

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

August 6, 2014

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Meeting Date: August 6, 2014

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Michael Naughton, Lynn Reynolds and Greg Garrison. Lisa Adams was absent. Sharon Kennaugh was present via remote participation.

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

Others Present: Town Administrator Frank Abbondanzio and Town Accountant Carolyn Olsen

Minutes

Finance Committee Moved:

To approve the minutes of July 2, 2014.

Vote: 3 In Favor 0 Opposed 2 Abstained

Roll call vote: Hanold Aye, Naughton Aye, Reynolds Abstain, Garrison Abstain, Kennaugh Aye

Selectmen Moved:

To approve the minutes of July 2, 2014.

Vote: 2 In Favor 0 Opposed 0 Abstained

Gill-Montague Regional School District Affordable Assessment

Discuss current methodology for allocation of revenues to GMRSD assessment, and consider other options. The current method of determining the Town's affordable assessment is to allocate 48.5% of general revenues to the GMRSD. Mr. Hanold's inclination is to continue the familiar split as we incorporate the new financial policies.

- Mr. Naughton is curious to hear what others think. He'd done a lot of thinking on the school assessment over the years but has no clear proposal for either making a change or keeping the current process. He does not have good historic numbers and asked if it would be worth having Ms. Olsen do some research. He suspects that prior to 2007-2008 the % may have been closer to 44-46%, with the district getting more state aid. The 48.5% has worked out ok, but has been a bit of a struggle for the town. Mr. Naughton thinks there may be a problem maintaining the percentage with the new financial policy goals.
- Mr. Hanold noted that the school districts are seeing an increase in the state reimbursements for transportation.
- Mr. Abbondanzio suggested netting out the allocations to various stabilization funds.
- Mr. Naughton thinks that would be seen as a significant change by the district.
- Ms. Reynolds would like to keep the current calculation for Fiscal Year 2016 and do the analysis of what the change would be with the additional items netted out.

Ms. Reynolds does think we need more attention to town building and maintenance.

- Mr. Naughton said that if we do decide to make a change we should do that as soon as possible in order to let the school know.
- Ms. Reynolds said if there's going to be a decrease to the district we need to be very cognizant of perceptions.
- Ms. Kennaugh noted that it would be helpful to have the decision made as a planning tool as soon as possible.
- Ms. Olsen will run some numbers to see what the 48.5% would be with and without reducing the available revenues by the appropriations to stabilization funds, and what the % would be as an equivalent amount.
- Mr. Hanold proposed looking at the numbers Ms. Olsen provides and making a decision at the next meeting.
- Mr. Naughton clarified for the public that there is no intention of reducing the dollar amount of the affordable assessment, just how the amount is calculated.

Review allocations of Free Cash per new guidelines

- The Fiscal Year 2014 GMRSD return of excess E & D (now in Free Cash), per the new guidelines would be transferred to the Town General Stabilization Fund.
- Ms. Reynolds asked if there was any inclination to transfer that refund to the Education stabilization. Mr. Hanold noted that since the money originally came from the Town General Stabilization Fund, he felt it should be returned to the same fund.
- Ms. Olsen suggested transferring \$213,039, the amount of the GMRSD's refund of excess E & D, from Free Cash to the Town Stabilization, keep 300-325k as free cash, and transfer the remaining free cash to the new Town Capital Stabilization Fund. \$350,000 was suggested as a round number to start the new Town Capital Stabilization fund.
- The suggested transfer of \$213,039 to the Town's General Stabilization Fund would be within the guideline of transferring up to 35% of Free Cash to meet the minimum threshold for the Town General Stabilization Fund.
- Mr. Naughton asked about the history of the Gill-Montague Stabilization Fund and whether we needed to maintain that fund if Gill-Montague capital expenses would be expected to be funded from town stabilization funds.
- The Gill-Montague Stabilization Fund was started when there was a large return of excess E & D from the GMRSD in Fiscal Year 2005. Of the amount returned, \$518,000 was put into the Gill-Montague Stabilization Fund and \$300,000 (the amount used in Fiscal Year 2003 from Town Stabilization to fund the GMRSD assessment) was put into the Town Stabilization Fund. The Gill-Montague Stabilization Fund has a current balance of \$44 and will be looked at during the budget process as a possible funding source.

Finance Committee Moved:

To recommend that the town transfer \$213,039 of Free Cash to the Town General Stabilization Fund and transfer \$350,000 of Free Cash to the Town Capital Stabilization Fund.

Roll call vote: Hanold Aye, Naughton Aye, Reynolds Aye, Garrison Aye, Kennaugh Aye

Possible Special Articles for fall Special Town Meeting

Mr. Hanold briefly went over the possible articles for the fall special town meeting.

1. Airport reimbursement of Reserve Fund \$1,500
2. Colle reimbursement of Reserve Fund \$6,000
3. Fund balance of Fiscal Year 14 UE Contract (just over \$5,000, mostly from Sewer Retained Earnings)
4. Rescind appropriation balance and unused borrowing authority for:
 - a. #23 5/5/12 Sheffield Parking Lot- finished
 - b. #24 5/5/12 Sheffield ADA-never used
 - c. #14 9/12/13 Industrial Park Sewer Emergency-finished
5. Authorize Town Capital Stabilization Fund
6. Authorize WPCF Capital Stabilization Fund
7. Transfer Free Cash to General Stabilization
8. Transfer Free Cash to Town Capital Stabilization
9. Transfer WPCF Retained Earnings to WPCF Capital Stabilization
10. Appropriate WPCF Retained Earnings to reduce sewer rates
11. Change pay range for per diem dispatchers
12. Site plan review bylaw
13. Montague City Road Easements
14. Rename Greenfield Rd
15. Smith VoTech Tuition and Transportation. Mr. Abbondanzio talked to Russ Kaubris at the Franklin County Technical School for background. The student tried to get into one program, but there were no openings. The student was offered a spot in a different program with the possibility of transferring into the desired program if an opening occurred. The student refused and is taking the desired program at Smith. Because the student is going to Smith for a program offered by the FCTS, there may be no requirement for the town to pay for this. Mr. Abbondanzio will follow up and find out the town's obligations.
16. Turners Falls Fire District reimbursement of their share of past payments received by the Hampshire County Group Insurance Trust. The Finance Committee was comfortable with the return of the money but in general felt that the TFFD should include their retirees in their own insurance program.
17. Replace roof on house owned by airport. The Committee is interested in more information.

Selectmen adjourned at 7:16 PM, and Mr. Fairbrother left the meeting.

Topics not anticipated within in the 48 hour posting requirements- none

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Next Meeting

- The next meeting will be on September 3rd.

Meeting Adjourned at 7:20 PM

Roll call vote: Hanold Aye, Naughton Aye, Reynolds Aye, Garrison Aye, Kennaugh Aye

List of Documents and Exhibits

- Minutes July 2, 2014