

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

March 19, 2014

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Meeting Date: March 19, 2014

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Sharon Kennaugh, Greg Garrison, Lisa Adams and Michael Naughton. Lynn Reynolds arrived at 6:03 PM.

Selectmen Present: Mark Fairbrother, Michael Nelson and Christopher Boutwell

Others Present: Town Administrator Frank Abbondanzio, Town Accountant Carolyn Olsen and Town Clerk Debra Bourbeau (from 6:35-7:00 PM)

Minutes

Selectmen Moved:

To approve the minutes of March 5, 2014 as amended.

Vote: 3 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To approve the minutes of March 12, 2014.

Vote: 3 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of March 5, 2014 as amended.

Vote: 5 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of March 12, 2014.

Vote: 4 In Favor 0 Opposed 1 Abstained

Revenue Estimates

Mr. Abbondanzio's budget included a 3% increase in General Unallocated Aid, and the Governor's proposals for other state aid amounts. The questions on the table are whether to increase the state aid estimates, and whether to keep the Recycling Revolving Fund, or to eliminate that and increase estimated local receipts.

Ms. Reynolds arrived.

Ms. Olsen explained that last year the town approved a Recycling Revolving fund to receive the payments from recycling via the Springfield MRF. Very little has been spent from this fund this year, so it was suggested to eliminate the authorization of the revolving fund.

Finance Committee Moved:

To recommend elimination of the recycling revolving fund and include the estimated revenue in local receipts.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend elimination of the recycling revolving fund and include the estimated revenue in local receipts.

Vote: 3 In Favor 0 Opposed 0 Abstained

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Going through the line items of revenue, the Finance Committee will:

- Use \$685,953 for debt exclusion
- Add \$10,000 from recycling revenues to local receipts
- Increase Unrestricted Aid by 2.7%
- Use the Governor's numbers for Veterans' Benefits, Exemption reimbursements, and State Owned Land, and State Charges

Finance Committee Moved:

To use \$1,505,800 for net state revenue.

Vote: 6 In Favor 0 Opposed 0 Abstained

Use of Reserves

This discussion will be addressed in the individual articles below.

Special Town Meeting Warrant Articles

There are four special articles on the May 3, 2014 Special Town Meeting Warrant.

1. The Town Planner submitted a request for \$10,000 to be added to the Henry Waidlich Conservation Trust Fund.

Finance Committee Moved:

To recommend \$10,000 be appropriated for the Henry Waidlich Conservation Trust Fund, to be raised from Free Cash.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$10,000 be appropriated for the Henry Waidlich Conservation Trust Fund, to be raised from Free Cash.

Vote: 3 In Favor 0 Opposed 0 Abstained

2. The Town Planner submitted a request for \$81,679 for the Town's share of soil stabilization along a section of Millers Falls Road.

Finance Committee Moved:

To recommend \$81,679 be appropriated for the Town's share of soil stabilization along a section of Millers Falls Road, to be raised from Stabilization.

Vote: 6 In Favor 0 Opposed 0 Abstained

Mr. Fairbrother noted that the town share is a very small portion of the total \$326,000 cost.

Selectmen Moved:

To recommend \$81,679 be appropriated for the Town's share of soil stabilization along a section of Millers Falls Road, to be raised from Stabilization.

Vote: 3 In Favor 0 Opposed 0 Abstained

3. The Town Accountant submitted a request for \$12,000 to increase the Fiscal Year 2014 Veterans' Benefits budget.

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Finance Committee Moved:

To recommend \$12,000 be appropriated to increase the Fiscal Year 2014 Veterans' Benefits budget, to be raised from Free Cash.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$12,000 be appropriated to increase the Fiscal Year 2014 Veterans' Benefits budget, to be raised from Free Cash.

Vote: 3 In Favor 0 Opposed 0 Abstained

4. The Airport Commission submitted a request for \$8,334 for the Town's share of Airport Improvement Project 17.

Finance Committee Moved:

To recommend \$8,334 be appropriated for the Town's share of Airport Improvement Project 17, to be raised from \$2,895 of the unexpended balance of Article #23 of the October 20, 2011 Special Town Meeting, \$5,000 of the unexpended balance of Article #11 of the April 4, 2012 Special Town Meeting, and \$439 from Airport Retained Earnings.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$8,334 be appropriated for the Town's share of Airport Improvement Project 17, to be raised from \$2,895 of the unexpended balance of Article #23 of the October 20, 2011 Special Town Meeting, \$5,000 of the unexpended balance of Article #11 of the April 4, 2012 Special Town Meeting, and \$439 from Airport Retained Earnings.

Vote: 3 In Favor 0 Opposed 0 Abstained

Annual Town Meeting Warrant Articles

1. \$9,500 to upgrade the Assessors' software

Finance Committee Moved:

To recommend \$9,500 be appropriated to upgrade the Assessors' software, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$9,500 be appropriated to upgrade the Assessors' software, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

2. \$8,200 for Information Technology

Finance Committee Moved:

To recommend \$8,200 be appropriated for Information Technology, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

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Selectmen Moved:

To recommend \$8,200 be appropriated for Information Technology, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

3. \$75,000 for inspecting and cleaning sewer lines

Finance Committee Moved:

To recommend \$75,000 be appropriated for inspecting and cleaning sewer lines, to be raised from Sewer User Fees.

Vote: In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$75,000 be appropriated for inspecting and cleaning sewer lines, to be raised from Sewer User Fees.

Vote: In Favor 0 Opposed 0 Abstained

4. \$175,000 to reline sewer lines

Finance Committee Moved:

To recommend \$175,000 be appropriated to reline sewer lines, to be funded with \$15,000 from Article #13 of the 5/5/12 Town Meeting and \$160,000 from Sewer Borrowing.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$175,000 be appropriated to reline sewer lines, to be funded with \$15,000 from Article #13 of the 5/5/12 Town Meeting and \$160,000 from Sewer Borrowing.

Vote: 3 In Favor 0 Opposed 0 Abstained

5. \$3,000,000 to replace 2 pump stations

Finance Committee Moved:

To recommend \$3,000,000 be appropriated to replace 2 pump stations, to be raised from Sewer Borrowing.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$3,000,000 be appropriated to replace 2 pump stations, to be raised from Sewer Borrowing.

Vote: 3 In Favor 0 Opposed 0 Abstained

6. \$15,000 for Police Equipment

Finance Committee Moved:

To recommend \$15,000 be appropriated for Police Equipment, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

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Selectmen Moved:

To recommend \$15,000 be appropriated for Police Equipment, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

7. \$100,000 for DPW Vehicles/Equipment purchase/repair

Finance Committee Moved:

To recommend \$75,000 be appropriated DPW Vehicles/Equipment purchase/repair, to be raised from Stabilization.

Vote: 5 In Favor 1 Opposed 0 Abstained

Selectmen Moved:

To recommend \$75,000 be appropriated DPW Vehicles/Equipment purchase/repair, to be raised from Stabilization.

Vote: 3 In Favor 0 Opposed 0 Abstained

8. \$43,325 for a lease payment on 2 dump trucks

Finance Committee Moved:

To recommend \$43,325 be appropriated for a lease payment on 2 dump trucks, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$43,325 be appropriated for a lease payment on 2 dump trucks, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

9. \$15,000 for the maintenance of the Montague Center School building

Finance Committee Moved:

To recommend \$15,000 be appropriated for the maintenance of the Montague Center School building, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$15,000 be appropriated for the maintenance of the Montague Center School building, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

10. \$38,000 for security improvements at various school buildings
Mr. Naughton prefers taking this article out of Stabilization.

Finance Committee Moved:

To recommend \$38,000 be appropriated for security improvements at various school buildings, to be raised from Taxation.

Vote: 5 In Favor 1 Opposed 0 Abstained

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Selectmen Moved:

To recommend \$38,000 be appropriated for security improvements at various school buildings, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

11. \$100,000 for the Town's share of a skateboard park

Finance Committee Moved:

To recommend \$100,000 be appropriated for the Town's share of a skateboard park, to be raised from Stabilization.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$100,000 be appropriated for the Town's share of a skateboard park, to be raised from Stabilization.

Vote: 2 In Favor 0 Opposed 1 Abstained

- Mr. Fairbrother feels there are too many unknowns about this project, including whether the funding source should be Stabilization or Long Term Debt and how much of the \$100,000 may be coming from other sources.
- Mr. Fairbrother is concerned that the appropriation by the town may lead donors to feel that they no longer need to contribute. Mr. Hanold does not feel that the town's support will reduce the fundraising efforts.

12. \$8,000 or any other amount, for the purpose of funding records storage and retention for the Town Clerk

Ms. Bourbeau explained the request:

- The Town Clerk has run out of room to store the permanent records. A fireproof file cabinet was purchased in Fiscal Year 2014 which may store a few more years of permanent records, but there is no space in the office for additional storage furniture.
- The Town Clerk has access to two vaults in the basement, but these can only be used for temporary storage (items that can be discarded after a period of time). The lack of locks and climate control do not allow the storage of permanent records in these vaults.
- Most permanent records must be maintained in their original condition, even after the records are digitized or otherwise reproduced. Mr. Naughton asked if, after digitization, the original records are required to be stored on-site, and suggested that off-site storage options be investigated.
- Ms. Bourbeau has been working with a records management company to explore options, and most other departments in town hall have expressed an interest in the process. The rough estimate provided for all departments was over \$60,000. This estimate was received too late in the budget process to be incorporated, so the original article request was scaled back to \$8,000 for just the Town Clerk.
- The next step in the process is for the company to have an analyst review the departments' needs and make formal recommendations. This will cost \$505 per day, and the company estimates it will take 3 days to evaluate the needs for all departments in Town Hall.

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- Ms. Bourbeau would prefer to wait on original request so that all departments can be included in the evaluation, recommendations, and solutions, but would like to be able to proceed with the analysis at \$505 per day.
- Mr. Naughton suggested getting estimates and advice from other companies after asking other towns what they do and what companies they have used. Mr. Garrison suggested speaking with the state records management unit.
- There was general consensus to scale down the request to allow for consulting to provide recommendations and total costs, with a proposal for all departments to be presented for the Fiscal Year 2016 budget.

Selectmen Moved:

To recommend \$2,000 be appropriated for consulting fees to evaluate the records preservation and storage needs of town departments, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To recommend \$2,000 be appropriated for consulting fees to evaluate the records preservation and storage needs and options for town departments, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

13. \$49,058 for the Franklin County Technical School Stabilization Fund

Finance Committee Moved:

To recommend \$49,058 be appropriated to increase the Franklin County Technical School Stabilization Fund, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$49,058 be appropriated to increase the Franklin County Technical School Stabilization Fund, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

14. \$106,238 for the settlement of union contracts for Fiscal Year 2015

Finance Committee Moved:

To recommend \$106,238 be appropriated for the settlement of union contracts for Fiscal Year 2015, to be raised from Taxation.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$106,238 be appropriated for the settlement of union contracts for Fiscal Year 2015, to be raised from Taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

Topics not anticipated within in the 48 hour posting requirements

Mr. Hanold noted that Mr. Naughton has updated the spreadsheet showing Stabilization Fund activity with more detail.

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- Mr. Hanold noted that this showed that most of the money put into stabilization came from Overlay Surplus, and further noted that in recent years we have moved back to funding education assessments, the operating budget, police cruisers, and DPW leases out of taxation rather than using the stabilization fund.
- We are increasingly using stabilization for large, non-recurring expenses, and have been funding stabilization more recently from infusions from Free Cash.
- Mr. Abbondanzio said, looking forward, that if the town is successful in the ATB case, the higher amounts put into overlay may become available for transfer into Stabilization.
- Mr. Abbondanzio asked that the record show the committee has voted to use \$256,000 from Stabilization for the Fiscal Year 2015 budget. Mr. Abbondanzio is concerned that returns to Free Cash are getting lower, which will provide less to be transferred into Stabilization from Free Cash.
- Mr. Abbondanzio is also concerned that reduction of the Stabilization Fund will have negative impact on the town's bond rating and noted specifically that the skate park and soil stabilization work on Millers Falls Road would be suitable to fund from long term debt.

Mr. Naughton noted that the Gill-Montague Regional School District Excess & Deficiency amount came in much higher than the district predicted.

- \$247,000 will be returned to the towns because the Excess & Deficiency amount exceeded the amount the district is allowed to retain. Approximately \$210,000 will be returned to Montague.
- Mr. Abbondanzio noted that this money will flow into Free Cash, and could then be voted into Stabilization.
- Mr. Hanold noted that in recent years the town has used over \$260,000 of our Stabilization Fund to pay for the district's assessments and that it would be appropriate to return the \$210,000 to its original source

Meeting Adjourned at 8:05 PM

List of Documents and Exhibits

- Minutes March 5, 2014
- Minutes March 12
- Revenue estimate comparison between existing estimates and Mr. Abbondanzio's proposal.
- Comparison of funding sources between existing estimates and Mr. Abbondanzio's proposal.
- Five year history of transactions into and from the Town Stabilization Fund
- Enhanced Five year history of transactions into and from the Town Stabilization Fund from Mr. Naughton
- Airport Project balance and use analysis

Next Meetings:

March 26, 2014	Vote operating budget and funding sources for Town, WPCF, Colle, Airport and school district assessments, reserve fund transfers
April 2, 2014	Draft Finance Committee Report to Town Meeting