

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING
September 25, 2013

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Meeting Date: September 25, 2013
Location: 1 Avenue A, Turners Falls, MA

Called to Order: 6:00 pm

Finance Committee Members Present: John Hanold, Greg Garrison, Lisa Adams, Lynn Reynolds and Sharon Kennaugh

Selectmen Present: Mark Fairbrother and Michael Nelson. Christopher Boutwell was absent.

Others Present: Town Administrator Frank Abbondanzio

Minutes

Finance Committee Moved:

To approve the minutes of September 11, 2013, as amended by striking out the time of 7:15 pm Lisa Adams and Mark Fairbrother left the September 11th meeting and inserting the time 6:15 pm.

Vote: 4 In Favor 0 Opposed 1 Abstained

Selectmen Moved:

To approve the minutes of September 11, 2013, as amended by striking out the time of 7:15 pm Lisa Adams and Mark Fairbrother left the September 11th meeting and inserting the time 6:15 pm.

Vote: 2 In Favor 0 Opposed 0 Abstained

Special Town Meeting

Mr. Hanold gave a review of the results and the state of affairs following the actions taken at Special Town Meeting. The Special Town Meeting articles appropriated about \$269,000 of the estimated increase of \$280,000 of New Growth, since the Fiscal Year 2014 budget cycle was completed. This left a small “cushion” of \$11,000. In addition, two of the appropriations (\$3,600 for a court settlement and about \$35,000 for the final balance on the town hall upgrade project) are clearly non-recurring, leaving about \$49,600 of unused new grow New Growth in the tax levy. The \$80,000 earmarked for unusual WPCF operating expenses in Fiscal Year 2014 may also be an expense that will not recur in Fiscal Year 2015, if the pump-around and other temporary measures do not continue longer this fall. Mr. Abbondanzio pointed out that the \$80,000 for unusual operating expenses is probably really conservative. An under-run would flow to Sewer Retained Earnings.

An offset to the above positive forces is the possibility that the completion of collective bargaining may result in a supplemental appropriation later in the fiscal year. Mr. Abbondanzio observed we may be able to cover the collective bargaining costs for part of the year, but would need a Special Town Meeting to appropriate funding for any balance

needed. However, Mr. Hanold's opinion is that we do not seem to have adversely affected our future fiscal health.

On the capital side, there is some conservatism in the estimated \$110,000 expense for replacing the Sheffield building boiler, and the bonding authorization for the future sewer-line replacement (totaling \$1,700,000) was \$100,000 below the initial estimate, based on quotations received.

Finally, the remaining free cash figure of about \$363,000 is \$113,000 above the \$250,000 amount we have customarily used in Annual Town Meetings to fund General Fund operations and the Gill-Montague Regional School District Assessment. It was noted in an earlier meeting that we may wish to begin reducing this commitment, which would tend to increase town reserves, but that decision is out in the future.

Mr. Abbondanzio mentioned two things that would cause us to have another Special Town Meeting. These are an agreement with First Light and collective bargaining contracts. He's not sure where the negotiation with First Light is going to go.

Topics not anticipated within the 48 hour posting requirements - School Committee Meeting on September 24, 2013

Mr. Hanold reported that he attended last night's meeting along with Lynn Reynolds and Michael Naughton of the Finance Committee. The Management Solution gave a slide presentation to the School Committee; while the meeting was largely held for the benefit of the School Committee, they did allow questions from the audience. It contained a little bit about the budgeting process. TMS focused some attention to things we already understand, such as the All Funds budget concept (although it was pointed out by audience members that there were some corrections needed in their slides). TMS provides business management services to other school districts, which is a plus because they can apply lessons learned from one district to another.

Areas of concern in the presentation related to the costs for school choice. They use a revolving account, and choose what operating expenses they will charge against it versus other revenue sources. Their next meeting is scheduled for October 8th. Anyone who wants to send questions in should send them to Superintendent Michael Sullivan to make sure TMS can answer them on October 8. Robin Hamlett, executive secretary for Dr. Sullivan, can provide copies of the handouts distributed at the September 24th meeting if anyone would like them.

Ms. Reynolds had an interesting post-meeting conversation with TMS' "point man" Mark Chapulis. They had a discussion on school choice, and how revenues come in and go out. They also discussed the impact of the district's collective bargaining decisions; the School Committee's vote to approve the collective bargaining contracts apparently occurred with no discussion at all as to the costs. TMS typically does an analysis of bargaining decisions before acceptance of the contracts, so they are going to work with

Mr. Sullivan to provide some of these services. TMS was very positive about their interaction with the new superintendent.

The biggest issue, according to Mr. Chapulis, is Special Needs children. Costs can be as high as \$150,000 per student if a student's needs can't be met locally. While there is a high reimbursement rate, up to 80%, it's still very costly to the school district since we have somewhere in the range of 16-26 students who need these services. The school district doesn't know what the costs will be until the students arrive.

Mr. Garrison asked if anybody brought up their unfunded mandate. Is it retirement or health benefits? Mr. Abbondanzio replied that he thinks it's both--post retirement benefits.

Future meeting schedule

Mr. Hanold suggested we continue with a bi-weekly schedule, with the option to cancel if nothing comes up. October 9th and 23rd are tentatively scheduled as our next meetings.

Mr. Hanold will distribute a draft meeting schedule for the Fiscal Year 2015 budget cycle, with tentative hearing dates for major departments, before our next meeting.

Meeting adjourned at 6:36 PM.

List of Documents and Exhibits

- Minutes September 11, 2013