

BUDGET ADVISORY COMMITTEE MEETING

Wednesday February 26, 2020 – 5:00 PM – Richmond Town Hall, 1529 State Road

PRESENT: Bob Gniadek, Chair, Finance Cte.; Steve Patterson; Bob Youdelman; John Mason; Alan Hanson, Selectman; Danielle Fillio, Town Administrator; Angela Garrity, Town Accountant

ABSENT: Neal Pilson, Select-board and Pat Callahan

GUEST: Kristin Smith and Kathryn Wilson, Library

Mr. Gniadek opened the meeting

Discussion of Prior Minutes: There was a discussion of the prior minutes proposed for approval. Because Steve Patterson was absent and wished to not participate in the vote, there was no quorum at the time and it was decided to revisit the minutes at a later date when a quorum existed.

Library: Kristin Smith of the Library and Kathryn Wilson came in to present their budget to the committee which proposed a 7% increase to come more in line with expenditures. Kristin explained how the spending gets broken up between the Town funds, state funding, and the gift account. Library has historically overspent their budget by ranging from \$3-5,000 which they cover from other sources including the state aid and gift accounts. The concern was that if they continue to use that money it would be depleted within the next few years. After much debate and conversation over the impacts of increasing the budget and the effects it may or may not have on state aid, it was decided that they would increase the budget to \$65,873 rather than the requested budget of \$63,576.

It was noted for the record at the end of the discussion that John Mason had arrived late and was present for that discussion.

Review of Articles: The discussion was had regarding warrant articles and the use of certain funds for different articles. A brief discussion was made regarding the sewer money for the shortfall of debt payments. It was noted that this did not need to be a petition article and that the Selectmen would put it on the warrant to fund the shortfall. Discussion continued about the need to move the investment committee forward to start investing the funds to earn money for the town. Danielle noted that she wished she could help move forward but that it could not happen until the return of the Treasurer/Collector which was still unknown.

Discussion was had on the State house note interest and payment for the new grader. It was discussed that the Town does not like to borrow money. Danielle explained that it was a great way to get the equipment that the Town needs without large impacts on the tax rate. The discussion then went onto what the town felt the percentage should be in reserves. She explained that she had been told that number was 10% but if that was not the case then she

could rearrange the budget to use more stabilization and free cash monies. The committee noted that there were discussions but that they did not believe the number was 10 it was agreed that the number that was looked at was 5-10% in reserves. With this information Danielle said that she could move some money around to show the committee the impacts on the budget without a state house note.

The discussion of stabilization continued regarding the request to put money into a separate stabilization for the Highway Department. The committee asked what the reasoning was on this. Danielle explained that the reasoning would be to make sure the money that gets put into stabilization was used for it's intended purpose and noted that you cannot earmark free cash into stabilization for a specific purpose. The argument was then made that if the money was put into a separate stabilization account and an emergency happened then the Town would not be able to use the funds in a separate account. The committee understood the reasoning behind Danielle's request but decided that they would like to keep the stabilization practices as they had been.

A brief discussion was had about monies in certain revolving or special article accounts that were currently not being used. Danielle was asked to look into those accounts to see what monies could be returned to the general fund so that they could be re-allocated for other uses.

With it being almost 6:30 the meeting was adjourned so that the Selectmen meeting could begin.

Signed:

Mr. Robert Gniadek

Chair – Finance Cte.