

FINANCE COMMITTEE MEETING

1/6/10

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Meeting Date: January 6, 2010

Called to Order: 6:00 PM

Finance Committee Members Present: Rob Allen, John Hanold, Michael Naughton and Lynn Reynolds.

Montague Selectmen Present: Patricia Pruitt (left at 7:30 pm). Mark Fairbrother (arrived at 6:10 pm).

Others Present: Frank Abbondanzio (Town Administrator), Andrew Killeen.

Minutes

FC Moved: To approve the minutes of December 2, 2009.

Vote: 3 In Favor 0 Opposed 0 Abstained

Miscellaneous Notices:

- Ethics training: acknowledgement of hand-out should be in to Clerk by 28 December 2009; submit certificate after test completion by April.
- Legislative Breakfast Meeting: 5 March in Montague!

Frank Abbondanzio recap of budget. Frank gave an updated budget report. Among other things, employee benefits—health insurance is showing little increase in costs—about \$10,000 total. Retirement costs are up 10K. Non excluded debt amounts result in a \$30,000 decrease. Step increases = \$20K, Vet benefits about 25K, solid waste 10K. The line item for the Tech School is up 7.2% for a \$45,924 increase. Their total enrollment is down. There will be a \$7,284 regular insurance increase. The total increase is about \$106,000. On the revenue side, the recap sheet indicates a 3.6% increase or \$406,000. This is comprised of an increase in new growth of about \$120K plus 2.5% (about \$193,000). Local receipts are projected to be \$66K less. State aid is projected to be cut \$72,500 or 10%. The stimulus is now built into the budget which creates a structural deficit. There is a total \$99,000 added to town revenues, about equal to town expense increases. There has been a joint meeting with the unions. As things are moving, it is felt that there is a need to keep many things on table. Next will be negotiation with the individual unions. The detail of the information is in Frank's Preliminary Forecast of December 17, 2009.

Status of Tax Recap (Miller), review Budgeting Schedule. Barbara Miller gave an explanation of where the Town stands in regard to valuation of property in the Town. At the moment, we are waiting for preliminary certification of Town values, which is expected soon. Since there will need to be several weeks set aside before the final certification is in place, the tax bills may not get out by January 30. The next bills will be due April 1 rather than May 1. Now new growth is estimated at \$193K rather than \$120K so local receipts can be estimated lower to be conservative. They are now estimated at \$66,000 lower. This is not relevant and is not \$ that will be spent. The calculations are done in this way so that there will not be a delay in setting the valuation.

There is access to the computer program Gateway that she can give access to for FY recaps for those that are interested.

Discussion of Hanold message to School Committee & Boards

Status of Meeting with Wulfson and Christine Lynch. John Hanold got message back from Wulfson who wanted to know what is to be accomplished at the meeting. JH responded that it is important to work in combination with DESE to stay in touch with performance and financial issues dealt with together over several years. JW said state laws were constructed to deal with much more serious problems than GMRSD has. Therefore, they envision lighter hand as there is no mismanagement, etc. JW would prefer to meet in Western Mass. JH noted that it is difficult to find someone to speak for all 3 organizations. We need to pick a date. The State people are flexible. Patricia Pruitt suggested that discussion of Affordable Assessment should be part of the agenda. We are not the funder of last resort. It was agreed that a proposed meeting with the State would be scheduled for February 3, early afternoon. John Hanold would invite State people, legislators, and representatives of Gill & Montague Select Boards and Finance Committees and representatives of GMRSD. If JH is not able to finalize the invitations and date, MN will follow up on this.

MN raised the issue asking: should we revisit the 50-50 split? The law of unintended consequences may at play here. It was agreed to review this in the future. Lynn will revise the spread sheet to differentiate revenues from one time/savings funds and will add a column to show increase/decrease to revenues. Lynn stated that it would be important to have agreed figures with no last minute surprises when we talk with legislators and DESE.

Early Issues for FY11 Budget: need GO/NO GO on approach

- Consider Tree Warden mesh with the DPW budget (part of hearing). MN asked that Selectboard make proposal to us.
- Tech School Assessment approach: Stabilization approach or no-change?
- Consider incorporating WPCF Stipend in Treasurer Salary by adding a step (part of hearing). It was agreed not to take action on this.
- Assumptions on COLA/Steps and scenarios for budget instructions were distributed in Abbondanzio's 19 Dec 09 email.

Outline hearing schedule for Budget Cycle

- Straw-man schedule agreed – settle on groups, leave specific date-assignments to Carolyn and dept heads. Suggested schedule list seems reasonable except for January 27 which will be the meeting before the meeting with the state.

To Do for FY11 Budget:

- (Later 2010) Capital Override? For what? This was not addressed.

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Upcoming Dates:

January 13, 2010 FinComm meeting 6:00 2nd Floor Meeting Room

January 20, 2010 FinComm meeting 6:00 2nd Floor Meeting Room

January 27, 2010 FinComm meeting 6:00 2nd Floor Meeting Room

Adjourned at 8:25 PM.

Respectfully Submitted,
Lynn Reynolds