

FINANCE COMMITTEE

July 15, 2015

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Meeting Date: July 15, 2015 **Called to Order:** 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Greg Garrison, and Michael Naughton. Lynn Reynolds was absent

Selectmen Present: None

Others Present: Town Administrator Frank Abbondanzio and Town Accountant Carolyn Olsen, Airport Commissioner Peter Golrick, Airport Manager Michael Longo

Minutes

Finance Committee Moved:

To approve the minutes of June 10, 2015.

Vote: 3 In Favor 0 Opposed ___ Abstained

Reserve Fund Transfers

The Airport is requesting a Reserve Fund transfer of \$300 to cover final bills. The reason for the overall shortfall was the unexpectedly high cost of snow removal this winter. The Airport Commission approved the transfer request at their meeting on July 13, 2015.

Finance Committee Moved:

To transfer \$300 from the Reserve Fund to the Airport Snow Removal budget (600-5-482-5275).

Vote: 3 In Favor 0 Opposed ___ Abstained

The Selectmen are requesting a Reserve Fund transfer of \$3,000 to cover final bills of the Colle budget. The reason for the over-expenditure was the unexpected need to replace the exterior canopies. The Selectmen approve this request at their meeting on July 13, 2015.

Finance Committee Moved:

To transfer \$3,000 from the Reserve Fund to the Colle Building Repair & Maintenance budget (228-5-183-5242).

Vote: 3 In Favor 0 Opposed ___ Abstained

Determine policy for use of FCTS Stabilization Fund

There are 3 options under consideration:

1. Using a rolling average enrollment multiplied by the per-pupil cost to determine an estimated assessment. If the actual assessment is higher or lower than the estimate, funds would be transferred to or from the Franklin County Tech School (FCTS) Stabilization Fund to smooth the impact on the operating budget.
2. Determine an average enrollment range, and transfer funds to or from the FCTS Stabilization Fund only if enrollment is outside of that range.
3. Pay the assessments as presented from taxation.

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Mr. Naughton likes the idea of having some predictability with the assessment. When the enrollment goes up it's a major expense increase, and when the enrollment and assessment decrease, nothing is done with the savings. Mr. Naughton thinks a better way is to use a rolling average to determine an expected assessment, and adjust any difference with the FCTS Stabilization Fund. His concern with the idea of only making adjustments when the enrollment is lower or higher than a range is that this contains some of the same disadvantages of not doing anything, because even a small enrollment change will have a significant impact on the budget. He also suggested setting a threshold over which the transfers to/from the stabilization fund would be made.

Finance Committee Moved:

To adopt a policy of using a three year rolling average enrollment multiplied by the current year (as opposed to budget year) per-student cost to determine the expected assessment, and transferring any difference in excess of \$10,000 to or from the Franklin County Tech School Stabilization Fund.

Vote: 3 In Favor 0 Opposed Abstained

Topics not anticipated within in the 48 hour posting requirements-

Meeting adjourned at 6:45 PM

Set Next Meetings:

August 5, 2015 Deal with items 3, 4, and 5 on the Future Items List
 Preview of known STM articles
 Reorganization of Finance Committee

List of Documents and Exhibits:

- Minutes for June 10, 2015
- Reserve Fund transfer request for Airport
- Reserve Fund transfer request for Colle