

Town of Ashby, Massachusetts

Finance Committee Meeting

January 24, 2012

Present: Chris Haynes (chair), Joe Armstrong-Champ (secretary) , Kathy Panagiotes, Sue Carron, John Margosiak, Kevin Stetson

Guests:

Jim Hubert

Bob Higgins-Steele

Lillian Whitney

Doug Briggs

Peter McMurray

Dan Meunier

Started: 7:30pm

Old Business:

Lease for Ashby Elementary School. FinCom members question why lease is for 10 years instead of 20 years. This is regard to a comment by Dr. Marshall (?) at the special town meeting re: voting on the renovations/cost for the school. Heard by those FinCom members present at that meeting we would have the school for 20 years.

New Business:

This was a joint meeting between the Finance Committee and the Board of Selectmen dealing with the Fiscal Year 2013 (FY13) budget.

Jim Hubert and Bob Higgins-Steele gave a presentation on a proposed new section in the building code called the stretch code. It would replace the existing section which deals with energy efficiency. It would basically require new construction or updates to use certain energy efficient materials where appropriate. For it to take effect, it would have to be approved at Town Meeting (TM). In return for passing it at TM, Ashby would get money from a state grant set up for this purpose. Jim and Bob will be drawing up the article to put on the warrant for the Annual Town Meeting.

Doug made note of the fact that Reserve Fund Transfers are down compared to previous years. This is due to better budget management in the town departments.

Budget Discussion.

Doug noted the following large financial debts that Ashby will have to deal with in the future.

- The replacement of the Ashby Elementary School roof has a payment of about \$4,000 for Fiscal Year 13. Under a proposal that Doug outlined, this payment will

- increase to \$141,000 per year starting in FY14 and last for 5 years. This is a projected plan and has yet to be approved by the Finance Committee.
- Ashby's projected share of the school septic repair is \$256,000. Doug shared a proposal where we would pay about \$30,000 per year starting in FY16 and will last for 5 years. Again, this has yet to be approved.
 - Ashby's cost for the new high school is projected to be about \$3,432,000. Doug is proposing that we pay \$172,000 per year starting in FY19 for 20 years. This too, has yet to be approved.
 - In order to keep up the maintenance of the town assets (buildings, machines, cars, etc), the Finance Committee is proposing that \$100,000 be put aside every year for this purpose. Doug has included it in the coming year's budget.

Doug also reviewed the FY13 budget. He noted that his numbers are based on the Finance Committee's recommendation that non school related budgets increase by no more than 1% and the school budget increase by no more than 2.5%. This works out to a 1.7% total increase in expenditures.

Doug explained his budget numbers and the Excel spreadsheets that he is using to organize them. The Finance Committee has copies of these and will be reviewing them prior to the next meeting.

Chris noticed an error in the tax levy numbers, which Doug will correct.

One item in particular that needs to be determined is whether to use any of the Town's Stabilization Fund to pay towards the AES roof debt. There is \$500,000 currently in the fund. There is also a projected excess of \$300,000 in the FY13 budget which could be put towards the debt. This issue will be discussed at the next Finance Committee meeting.

The use of Mutual Aid was discussed. Mutual Aid is a formal agreement between municipalities in which resources are shared. For example, one town may borrow another town's sander in order to avoid having to purchase the machine. Another real life example occurred this year when Ashburnham town workers tested an the Senior Center well, sparing the Town of Ashby a larger fee that would have resulted from a private company testing the well. According to Doug, there are a lot of potential savings with a Mutual Aid agreement. Ashby has entered into a Mutual Aid Agreement with Ashburnham and will be taking advantage of it as much as possible. This type of agreement is not to be confused with "regionalizing" town services. The latter is when towns consolidate a department into 1 department and pay for the department jointly. An example of regionalizing is when 2 towns share the same police force.

Next regular meeting is February 7 at 7:30pm.

Meeting Adjourned: 9:35 pm

Chairman's note: all references to finances are estimates and are likely to change.