

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

March 11, 2015

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Meeting Date: March 11, 2015

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Sharon Kennaugh, Michael Naughton, Lynn Reynolds, and Greg Garrison.

Selectmen Present: Mark Fairbrother, Christopher Boutwell (arrived at 6:20 PM) and Michael Nelson (arrived at 6:26PM) were absent.

Others Present: Town Administrator Frank Abbondanzio, Town Accountant Carolyn Olsen, Airport Commissioner Peter Golrick, and Jeanne Golrick

Minutes

Finance Committee Moved:

To approve the minutes of March 4, 2015.

Vote: 5 In Favor 0 Opposed 0 Abstained

Fiscal Year 2016 Airport Budget

- While the total budget increased only 1.7%, the taxation portion of the Airport budget has increased by \$6,084 from \$9,347 to \$15,431. While operating revenues are expected to increase for Fiscal Year 2016, there are no available funds to reduce the taxation share as was the case for Fiscal Year 2015.
- The FAA chose to delay the Master Plan Update, which would allow for industrial development on airport-owned land. This would provide additional revenue and allow the airport to be more self-sufficient. Part of that process will be to have that land declared non-aviation. Instead, the FAA is proceeding with a project that has no cost to the town, but which offers no additional revenue sources.
- In addition to hangar rent, almost \$9,000 is received through Payments in Lieu of Taxes (PILOTs). Pioneer Aviation is excluded because that land is on industrial park property and generates over \$23,000 in annual revenue to the town.
- Mr. Golrick noted that the article for roof repair has a balance that will flow into retained earnings at the end of the Fiscal Year and be available for future years' budgets.
- Mr. Naughton asked what kind of development is envisioned. One possibility is leasing the land for a new kind of wind project. Mr. Naughton would like a future, more in-depth discussion about the future funding plans of the airport and their ability to be self-supporting. Mr. Naughton asked if the land was originally taken because there were plans to use it for the airport, and if the land is then used for another purpose, why does the land remain under the control of the Airport Commission? Mr. Fairbrother said the lands were purchased through the CAA – the predecessor of the FAA – in the 1930s and all grants coming from the FAA have put liens on that land. When the FAA releases that land from airport use, they would still have effective liens on that land, which would remain under the purview and ownership of the Airport Commission.

- Mr. Naughton also raised the issue of, if they aren't going to become self-sufficient and the tax subsidy has increased, the airport manager has more hours which are not offset by increasing revenue. Once through current project finished, all major projects will be done and the commission can review the hours needed for the Airport Manager.

Mr. Boutwell arrived at 6:20 PM

Mr. Fairbrother said all of the projects would have all been done already and the airport would have been self sufficient for several years if not for the claims and activities of the tribal groups. The original plan in 2002 would have provided more revenue-generating hangars. The infrastructure for that plan would have been paid for by the FAA, but was a victim of the activities that occurred after the arrival of tribal representatives, which significantly delayed the projects as well as slightly increasing the costs and depriving the airport of revenues.

Mr. Nelson arrived at 6:26 PM.

- Ms. Golrick asked what was different between the wind project and the electricity generated by the WPCF, and also suggested that people who have questions about the Airport should attend the airport commission meetings.
- Mr. Golrick asked Mr. Garrison to contact Mr. Longo regarding a new FAA requirement to update the building and putting this on the schedule/agenda for the Capital Improvements Committee. There is grant money available, but the town would still be liable for approximately \$50,000 to update the town-owned building.

Minutes

Selectmen Moved:

To approve the minutes of March 4, 2015.

Vote: 2 In Favor 0 Opposed 1 Abstained

Fiscal Year Town Administrator's Budget

The full document is available on the Town's website: www.montague-ma.gov.

Mr. Abbondanzio presented a document that has some changes from the document that was e-mailed earlier today. Mr. Abbondanzio proposes:

- Level funding new growth, the allowance for abatements and exemptions, and state aid pending further information
- A slight decrease in local estimated receipts reflecting the loss of Medicare reimbursements and a reduction in the estimated reimbursement for the School Resource Officer
- Town borrowing of \$1,345,673 – all for Gill-Montague Regional School District projects. This includes \$1,116,764 for the Sheffield windows and door replacements, which will be offset by over \$800,000 from the Massachusetts School Building

Assistance Program, \$145,000 for replacement of boilers and burners at the Sheffield School, \$41,309 for a trailer, and \$42,600 for a one ton truck with plow and sander.

- WPCF borrowing of \$385,000 for documenting and improving various sewer and stormwater lines and drains,
- \$40,615 from the Franklin County Tech School Stabilization Fund to offset the increase in the assessment due to additional Montague students
- \$137,482 from Town Stabilization Funds.
- Reductions from the requested amounts for the following department budget requests:
 - \$30,000 from Police Department overtime
 - \$5,000 from Dispatch overtime
 - \$200 from the Tree Warden budget, reflecting level funding of the stipend
 - \$5,947 from the Libraries budget- to come from accounts that can be funded by State Aid
 - \$68,112 from the WPCF budget - \$34,112 from elimination of the requested new position and \$34,000 from the request from engineering services. The new position is not recommended because there was not a corresponding decrease in the overtime budget. Mr. Abbondanzio said the spending and sewer rate development is not being done in a comprehensive way, so new revenues are not being set aside for the increased costs or put aside for future capital. Mr. Abbondanzio wants the retained earnings to be evaluated comprehensively, and a plan in place for setting aside a certain portion for future capital expenses.
 - \$12,000 from the WPCF Benefits budget reflecting the health insurance for the eliminated employee
- Funding the following Special Articles:
 - \$48,947 to begin funding a new Other Post Employment Benefits Stabilization Fund. This has been strongly recommended by bond agencies and the Town's auditors. This fund would be used to fund future benefits for retirees.
 - \$32,632 for the Town Capital Stabilization Fund, as indicated by the Town's Financial Policy
 - \$8,200 for Information Technology
 - \$20,000 to repair the Shea Roof
 - \$46,000 for the preservation and storage of town records
 - \$15,000 for Police discretionary equipment and repair expenses
 - \$75,000 for DPW discretionary equipment and repair expenses
 - \$385,000 for documenting and improving various sewer and storm water lines and drains
 - \$80,350 for operating the Colle building
 - \$145,000 for boilers and burners at the Sheffield School
 - \$1,116,764 to replace windows and doors in the Sheffield School auditorium and gym.
 - \$41,309 for the Town's share of a utility trailer for the GMRSD
 - \$42,600 for the Town's share of a one ton pickup truck with plow and sander for the GMRSD

- There is a new document being created – a Financial Trend Monitoring Report - which will be available on-line when completed. Mr. Abbondanzio said this will be a very valuable tool to have.
- We will need debt-exclusion votes for some special articles funded from borrowing because we were cited by S&P for having a poor debt position due to large debt items on the horizon. Senior Center and Town Garage, when approved, will also need to be funded though excluded debt.
- Assumes 250k for A & E rather than 400k for FY15.
- The FRCOG's change in retiree funding could have resulted in a significant reduction of assessments, but they chose to put most of the savings into their OPEB fund.
- Mr. Garrison asked if most of the Town's new growth was related to housing. Much of the recent increases in new growth relate to personal property.
- Mr. Naughton asked about the recommendation to put taxation into OPEB rather than into the Town's General Stabilization Fund and requested we have more discussion on this before making a decision.

Schedules I and II

The changes requested for Fiscal Year 2016 were:

1. Step and cost-of-living increases for the full-time Town Clerk and Treasurer/Tax Collector.
2. An increase of \$200 for the Tree Warden
3. The elimination of the stipend for the Burial Agent
4. An increase of \$500 for the Barn Inspector
5. An increase of \$1,500 for the IT Coordinator
6. An increase of \$0.44 per inspection for the part-time inspectors

On January 21, 2015 the Finance Committee voted to recommend the changes requested in both schedules with two exceptions.

1. The Finance Committee voted to recommend \$1,300 for the Tree Warden (\$1,500 was requested).
2. The Finance Committee tabled the vote on the IT Administrator Stipend. The current stipend is \$2,000 and \$3,500 was requested for Fiscal Year 2016.

At this point the Finance Committee needs to make a recommendation on the IT Administrator stipend, and vote on the schedules in their entirety.

Mr. Abbondanzio informed the group that Barbara Miller, Director of Assessing and the current IT Administrator, is leaving on April 2nd for a position elsewhere. The IT Administrator position has been posted internally.

The requested increase for the IT Administrator Stipend was discussed. Mr. Naughton proposed \$3,000 for this position. Ms. Kennaugh would prefer that the town hire a consultant. Mr. Garrison would prefer it remain as \$2,000 and feel's there's no reason to increase it at this point. Ms. Reynolds thinks \$2,000 isn't enough. Mr. Naughton said that

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the current situation is not ideal, and offering more money was only an interim measure while another plan was determined.

Finance Committee Moved:

To recommend the IT Coordinator Stipend be set at \$2,000.

Vote: 3 In Favor 0 Opposed 2 Abstained

Selectmen Moved:

To recommend the IT Coordinator Stipend be set at \$2,000.

Vote: 3 In Favor 0 Opposed Abstained

Finance Committee Moved:

To recommend Schedule I as presented with the reduction in the requested Tree Warden stipend to \$1,300.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend Schedule I as presented with the reduction in the requested Tree Warden stipend to \$1,300.

Vote: 3 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To recommend Schedule II as requested with the exception of the reduction in the requested IT Coordinator stipend to \$2,000.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend Schedule II as requested with the exception of the reduction in the requested IT Coordinator stipend to \$2,000.

Vote: 2 In Favor 0 Opposed 0 Abstained

Topics not anticipated within in the 48 hour posting requirements

GMRSD School Committee approved the budget that was presented last week.

The Energy Committee met with Ms. Blier and Mr. Huber yesterday regarding the Sheffield windows and doors project. The Energy Committee unanimously supported the project.

Mr. Hanold feels there is no need for an additional meeting with the Franklin County Tech School and proposed removing this from the list of future items.

Mr. Naughton asked that the Finance Committee reconsider the revenue projections and whether to amend the state aid estimates to the Governor's budget when we vote on the budget next week.

Mr. Abbondanzio said that Senator Rosenberg is doing his annual Municipal Conference on March 21st and has strong opinions about local aid. If Senator Rosenberg backs the governor's budget it is likely to pass.

Meeting adjourned at 8:45 PM

Next Meetings:

March 18, 2015	Vote Budgets with sources of funding,
March 25, 2015	CIC final report, vote on School Assessments, STM and ATM Special Articles
April 1, 2015	Draft Finance Committee Report to Town Meeting
April 8, 2015	Re-votes as needed, revise FC report
April 15, 2015	Final votes/re-votes for recommendations, final report

List of Documents and Exhibits

- Minutes for March 4, 2015

**SCHEDULE I
Elected Officials**

<u>TITLE RECOMMEND</u>	<u>FY14 ACTUAL</u>	<u>FY15 BUDGET</u>	<u>FY16 REQUEST</u>	<u>FY16</u>
MODERATOR	340	340	340	340
BOARD OF SELECTMEN				
Chairman	1,500	1,500	1,500	1,500
Second/Third Members	1,500	1,500	1,500	1,500
BOARD OF ASSESSOR				
Chairman	1,500	1,500	1,500	1,500
Second/Third Members	1,500	1,500	1,500	1,500
TREASURER/COLLECTOR	64,379.93	66,270*	68,271**	68,271
*G-9				
**G-10 with 1% COLA				
TOWN CLERK	61,879.56	63,697*	65,620**	65,620
*G-7				
**G-8 with 1% COLA				
BOARD OF REGISTRARS				
Town Clerk	800	800	800	800
TREE WARDEN	1,300	1,300	1,500	1,300
BOARD OF HEALTH				
Chairman	1,500	1,500	1,500	1,500
Second/Third Members	1,500	1,500	1,500	1,500

**SCHEDULE II
Appointed Officials**

<u>TITLE RECOMMEND ANNUAL STIPENDS</u>	<u>FY14 ACTUAL</u>	<u>FY15 BUDGET</u>	<u>FY16 REQUEST</u>	<u>FY16</u>
BOARD OF REGISTRARS (3)	500	500	500	500
EMERGENCY MGMT DIRECTOR	5,490	5,490	5,490	5,490
BURIAL AGENT	670	670	zero	zero

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**SCHEDULE II
Appointed Officials**

<u>TITLE</u>	<u>FY14 ACTUAL</u>	<u>FY15 BUDGET</u>	<u>FY16 REQUEST</u>	<u>FY16 RECOMMEND</u>
ANIMAL INSPECTOR	1,500	1,500	1,500	1,500
BARN INSPECTOR	500	500	1,000	1,000
<u>ANNUAL STIPENDS</u>				
IT ADMINISTRATOR	2,000	2,000	3,500	2,000
FOREST WARDEN	1,631	1,631	1,631	1,631
<u>RATES PER INSPECTION</u>				
ASST. BUILDING INSPECTOR	27.06	27.06	27.50	27.50
GAS INSPECTOR	27.06	27.06	27.50	27.50
PLUMBING INSPECTOR	27.06	27.06	27.50	27.50
ELECTRICAL INSPECTOR	27.06	27.06	27.50	27.50

HOURLY RATES

	<u>Ranges/hr.</u>	<u>Ranges/hr.</u>	<u>Ranges/hr.</u>	<u>Ranges/hr.</u>
EXTRA CLERICAL	8.00-10.00	8.00-10.00	9.00-10.00	9.00-10.00
ELECTION WORKERS	8.00-10.00	8.00-10.00	9.00-10.00	9.00-10.00
SUMMER HIGHWAY	8.00-12.00	8.00-12.00	9.00-12.00	9.00-12.00
SNOW PLOW DRIVERS	15.00-25.00	15.00-25.00	15.00-25.00	15.00-25.00
PART TIME POLICE OFFICERS	14.50-17.00	14.50-17.00	14.50-17.00	14.50-17.00
PART TIME DISPATCHERS	13.00-15.00	17.00-19.00	17.00-19.00	17.00-19.00
PARKS & RECREATION	8.00-25.63	8.00-25.63	9.00-25.63	9.00-25.63

NON-UNION EMPLOYEES NOT SHOWN ABOVE

With 1% COLA

<u>SALARIED</u>	<u>Grade</u>	<u>Range FY2015</u>		<u>Range FY2016</u>	
		Start	End	Start	End
TOWN ADMINISTRATOR	J	84,888	104,470	85,737	105,515
TOWN ACCOUNTANT	G	55,194	67,595	55,746	68,271
CHIEF OF POLICE	I	77,171	94,972	77,943	95,922
DPW SUPERINTENDENT	H	70,156	86,339	70,858	87,202
DIRECTOR OF HEALTH	G	55,194	67,595	55,746	68,271

NON-UNION EMPLOYEES NOT SHOWN ABOVE

With 1% COLA

<u>SALARIED</u>	<u>Grade</u>	<u>Range FY2015</u>		<u>Range FY2016</u>	
		Start	End	Start	End
LIBRARY DIRECTOR	G	55,194	67,595	55,746	68,271
WPCF SUPERINTENDENT	H	70,156	86,339	70,858	87,202

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HOURLY

SELECTMEN'S SECRETARY E 20.51 25.25 20.72 25.50

Informational Only: Fiscal Year 2016 budgeted wages with 1% COLA

TOWN ADMINISTRATOR	101,417	DIRECTOR OF HEALTH	66,933
TOWN ACCOUNTANT	66,933	LIBRARY DIRECTOR	60,033
CHIEF OF POLICE*	98,267	WPCF SUPERINTENDENT	87,202
DPW SUPERINTENDENT	82,176	SELECTMEN'S SECRETARY	25.01

*includes additional 20% educational incentive pay