

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

January 13, 2016

Page 1 of 4

Meeting Date: January 13, 2016

Called to Order: 5:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Michael Naughton, Fred Bowman, Greg Garrison. Patricia Pruitt and Chris Menegoni were absent.

Selectmen Present: Michael Nelson and Chris Boutwell. Rich Kuklewicz was absent.

Others Present: Town Accountant Carolyn Olsen, IT Administrator Laura Arruda, and Town Planner and Conservation Agent Walter Ramsey

Minutes

Finance Committee Moved:

To approve the minutes of January 6, 2016.

Vote: 4 In Favor 0 Opposed 0 Abstained

IT Administrator

Ms. Arruda reviewed her Fiscal Year 2017 Operating and Capital requests.

- The only significant increase in the Fiscal Year 2017 is \$2,000 for the IT Consultant. This is due to additional work that has been required for Libraries and the Council on Aging. While their equipment has been mostly purchased with grants, the equipment has not been serviced regularly and this has caused problems needing to be fixed. This is mostly offset by maintaining the IT Administrator stipend at the current level of \$2,000. (\$3,500 was budgeted last year, but only \$2,000 was approved by Town Meeting for the stipend.)
- Capital needs are significant, since much work on replacing equipment was postponed in prior years, and this is catching up with us. A current inventory was presented which demonstrates the planned replacement schedule and costs. The Fiscal Year 2017 request is \$24,000, with \$15,000 for Fiscal Year 2017 and \$13,000 for the following three years.

Reserve Fund Transfer Request

- Ms. Arruda is requesting a reserve fund transfer in the amount of \$3,000 to the balance of Article #23 of the May 2, 2015 Annual Town Meeting to meet projected needs through June 30, 2015. The Selectmen voted to recommend the transfer at their meeting of January 11, 2016.
- The current account balance of \$1682.19 will be used to purchase backup software (\$1,267) and extend the warranty on the Patriot server (\$425)
- Additional current year needs are \$975 to update 3 Microsoft Office licenses, \$326 for server anti-virus software, \$500 for UPS batteries, and \$1,000 for possible workstation replacements and \$50 for cable. The \$3,000 request leaves under \$200 for wiggle-room, but Ms. Arruda is hopeful that this will get us through the fiscal year.

Finance Committee Moved:

To transfer \$3,000 from the Reserve Fund to Article #23 of the May 2, 2015 Annual Town Meeting.

Vote: 4 In Favor 0 Opposed 0 Abstained

- Mr. Naughton is concerned that the Finance Committee was not aware that planned items were put on hold and that replacements were so far behind.
- Ms. Arruda noted that the town is now responsible for computers that were originally purchased through grants, and some departments were not under the “town” umbrella in prior years.
- Mr. Hanold noted that the previous IT Administrator told us she held to the \$8,200 because that’s what she promised Town Meeting.

Public Works Feasibility Study

Mr. Ramsey is requesting that the Selectmen issue a notice to proceed and award the contract for the Public Works Feasibility Study to Weston and Sampson. The Public Works Planning Committee reviewed and scored the 5 submissions and interviewed the two highest scoring firms. The committee voted to recommend that the Selectmen award the contract to Weston and Sampson. Weston and Sampson have a wealth of experience in this specific building type.

Selectmen Moved:

To award the contract for the Public Works Feasibility Study to Weston and Sampson in the amount of 15,000.

Vote: 2 In Favor 0 Opposed 0 Abstained

Fiscal Year 2017 Capital requests, formulate list of questions for departments/CIC.

Capital requests submitted to date:

\$ unknown	Police Storage Building – for parking impounded cars
\$33,000	Police Radio Tower – needs upgrading
\$25,000	Detective vehicle – replace very old vehicle
\$100,000	DPW Discretionary - repeat item
\$43,325	DPW Final Lease Payment - repeat item
\$385,000	Sewer line/drain work - repeat item
\$100,000	WPCF Sludge Pump Upgrade – Part of long-range plan
\$792,026	WPCF Sludge Storage– Part of long-range plan, will allow plant to take in more sludge for treatment and increase revenue. Expect that revenue will more than offset debt service.
\$200,000	WPCF Transfer to WPCF Capital Stabilization - instead of waiting for Retained Earnings to be certified, recognizes that sludge revenue exceeds related costs and directly moves certain amount of excess to reserves for future capital needs.
\$5,500,000	Planning – DPW Facility – estimated amount, planning/design process has begun with feasibility study

\$2,000,000	Planning – Demolish Strathmore- removing Buildings #3, 5, 5A, 6A, 7, 8, and smokestack. Looking to take down the most derelict buildings and buildings in bad locations to make the property more desirable for redevelopment of the remaining buildings. This project would take down approximately 1/3 of the complex. Fire Chief Escott has several issues with the facility. Removing these buildings will solve a majority of those issues.
\$25,000	Planning – Demolish 38 Ave A (old Cumberland Farms) and create green space
\$132,000	Planning – Purchase Airport Industrial Park property back from owner who hasn't complied with purchase agreement. If the town buys it back, the town can then resell the property.
\$70,000	GMRSD – Add 3 classrooms to Hillcrest Stage-enhancement
\$50,000	GMRSD – Increase Hillcrest Parking Lot-enhancement
\$25,000	Replace Town Hall phone system – can no longer replace phones
\$50,574	Operating appropriation to Town General Stabilization/OPEB
\$33,716	Operating appropriation to Town Capital Stabilization
\$160,000	PAYGO additional Building/Equipment Purchase, Repair
\$160,000	PAYGO additional Debt/Capital

Use of Reserves-Determine preliminary use of reserves for Fiscal Year 2017.

- Mr. Hanold's inclination is to use as little as possible for ongoing things. Some capital items would be funded from borrowing rather than reserves. This still leaves a couple hundred thousand dollars of other requests.
- Ms. Olsen noted that there is a maximum of \$330,000 of general and capital stabilization available for capital projects without depleting the general stabilization fund to below its recommended minimum, which would deplete those funds for next year's use.
- Mr. Hanold thinks the \$330,000 is too much and asks if \$200,000 is either too austere or too optimistic. It was decided it is too soon to determine a recommended use of reserves.
- The DPW Discretionary Fund is still not funded from taxation, while other recurring special articles have come from taxation. If we run out of taxation before items to fund, we need to use reserves. One Financial Policy is to maintain a certain level of reserves in the General Stabilization Fund in case of an economic downturn, resulting in a decrease in state aid or local receipts.

Topics not anticipated within in the 48 hour posting requirements

The Selectmen have come to a resolution in our favor regarding the Millers Falls Road project.

Next Meetings:

- January 20th - Initial review of actions in support of Financial Policies; review Schedules I & II, Non-Capital Additional Requests, finalize Affordable Assessment.

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

January 13, 2016

Page 4 of 4

- January 27th – Parks & Rec, Review Governor's proposed budget (due this day)
- February 3rd – Police & Dispatch – Operating budget, other requests
- February 10th – DPW– Operating budget, other requests
- February 17th – WPCF– Operating budget, other requests
- February 24th – Capital Improvements

Future Items:

- Discuss how to handle process for the appropriation for WPCF Capital Stabilization Fund, use of revenues from solid waste process.
- Non-Capital Special Articles, and additional budget requests
- Financial Policy regarding annual appropriations to Town General Stabilization Fund- if funded beyond minimum, should that amount be appropriated into the OPEB Trust Fund instead?
- Finalize revenue estimates

Meeting adjourned at 8:25 PM

List of Documents and Exhibits:

- Minutes of January 6th
- Reserve Fund Transfer request
- Computer Inventory
- Lists of non-department-operating budget requests