

Town of Essex Finance Committee

Minutes from Thursday, February 15, 2024

Attendees: Ben Buttrick, Jodi Harris, Nina McKinnon, Josh Franklin, Christopher Wolf, Michael Flynn, Chuck Benevento via phone (Town Accountant), Ruth Preen (BOS Chair)

Time: Thursday February 15, 2024 at 7 PM EDT

Location: Town Hall – Stage conference room (2nd Floor)

Meeting called to order at 7:07pm

1. Review/approve minutes from 1/18/24 and 1/25/24 meetings (Buttrick/All)

- Unanimously approved subject to two modifications to the 1/25 joint meeting with Manchester – one from Jodi Harris and one from Josh Franklin.
- Ben Buttrick will post once edited.

2. Finance Committee process discussion (Harris)

- Jodi advocated for Committee member liaisons with town departments to really understand the functions of the department. Liaisons should learn about scheduling and shifts to target maximizing efficiencies of people in FY25. The FC members should play a consultative role rather than being viewed as a threat.
- There have been lots of personnel changes this year. Jodi is working on an org chart and will distribute when complete.
- Budgets are level funded for FY25.
- There was considerable discussion around the challenge of having a part-time Town Accountant.
- A vote was taken to reconsider the role of part-time Town Accountant to recommend the position as a full-time role. Motion approved. Jodi and Ben agreed to follow up by having a conversation with Town Administrator Brendhan Zubricki.
- There was discussion around the need for line-item transfers during the course of the fiscal year. There is a general preference to avoid transfers as budget lines should organically accrue with deviations between actual and budget further informing appropriateness of annual budgets set.
- It was understood that many years ago there were problems with budgets running over, and the reaction was to institute a highly disciplined intra-year management of budget lines. Chuck has explained that it's not necessary, and other towns typically do not engage in this practice for small amounts.
- Christopher Wolf made a motion for a "materiality clause" in which only amounts in excess of \$5,000 for expense line (i.e. non-compensation) requests would be subject to line-item transfer. Motion was unanimously approved.
- There was further discussion on how aggressively to assume meals tax revenue. Jodi pointed out that several restaurants in town are now closed and expressed concern about assuming that this revenue source would be sustained at recent years' levels. She pointed out that Woodman's no longer does catering, Great Marsh is creeping along, Ripple if closed, Shea's is closed, and The Village is now closed. There was agreement to assume a reduced level of \$175,000.
- Jodi is going to provide a vendor list from each of the departments.

3. MERSD approved budget (All)

- Acknowledgement that the school budget was approved by the SC at 2.99% with apportionment to Essex at 4.82%.

- Despite being over the 2.5% ask from Essex, the town is able to fund the school from a combination of utilizing new growth, lower than anticipated health insurance cost, and a roll-off of water and sewer debt service.
- Some concern expressed that these one-time factors don't solve the long-term challenge.

4. Town department budget (All)

- FC reviewed the most recent Town Budget distributed by Jeff Soulard.
- Jodi communicated that the combination of school and town numbers remove the need to conduct an austerity budget.
- Mike Flynn asked about what stage in the process should the town numbers be considered. Ben replied that these should be considered in "the 8th inning."

5. Capital budget requests (All)

- There was a brief review of the capital budget requests. Police are seeking a new Tahoe (\$77k), Taser (\$11k), and AED device (defibrillator) for PSB at \$14.6k, \$132k for bridge engineering work to be done in town (Apple Street and access road to transfer station). \$95k is needed for a new truck with crane for the DPW.
- BOS Chair explained that future needs for fire will include a tanker truck. This is not an immediate need, and some of the cost will be covered from grant funding.

6. Joint Fin Com meeting with MBTS recap (Buttrick)

- There was general consensus that the meeting was helpful with good dialogue. Ben Buttrick advocated for continuing to do joint meetings ideally quarterly.
- Ben Buttrick communicated that the meeting ended with general agreement that the towns together should create a master long-range financial plan. The objective would be to ensure that both Manchester and Essex have the financial capacity to maintain the highest quality school district within the context of competing financial priorities facing each town.
- He further conveyed that the ability for Essex to avoid a divisive override in 2024 should be considered a "gift" that allows for members of both towns' boards and the SC to come together. The master financial plan should pull together multiple initiatives that should not be debated in isolation. These include the feasibility study for EES, district review, potential modification to apportionment, expectations for an operational override, contingency planning for Essex under high apportionment, and capital/debt planning for each town.
- Ben referenced analysis around the projected apportionment impact over the next several years. Josh Franklin requested to see that analysis in a future meeting.
- Ben agreed to put together a draft plan and share with Jodi for review with Sarah Mellish. In order for this to be successful, we will need participation from members of both town boards and the SC.

7. Items that could not be reasonably anticipated by the open meeting law posting deadline

- None.

7. Public Comment

- None.

8. Adjourn

- Meeting adjourned at 8:52pm