

**EAST GREENBUSH TOWN FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 24, 2010 AT 6:00 P.M., TOWN HALL**

MEMBERS IN ATTENDANCE:

Rick Matters, Chairperson; Heather Mowat, Vice Chairperson; Jim Brieg, Comptroller; Phil Gause; Laura Ingoldsby, Director of Finance; Don Johnson; Terry Monteau; Sean Mulvey; Peter Stenson; and Ann Taylor

NON-MEMBERS IN ATTENDANCE:

Kate Bennett, Special Projects Coordinator; Angelina Cadena, Purchasing Agent; and Rick McCabe, Supervisor

Rick McCabe opened the meeting with a few remarks.

Introduction of members was made. Rick Matters designated Heather Mowatt as Vice Chair of the committee. Ann Taylor will be secretary for the first few meetings and the responsibility will be rotated alphabetically by order of last name. Rick Matters asked all members to put bias aside and forge ahead with financial plans to help the town with its tenuous fiscal state.

Terry Monteau asked what the problem is that required the formation of the committee. Sean responded the debt and the junk bond status.

Sean Mulvey asked what is the scope of authority for the committee. Rick Matters responded it is an advisory committee only.

Jim Brieg asked what information the committee would like to see. Heather responded stating the committee needs to see the 2010 budget.

Heather questioned if the Board is considering the audit for 2009. She stated Bond rating agencies need to know if the numbers are correct. Rick Matters confirmed the 2009 finances will not be audited. Heather stated to pull out of the junk bond status an outside auditor needs to come in and give their opinion that the figures are correct. Sean-outside audit will review control procedures. Terry asked how much does the audit cost. Heather estimated \$15,000. Pete stated a consultant coming in will want an audit but not necessarily a forensic audit. Pete also requested members of the finance committee receive copies of resolutions pertaining to the town's finances emailed to them.

Sean stated he would like to see a copy of the comptroller's 2008 report. Rick Matters stated the 2008 was not a full comprehensive audit. Pete agreed with Rick Matters that it was not a full comprehensive audit.

Heather stated audits that are sometimes done due to questions/concerns that arise. A package is put together including a bond rating and the last annual report to see what went into the comptroller's last year numbers and the numbers from 2009. Bond raters look at everything including the development of a finance committee. The finance committee is viewed as a positive action the town is taking.

Terry asked what made Moody's downgrade the town's rating. Rick McCabe stated he does not know. It went from A- to junk bond. He stated the bond raters were brought through the town and saw the new developments.

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Regarding the history of town's bond rating, Heather stated the town issued debt for water/sewer lines several years ago and needed to have a bond rating. They were worried about the water/sewer. That is not the same as the General Fund. When the raters give a good rating they see the new developments assuming the town can pay for the water/sewer lines with the developments. The raters then look at everything a little tighter after that. Terry asked did we ask Moody's where the explanation came from. Rick Matters stated that is why we asked for a fiscal auditor to work with us. He stated we need to keep an eye on expenditures down the road and we do not want to run more deficits. Each member will receive a copy of the 2010 budget.

Heather stated beginning January 3rd if the cash flow for the General Fund is negative where would the payroll come from? It would have to be huge inter-fund borrowings. State Law requires Board approval for inter-fund borrowing and it must be paid back with interest if the funds have different tax bases. Bond rating agencies will want to see how healthy other funds are as well. We need to know cash flow and the audit would help us with this.

Rick Matters then informed the committee the town will be reviewing budget software. Jim stated he will speak with neighboring municipalities regarding software they use. Rick Matters stated departments will need to submit formatted budget requests with details. Pete stated some items on budget are formula driven.

Overtime was discussed by the committee as a group. All agreed department heads need to track it. Jim stated the police are the only ones tracking OT currently. The group discussed the possibility of getting around OT by hiring part-timers. Ann Taylor asked if that was a possibility based on the existing collective-bargaining agreements. Rick McCabe stated the contracts are an issue and both the contracts are up for negotiation this year. Heather stated it was an opportunity for the town to have the contracts coming due simultaneously.

Sean asked how the town ended up with the dispatch expense and system. Phil explained the dispatch system and how it developed. He then said times have changed and the system does need to be reviewed. The committee discussed possibilities and what the feasibility is of moving the dispatch to the county. Phil suggested a sub-committee to discuss the county as an option.

Rick Matters discussed regionalizing justice court and that it is still in discussion.

The committee asked if the town has a labor relations committee. Rick Matters confirmed it does not.

Rick Matters concluded the meeting by stating he would like the committee to discuss expense cutting ideas, the town's procurement policy and looking to reformulate it, should it be divided into policy and procedures, using RFP's with term agreements.

The next meeting is scheduled for Wednesday, March 3rd at 6:00 pm at Town Hall, and is open to the public.

Respectfully submitted,
Ann Taylor