

ASHLAND BUDGET COMMITTEE

NOVEMBER 19, 2013

Members Present: Scarano, Ruell, Badger, Coleman, Stewart, Heidenreich, Toth, Newton, Cilley, also alternates DeWolfe and Liebert
Others Present: P. Branscombe, E. Badger, S. Felton, B. Hoerter

(Note: As the conversation switched from topic to topic, some of the comments below were grouped by subject, rather than presented in strict chronological order.)

The meeting began at 6 p.m. in the Ashland School Library.

Scarano noted the budget updates from Paul Branscombe, which will be discussed at the next meeting on Thursday. The school officials will be coming at 6 p.m. on Thursday. He explained that the Budget Committee's report for the Town Report is due by December 31. He will draft the report and e-mail it to committee members for review.

While working on the minutes for the last meeting, Coleman became unsure of some of the Water & Sewer numbers. So, she got a fresh printout of the Water & Sewer accounts, which she distributed to the committee members. When adding up the account amounts, she came to almost a million dollars, which she felt was a lot of money to have while asking for a rate increase. Newton said that the Water & Sewer Commissioners were raising the rates to cover the costs of operations. They also have millions of dollars of capital needs that have to be funded in the next few years. Branscombe suggested checking the accounts with the town treasurer.

Scarano noted that last year, the Committee had developed goals for the year, and felt that it was a good idea to do that again, to think about where we want to go. He felt that this year would be more complicated, as the revaluation has reduced the town's overall assessment by about 30 million dollars. The tax rate has therefore gone up to \$25.12, which looks bad for the town. Heidenreich felt that the tax rate increase would make it more difficult to pass warrant articles. Scarano felt that the new tax rate was bad for economic development. Ashland already has a lot of low income property, and a higher number of rental units versus single family homes as compared to other towns. He felt we need a more diverse housing stock, with more wealthy and middle income homes. He asked what we needed to do to increase the variety of the housing stock. Coleman later said that she felt that the higher tax rate would increase the number of apartments.

Scarano noted that last year the Committee looked at the town's expenses. He suggested that maybe the Committee should look at revenues first, to see if they will increase or

decrease. The consensus was to follow that plan. Branscombe later noted that revenue projections would be available soon, perhaps for the meeting on Thursday, but more likely by next week. He expected them to be about the same as the current year. Scarano suggested that we could use last year's revenues as a starting point and adjust them later with the new projections. Stewart later pointed out that the unexpected can happen with revenues.

Scarano asked about the unassigned fund balance. The fund balance from 2012 was about \$701,000. The selectmen used approximately \$227,000 of the fund balance to reduce the tax rate by \$1, from what would have been a 20% increase to an increase of 13%. This would offset the average decrease in valuation of about 13%, so the majority of property owners would not see much change in their tax bill. There was discussion of the need to keep the unassigned fund balance from dropping too low. Steve Felton pointed out that under the GADSBY rules, the fund balance is actually a lower amount, with the 2012 fund balance being around \$408,000. He added that unassigned fund balance is not a cash account, but rather a balance of receivables versus liabilities.

Branscombe pointed out that warrant articles have to be considered as well as the operating budget. Scarano noted that expenses and savings for capital needs have been delayed for such a long time that we have to play catch up, which could have an effect on the operating budgets.

Stewart felt that the warrant articles needed more explanation at the deliberative session. She noted that the only warrant article that the selectmen have not yet considered is money for the fire department capital reserve fund. The last payment of about \$57,000 on the ladder truck will be paid on July 1, 2014.

At Thursday's meeting, the school officials will discuss last year's budget and the status of this year's budget. The school board is still working on next year's budget, which will be discussed at their December meeting. The preliminary SAU budget was adopted the previous evening.

The Community Garden project will get a \$3500 grant from the Meredith Village Savings Bank. Branscombe is researching a RDA grant for Town Hall improvements.

Scarano was to meet the next morning with the Finance Officer to double check the figures in the budget, notably FICA and Medicare lines. Liebert volunteered to take the minutes for Thursday's meeting

On a motion by Newton, seconded by Toth, it was voted to adjourn at 6:55 p.m.

Recorded by David Ruell