

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

June 11, 2014

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Meeting Date: June 11, 2014

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Sharon Kennaugh, Michael Naughton and Greg Garrison. Lisa Adams and Lynn Reynolds were absent.

Selectmen Present: Mark Fairbrother, Michael Nelson and Christopher Boutwell

Others Present: Town Administrator Frank Abbondanzio, Treasurer/Tax Collector Patricia Dion and Town Accountant Carolyn Olsen

Reserve Fund Transfer Request

Chief Dodge is requesting an additional \$2,000 for the Dispatch Overtime budget. There was an unexpected retirement at the end of April, and they've been filling shifts with overtime. The first person they hired to fill the position quit before training was complete. They have now hired another person for the position who will be training for several weeks before she can be assigned a shift. While there were savings in some accounts to help offset the additional expenses, the budget will still need an additional \$2,000.

Selectmen Moved:

To recommend a reserve fund transfer of \$2,000 to the Dispatch Overtime budget (001-5-212-5132).

Vote: 3 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To transfer \$2,000 from the Reserve Fund to the Dispatch Overtime (001-5-212-5132).

Vote: 4 In Favor 0 Opposed 0 Abstained

Minutes

Finance Committee Moved:

To approve the minutes of May 28, 2014.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To approve the minutes of May 28, 2014.

Vote: 2 In Favor 0 Opposed 1 Abstained

Financial Management Policies and Objectives

- Mr. Abbondanzio reviewed an e-mail received from Maureen Pacella of Eastern Bank that showed that a modest increase in the Town's bond rating should have significant savings.
- The revised policy has been reviewed by town staff. While it is understood that the details of the policy may be amended in the future, the Town is scheduled to

- issue about 1.8 million in long term debt very soon, hopefully by July 22nd, and an approved Financial Management Policies and Objectives is critical.
- Mr. Abbondanzio went over revisions to the draft policy:
 1. “Prior Year General Operating Revenues” is now used as the basis for most calculations to add consistency and use a fixed amount.
 2. Page 4- D1- the blank % for program funded from user fees was set at 75% to reflect current reality
 3. Page 5- The percentages in Section IV (Reserves) A were changed from 10-15% to 5-10%
 4. Page 6- A new section IV D was added to recommend an annual appropriation into the General Stabilization Fund (in addition to any recommended transfers from Free Cash)
 5. Page 6- Section IV E was revised to recommend 35% of certified Free Cash be transferred to the General Stabilization Fund.
 6. Page 6- IV F #1 was amended by removing “floor” and adding “\$25,000 minimum”
 7. Page 6- IV F #2 was amended by changing “General Fund Operating Revenues increase less than 2.5% from the prior fiscal year” to “General Budgeted Operating Revenues increase less than 2.5% from the Prior Year’s General Operating Revenues”
 8. Page 6- Former item G became F #3
 9. Page 7- IV H has revised wording to eliminate “endeavor to generate ... Free Cash” and replace with “the Town anticipates that ...” and changed 5% to 3%
 10. Page 7- IV I was revised to reference 3% of the Prior Year’s General Operating Revenue
 11. Page 8- IV J was revised to recommend an annual appropriation of 0.2% of the Prior Year General Operating Revenues to the Capital Improvements Stabilization Fund
 12. Page 8- A new section IV K was added to recommend that unneeded Overlay amounts be released, and that the Excess Overlay be appropriated into a Stabilization fund by the end of the fiscal year.

13. Page 11- Section V (Capital Planning) H was revised to use Prior Year General Operating Revenues in the calculations, changed the recommended percentages, and broke out amounts for debt service plus capital projects and annual building renewal and equipment replacement.
14. Page 11- V I was revised to recommend an annual appropriation of 2% of the Budgeted General Operating Revenues to the Capital Improvements Stabilization Fund, in addition to transfers from other sources
15. Page 12- Section VI (Debt Management) D was reworded to replace “capital item” with “Items with a useful life of more than five years”
16. Page 15-definitions of Gross/Net Debt Service previously shown in Section VI (Debt Management) were moved to the Definitions section.
17. The Definitions were reorganized so that they are in the order in which the words or phrases appear in the policy.
18. A definition for Reserves was added
19. The definition for “Town’s General Operating Expenditures” was changed to “Annual Operating Budget” to match wording in the policy
20. The definition for Prior Year General Operating Revenues was revised to: The total of the Town’s prior year actual net tax levy (less excluded debt), actual net state aid, and actual local receipts.
21. “excluding short term interest” was added to the definitions for debt service.
22. The sentence: “This does not include capital projects funded via debt exclusions...” in Section VH was deleted by consensus.

Finance Committee Moved:

To recommend that the Selectmen adopt the Financial Management Policies and Objectives as presented and amended tonight, with the understanding that this is a living document and amendments may be made in the future.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To adopt the Financial Management Policies and Objectives as presented and edited tonight, with the understanding that this is a living document with future revisions expected.

Vote: 3 In Favor 0 Opposed 0 Abstained

Topics not anticipated within in the 48 hour posting requirements-

Mr. Abbondanzio said that Ms. Pacella has recommended that the Town also adopt an Investments Policy and distributed a sample policy to be reviewed and discussed at a later meeting.

Meeting Adjourned at 7:30 PM

List of Documents and Exhibits

- Minutes May 28, 2014
- Reserve Fund Transfer Request
- Draft Financial Management Policies and Objectives
- Investment Police for Town of Dedham

Next Meetings:

June 18, 2014 Reserve Fund Transfers, Reorganization

July 2, 2014 Final Ch 44 Section 33B transfers, if needed, Community Preservation Act