

Meeting Date: January 5, 2011

Called to Order: 6:00 PM

Finance Committee Members Present: Andrew Killeen, Michael Naughton (arrived at 6:10 PM), Rob Allen, John Hanold and Lynn Reynolds (Ms. Reynolds arrived at 6:40 PM)

Selectmen Present: Mark Fairbrother, Pat Allen and Chris Boutwell

Others Present: Frank Abbondanzio (Town Administrator), Carolyn Olsen (Town Accountant)

Minutes

Finance Committee Moved:

To approve the minutes of November 17, 2010.

Vote: 1 In Favor 0 Opposed 2 Abstained

Board of Selectmen Moved:

To approve the minutes of November 17, 2010.

Vote: 2 In Favor 0 Opposed 1 Abstained

Update on Fiscal Year 2012 Budget

- Mr. Naughton asked how much attention to pay to the 10% reduction budgets? Mr. Hanold's instinct is to concentrate on the level services requests. Mr. Abbondanzio noted that by the end of the month we will have a better idea of what state aid revenues are likely to be. For the moment Mr. Abbondanzio recommends just looking at the level services budget.
- Mr. Abbondanzio will report January 12th on the results of his meetings with departments regarding the impact of budget cuts on services.
- Mr. Hanold requested that everyone generate questions in next week, so that they can be consolidated and sent to department heads with responses due before the 19th. The boards can then determine what questions need further pursuit.
- Mr. Hanold noted that the boards probably don't need to spend a lot of time meeting with departments unless there are specific items that require in-depth discussion and suggested that we spend more time discussing as a group any reductions to make if that is required.
- Mr. Abbondanzio noted that the Franklin County Technical School assessment request will need to be increased about by about \$50,000 as a result of Montague's increased percentage of the student population. The Town has the option of using all or part of the FCTS Stabilization fund towards this increase.
- It was decided to determine the Fiscal Year 2012 Affordable Assessment amount for the Gill-Montague Regional School Committee and provide that number to the district by January 19th. The current commitment is to allocate 48.5% of

Montague's operating revenues to the Gill-Montague Regional School District Assessment.

- Mr. Hanold stated that while the issue of stipends has been on his list of items to review, he has not plans to pursue any changes for Fiscal Year 2012.
- Mr. Naughton requested a more detailed description of the assumptions that are currently in the Fiscal Year budget document. These assumptions will be discussed in detail at the January 12, 2011 meeting.

Special Town Meeting Warrant for January 6, 2011

There are ten articles on the warrant.

Article #1 requests an additional \$171,281 for the Fiscal Year 2011 appropriation for the Gill-Montague Regional School District Assessment.

Finance Committee Moved:

To recommend \$171,281 for Article #1 of the January 6, 2011 Special Town Meeting, with \$129,436 to be funded from the Gill-Montague Stabilization Fund and \$41,845 to be funded from the Town Stabilization Fund.

Vote: 4 In Favor 0 Opposed 0 Abstained

Article #2 amends the funding source for Article #6 (General Town Operating Budget) of the Annual Town Meeting by using the additional source of \$58,337.98 from Fund Balance Reserved for Excluded Debt and reducing taxation by that same amount.

Finance Committee Moved:

To recommend approval of Article #2 of the January 6, 2011 Special Town Meeting.

Vote: 4 In Favor 0 Opposed 0 Abstained

Article #3 requests approval of the creation of the Mayhew Steel Economic Opportunity Area (EOA) in the Montague Industrial Park.

Article #4 requests approval of Mayhew Steel's designation as a Certified Project and to approve the Tax Increment Financing Agreement for Mayhew Steel.

Article #5 requests appropriation of \$2,860.46 for the payment of prior year bills including a Verizon bill for various departments and additional bills of the Building Department and General Insurance Department.

Finance Committee Moved:

To recommend approval of Article #5 of the January 6, 2011 Special Town Meeting, to be funded from Free Cash.

Vote: 4 In Favor 0 Opposed 0 Abstained

Article #6 requests Town Meeting acceptance of a gift of land from James H. Mizaur.

Article #7 requests the use of \$60,000 of Sewer Retained Earnings to reduce sewer rates.

Finance Committee Moved:

To recommend approval of Article #7 of the January 6, 2011 Special Town Meeting.

Vote: 5 In Favor 0 Opposed 0 Abstained

Article #8 amends the Water Supply Protection District, as requested by the Turners Falls Water District.

Article #9 requests an additional appropriation of \$35,000 for the Water Pollution Control Facility Fiscal Year 2011 budget, with \$30,000 to be added to the Legal Expense budget and \$5,000 added to the Engineering Expense budget.

Finance Committee Moved:

To recommend approval of Article #9 of the January 6, 2011 Special Town Meeting.

Vote: 4 In Favor 0 Opposed 1 Abstained

Article #10 authorizes the Board of Selectmen to terminate the inter-municipal sewer agreement with the Town of Erving.

Board of Selectmen adjourned at 6:55 PM.

Fiscal Year 2012 budget for Finance Committee and Reserve Fund

Mr. Hanold suggested keeping the Reserve Fund budget for Fiscal Year 2012 at \$50,000.

Finance Committee Moved:

To request a Fiscal Year 2012 Reserve Fund budget request of \$50,000 and ignore the 10% cut.

Vote: 5 In Favor 0 Opposed 0 Abstained

Mr. Hanold suggested reducing the Finance Committee budget for Fiscal Year 2012 by \$80, and specifically reducing Printing by \$50 and Postage by \$30, leaving a total requested budget of \$820.

Finance Committee Moved:

To make the above changes to the Fiscal Year 2012 Finance Committee budget request.

Vote: 5 In Favor 0 Opposed 0 Abstained

List of Documents and Exhibits

- Special Town Meeting Warrant for January 6, 2011

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- Background Information for the January 6, 2011 Warrant
- Association of Town Finance Committee Newsletter

Next Meeting – January 12, 2011

Tasks for next meeting

Detailed review of assumptions used in the Fiscal Year 2012 budget.
Mr. Abbondanzio's report on effect of budget cuts on departments.

Adjourned 7:15 PM

Respectfully Submitted,
Carolyn Olsen