

Town of Montville Finance Committee

Special Meeting Minutes for

November 21, 2017

5:00 P.M.

Room 203

Finance Director Hart called the meeting to order at 5:00 p.m. She also led the Pledge of Allegiance. Present were Councilors Pike and McNally. Also present was Mayor McDaniel.

Councilor McNally moved, second by Councilor Pike, to approve the minutes of the 11/21/17 meeting. Motion passed.

Councilor McNally moved, second by Councilor Pike, to elect Councilor Pike as Chairman of the committee. Motion passed. Councilor Pike stated that he looks forward to the input of the Town Councilors, Mayor, Finance Director and the public.

The Finance Director gave a financial update. She updated the committee on the State Budget. She explained that the State has implemented holdbacks and lapses. Currently there is a difference of \$872,650 in the ECS funding. This does not include the Special Education Funding of \$3,577,810 that the State has eliminated, which the Town has allocated in a separate revenue line. It's unclear right now how this will be addressed

There was discussion regarding updating the Fund Balance Policy. The Town's current policy which was adopted in 2008 states that the Town should maintain a fund balance of 8%-12% of the general fund budget. Hart explained that currently 16.6% is recommended by the GFOA. Mayor McDaniel stated that 15% is recommended for bond rating purposes. Councilor Pike, second by Councilor McNally, to recommend the Town Council update the Fund Balance Policy. Motion passed.

The Town received one bid for the former Youth Services Building in the amount of \$30,000. The appraised value is \$250,000. The Town budgeted \$100,000 in revenue from the sale of this building. The Mayor stated that he will bring this to the Town Council at the December meeting.

The committee discussed the Capital Improvement Plan. Councilor Pike stated that he feels the BOE should fund capital projects through the CIP and not through the operating budget. Councilor McNally would like to review the funding of the Fire Department CIP.

The committee discussed hiring a minute's clerk. Councilor Pike stated that he feels that it would be best to have a clerk take minutes of the meetings instead of the Finance Director. Councilor

McNally stated that he feels it would be necessary during the budget season. Councilor McNally, second by Councilor Pike, to hire a minute's clerk on an as needed basis. Motion passed.

The committee discussed the need to hold a meeting in December around the Holiday. Councilor Pike moved, second by Councilor McNally, to cancel the December 27, 2017 Finance Committee meeting. Motion passed.

Remarks from the public: Superintendent Levesque is concerned that the committee canceled the December meeting. He feels time is of the essence in addressing the State budget issue.

Mayor McDaniel stated the committee will need address the revenue shortfall from the State.

Chuck Longton stated that the previous Town Council had maintained the fund balance, striving for 15%. He feels having an adequate fund balance is important, especially if emergency funding is necessary.

The meeting was adjourned at 5:42 PM.

Theresa Hart, Director of Finance