

Special Board of Finance Meeting  
7:00 pm, Wednesday, August 31, 2016  
2<sup>nd</sup> Floor Meeting Room, Town Hall

Minutes

1. Call to order

Lorraine Coe called the meeting to order at 7:00 pm.

In attendance: Lorraine Coe, Rosemarie Naples, Laurie Tuttle, Martin, Chuck Stengel, Molly Nolan  
(arr. 7:20)

Others in attendance: Maryjane Malavasi, Carlton Stoup

2. Public Comment: None.

3. 2015-2016 Budget Transfers. Ms. Malavasi reviewed each of the line items that are over budget at the end of the fiscal year. She noted that all of the overages are covered by contingency this year which is one indication of how well all budgets did throughout the year.

**Motion made by Martin Anderson, seconded by Chuck Stengel, to approve the following transfers for fiscal year 2015-2016. Motion passed unanimously.**

| <b>Transfer Balances to:</b>   |                                |                  |
|--------------------------------|--------------------------------|------------------|
| 413120                         | Board of Assessment Appeals    | 274.00           |
| 414701                         | Town Clerk Salary              | 1,034.00         |
| 414705                         | Town Clerk Department          | 292.00           |
| 411901                         | Finance Wages                  | 926.00           |
| 413910                         | Town Counsel                   | 1,366.00         |
| 414305                         | Information Technology         | 1,027.00         |
| 415205                         | Planning & Zoning Legal        | 4,227.00         |
| 415505                         | Zoning Board of Appeals        | 337.00           |
| 414902                         | Election Department Wages      | 6,166.00         |
| 414905                         | Election Department            | 2,219.00         |
| 510010                         | Unemployment Compensation      | 1,627.00         |
| 510020                         | Liability-Auto-Property Ins.   | 2,044.00         |
| 510050                         | Employee Testing               | 20.00            |
| 520005                         | Town Hall General Expenses     | 1,140.00         |
| 520063                         | Municipal Custodial Services   | 1,405.00         |
| 520068                         | Facilities Maintenance         | 12,256.00        |
| 430110                         | Highway Garage Maintenance     | 2,993.00         |
| 430305                         | Highways and Streets           | 1,282.00         |
| 430314                         | Chip Seaing                    | 8,556.00         |
| 431105                         | Street Lighting                | 7,668.00         |
| 421502                         | Animal Control Wages           | 1.00             |
| 422105                         | Public Safety Data Systems     | 729.00           |
| 422705                         | Human Services                 | 94.00            |
| 442745                         | Senior Citizens Board          | 430.00           |
| 459905                         | Farmers Market                 | 160.00           |
| 450105                         | Library Expenses               | 214.00           |
| 450107                         | Library Information Technology | 55.00            |
| 450301                         | Recreation Wages               | 575.00           |
| 980010                         | Tax Refunds                    | 2,585.00         |
| 9422300                        | CIP Emergency Management       | 8.00             |
| 9420705                        | Emergency Medical Services     | 36.00            |
| 9491005                        | Old Indian Trail Water Tank    | 8,024.00         |
| 9431105                        | CIP Street Lighting            | 525.00           |
|                                |                                | <b>70,295.00</b> |
| <b>Transfer balances from:</b> |                                |                  |
| 980020                         | Contingency                    | 67,886.00        |
| 980015                         | Contingency for Union Negs.    | 2,409.00         |
|                                | <b>Subtotal BOF</b>            | <b>70,295.00</b> |

4. 2015-2016 Carryovers:

- a. Ms. Malavasi noted that the vehicle under lease was paid off in the prior fiscal year and that the funds were not needed in 2015-2016. Since the long term plan accounts for transferring the operating budget to the reserve budget as leases are paid off, it is her recommendation that these funds be transferred to the public works vehicle reserve fund.

**Motion made by Martin Anderson, seconded by Rosemarie Naples to recommend the Selectmen call a town meeting to approve a transfer of \$28,291 from 460505 Public Works Lease to #9685 Highway Equipment Reserve. Motion passed unanimously.**

- b. Ms. Malavasi noted that there were a number of multi-year projects that need to be continued to the new year.

**Motion made by Martin Anderson, seconded by Chuck Stengel, to recommend the Selectmen call a town meeting to approve the following carryovers into fiscal year 2016-2017. Motion passed unanimously.**

|         |                              |            |
|---------|------------------------------|------------|
| 430105  | Brook Cleaning               | 3,500.00   |
| 421385  | Public Safety Facility       | 25,375.00  |
| 9414305 | CIP-Information Technology   | 18,817.00  |
| 9416505 | CIP-Conservation Commission  | 325.00     |
| 9420305 | CIP-Fire Apparatus           | 12,000.00  |
| 9430105 | Pickett Lane                 | 71,094.00  |
| 9430305 | Coe Road Bridge              | 304,548.00 |
| 9430305 | Higganum Road - LOTCIP       | 52,150.00  |
| 9520068 | Facilities Management        | 13,490.00  |
| 9450305 | Allyn Brook Park Maintenance | 418.00     |
|         |                              |            |
|         |                              | 501,717.00 |

5. Finance Director's Report:

- a. 6/30/16 Audit Update: Ms. Malavasi reported that the auditors are in this work to conduct their field study as part of the 6/30/16 audit. It is her hope that the audit can be substantially complete prior to her last day of work. The auditors are willing to meet with the Board prior to her last day in order to discuss any issues that may need her input.
- b. July Fiscal Analysis: Ms. Malavasi presented her written report and made specific note to her comments regarding the mill rate and tax revenue for FY 2017.

The 2017 budget stands as follows:

|                                | EXPENDITURES | REVENUE    |
|--------------------------------|--------------|------------|
| Original Budget                | 29,665,953   | 29,665,953 |
| General Appropriations         | 0            | 0          |
| Grant Appropriations           | 0            | 0          |
| Prior Year Carryovers          | 0            | 0          |
| Reserve Appropriations         | 0            | 0          |
| Revised Budget                 | 29,665,953   | 29,665,953 |
| YTD Encumbrances               | 0            | 0          |
| YTD Expense/Revenue            | 2,327,588    | 13,183,571 |
| Balance Unspent or Uncollected | 27,338,365   | 16,482,382 |
| Percent Spent or Collected     | 7.8%         | 44.44%     |

### Revenues

The mill rate that was set by the Board of Finance was based on the knowledge of expected additional state revenues than was approved at Town Meeting. The difference of \$193,083 is not reflected in the budgetary figures, therefore, further analysis is needed to accurately report tax collection percentages.

|  |              |
|--|--------------|
| Total Tax Budget based on approved town budget   | \$24,493,545 |
| Adjustment for additional expected State Revenue | -193,082     |
| Adjusted Tax Budget                              | \$24,300,463 |
| July Tax Receipts                                | \$12,958,037 |
| Percent collected in July 2016                   | 53.3%        |

Tax revenues have been strong this month. Over 53% of the taxes have been paid. In addition to the current levy, a significant amount of back taxes were paid, bringing with it over \$71,000 in interest revenue. As these large past due accounts are paid, the amount of taxes and interest receivable will also diminish. The Board of Finance will need to work with the Tax Collector during the 2018 budget preparation to accurately budget for these items next year.

The State paid its Municipal Revenue Sharing grant to towns in July, which equates to a \$150,000 revenue for Durham. Other State grants will come in sporadically over the fiscal year. Overall, the Town has brought in more than 44% of its total anticipated revenues as of the end of July.

### Expenditures

Just under 8% of expenditures were paid out in July. This is exactly where expenditures should be after the first month of the fiscal year. At the moment, there are no anticipated issues.

## Balance Sheet

The Town is still waiting for payment from the State for the Pent Road Grant. It represents most of the amount in the Due from Grants line item. Thanks to our strong collection rate in July, the Money Market account continues to show a strong balance which will allow the Town to cover its obligations moving forward.

The audit is underway, and there are normally some adjustments that need to be made to last year's accounts which will transfer to the new year as well. However, these adjustments are usually minor in comparison to the overall budget.

- c. Estimated Analysis of Fund Balance as of 6/30/16: Ms. Malavasi reviewed unaudited figures as of 6/30/16 which indicate that there will be an increase to fund balance as of 6/30/16. Final numbers will be given when the audit is substantially complete. She noted that the increase is due to an easy winter and other budget balances as year-end.
6. Public Comment: Carlton Stoup thanked Maryjane Malavasi for her service to the town and her willingness to help him out when asked.

The Board noted a need to hear from the Compensation Review/Personnel Policy Board regarding salary scales.

7. Adjournment: Meeting adjourned at 7:30 pm.

Respectfully submitted,  
Maryjane Malavasi