

**Town of Colebrook
Board of Finance**

Minutes of the meeting, February 4, 2015

Members Present

J. Millar, Chairman
R. Carfiro
T. Corvo
D. Johnstone
M. Neal

Absent

J. Dorazio

Others

None

The meeting was called to order at 7:07 p.m. by Chairman J. Millar.

1. Following brief discussion, the Board agreed to a budget line item of \$700 to print the Town's annual report. This amount is a \$50 reduction from 2014-15.
2. The preliminary 2015-16 grand list is \$184,230,233, down 1.7% from the current year. The MDC is one factor in the decline: its assessed value was assumed not to increase next year because of uncertainties surrounding the pending litigation. State aid and other revenue items are also likely to be flat, resulting in total revenue down 1.3% at the current mill rate.
3. Reviewed an advance copy of the Board of Education's 2015-16 budget. It is up 1.9% to \$1,886,675. However, an early retirement program may reduce the increase somewhat. Other points of discussion included the impact of declining enrollment, the lack of parental support for programs such as the Cape Cod trip, and capital requirements in event the current school building continues in use. The Board of Education will formally present its budget next week.
4. The overall outlook for the 2015-16 budget was discussed, based on the assumptions above and that the Selectmen and Region 7 will request increases on the order of 2.0% and 3.5%, respectively. These assumptions produce an increase in total expenditures of 2.3% and a deficit of \$213,083. The mill rate would have to increase 4.3% to close such a deficit.
5. The prospective school consolidation with Norfolk may require one-time transition expenses of roughly \$42,000, plus another \$50,000 for Colebrook's contribution to make-ready costs at Botelle.
6. The draft audit from King, King Associates showed a general fund balance of \$1,483,944 at July 31, 2014. This equated to a reserve of 25.9% of total expenditures, which exceeds the Board's target of 20.0%. In dollars, the excess is about \$267,000, and there was brief discussion of potential uses, such as road maintenance, transition expenses, and a down payment on a new fire engine.

7. The pros and cons of putting the Town's audit out to bid were discussed briefly and will be revisited at a later meeting.
8. D. Johnstone moved to approve the minutes of December 3, 2014. Second R. Carfiro. Passed unanimously.
9. T. Corvo moved to adjourn. Second M. Neal. Passed unanimously.

Meeting adjourned at 7:50 p.m.

Respectfully submitted,

Martha F. Neal
Secretary