

Budget Committee Minutes
July 18, 2012 – 3:30 p.m.

Present: Chairman Grattidge; Supervisors Lawler, Raymond, Jenkins, Wright, Wormuth, Veitch, Kinowski and Wood; Spencer Hellwig, Administrator; Ryan Moore, Mgmt. Analyst; D'Arcy Plummer, George Martin, Sam Pitcherelle, Cindy Baker, Treasurer; Brian O'Conor, Auditor; Press.

Chairman Grattidge called the meeting to order and welcomed all in attendance.

On a motion made by Mrs. Wormuth, seconded by Mr. Veitch the minutes of the April 18, 2012 meeting were approved unanimously.

Mr. Hellwig said at the end of the first quarter he informed the committee that the \$7.6 million of the fund balance that was appropriated to balance the budget this year was projected to drop at that time by \$1.7 million, which would reduce the fund balance to \$5.9 million. Also indicated at the April meeting were numerous expense and revenue variances that were the basis for the projection. Some of the more notable ones included an additional \$544,000 in pilot revenue from Global Foundries and a projected increase in sales tax collections this year of \$4 million. In addition, there was an unappropriated fund balance amount in Maplewood Manor of \$2.1 million that was originally budgeted at \$1.1 million. Aside from the revenue adjustments that are tied to those changes, the remaining departments are all trending toward the amounts that were included in the adopted budget this year. With regard to the actual cash receipts through the first two quarter of this year, it appears likely that we are going to see at least an additional 4% at the end of this year in sales tax over what was included in the adopted budget, and as much as 8% if the trend continues, between \$4 and \$8 million, which is a gross number, as the County is splitting that with the towns.

At this time, based on a review of the numbers through the first six months of the first two quarters, we are now at about \$6.03 million, which is in the neighborhood of \$60,000 to \$65,000 more than what was projected in the first quarter.

Mr. Martin said he is projecting at the end of the year to have approximately \$13 million in cash, which may require a TAN (Tax Anticipation Note). He said \$13 million is kind of tight given the fact that we need to pay payroll, health insurance, and electricity. Paperwork will be in place in anticipation of a TAN, but if things go as projected with an increase in sales tax revenue we may not need it, he said.

Mr. Wright asked what the number needs to be in order to not take a TAN. Mr. Martin said he would feel comfortable if the total were \$21 to \$25 million.

Mr. Lawler asked if there were any assets that were liquid. Mr. Pitcheralle said everything is mostly cash in banks. He said he would be coming before the Law and Finance Committee in the fall to expand the list of eligible securities and treasuries.

Mr. Hellwig said we also have some other investment issues that the Board is going to have to approve relative to the sewer district expansion, which is going to require either BAN's (Bond Anticipation Note) or bonding, and because of that this act probably should be combined with those other acts.

Mr. Pitcheralle said in addition to the TAN (Tax Anticipation Note) that may or may not be needed, we would want to have Board authorization to go forward with that sometime in August. At the Board meeting we would ask for the TAN resolution to be authorized, not to be implemented, but to be available should we need it come October or November.

Mr. Pitcheralle said what he will be looking for is authorization for a TAN, if necessary, and a BAN, refunding \$4 million to the sewer fund over the life of the loan.

A motion was made by Mr. Jenkins, seconded by Mrs. Wormuth to move to the Law and Finance Committee a recommendation to authorize a Tax Anticipation Note and a Bond Anticipation Note, refunding \$4 million to the sewer fund over the life of the loan. Unanimous.

On a motion made by Mrs. Wormuth, seconded by Mr. Veitch the meeting was adjourned.

Respectfully submitted,
Chris Sansom