

Town of Raymond
401 Webbs Mills Road
Raymond, Maine 04071

BUDGET/FINANCE COMMITTEE

Monday, December 20, 2010

MINUTES

ATTENDANCE: Rolf Olsen, Chairman; Bob Gosselin; Peter Dunn; Steve Crockett, and Marshall Bullock.

BUDGET/FINANCE COMMITTEE ABSENT: Sue Accardi, Will Chapman, and 1 vacancy on the Committee.

SELECTMEN PRESENT: Joe Bruno

TOWN STAFF: Don Willard, Town Manager, and Nancy Yates, Finance Director.

OTHERS: None

1. Call to order. Rolf Olsen called the meeting to order at 7:07 pm at the Broadcast Studio.
2. Welcome new members
Mr. Olsen welcomed new member Steve Crockett, and noted that Sam Gifford who was elected June 8, 2010 had resigned to become a Selectman elected November 2, 2010. The Committee decided to run without the ninth position until the next election. Ms. Accardi will attend meetings as she can.
3. Election of Chairman
NOMINATION: Bob Gosselin nominated Rolf Olsen as chairman. Seconded.
There were no other nominations.
MOTION: Carried.
4. Discuss schedule for the review process
DISCUSSION: Mr. Olsen questioned the date of February 22, 2011 which will be during school vacation. There apparently won't be any problem to the members in keeping that date. Mr. Olsen reviewed the rest of the schedule.
5. Discuss voting procedures – none.
6. Discuss information needed for reviews.

DISCUSSION: Mr. Olsen asked members for information they would like to receive in order to review the new budget. He asked that they email him from which he can inform the rest of the Committee. Mr. Dunn asked for the Appropriation Control Report. Mr. Olsen said that he gets them, and he will distribute to the rest of the Committee. Mr. Dunn asked if the abatements

could be a line item in the budget. Mr. Willard answered that currently it's a part of the overlay. Mr. Bruno said it was in there as a \$30,000 item. Mr. Olsen said that the overlay was there to cover the unpaid taxes and abatements. Mr. Willard explained it's also used to maintain sufficient cash flow so that we don't have to have a tax anticipation note. Mr. Olsen added that it was in the revenue column and not the expense column. Mr. Willard added that if it was a line item it would be included in the LD1 budget amount which it isn't at this time. Mr. Dunn's concern is that the overlay is more than it needs to be in his view and the town is therefore increasing the taxes unduly.

Mr. Willard submitted the Selectmen's directives from their December 14th meeting. He reviewed some of the directives. He felt that the goal of having a zero increase this year, after 5 years of holding the limit, was going to be extremely difficult. Mr. Bruno said that we are currently at just the core services which leaves little room with which to work. Mr. Willard continued that Public Works will be a problem this year because of holding the line in the past 5 years. Mr. Olsen asked about the County budget. Mr. Bruno replied it would be going up significantly because our valuation has been stable to slightly increasing. Other towns in Cumberland County have lost value. Mr. Willard felt the budget may be over LD1 in order to keep the core services. Mr. Bruno noted that the school budget will drive the mil rate, and the town doesn't have any control over that.

Mr. Dunn asked about the cooperation between the town and the RSU. Mr. Willard said that the town is doing the plowing, and the school is doing some janitorial services for the town office. However we were no longer trying to follow the One Raymond policy because we're now in the RSU. Mr. Bruno felt that our relationship with the RSU is very good. Mr. Willard said that the plowing will be a year to year arrangement. Mr. Dunn asked about the Broadcast Studio. Mr. Willard said the building was municipal on school property.

Mr. Bullock asked about using undesignated surplus to cover unexpected expenses. Mr. Willard said that overlay and undesignated surplus covered that possibility. Mr. Bruno said that this year General Assistance has been excessively over the budget. It was noted that the state refunds 50%. Mr. Bruno noted the Raymond Community Assistance Fund has helped many people who don't quite meet the criteria for General Assistance. Mr. Bullock asked about the elderly tax assistance law. Mr. Bruno said that after the Selectmen discussed it at the last couple of meetings, and that no citizens had expressed interest in it. He also said that the cost of administrating it would add to the town office expense.

Mr. Dunn noted that at the end of the last fiscal year the budget was ahead about \$150,000. It was noted that it went into undesignated fund balance. Mr. Bruno said that there should be a good level of fund balance which could cover a catastrophic problem in the town or school. Mr. Willard discussed the process of figuring a tax anticipation note. Mr. Bruno added that it would be expensive to do with interest possibly 4-6%. He added that municipalities don't know what impacts will come from changes from the legislature in the next few years which will add to the budget. Mr. Olsen continued that if Raymond were using tax anticipation notes the town's rating would not be as good and the interest cost for any possible bonds i.e. roads would be higher.

Next Meeting February 22, 2011 at 7:00 pm at the Broadcast Studio.

MOTION: Marshall Bullock motioned to adjourn. Seconded by Steve Crockett.

VOTE: Unanimous

ADJOURNMENT: Rolf Olsen adjourned the meeting at 8:01

Louise H. Lester
Town Clerk