

Minutes of the Longmeadow Finance Committee
Wednesday September 20, 2006 @ 7:00 PM – Longmeadow Fire Department

Members Present:	<u>Y</u>	<u>N</u>
Judd Peskin - Chairperson	x	
Carla Gunn - Vice Chairperson	x	
Mark Barowsky	x	
Steven Marantz	x	
Jerry Nolet		x
Suresh Samant	x	
Deborah Wilson	x	

Also Present: Paul Pasterczyk, Christopher Kulig

The Committee voted unanimously to reappoint Judd Peskin as Chairperson and Carla Gunn as Vice Chairperson for the remainder of fiscal year 2007.

The Committee voted to accept the minutes from the meeting of June 8, 2006 as presented.

The Committee voted to accept the minutes from the meeting of June 28, 2006 as presented.

Finance Director Paul Pasterczyk was present to discuss the FY06 year-end reports that had been distributed to the Committee members. He estimated that the Free Cash available for FY07 would be slightly more than \$1,000,000. The two main components of this estimate are \$720,000 in revenue collected in excess of estimates and approximately \$280,000 in appropriation turnbacks.

Mr. Pasterczyk also mentioned that \$400,000 in Free Cash would be needed to balance the FY07 budget and \$225,000 would be needed to pay for the step increases that were granted to School Department employees. Currently the negotiations between the School Committee and Longmeadow Educational Association are still ongoing so the final dollar figure is as yet undetermined. Also, the School Department's budget is currently short by approximately \$250,000 due to a budgeting error. This amount may need to come from Free Cash, but there is also a possibility that this shortfall could be made up through additional School Choice receipts in excess of the current School estimate and additional Circuit Breaker funds. The Committee agreed that it would be best to wait until the final revenue figures are known before using any more Free Cash to balance the budget.

When asked about a projection for the FY08 budget process, Paul Pasterczyk stated that he was in the process of putting together his first draft of figures and they would be available next Thursday (9-28-06) at the joint meeting of the Select Board, Finance Committee, and School Committee.

Judd Peskin suggested four agenda items that the Committee agreed should be brought up at that joint meeting:

1. The Finance Committee is committed to putting \$100,000 of FY07's Free Cash into the Operating Stabilization Fund.
2. The Town and School should make every effort to budget no more than a 3.1% increase from year to year. The figure of 3.1% is based on historical trends and if all departments

make a conscious, responsible effort to operate along this guideline, any future overrides would only occur because they were absolutely necessary.

3. The Capital Planning Committee's budget for all years going forward should be the full 2% of the operating budget and should not be used to pay for outstanding debt service.
4. The three committees should be reminded of the financial policies adopted by the Finance Committee during their meetings in FY06.

The Committee expressed its desire to meet representatives from the School Committee in order to get a better understanding of Special Education costs for the upcoming year.

The Committee decided to hold their normal meetings on Wednesdays for the upcoming year. The next two meetings were set for October 25, 2006 and November 15, 2006. The meeting times and locations have not been set.

The Committee discussed their desire to create a long-term financial plan for all Town departments, including Schools.

The Committee voted to adjourn at 8:40pm.

Respectfully submitted

Christopher Kulig
Town Accountant