

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

January 30, 2013

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**Meeting Date:** January 30, 2013

**Called to Order:** 6:02 PM

**Location:** 1 Avenue A, Turners Falls MA

Selectmen called to order at 6:15 PM

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

**Board of Selectmen Members:** Pat Allen (arrived at 6:13 PM) and Mark Fairbrother. Christopher Boutwell was absent.

**Others Present:** Frank Abbondanzio (Town Administrator), Carolyn Olsen (Town Accountant), Barbara Miller (Director of Assessing and Information Technology Coordinator), Peter Golrick (Airport Commission Chairman) and Michael Longo (Airport Manager)

**Welcome New Member Sharon Kennaugh**

**State Aid to be used for Revenue Estimates**

Mr. Abbondanzio reported what he learned at the Massachusetts Municipal Association meeting last week:

- Mr. Abbondanzio went to a Department of Revenue/Department of Administration & Finance seminar and spoke with State Representative. Steve Kulik. What Mr. Abbondanzio took away is that the Governor's tax package is considered very bold, and while no one said it was dead on arrival, Mr. Abbondanzio's take is that the full package will probably not be approved.
- Level funding Unrestricted Aid seems safe, and while Mr. Abbondanzio doesn't think additional formula aid is necessarily not going to happen, he would not recommend including this as a revenue estimate.
- Mr. Abbondanzio recommends using only the Fiscal Year 2013 unrestricted aid amount as an estimate.

**Minutes**

Selectmen Moved:

To approve the minutes of January 23, 2013.

Vote: 2 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of September 26, 2012.

Vote: 4 In Favor 0 Opposed 1 Abstained

**Board of Assessors' Budget, Information Technology Budget and Special Articles**

Ms. Miller answered questions about the above items. Questions are underlined.

- What is the status of hiring an Assessing Clerk, and what is the forecasted level of salary? Ms. Miller hopes to hire someone effective March 17<sup>th</sup>. This date is the end of the probation period for the recently promoted Assessing Technician. Ms. Miller has budgeted a starting rate of \$14.92 (Grade 2, Step 6) and hopes to be

able to hire someone with experience. If the new hire does not have experience, the starting pay will be \$13.50 (Grade 2, Step 1).

- The Fiscal Year 2014 request for spending on Seminars has returned to the higher Fiscal Year 2012 level. What makes up the change in the Fiscal Year 2013 budget and year to date expenditures? As of Fiscal Year 2013, staff had received all training and accreditations needed. With the retirement of the Assessing Technician, new staff needs additional training. The Fiscal Year 2013 budget is also arbitrarily low due to a requested reduction.
- Is the \$8,200 requested for Fiscal Year 2014 Information Technology discretionary special article sufficient for the replacement plan? We now have a thin client server, which most new workstations will use. Thin clients are much less expensive to replace. The balance of the additional money provided last year plus the new allocation should be adequate.
- How urgent is the upgrade to AssessPro 5.0, and could the operating budget absorb the cost rather than having a separate Special Article? This is a Wish List Item in response to the section of the budget package that asked what you would spend extra money on if it were available. This would allow us to do more with what we have, and would also make conversion to thin client workstations easier. This would be easier to defer than the IT Discretionary budget, and it would not be a sacrifice to postpone this purchase to Fiscal Year 2015. In Fiscal Year 2015 the Tax Collector is planning to upgrade her software, and at that point the Assessors will ask for additional software that will allow the Assessors direct access to the excise data directly rather than having to have the Treasurer's staff look up information.
- How often is a professional appraisal of utilities needed? The Department of Revenue requires appraisals of hydroelectric facilities every 3 years.
- Can the current utilities appraisal result in a return on the monies spent to conduct it through increased valuation? The last appraisal resulted in an increase of \$20 million in value, but it was not all new growth. While increases in value impact total value and the tax rate, there's no guarantee that a new valuation will add any new growth and thereby increase the total levy.

### **Airport Budget**

The Airport Commission provided copies of their Fiscal Year 2014 budget request.

- The Commission feels it is important for the Airport Manager put in more hours per week, so the main change is a request to increase the hours of the Airport Manager from 15 to 19 hours per week. There is simply too much work to be accomplished in 15 hours per week.
- The electricity, propane, and water line items have been increased to reflect actual costs and projected increases.
- Insurance has also gone up about \$500.
- The proposed revenue includes an increase in the taxation share from \$6,164 to \$9,500 and the use of \$5,650 from Airport Retained Earnings. These are intended to be a short-term solution which will not be needed once the Airport can obtain additional lease income.

- There is a small reduction in projected lease income for Fiscal Year 2014. Starting in 2004 they set a base rate with a built in 3.5% increase (which only effects three of their eight leases). Since the economy has not sustained that annual increase, the commission is redoing leases to reflect market value. The remaining leases had a very low rate, the last of which will not expire until Fiscal Year 2016.
- The non-aviation projected revenue is reduced for next year because there is currently no tenant in the house, and the realty agent does not think the airport will be able to get the same amount of rent in the current economy.
- There is some land in the airport plan that is not needed for airport use. The Commission hopes to lease out this property once the Federal Aviation Administration releases their oversight. This will increase the non-aviation revenue.

### **Review Budgets for Accountant, Treasurer/Tax Collector, Debt, Town Clerk, and Planner**

Mr. Hanold asked the Treasurer/Tax Collector Patty Dion the following questions and received these answers. Questions are underlined.

- Would you stay alert in the next couple of months to any changes in Tax Title needs, in case the request for Fiscal Year 2014 could be decreased (or reluctantly increased)? Even though one of the most active tax titles is now in Town possession, I have still had months that I have had to seek my attorney's opinion. I currently have five active accounts in land court, and five more parcels that will be going to land court in the very near future. With that, I think it makes the most sense to keep this account funded at the current level.
- Given the Fiscal Year 2012 actual expenses and Fiscal Year 2013 year to date expenses, would it be possible to reduce the amount for office supplies? As you probably know, I tend to be very frugal with my office supply budget. I've been called the "Queen of Cheap" I try to barter and beg for a lot of supplies, but if that doesn't work I have to resort to buying them. If I had to take a cut, I would be willing to give up \$400 of my budget, if I don't use the entire amount it will get turned back in at the end of the fiscal year.
- In the Benefits budgets, Workers' Compensation and Health Insurance seem to be going in opposite directions from Fiscal Year 2013 to Fiscal Year 2014. If these are both your area of expertise, would you tell us the basis of your Fiscal Year 2014 requests (and if Workers' Compensation is Frank's, let us know)? My office handles the employees' Worker's Compensation claims, we do not handle the budgeting for this line item. The Town Administrator handles that budget. As for the health insurance, we have been very fortunate that for the last four years the retiree's health insurance rate has not increased at all, and the active employee's rates have also remained the same for the 2<sup>nd</sup> year in a row. The only change would be if the Town hires a new employee, or one marries, or starts a family, or an employee that is not currently covered decides to come on to the Town's plan during open enrollment, or a retiree passes. In the case of the Fiscal Year 2014

budget, there were changes to employee coverage and a net decrease in retirees on the town's plan which resulted in a \$15,000 budget reduction.

Mr. Hanold asked the Town Clerk Deb Bourbeau the following questions and received these answers. Questions are underlined.

- The temporary wages and custodial services follow expected elections. Are you comfortable with the Fiscal Year 2014 requests in light of a likely special election to replace Senator Kerry? I have built my budget for FY 2014 expecting that I would have 2 special elections. I feel comfortable with the numbers for Temp Wages and Custodial Services.
- The Other Professional and Technical account seems to have a zigzag pattern over the last several years. What can you tell us about this? The zigzag pattern for Professional/Technical is due to a few different reasons.
  1. I did change vendors for my census and street list and the breakdown is different.
  2. I did spend \$3000 in Fiscal Year 2012 for a new dog program. It was built by Veronica Phaneuf at About Face Computer Solutions. This is a one-time expense.
  3. The cost for my electronic voting machines for the handicapped fluctuates every year depending on the amount of elections that I have to run. This is cyclical with my scheduled elections.
- In response to your question about The Board of Registrars stipends, I feel that if some are getting an increase in their stipends that others should also. The Board has not had an increase since 2006. The Board must consist of 2 Democrats (one of which is me) and 2 Republicans by state statute. They are here at town hall for every election long after the precincts have brought in their results. Sometimes the Registrars have to open ballots and recount if the numbers do not calculate. They must certify the election results before they can go home, which is sometimes not until 2:00 in the morning. They all have jobs to go to the next day. I do not want to lose any of my registrars, but especially the 2 Republicans, due to the fact that there are so few in town. I would like to see the 3 registrars go from \$338 to \$500 annually and mine increase to \$876 annually. I am looking at this as a "me too" clause. If others are getting an increase, then I think everyone should be considered.

### **Affordable Assessment for the Gill-Montague Regional School District**

Three revenue scenarios were provided for State Aid. All three use the Governor's budget amounts for Veterans' Benefits, State Owned Land, Exemption reimbursements and charges. The scenarios differ in the estimated Unrestricted Aid and the new Annual Formula Local Aid.

- Scenario # 1 has a 5% reduction in Unrestricted Aid and no Formula Local Aid. This Affordable Assessment is \$7,927,385 with an increase of \$76,781 (0.98%).
- Scenario # 2 has level funded Unrestricted Aid and no Formula Local Aid. This Affordable Assessment is \$7,956,781 with an increase of \$106,177 (1.35%).

- Scenario # 3 has level funded Unrestricted Aid and includes the estimated Annual Formula Local Aid. This Affordable Assessment is \$7,982,469 with an increase of \$131,865 (1.68%).
- The Gill-Montague Regional School District recently voted a budget with an assessment increase to Montague of \$365,790.

Finance Committee Moved:

To adopt Scenario #2 until final information is received.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To adopt Scenario #2 until final information is received.

Vote: 2 In Favor 0 Opposed 0 Abstained

Mr. Naughton will notify the Gill-Montague Regional School District of the updated Affordable Assessment amount of \$7,956,781.

**Topics not Anticipated**

Stipends

Mr. Hanold reported that he has received no response on behalf of the burial agent or part time inspectors. The Tree warden response was that he's had a lot of work, especially with some of the recent storms. The Forest Warden mentioned an increase in fuel cost. The Moderator and Emergency Management Director had no requests for an increase. Mr. Hanold will forward the responses without comment so that deliberation and decisions can be made next week.

**Meeting Adjourned at 8:00 PM**

**List of Documents and Exhibits –**

- Minutes of January 23, 2013
- Minutes of September 26, 2012
- Updated Board of Assessors Budget Request
- Airport Budget Request
- Affordable Assessments using various State Aid Scenarios
- Preliminary Town Cherry Sheets

**Next Meetings**

- February 6, 2013 Police and Dispatch Budgets, GMRSD debrief, Stipends
- February 13, 2013 WPCF and DPW Budgets
- February 20, 2013 Capital Improvements Committee, budgets for Selectmen (including Workers Compensation), Veterans, miscellaneous
- March 6, 2013 GMRSD