

**MINUTES
BOARD OF FINANCE
SUB-COMMITTEE FOR FINANCIAL PLANNING
October 5, 2011**

A meeting of the Board of Finance Sub-Committee for Financial Planning was held on October 5, 2011 at 5:00 p.m. in the Louise B. Appleby Meeting Room at Town Hall.

Members present were George Peteros, Ronald Fedor, Daniel Steward, George Kee, Thomas Dembek, Ron Melnik, Jerry Belair, Doctor David Cattnach and Rudie Beers.

Meeting was called to order at 5:00 p.m. by Chairman Peteros.

Chairman Peteros reviewed the charter of the Committee noting that the Committee's mission is to review, past, present and future budgets of the Town and recommend a level of budgetary increase to the Board of Finance regarding budgets approved by that Board and sent to the RTM for final approval.

As a basis to begin discussion on lending guidance to the Board of Finance for FY13 upper budget limits, Chairman Peteros presented three budgetary scenarios, as follows:

- a) Taxing impact based upon a 1.0% increase for the Town; 2.0% for the Board of Education, a flat appropriation of \$1.75M for all capital with actual and projected Debt Service
- b) Taxing impact based upon a 1.5.0% increase for the Town; 2.5% for the Board of Education, a flat appropriation of \$1.75M for all capital with actual and projected Debt Service
- c) Taxing impact based upon a 2.0% increase for the Town; 3.0% for the Board of Education, a flat appropriation of \$1.75M for all capital with actual and projected Debt Service

The scenarios presented ranged from a 5.53% taxing impact to 4.52%. Discussion ensued relating to the major contractual influences affecting the FY13 budget. The Finance Director gave an overview of healthcare and noted that both the Town and Board of Education will be dealing with redefining claim to a minimum level of \$10,500,000 this year. This will place a \$1 million burden on the Board of Education leaving only \$287,432 for other contractual increases and a one-half a million dollar burden on General Government leaving only \$53,372 for other contractual increases using the upper limit of the three budgeting scenarios.

Messrs. Belair and Melnik reported on other concerns the Board of Education have dealing with the FY13 budget namely the teachers contract, the busing contract and the fact that energy pricing has increased by thirty-percent from the FY12 budget guideline level.

Mr. Steward reviewed the major impacts to the Town's budget, iterating that energy and healthcare costs are the most significant.

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It was the general consensus that a recommendation less than the three-percent Board of Education – two-percent Town is unrealistic based upon the fact that energy costs and healthcare will once again play a major role in budgetary increase in FY13.

Other considerations such as enhancing revenues and outsourcing were discussed. In conclusion, upon motion of Chairman Peteros and second of Mr. Fedor, it was voted to recommend a guideline for budgetary increase in FY13 of 3% for the Board of Education, 2% for General Government, Current Year Capital and Capital Non-Recurring Appropriations combined at a level not to exceed \$1,750,000 and actual debt service. Those voting in favor were Messrs. Peteros, Melnik, Belair, Dembek, Steward, Cattanach and Ms. Beers. Mr. Kee was opposed.

There being no further business to come before the Board, it was unanimously voted to adjourn at 5:56 p.m.

Respectfully submitted,

Rudie Beers
Secretary Pro-Tem