

**Finance
Committee
MEETING
MINUTES**

February 4, 2025

Upton Town Hall, Room 203

Paul Flaherty and Stephen Bern, Virtual - Shawn Craig, Nick Ensko and Rick McGuire

Joe Laydon, Brett Simas, Laura Hebb, Maureen Dwinnell, Susan Brouwer, Kenny Costa, Laurie Wodin (other virtual participants not identified)

1 The Finance Committee meeting was opened at 6:52pm by Stephen Bern.

2

3 **Joint Meeting with Select Board to review financial presentation and discuss FY26 budget**

4 **process:**

5 Finance Director Kenny Costa presented an overview of the current financial position of the

6 Town that included current year performance along with FY26 budget and projected revenue and

7 expenses. This annual presentation is the initial step in the budget process.

8 *Highlights of the presentation:*

9 New growth was estimated at \$250,000 but came in at \$190,310, resulting in an overestimation

10 for the first time in many years. This could be the start of some reduced “New Growth” for the

11 Town to be aware of.

12 State aid was kept level, and local receipts are estimated to be a slight increase.

13 Property tax and state aid revenues remain strong, while motor vehicle excise taxes expected to

14 be collected in the second half of the fiscal year. This value needs to be monitored as we just saw

15 a generous increase year over year.

16 General Fund Revenue forecast for FY2026 projects a 2.75% increase in operating revenues.

17 Local receipts are projected to increase slightly from the FY2025 approved budget. The topic of

18 Local Receipts was discussed as the Finance Committee wants to review, understand and

19 compare the previous year activity (actual revenues collected) against the budgeted values. This

20 is not always an apples-to-apples comparison, but local receipts are one of the levers that the

21 finance team can adjust to balance the budget against requested operating costs.

22 Free Cash, along with current available reserves General Stabilization and Capital Stabilization

23 Funds were reviewed. The balances continue to be aligned with the Town’s financial policies

24 and goals. Kenny provided community comparisons on excess levy capacity, override capacity,

25 and total outstanding debt. The importance of maintaining flexibility in the budget to address

26 unforeseen shortfalls, such as the recent deficit in new growth, was emphasized. The

27 conservative budgeting approach has allowed the town to offset such deficits through local

28 receipts. Finance Committee members discussed the impact of economic uncertainties on

29 revenue sources like ambulance receipts and building permits. They acknowledged the need for

30 cautious optimism and the importance of not being overly conservative to avoid squeezing

31 department budgets unnecessarily.

32 Free Cash was discussed and explained how the budgeting and strong financial management

33 throughout the year can impact the end result. The remaining free cash at the end of each fiscal

34 year serves as the starting point for the following year's budget. The Finance Committee and

35 Select Board questioned the conservative approach, emphasizing they do not want to overly

36 constrain department budgets this cycle. They agreed to monitor economic trends and revenue

37 sources closely to ensure a stable and flexible budget. Additional topics discussed included the

38 overlay reserve balance, pension and OPEB funding, along with how to most effectively and

39 efficiently manage the unfunded liabilities. Further discussions will be necessary to finalize plans

40 and address outstanding concerns.

41 **Scheduling of Next Meetings with Select Board and Departments/Committees:**

42 Joe Laydon discussed the need to schedule meetings with departments to review their budgets.
43 He proposed starting with DPW, Fire/EMS and Recreation Commission to present their budgets
44 and discuss upcoming projects on Tuesday, February 11 with an additional meeting proposed to
45 be held on February 24, 2025. There is a MURSD multi-board meeting scheduled for February
46 12 to discuss the capital needs for the regional school district.

47
48 Joe then reviewed the memo that identified some proposed budget adjustments. All parties
49 discussed and agreed that they need additional review and dialog with the department heads and
50 committee members to fully understand the needs, increases and impact of proposed reductions.

51
52 **Motion to adjourn** is made by Paul Flaherty at 8:25pm, seconded by Stephen Bern. Unanimous
53 approval.

54
55 Respectfully submitted,
56 Stephen M. Bern, co-chair of the Finance Committee