

JOINT MEETING OF FINANCE COMMITTEE AND BOARD OF SELECTMEN  
February 16, 2011

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**Meeting Date:** February 16, 2011

**Called to Order:** 6:00 PM

**Finance Committee Members Present:** Lynn Reynolds, Rob Allen, John Hanold, and Andrew Killeen

**Selectmen Present:** Pat Allen (arrived at 6:41 PM), Chris Boutwell (arrived at 6:30 PM) and Mark Fairbrother

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

**Minutes**

Finance Committee Moved:

To approve the minutes of February 9, 2011.

Vote: 4 In Favor 0 Opposed 0 Abstained

**Fiscal Year 2012 Schedules I and II (non-union wages)**

Schedule I sets the wages for elected officials. Schedule II sets the wages for non-union appointed employees.

Fiscal Year 2012 Schedule I – The only changes for Fiscal Year 2012 are step increases for the Treasurer/Tax Collector and Town Clerk. This is consistent with increases for union employees. There is no cost-of-living-adjustment included for next year.

Finance Committee Moved:

To recommend the Fiscal Year 2012 Schedule I as presented.

Vote: 4 In Favor 0 Opposed 0 Abstained

Fiscal Year 2012 Schedule II – Changes for Fiscal Year 2012:

- The Animal Inspector has historically also been responsible for barn inspections, and has had a single stipend amount. In recent years, someone else has sometimes done the barn inspections. Beginning in Fiscal Year 2012, breaking out the duties and associated stipends in this schedule formally sets the wages for each position.
- The Fiscal Year 2012 wage range for “Non-Union Employees Not Shown Above” sets wages for permanent employees who work on a regular weekly basis. The annual range is calculated by multiplying the lowest and highest hourly rate for the grade and annualizing them based on a 35 hour, five-day workweek. Town Hall employees work a 35-hour, four-day week, so the number of hours in a given fiscal year may vary from those in a 35-hour, five-day workweek. The range for Fiscal Year 2012 accounts for the actual work hours in the fiscal year.

Finance Committee Moved:

To recommend the Fiscal Year 2012 Schedule II as presented.

Vote: 4 In Favor 0 Opposed 0 Abstained

**Topics not anticipated within the 48 hour posting requirement:**

- **The Cable Advisory Committee** has requested a Special Article for \$8,000 for negotiations with Comcast for the next cable contract. The town usually hires an attorney who specializes in these contracts. Mr. Naughton had e-mailed some questions about this request which are summarized below.
  - Has the town historically provided money to the committee for contract negotiation, and if so how much? The town provided \$5,000 towards negotiation of the last contract in Fiscal Year 1999.
  - Can we get a rough breakdown of how the money is expected to be spent? Last time 90% of the appropriation was paid to an attorney.
  - If approved, is this appropriation expected to cover all of the town's costs for the contract renegotiation? Yes.
  
- **New Health Insurance Rate Information**

Mr. Abbondanzio reported that a federal program for early retiree reinsurance has resulted in savings for the Hampshire County Group Insurance Trust. The Trust is rescinding the previously announced 3% increase in health insurance rates for non-Medicare coverage and there will be no premium increases for Fiscal Year 2012. Ms. Dion estimated the savings to be \$35,000.
  
- **Administrator's Report**

Mr. Abbondanzio informed the committee that his report on the impact of budget cuts is still being discussed internally. Mr. Abbondanzio hopes to be able to discuss this report on March 2<sup>nd</sup>.
  
- **Future Meetings**

There are not yet scheduled meeting with the Franklin County Technical School or the Gill-Montague Regional School District. Mr. Hanold will schedule dates for these meetings, and Ms. Allen will schedule a date with the Capital Improvements Committee.
  
- **Franklin County Technical School Assessment**

The Recorder has reported a preliminary budget for the Franklin County Technical School with estimated assessments to member towns. This estimate is \$663,963 or \$13,700 lower than the \$677,663 in the current Fiscal Year 2012 budget.
  
- **Gill-Montague Regional School District**

Ms. Allen heard that the town's assessment for next year will increase by approximately \$148,000. The district will need to use \$400,000 of Excess and Deficiency funds to make this possible. The current budget file includes an increase of approximately \$81,000 from Fiscal Year 2011 to Fiscal Year 2012.

**Use of Stabilization Funds for Fiscal Year 2012**

For Fiscal Year 2011, a total of \$172,255 of Town Stabilization was used to fund special articles for computer equipment, a police cruiser, DPW leases, and the DPW discretionary account at the annual town meeting. An additional \$41,845 of Town Stabilization and \$129,436 of the town's Gill-Montague Stabilization Fund, a total of \$171,281, was appropriated for the current district assessment.

Mr. Hanold presented a handout with a proposed use of Free Cash and Stabilization for Fiscal year 2012. This proposal is to budget the use of \$260,000 from Stabilization and to appropriate \$160,000 from Free Cash into Stabilization. Mr. Hanold noted the following:

- At the moment we have not committed any stabilization to the Gill-Montague Regional School District assessment. The proposal assumes that approximately \$73,000 will be needed in addition to the affordable assessment amount in order to comply with the plan in the Compact.
- The proposal leaves just over \$100,000 in Free Cash in case other needs arise.
- In past years the proposal has been made to annually appropriate money to stabilization, even though the amount transferred in may be quite different than the amount used.
- The proposal also has a placeholder for additional special article requests since there may be additional requests.
- This proposal results in an available balance in Stabilization of \$592,535, or about 3.4% of the operating budget, which is below the 5% that is recommended by some financial experts. A balance in Stabilization of approximately \$804,000 would meet the 5% threshold.
- Mr. Abbondanzio said that there may be about \$200,000 of excess overlay that could be released by the Board of Assessors. If that were done, the town could appropriate that amount into Stabilization, which would bring the level back up to the recommended 5% amount.
- Mr. Killeen is strongly in favor of a budget proposal that leaves a balance of at least \$804,000 in Stabilization.
- Mr. Killeen would like to see the DPW Leases, DPW Discretionary Account, and the Police Discretionary account funded by taxation rather than Stabilization.
- Ms. Allen suggested reducing the amount for the DPW Discretionary account from \$100,000 to \$75,000.
- Mr. Hanold stated that what he's hearing are two requests – one to maintain the level of savings in Stabilization, and one to make more progress in funding items from taxation.

Mr. Abbondanzio reported on future capital needs of the Department of Public Works. These requests are in addition to the annual request for \$100,000 for major repairs and purchases.

- 2012 \$220,000 for a street sweeper
- 2013 \$200,000 for a 6 wheel dump truck and \$65,000 for a 1 ton dump truck

- 2014 \$150,000 for a front end loader
- 2015 \$155,000 for a 6 wheel dump truck

Funding options for these items include a capital exclusion, which works much like a debt exclusion except that it is for a shorter time period, or borrowing.

Ms. Allen suggested that if the future DPW needs listed above are funded, that it would be reasonable to reduce the requests for the DPW Discretionary fund from \$100,000 to \$75,000.

Ms. Allen also noted that the CIC has not received any capital requests from the Gill-Montague Regional School District.

Finance Committee Moved:

To recommend the preliminary use of up to \$260,000 from Town Stabilization for Fiscal Year 2012 special articles and that we also fund stabilization in the amount of \$160,000 from free cash.

Vote: 4 In Favor 0 Opposed 0 Abstained

Mr. Killeen requested the caveat that this approval assumes that the excess overlay be transferred to Stabilization

Board of Selectmen Moved:

To recommend the preliminary use of up to \$260,000 from Town Stabilization for Fiscal Year 2012 special articles and that we also fund stabilization in the amount of \$160,000 from free cash.

Vote: 3 In Favor 0 Opposed 0 Abstained

Board of Selectmen Moved:

To request that the Board of Assessors release any excess overlay to Overlay Reserve so that it may be appropriated into Town Stabilization. This is expected to be in the range of \$200,000.

Vote: 3 In Favor 0 Opposed 0 Abstained

Board of Selectmen Moved:

To approve the minutes of February 9, 2011.

Vote: 3 In Favor 0 Opposed 0 Abstained

Board of Selectmen Moved:

To recommend the Fiscal Year 2012 Schedule I as presented.

Vote: 3 In Favor 0 Opposed 0 Abstained

Board of Selectmen Moved:

To recommend the Fiscal Year 2012 Schedule II as presented.

Vote: 3 In Favor 0 Opposed 0 Abstained

**List of Documents and Exhibits**

- Draft Schedules I and II (Wages for non-union employees) for Fiscal Year 2012
- Mr. Hanold's proposed use of Stabilization for Fiscal Year 2012

**Next Meeting**

February 23, 2011:

Adjourned 7:48 PM

Respectfully Submitted,  
Carolyn Olsen