

TOWN OF SOUTH BETHANY
BUDGET AND FINANCE COMMITTEE MEETING MINUTES
September 25, 2024, 9:00am

Attendance

The following Committee Members were in attendance in person, Treasurer and B&F Chair, Randy Bartholomew, Tim Saxton, Don Boteler, Steve Farrow, Russell Beland, Simon Moore Finance Director Renee McDorman. Rich Juliano was in attendance online.

Review of FY 24 Draft Audit

Ashley Stern and Lindsey Keen from the accounting firm of PKS & Company presented the FY 24 Draft audit to the committee. The Town of South Bethany was given the highest level of opinion certified public accounts can give. There was no material weakness in internal controls over financial reporting and the Town remains financially stable. The Town's breakdown of expenses is consistent with other similar sized municipalities and revenues were over budget by \$312,000 and expenses were under budget by \$107,000. The auditors did acknowledge that there were minor issues with the Edmunds Financial software being used by the Town but confirmed that staff have been working with the Edmunds tech support team to correct set-up errors within the general ledger accounts.

Approval of August 8, 2024, Minutes

The Committee unanimously approved August 8, 2024, minutes.

Operating Reserve Policy Update

The Treasurer and member Don Boteler presented their proposed changes to the Operating Reserve Policy. Language was added to the policy stating funding for the operating reserve fund will be based on total expenses minus grants for the current year. Additional language was added designating funding for the reserve fund originating from operating surplus and any other available reserves. The committee agreed with the changes.

Review of FY 2025 Financial Reports/Budget Status

The committee reviewed the FY 25 August financial reports and agreed the town was still in good financial standing but did have concerns about the lower-than-average revenues derived from rental tax, transfer tax and building permits. Revenues will be reviewed in more detail after the October reports are posted, which will be the sixth month point of the budget.

Discussion of Reserve Allocations

The Treasurer provided an updated allocation of fund balances based on the ending balances from the FY2024 audit. This year's surpluses have helped full funding for the ARM and provide a good start for funding for future Capital projects. Councilman Bartholomew also asked the committee to discuss moving monies from ARM to the Capital budget for funding of the replacement of one of the Towns HVAC in the amount of \$16,100. The committee agreed and Councilman Bartholomew will take the request to Town Council for approval.

Adjournment

The meeting adjourned at 10:06 am.