

Minutes of the Meeting of the Heath Finance Committee
October 2, 2012

Time: 7:30 pm

Place: Heath Community Hall

Present: Jeff Simmons, Kathy Inman, Ned Wolf, Don Freeman, Kara Leistyna, Sheila Litchfield,
Tom Lively, Brian DeVriese, Tracey Baronas, Kristi Nartowicz, and Mike Smith

Absent: Gloria Fisher

Members received copies of the following documents:

- Minutes of the September 27th meeting (Ned)
- Draft of the Warrant of the October 23rd Special Town Meeting (Don)
- Copy of handouts from the Office of Management and Budget Circular A-133 on Single Audit vs. Program Specific Audit (Tracey)

Tracey reported that Melanson and Heath would perform a single audit for \$12,000 with an additional \$3,500 for the part that is required by the government. Eric Kinsher's quote of \$15,000 includes the single audit and the required federal piece. According to Tracey's source at Melanson and Heath, Heath does not qualify for a program audit because FEMA and the Federal Highway Administration, the federal grantors involved, are distinct agencies.

Kristi said that the Town has borrowed \$650,000 for repair work following Tropical Storm Irene and will have to borrow about \$300,000 more.

There was a discussion of the Warrant Articles for the October 23rd Special Town Meeting (STM). Regarding Article 7 that would set up a revolving fund into which would go revenues from recycling, Sheila said that a lawyer in the Department of Revenue has said that setting up such a fund could occur only at an Annual Town Meeting. Since money for the fund will not be available until the next fiscal year, we need to check that we haven't planned on paying for any budget items using the money from recycling. Brian suggested that Town Counsel be contacted about this matter. He made a motion that Article 7 be withdrawn from the STM Warrant. The motion passed unanimously. Sheila suggested that there be a joint meeting to discuss the objectives of the article just withdrawn.

Jeff asked how the billing would be handled for STM Article 8 (now renumbered as 7) that would establish a revolving fund into which shall be credited receipts from the Town's vaccine billing program. Sheila replied that the Town Nurse will do the billing.

Regarding Article 3 that would transfer \$20,000 from the McCloud Property Purchase account to fund a Municipal Complex feasibility study, Don asked how there could be that much available in the account. Tracey said that she would get more details for the October 23rd STM. She said there is unspent money that includes insurance money and lawyers' fees.

Kathy asked for more information about the feasibility study of Article 3. Referring to the Municipal Complex, Brian said that to take the next step and have a plan it is first necessary to flesh out what exactly is needed. He said that the Town would get a schematic plan, the number of square feet, cost estimates, methods of financing, appropriate sites, and a rough site plan. Tom said that it is important to have a plan ready to go on the shelf in case unanticipated funding becomes available. In answer to Kathy's question as to whether there might be interim measures not as costly as a new Municipal Complex Brian said that the feasibility study might suggest "in between plans".

Turning to Articles 4 and 5, members asked what would be involved in a \$10,000 feasibility study of the effective use of Sawyer Hall and the Community Hall. Brian said that those doing the study would consider base plans, how the buildings are insulated, the mechanical components, the septic systems, restrictions on occupancy, current uses, needed space, needed maintenance, and life expectancy of paint.

Jeff made a motion that Articles 1 and 2 about amending Bylaws for Solar Electric Generating Installations and for Fixed Wireless Broadband are not within the purview of the Finance Committee. The motion passed unanimously.

Article 6 is to raise and appropriate \$3,500 for conducting a required single audit for FY2012 activities and Article 7 is to establish a revolving fund into which will go receipts from the Town's vaccine billing program. Jeff made a motion that the Finance Committee recommends these Articles. The motion passed unanimously .

In considering Article 3 members expressed reservations about voters' willingness to support the building of a million dollar Municipal Complex. Members favored having a plan on the shelf if new funding sources were to arise. There was interest in what a feasibility study might say about interim measures. Don made a motion that the Finance Committee recommends Article 3. The motion passed unanimously.

In the discussion of Articles 4 and 5 Jeff and Kathy expressed concern that in light of the expected gain \$10,000 is too much to spend on a feasibility study of Sawyer Hall and the Community Hall. Ned favored the feasibility study because of the unresolved problem of how to have a library collection and comply with federal law and the need to prioritize the maintenance expenditures that those buildings will require. Don made a motion that the Finance Committee recommends Articles 4 and 5. There were 2 ayes, Don and Ned, and 2 nays, Jeff and Kathy. The FinCom has no recommendation on Articles 4 and 5.

The discussion turned to Hosmer Road. Members asked how critical it was that the repaired section of Hosmer Road be maintained. Tom explained that in the 1980's the Planning Board recommended that certain roads be closed and discontinued. Hosmer Road is not on the list of closed and discontinued roads. Mike noted that the Town can't leave property along such a road "landlocked". Mike also said that without the Town's spending \$30,000 on the project the FEMA funds would not have been available.

Finally, members reviewed the minutes of the September 27th meeting. There was a motion to approve the minutes with emendations. The motion passed with 3 ayes and 1 abstention because Jeff was not present at that meeting.

The meeting adjourned at 9:10 pm.

Respectfully submitted,
Ned Wolf, Secretary