team decided to mention the CWMP at the end of the Enterprise Fund report and expand on it in the Looking Ahead section. The team agreed to work on the front end and then focus on the CWMP.

Revised Budget Proposal and Fiscal Soundness

Lillian presented a revised budget proposal. Lillian sought feedback on the fiscal soundness narrative, with Chris suggesting the inclusion of the town's responsible handling of mandated programs like CWMP. The team agreed to review the surplus funding and revenue projections, with Chris offering to provide further input on the fiscal soundness narrative.

CWMP Funding Challenges and Solutions

The team discussed the challenges of funding the CWMP program in the long term. They acknowledged that the program's success in the past five years was due to the town's

responsibility, but they recognized that this stability may not continue. The team also discussed the need to create more funding sources for the program and the potential for the Town Council to make tough decisions about allocating resources. They also touched on the Municipal Empowerment Act and its potential impact on the program. The team agreed to add more analysis of the funding challenges in the report.

Upcoming Meeting Schedule and Budget Discussion

The team discussed their upcoming meeting schedule, with a focus on the 30th and 7th of the month. They also discussed the need for additional funding for certain departments and the timeline for submitting the proposed budget to the Council. The team agreed to meet on the 7th to review their reports, with the aim of providing thoughtful analysis rather than rushing to meet deadlines.

Meeting Adjourned 6:59 PM.