

Received: October 26, 2016
4:24pm
Office of the Town Clerk

Board of Finance
7:00 p.m., Tuesday, October 18, 2016
2nd Floor Conference Room, Town Hall

Meeting Minutes

1. Call to order

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

In Attendance: Lorraine Coe, Rosemarie Naples, Laurie Tuttle, Chuck Stengel, Molly Nolan (7:19)

Absent: Martin Anderson

Others in attendance: Maryjane Malavasi, Laura Francis, Francis Willett, Rob Chadd, Bill Curtis, Henry Coe, Lainey Melvin, Sue Wimler, Jacki Stannard, Rick Huntley, Michele Loso & Andrew Switaj from Seward & Monde

Laura Francis advised the Board that correspondence was received from Community Renewal Team (CRT), provider of the Elderly Nutrition Program, that at their current funding level they may have to cut 26,874 Middlesex County meals, the gap between the meals covered by the new contract from Senior Resources Area Agency on Aging (SRAAA) and the cost of maintaining the program at the current service level. The immediate funding shortfall for Durham FY16-17 is \$14,370.

Durham's current program is two (2) days a week, Monday and Friday. The Senior Board made a request to extend the program to three (3) days next year. The cost to provide additional service of (1) extra day of meal service based on 20 meals (1) time a week would be \$5,418.

The total anticipated for the budget shortfall and the additional day of meal service is a total of \$19,788. L. Francis noted that the Social Services Coordinator budget currently allows for \$5,000 specified to CRT that is not expensed yet and would like to put this towards the budget shortfall. L. Francis met with the Senior Board, Social Services Coordinator and Recreation Director to discuss; they will be considering sponsorships, grant funding, and fundraising. She asked the Board to consider any shortfall they may have after fundraising etc.

C. Stengel clarified that the actual funding request for this year is \$9,370; the fy16-17 budget shortfall of \$14,370 less the \$5,000 current budget funding.

2. June 30, 2016 Audit – Seward and Monde

Michele Loso, presented the Board with a preliminary Statement of Net Position for June 30, 2016. She noted that she just received the pension report and still needed to review it. All adjustments are booked and made and there are no material or compliance findings. She noted that there is one management finding from last year; information technology policies and procedures, that is being put into place.

3. Minutes

a. Regular meeting September 20, 2016

MOTION BY ROSEMARIE NAPLES, SECONDED BY CHUCK STENGEL TO APPROVE THE REGULAR MEETING MINUTES OF SEPTEMBER 20, 2016 AS PRESENTED. COE, NAPLES, STENGEL, TUTTLE; AYE. NOLAN; ABSTAIN.

4. Invoices

No business

5. Correspondence

No business

6. Public Comment

Francis Willett stated that the Durham Volunteer Fire Department voted at their last meeting to not replace the siren at the fire house noting updated methods of activation that would replace it; i.e. radios, pagers, and emergency notification system. F. Willett, R. Chadd, and B. Curtis were present to request a reallocation of reserve item #9630 for siren replacement in the amount of \$30,508 to purchase (2) Lucas devices; one for Durham6 and one for Durham4. A proposal was received from Physio Control in the amount of \$15,065.13 for one device.

C. Stengel questioned if they were working within the towns procurement policy. B. Curtis noted that Physio Control was a sole source provider and would be seeking permission from the Board of Selectmen to use this provision within the policy. He also noted that Physio Control is on State Contract.

7. Ambulance and Fire Departments monthly reports

Durham Volunteer Ambulance Corp

Sue Wimler and Jacki Stannard distributed a Statement of Financial Income and Expenses 7/1-10/18/2016. C. Stengel questioned the wages for Durham Fair. Sue Wimler stated a check was received today from the Durham Fair as a donation that will offset some of this; approximately \$6,000.

In reference to a request made by the Board at their last meeting for a report on calls taken, Sue Wimler presented a printout by month, number of calls responded to, and number of calls they did not respond to.

L. Tuttle asked if they had an audited statement. Sue Wimler provided L. Tuttle with the latest audit she had on file. C. Stengel asked if they filed their 1099 yet. Sue Wimler responded they would file in November.

Sue Wimler invited L. Tuttle to meet with her and Jackie Stannard in the next couple of weeks to review any items she might have.

Durham Volunteer Fire Department

Treasurer Report as of October 11, 2016 and Monthly check summary as of October 11, 2016 was received.

8. Additional appropriation and Reserve Fund Transfer for New Ambulance

The Town of Durham went out to bid for a new ambulance. Two bids were received. Taylor Made Ambulance in the amount of \$190,842 and Bulldog Fire Apparatus in the amount of \$196,413. Tom Wilmer will be recommending the Board of Selectmen award the bid to Bulldog Fire Apparatus because they met the bid specifications required for the chassis. Taylor Made Ambulance could not supply the specified chassis. The Ambulance Reserve Fund currently has a balance of \$152,065 causing a \$44,348 delta.

MOTION BY ROSEMARIE NAPLES, SECONDED BY MOLLY NOLAN TO RECOMMEND THE SELECTMEN CALL A TOWN MEETING TO TRANSFER \$44,348 FROM UNDESIGNATED FUND BALANCE AND \$156,065 FROM #9140 AMBULANCE RESERVE TO LINE ITEM #9420705-57320 CIP-VEHICLES AMBULANCE FOR THE PURCHASE OF A NEW AMBULANCE, PENDING BOARD OF SELECTMEN BID APPROVAL. ALL AYE

9. Conservation Commission Capital Projects

Rick Huntley was present to discuss funding for an open space parking lot at the end of Dead Hill Road. He noted that the Board did not fund the capital project during the prior budget season and was asked to come back to the Board when he had actual numbers. He noted that the project started out with six parking spaces and did not anticipate what is now a twenty-six-space parking lot. He explained that this is attributed to overflow parking on the entire cul-de-sac due to a mountain bike trail that was constructed on Pisgah mountain that is being heavily used. He also noted that the Blue Trail is being expanded and hiking use will likely increase. He has worked with Brian Curtis, Town Engineer on the design and has also received approval by Inland/Wetlands. He stated that the commission has incurred approximately \$2,619 in engineering costs that was paid out of the First Selectmen's engineering budget line and was looking for an additional \$19,025 in materials and equipment (provided by Public Works Foreman, John Jenkins) to complete the project. Loraine Coe asked if the project could wait until the next budget season. R. Huntley noted that the work would be done by the towns public works department, the bulk of it in the spring, but did not want to wait due to the hazardous parking on the road. He reminded the Board that he was asked to come back to the Board when he had actual numbers which he has. After discussion, it was determined that funding for the original six parking spaces would be approved and R. Huntley would address the balance with the Board in the spring.

MOTION BY ROSEMARIE NAPLES, SECONDED BY MOLLY NOLAN TO TRANSFER \$4,000 FROM CONTINGENCY TO CIP CONSERVATION FOR DEAD HILL ROAD OPEN SPACE PARKING LOT. ALL AYE

Rick Huntley informed the Board that there is a waste management issue at Deerfield Farm and a septic system appropriate to milk waste is being looked in to. Approximate cost for the septic system is \$20,000 and engineering cost of \$10,800. He also noted that there is no restroom available to the public on site, noting this is a demonstration farm. He received a cost from the towns Building Inspector that this could cost \$21,000; the Conservation Commission is researching a 319 Grant. R. Huntley informed the Board that a subcommittee is working on the current lease of this property.

R. Huntley informed the Board that the Conservation Commission is contemplating the purchase of 70 acres at the end of Howd and David Road to add on to existing open space and for hunting. The

commission will be looking to use reserve funds to obtain two (2) appraisals. Costs will also be incurred from the Town Engineer and Town Planner.

10. First Quarter fy2017 Fiscal Analysis

The 2017 budget stands as follows:

	EXPENDITURES	REVENUE
Original Budget	29,665,953	29,665,953
General Appropriations	6,371	0
Grant Appropriations	0	0
Prior Year Carryovers	0	0
Reserve Appropriations	263,130	263,130
Revised Budget	29,935,454	29,929,083
YTD Encumbrances	261,203	0
YTD Expense/Revenue	8,756,352	14,086,999
Balance Unspent or Uncollected	20,917,899	15,842,084
Percent Spent or Collected	30.1%	47.1%

Revenues

The mill rate that was set by the Board of Finance was based on the knowledge of expected additional state revenues that were not known at the time of the Town Meeting. The difference of \$193,083 is not reflected in the budgetary figures. The amount is shown as a tax revenue in the approved budget, but will actually be a State revenue, which decreases the amount of taxes due. 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
1 st Qtr Tax Receipts	\$13,372,333
Percent collected in July 2016	55.03% (54.6% shown in MUNIS)

In addition to current year tax revenue, a significant amount of back taxes was paid, bringing with it over \$90,000 in interest revenue. As large past due accounts are paid, the amount of taxes and interest receivable will begin to 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.

Other local revenues, including transfers in from the Reserve Fund, are over 46% collected. Without the Reserve Fund transfer, budgeted revenues are over 26% collected, which is just where they need to be at the end of the first quarter of the fiscal year.

State revenues are starting to come in, for a total of 38.3% of the total state revenue budget. Overall, 47.1% of all revenues were received during the first quarter of the fiscal year.

Expenditures

During the first quarter of the fiscal year, expenses for building maintenance are 66% lower than the same time period last year. The HVAC project at the Library is directly related to this reduction in building maintenance expenses. At this last year, that system had already failed three times.

The MUNIS report does not reflect budget adjustments for the transfers approved by Town Meeting on October 3rd. However, some expenses are already paid as of the end of September. Therefore, two capital items are over budget on summary report. The transfers to cover these overages have been made as of October 4th.

The only department over budget at this time is the new Public Health Department budget. This budget was extrapolated from the Building Department budget during to the Uniform Chart of Accounts conversion. The line item was split in half and will need to be budgeted for separately moving forward. The total expenditure budget is 30% spent at the end of this first quarter.

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 MUNIS report shows a negative balance in the Town's checking account. That is because the Board of Education check, and other monthly checks, were posted on the last day of September but the funds were not transferred until October.

The checking account has a balance of \$500,000 in it at all times due to an automatic transfer done by the bank each day. As checks, clear through the bank, a daily transfer is made from the money market account. The Town's Balance Sheet balance includes all outstanding checks.

11. Public Comment

No business

12. Any other business

No business

13. Adjournment

Meeting adjourned at 9:16 p.m.

Respectfully submitted,
Beth Moncata