

TOWN OF KINGSTON

MASSACHUSETTS

FINANCE COMMITTEE

Minutes
2 November 2006

Chairperson Judythe Lewis opened a meeting of the Finance Committee at 7:30 PM on 2 November 2006 at the Kingston Town Hall. Also present were Frederick Baughman, Elaine Fiore, Mathew Hamilton, and Claire Soares. Brian Donnelly and Jason Lelio were absent.

John LaBrache met with the Committee to offer a financial overview for FY08 and beyond. He reported that –

- revenues appear to be less than expenses;
- state aid can be expected to be 4 per cent less than that received in 2006,
- he estimates free cash available in FY07 between \$500,000 and \$800,000, and \$900,000 in FY08 (actual FY08 \$942,515)
- excise tax is the greatest source of local receipts;
- vehicular sales tax revenue has been declining in the last two years ('05 and '06) while local excise tax receipts increased. He questioned whether excise tax revenue would follow the state's pattern in coming years;
- he recommends using 85 per cent for the FY08 new-growth figure;
- 80 percent would please bond counsel; 90 per cent would make bond counsel less pleased;
- a recommendation that any override should be used for schools if possible;
- he will update the Town's 5-year financial plan.
- revenue for a proposed 40R development will help the town financial situation.

Mr. LaBrache reported on the Town's debt service stating—

- the average property owners can anticipate a \$40 increase in their FY08 tax bill for SLRD debt;
- in the future there should be a cost reduction on outstanding debt because the BANs on the high school decrease in 2009;
- he proposes paying more on principal each year.

- There was discussion of the increasing cost of employee benefits including the paying to fully fund the County retirement fund. Mr. LaBrache reported the General Court could be petitioned for permission to allow Kingston to invest funds for employee health benefits.
- in FY09 the money from SBA to the Town will be less because no sewage plant was installed at the elementary school and, once audited, that difference will be borne by the taxpayer;
- The senior center road project has been delayed because of wetland concerns but the state money needs to be spent. \$200,000 is to be spent on the project. It was agreed to invite Paul Gallagher to the next Finance Committee meeting to discuss the proposed Senior Center.

There was discussion of how to fund the expense of mentoring SLRD and elementary school students to pass MCAS tests which will have more rigid requirements in the future.

Upon motion made by Mathew Hamilton and seconded by Frederick Baughman, following discussion and a 4 to 0 to 1 vote, it was –

VOTED: To accept the Minutes of the meeting held on 19 October 2006 as corrected.

Elaine Fiore abstained from voting on the motion; all other members present and voting supported it.

Upon motion made by Frederick Baughman and seconded by Claire Soares, following discussion, it was unanimously—

VOTED: To rescind the vote taken on 13 April 2006 to appoint Judythe Lewis to the Town Government Study Committee since Maurice Simard will continue as a member of that Committee.

The Committee deferred until its next meeting a discussion of ambulance billing rates.

There was discussion of allocated costs charged to the Sewer Department.

A motion made by Elaine Fiore and seconded by Mathew Hamilton to appoint Clive Beasley to the Wage and Personnel Board was unanimously defeated.

A proposed schedule for addressing FY08 departmental budgets was reviewed and adjustments made. The Committee scheduled a meeting to discuss the regional school budget and the KES/KIS budget on 15 March 2007.

The Finance Committee's budget was deferred pending additional information from the Town Administrator. The Committee deferred submitting the Finance Committee's

FY08 budget request until it can be determined whether the Selectmen will assume the cost of printing and mailing the town meeting booklet.

Upon motion made by Elaine Fiore and seconded by Frederick Baughman, following discussion, it was unanimously—

VOTED: To submit a FY08 budget request for \$75,000 for the Reserve Fund.

There being no further discussion or vote, the meeting was adjourned at 9:20 PM.

Respectfully submitted,

Miriam MacInnis, Secretary