

**Meeting Date:** January 19, 2011

**Called to Order:** 6:04 PM

**Finance Committee Members Present:** Lynn Reynolds, Rob Allen, John Hanold, Michael Naughton, and Andrew Killeen (Mr. Killeen arrived at 6:43 PM)

**Selectmen Present:** Chris Boutwell and Mark Fairbrother

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

### **Minutes**

Finance Committee Moved:

To approve the minutes of January 5, 2011.

Vote: 4 In Favor 0 Opposed 0 Abstained

Board of Selectmen Moved:

To approve the minutes of January 5, 2011.

Vote: 2 In Favor 0 Opposed 0 Abstained

### **Follow Up to Special Town Meeting**

Mr. Naughton noted that the Moderator always states that the tape of the meeting is the official record and asked what kind of tape is used. Mr. Naughton is concerned that future generations will be able to review the official records.

### **Review Revenue Assumptions for Fiscal Year 2012**

Current revenue assumptions in the Fiscal Year 2012 budget are:

- New growth of \$120,000
- Allowance for abatements and exemptions of \$130,000
- Lottery aid at 90% of Fiscal Year 2011 level
- Other state aid level funded at Fiscal Year 2011 level
- Estimated local receipts at \$1,245,000
- \$250,000 of Free Cash, with 50% applied to town operating budget and 50% applied to Gill-Montague Regional School District Assessment
- \$172,255 of town stabilization to be applied towards special articles
- Mr. Abbondanzio noted that state estimates for State Owned Land are subject to cuts.
- Mr. Naughton noted that we've estimated \$120,000 for new growth, but recent years' actual amounts have been higher.
- Mr. Naughton also noted that we're showing the use of \$172,255 of stabilization, and if we follow through on our commitment to reduce the use of stabilization, this amount will drop.

- Mr. Hanold noted that the WPCF Superintendent has proposed a revised request which is less than the original level services budget. This revised request has been incorporated into the most recent budget file. This will not impact the taxation share of the budget, which represents the cost of treating inflow and infiltration.

### **Discussion of Questions for Department Heads**

The following questions will be forwarded to Department Heads:

- For the Town Clerk, what is the official record of town meetings, the audio-visual tapes or written minutes?
- Mr. Boutwell would like all departments to provide a list of surplus equipment and noted that there are a lot of bicycles available for a bike auction.
- Mr. Allen tries not to get into the nickel and dime stuff, his question for departments is what are you doing differently this year? And if we delve deeper in, it should be because we are forcing a change, and Mr. Allen doesn't feel that we've done that yet.
- Mr. Allen noted that we never compare what we spend on services to what other towns spend, in order to determine how efficient we are at providing services.

Mr. Naughton offered to coordinate any additional questions.

Mr. Naughton previously e-mailed the following questions, which are shown below with responses from Ms. Olsen (underlined).

122 BOS - why did longevity go from \$2600 to \$100? This was an. Fiscal Year 2011 should have read \$100 for longevity. From FY2008-FY2010, the Town Administrator's contract had a specific, 3-year only, \$2500 annual longevity payment.

211 Police - there seem to be major shifts in some of the personal services items (salaries full time, wages full time, educational incentive pay) - explanation? Full time salaries decreased because the Confidential Secretary retired. A new position was created (Dispatch Manager/Office Administrator) which, because of the dispatch management portion, is in the Dispatch budget. Wages full time only increased \$10,000, which is mostly due to a change in personnel. In Fiscal Year 2011, the budget included a temporary full time officer at step 1. This officer was replaced as of 7/1/10 with an officer at step 3. This new officer also has a bachelor's degree, which increased the incentive budget.

Also, paid holidays stayed the same - is that correct? Paid holidays is estimated based on assumptions since it's hard to know who will wind up actually working on each holiday. Therefore the amount did not change.

212 Dispatch - wages total increased by 14% - explanation? Dispatch wages increased because the new position of is Dispatch Manager/Office Administrator still in dispatch, and they added a full time dispatcher to fill the old day slot. A former part time (benefitted) dispatcher also became full time to cover additional shifts. Some rearranging

of staffing allowed this to be done and also reduce the budget for part time dispatchers. The increased wages were partially offset by the elimination of the never-used Turners Falls Fire District Stipend.

511 BOH - wages went down - explanation? BOH wages went down because there is one less day in the FY for town hall employees (on 4-day week) and there is a new clerk at a lower step.

600 482 Airport - any idea how much the town will have to kick in for this budget? I assumed an amount equal to last year, but this needs to be determined.

Finally, a general question: if possible, I'd like each dept head to answer a quick survey on their 10% budgets. Basically, it's one question, multiple choice: If you had to try to implement your 10% cut budget, a) it could work, with no impact on services; b) it could work, but there would be some impact on services; c) it could work only with a major cutback in services; d) it would not work. Mr. Abbondanzio's report on the impact of a 10% budget cut by department will be available for February 2<sup>nd</sup>.

#### **Affordable Assessment**

Allocating 48.5% of the current estimates for revenue to the Gill-Montague Regional School District provides an affordable assessment of \$7,470,552 For Fiscal Year 2012.

Mr. Allen asked if we are committing to this number or the Table B amount. Mr. Hanold stated that Table B was a desktop exercise, and the Board of Selectmen and Finance Committee previously committed to allocating 48.5% of revenues available for operating expenses.

Mr. Naughton's understanding is that what we committed to was the 48.5% of revenues, and that Table B was an estimate based on certain assumptions. What we should do is commit to the result of the calculation with the understanding that this will be close to the number in Table B, but which will not be exact. It might be dangerous to start treating the numbers in Table B as cast in stone because there are a lot of other numbers in Table B that are under the control of others that are not cast in stone.

Mr. Allen requested that we provide the Gill-Montague Regional School District School Committee whenever we incorporate a change in revenue estimates that affect the affordable assessment calculation.

Mr. Naughton's take is that when we calculate what we can afford, we understand that this may not be the amount we actually give to the district.

Mr. Naughton proposed not taking a vote so that it is easier to provide the district with updated numbers as they become available. Mr. Hanold sees value in a vote in that it gives them something prior to their preliminary budget date and prefers to wait to give subsequent numbers until we've formally agreed on changed estimates.

Mr. Naughton wants to vote on the amount of \$7,287,725, which is the affordable assessment without excluded debt, because Table B does not include debt.

Finance Committee Moved:

That the chair transmit to Gill-Montague Regional School District School Committee the allocation summary sheet in the 1-18-11 budget file, with a brief comparison to Table B of the Compact with the School Committee, and the fact that the number is preliminary and subject to change.

Vote: 5 In Favor 0 Opposed 0 Abstained

**List of Documents and Exhibits**

- Revenue Projections Detail from the Draft FY2012 Budget File 1-18-11.
- Allocation Summary Draft FY2012 Budget File 1-18-11.
- Questions from Mr. Naughton with responses from Ms. Olsen.

**Next Meetings**

January 26, 2011: update on questions to departments and responses, and state aid update

February 2, 2011: Mr. Abbondanzio's report on the 10% budget cut scenario

Adjourned 7:20 PM

Respectfully Submitted,  
Carolyn Olsen