

**TOWN OF SOUTH BETHANY
BUDGET AND FINANCE COMMITTEE MEETING MINUTES
DECEMBER 15, 2014**

MEETING CALLED TO ORDER

Tim Saxton, Chairperson, called the December 15, 2014, meeting to order at 3:00 p.m.

ATTENDANCE

Tim Saxton (Chairperson), Renee McDorman (Finance Director), Jay Headman (Committee Member), Melvin Cusick (Town Manager), Tony Caputo (Committee Member) and Steve Farrow (Committee Member) were present. Keith Krenz (Committee Member) was excused.

PUBLIC COMMENTS

None

REVIEW OF PREVIOUS MEETING MINUTES

Meeting Minutes for October 15, 2014 meeting were reviewed with no comments. Motion by Tony to approve and seconded by Jay. Motion to approve carried.

Meeting Minutes for November 7, 2014 meeting were reviewed with no comments. Motion by Tony to approve and seconded by Jay. Motion to approve carried.

REVIEW OF ACTUAL VERSUS BUDGET FOR FY 2015

The committee reviewed the budget versus actual revenues and expenditures for November of 2014. The committee found revenues to be meeting or exceeding budget in general. The committee anticipates that at the current rate of revenue collection budget will be met. The committee recommended to revise the Real Estate Transfer Tax from \$250,000.00 to \$350,000.00. A Budget Amendment will be prepared for the December Town Council Workshop to revise select revenue and expenditure line items as required by the Budget Amendment Guidelines.

DISCUSSION ON LONG RANGE PLANNING/REVENUE PROJECTIONS

Tony Caputo made contact with several state and county agencies to see if they could provide assistance/ideas on how to determine revenue projections. These contacts yielded very little data or assistance to support long term data projections. Tony presented a 5 year rolling average formula that could possibly be used to project future revenue for Real Estate Transfer Tax and other large revenue items. The committee discussed this formula and agreed to test it on Real Estate Transfer Tax projections to determine if the formula is sensitive to large fluctuations as seen in the past and provide reliable projections.

FY 2016 BUDGET PROCESS

Renee updated the committee that the Budget Memo request and forms were sent out to all Committees and Departments. Requested Budget requests be back to the Financial Director by January 12, 2015.

DISCUSSION ON POLICIES

The committee discussed the final draft of the proposed Investment Policy that has been prepared by Steve Farrow and formatted by Pam. The policy will be prepared for submission to the Town Council at the January 2015 Workshop. Steve Farrow has agreed to present the policy at the meeting as Tim Saxton will not be able to attend the meeting.

Jay led the discussion on Reserve Policy. The committee agreed to create 3 policies for Operating Reserves, Capital Reserves and MSA. Jay and Keith to work on establishing the monies to be allocated to each of the reserves based on last projection (FY 2014) and funding needs for FY 2015. The committee hopes to review the funding allocation at the next meeting.

Jay stated they would move forward with the finalization of a draft reserve policy that could be reviewed by the committee.

PUBLIC COMMENTS

None

ADJOURNMENT

A motion was made by Tony, seconded by Jay, to adjourn the December 15, 2014 Budget and Finance Committee Meeting at 5:00 p.m. The motion was unanimously carried.