

**MEETING MINUTES**  
**FINANCIAL FORECAST COMMITTEE**  
**Board of Selectmen Hearing Room**  
**Town Hall**  
**February 26, 2019**

Present: Tony Vegnani, Jim Boudreau, Paul Donlan, Ron Griffin, Nancy Holt, Chris Carchia, Joe Divito, Pam Avitabile

Participated Remotely: Lincoln Heineman

The Meeting was called to order at 6:04 pm.

**SCHEDULED ITEMS:**

Accept Agenda

**Vote to approve agenda. Motion by Mr. Boudreau second by Mr. Carchia. Roll call vote; Mr. Vegnani-Yes, Mr. Boudreau-Yes, Mr. Donlan-Yes, Mr. Griffin-Yes, Ms. Holt-Yes, Mr. Carchia-Yes, Mr. DiVito-Yes, Ms. Avitabile-Yes and Mr. Heineman-Yes.**

**Mr. Vegnani requested Ms. Holt to provide the proposed amendments to the January 2019 voted forecast for FY20-23.**

Review/Revise/Approve FY20 Forecast.

**Ms. Holt updated members relevant to the health insurance renewal at 3.1% rather than the January estimate of 5% and the increase to the actual SSVT of \$334. The net gain to net revenue was \$90,000. Mr. Vegnani reviewed the changed made to the October 2018 forecast at the January 31, 2019 and tonight's meeting.**

**Mr. Griffin requested to discuss the school bus lease as the prior minutes indicated that additional revenue would re-visit the discussion of adding the school bus leases in the amount of \$210,000 to shared costs. He shared with the members that 84% of his budget is fixed costs and having the school bus lease as shared costs would be very helpful for future budgeting. Mr. Vegnani stated he understood the budget issues but was concerned about adding additional expenses to shared costs.**

**Mr. Boudreau spoke about having run a few analyses but his concern is with future bus lease costs based on additional number of busses or due to changes in routes. Mr. Donlan noted that the School Department has two leases for 17 busses and the \$210,000 would cover that amount.**

**Mr. Griffin mentioned that this was a good year to make the change as there are**

additional revenues. Mr. Vegnani reviewed the leases with Mr. Donlan as one for 13 busses at \$164,000 and 4 busses at \$40-50,000. Mr. Boudreau asked if Mr. Donlan had factored in the increase in interest rates. Mr. Donlan indicated that he was carrying \$220,000 in the FY2020 budget and the School Department would need to make up any difference.

Mr. Griffin stated the number of busses is relatively static so it would not jump up dramatically. He further stated that there would be good years and bad years for leases as currently seen with insurance and other shared costs.

Mr. Heineman asked what really should be viewed as a shared costs and the bus lease was not a shared cost. Mr. Heineman mentioned the Town's audit as an item that is shared but not reflected in shared costs.

Mr. Carchia stated the bus leases were reduced from the capital plan because they did not qualify as capital. Mr. Vegnani pointed out that if the busses were purchased they would be part of the capital plan. Mr. Griffin stated that leasing was the best option for the Town and treating the school bus lease as a shared cost was a compromise.

Ms. Avitabile said she did not feel it was a shared cost. She further stated that any additional revenue should go to funding OPEB. Mr. DiVito said he was concerned about additional personnel would also lead to an increase in associated shared costs of insurance. Mr. Donlan reviewed why the Town moved to the leasing option as bus replacements were not being funded through the capital plan sufficiently.

Mr. Heineman expressed sympathy with Mr. Donlan and Mr. Griffin but he thinks the Committee should look at all costs then review at a future meeting. Mr. Heineman stated he had to leave the meeting and ended his call at 6:38 PM. Mr. Vegnani responded that the shared costs could grow to an unmanageable level.

Ms. Holt said she could see both sides of the argument. Mr. Boudreau noted that it was a wash either way whether in a good revenue year or negative revenue year. Mr. Boudreau further recommended that Ms. Holt send out an analysis with the inclusion of both street lights and the school bus lease and have a subsequent meeting. Ms. Holt noted that the BOS needed to vote the budget at their next meeting in order to meet the warrant publication deadline. Mr. Boudreau inquired of Mr. Griffin if he would be amenable to set the number of busses to be funded at 17 and then Mr. Boudreau would be willing to accept the rate impact risk.

Mr. Boudreau made a motion to amend the shared costs to include the lease cost for 17 school busses of \$210,000 and the street lights of \$120,000. Mr. Donlan seconded the motion. Unanimous vote 8-0.

#### Approve Minutes

Vote to approve meeting minutes from January 31, 2019. Motion by Mr. Griffin second

**by Mr. Boudreau Voted 8-0**

**Move to adjourn at 6:45 PM. Motion by Mr. Griffin second by Mr. Boudreau.  
Unanimous.**

Respectfully Submitted,

Nancy Holt  
Recorder