



Ware

MASSACHUSETTS

Finance Committee
126 Main Street
Ware, MA 01082

Finance Committee Meeting

Meeting Location: Selectmen's Conference Room
Ware Town Hall – 126 Main Street

Meeting Dates: Wednesday, May 12, 2021

Meeting Time: 7:00 pm

Due to the outbreak of corona (Covid-19) virus, the Governor has announced an emergency order temporarily lifting the requirement of the Open Meeting Law mandating public access to the physical location of the meeting, provided there is a means of remote access.

The instructions to join the meeting virtually or by phone (via Zoom) are:

To be announced

By Phone: +1 929 205 6099

Meeting ID:

Passcode:

Meeting Agenda items to be discussed:

1. Review of FY 2022 department budgets
2. Review of stabilization funds and free cash
3. Review and approval of prior meeting minutes
4. Review of any emails or correspondence

At the time of posting of this meeting notice and agenda the above items were the only items known. Should an additional item be brought forward, unless of an emergency nature, it will be placed on a future docket. The general public is invited to this and all meetings of the Ware Finance Committee.

Submitted by

Lynn Nenni
Finance Committee Chair

May 12, 2021 Meeting Minutes

Finance Committee Members Present: Lynn Nenni, Devin Peterson, Ken Willette, Terry Smith

Special Guests: Stuart Beckley, Town Manager; Tracy Meehan, Town Accountant

The meeting was called to order at 7:07 pm.

Item 1) Review of 2022 department budgets

Stuart Beckley reviewed the most recent draft of the town's FY 2021-2022 budget. Changes from the original draft included items discussed at previous meetings; inclusion of capital items, reduction of health insurance costs and an additional \$90,000 for road repairs. Stuart also sought feedback for additional items not included in the most recent draft, to support the building department's effort to reduce blighted properties and the new blight ordinance. The committee was agreeable, but left the final decision to Stuart, pending further thought.

The committee also discussed moving overtime budgeted for one time occurrences, such as the closure of Mary Lane, to a different line item, so that increases for these type of events were not automatically rolled into the following year's budgets. The committee consulted with Tracy Meehan on the details; she thought it was possible, and may require an adjustment to the annual town meeting warrant articles and approval from the Board of Selectman.

Pending any further changes, the FY 2022 budget recommendation was 3.37% more than FY 2021.

Item 2) Review of stabilization funds and free cash

The committee reviewed the free cash and stabilization fund balances provided by Tracy, noting that \$212,000 was used to balance the FY 2022 draft budget which left a balance of approximately \$400,000 in the account. The balance in the stabilization fund was \$793,000 and the capital stabilization fund balance was \$595,000. The committee also noted that the use of free cash for the budget was primarily due to committee's request to fund capital items at the annual town meeting, rather than a special town meeting later in the year.

The committee also discussed the impact of increasing the use of free cash or stabilization funds to reduce the tax rate, and postponing the purchase of capital items to reduce spending which would also result in a lower tax rate. It was pointed out that best practices recommend a minimum balance of free cash and stabilization funds in the range of 5% to 10% of the general fund budget in order to mitigate emergencies or unexpected events, and that the Town was near the bottom of the recommended amount at approximately \$2,000,000. In addition, the committee did not support postponing capital purchases as these items were important to maintain smooth operations. Furthermore, it would require a substantial reduction in costs, or use of free cash, to substantially impact the tax rate. A change of \$100,000 would result in an approximate reduction of .12 on the tax rate. The committee was not in favor of making one time reductions to lower the tax rate for FY 2022, but was open to discussing the types of structural changes that would be required to have a significant impact on spending in the future.

Item 3) Approval of prior meeting minutes

Move to approve the minutes of the May 4th meeting: Ken Willette

Second: Devin Peterson

Unanimously Approved

Item 4) Review of any emails or correspondence

None noted

Stuart informed the committee the Board of Selectman will vote on the warrant articles at their May 18th meeting and invited the committee to attend the meeting to cast their vote. The committee agreed, to attend the May 18th meeting.

The meeting was adjourned at 9:00pm

Respectfully submitted,

Lynn Nenni
Finance Committee Chair

