

3/6/2024 -- Oakham, MA Finance Committee Meeting Minutes

FinCom meeting called to order at 6:06 pm. Steve Dollinger, Corey Packard and Alan Flagg are all in attendance. Lucy Tesnau from the BOS is also present. There are no public inquiries this evening.

The next item on the agenda is correspondence from the BOS requesting funds from the FinCom reserve fund to pay for two recent unexpected expenses. FinCom members have all reviewed the requests prior to the meeting.

The first (1st) request is to transfer \$2,500 from the reserve fund to the Highway depts Building Maintenance account. Two pump motors that pump heating oil from the storage room to the 2nd floor furnace had to be replaced. One motor had previously burnt out causing the 2nd to run constantly to move the heating oil. It was determined by the contractor and agreed to by the Highway department that both needed to be replaced. Through 7 months, the Highway Department and Fire Dept have spent all but \$530 of their building maintenance budgets between them so they do not have the funds to cover this expense. After discussion a motion was made and unanimously approved to provide the requested reserve funds.

The second (2nd) request for reserve funds was then discussed. This one is for emergency repairs to the Oakham Center School electrical generator in the amount of \$6,880.85. Any repairs worth more than \$5,000 at the Center School are the responsibility of the Town per the town's contract with the QRSD. Lucy T confirms the BOS initially denied payment of the invoice from the School District. But after a contract review, it was determined that it was the town's responsibility. FinCom members have a lengthy discussion on how this contract reads, how it is negotiated, and what are the systems of authority in place to approve a repair such as the generator (including asking who in the Town offices reviewed the repair prior to it being approved). After discussion it was agreed that Steve Dollinger and Corey Packard would research how the process works by contacting various individuals such as Oakham School Committee members and the Center School Facility Manager. They will also discuss this with BOS Chair. A motion was then made and unanimously approved to provide the requested reserve funds to pay the \$6,880.85. Steve and Corey will report back their findings at the next FinCom meeting.

We then proceed to review progress on the FY25 budget.

The FinCom Chair updates all on the current revenue forecast and current totals requested in the FY25 proposed budget. The tax levy is at \$3,685,797 which is an increase of \$118,025. Adding this to local receipts and other items we currently reflect revenue of \$4,599,129 which is an increase of \$125,811 over the prior year. FinCom membership takes time to log onto DLS website to confirm the revenue data. There is ~\$210,000 in Free Cash. We discussed the importance of the town funding what we can pay for. There is an understanding that the best practices solution would be to hold FY25 budgeted expense increases to match the FY25 revenue increase of ~\$125,811. This is challenging as the QRSD is asking for a 5.58% increase (\$147,131). The current proposals from the town depts combined with the QRSD bring the total expense increase to a preliminary \$267,314.00 which is more than double the revenue increase. Discussion ensued regarding the school budget's impact on our small Town, Departments, and services.

The Fire Dept and Highway Depts presented their budgets to the BOS and FinCom on 2/26/24. Fire Dept is recommending an increase in part time wages that will be used to increase PT headcount. FinCom members voice support for the Fire Dept but are concerned with the increase taking place in FY25. Expenses are next reviewed and in total expenses outside of salary/wages are being held flat. A discussion is held on the FY25 interest only payment due on the purchase of the new Fire truck in the amount of \$40k. Chair asks members if they believe the town should also make a principal payment and fund from Stabilization. Members state they are in support of a principal payment. All members concurred that the town earns less than 1% on funds in Stabilization, so paying down the principal saves the Town money over the long term (because the loan is at more than 1% interest). It is discussed and then agreed the FinCom will recommend the BOS make an interest and principal payment as an Article at the ATM funded from Stabilization if possible.

We next reviewed the Highway dept budget. Highway is recommending a \$5,500 increase to Signs & Street Lights. Superintendent explained this is due to increase in material costs. Snow and ice is discussed and it is agreed contract plowing services should be funded at \$5,000. The rest of the Highway budget is net level funded.

New Business: The library has written to the BOS regarding salary/wage changes in the FY25 budget. The Library Trustees want a director with an advanced degree (discussions regarding what benefits an advanced degree provided to the Town were only pertinent due to the fact that the higher the education level of the Library Director, the higher the required compensation for the Town to absorb), and they are having trouble getting candidates with the current part time wage offer. The correspondence recommends an increase in the Directors hours to 25 from the current 19. This would make the Director eligible for benefits. Lucy Tesnau advised BOS has not yet discussed the request. FinCom expresses concern over the increase but will wait for the BOS to review prior to taking a position.

QRSD presented the 3rd version of their recommended school budget on 2/29/24. Version 3 is a \$1.46MM decrease from the initial version. Chair reviewed the presentation and members received a copy of the presentation. The QRSD is requesting a 5.58% increase in funding from Oakham. This is concerning as it follows the prior year increase of 7.7%. The idea of recommending the town only fund the Required Local Contribution of \$1,803,232 is discussed as an option to the 5.58% increase. This will be a topic of discussion with the BOS as we move forward in the budget process.

Meeting called to end after 57mins at 7:00 p.m.