

Finance Committee Meeting Minutes December 18, 2023

Attended by: Marianne Drake, John Follett, Sarah Hamilton, Carol Jolly, Lee Manchester, Justin West

The meeting was called to order at 5:05 PM by Mr. Manchester.

1. Discussion of pending minutes was postponed.

2. Discussion of Joint Meeting:

Finance Committee members were encouraged by the Joint Meeting discussion on Compensation (Attachment 1). Various members offered their opinions on the merits of using some of the budget to revisit and analyze the data collected in 2023 by Ms. Labrie. The consensus was that rehashing the old data would be a lengthy and fruitless process resulting in a questionable outcome and the \$10K budget line item should be reserved for a new scope of work.

Mr. Manchester offered to contact Ms. Lessard to get a copy of the Williamsburg study by the Collins Institute, and to invite the Goshen Town Administrator to the next meeting to discuss their study goals and methodologies. It was agreed that a conversation should also be had with Williamsburg to identify the questions they asked and whether they ran into the same problems Chesterfield had with their consultant's work.

There was a suggestion that a subset of the Finance Committee might then do outreach to get more information on the short list of consultants recommended by MMA, by way of telephone calls, and then to formulate a scope of work.

3. Budget Development:

Mr. Manchester and Mr. Cervelli will set up a meeting with the Town accountant to begin the discussion on budget development for FY24. The instruction sheet and form developed by the Subcommittee for the new budget year, reflecting the Finance Committee's expectations for requests for changes in compensation as well as discussions about the policy to address consistently underspent line items, will be completed at the January meeting of the Finance Committee. Mr. Manchester indicated that Hampshire Regional School has hired both a new superintendent, a new budget manager and an outside consultant, the latter who will analyze a \$400k discrepancy in the school's budget.

4. Discussion on Three Year Lookback:

The purpose of this evaluation is to improve departmental budgeting by reducing the amount of unexpended funds that end up in the general fund free cash line at the end of each fiscal year. In addition to unexpended budgets, several one-time items contributed or will contribute to free cash: a \$250,000 land sale and \$180K from CaflI Federal Broadband funding that contributed to the Town's repayment of the debt incurred for broadband. A routine procedure for accounting for town meeting encumbrances vs. actual expenditures needs to be addressed by the town accountant and outside consultant.

For framing the Lookback discussion we should think about adopting a philosophy or methodology which considers thresholds for concern (i.e., small vs. large budget impact; one-time vs. consistent underspending). The analysis by Mr. West flags items underspent by 50% or more.

5. Meeting Schedule:

The next meeting will be on Wednesday, January 3 at 3:00 PM in the Community Center.

Respectfully submitted,

Sarah Hamilton

Approved by Finance Committee
Submitted to Town by: S Hamilton

Date: 1/3/24
Date: 1/9/24

Attachment 1: Summary of Joint Finance Committee SelectBoard Meeting on Dec. 18, 2023