

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

March 16, 2016

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Meeting Date: March 16, 2016

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

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

Selectmen Present: Rich Kuklewicz. Chris Boutwell and Michael Nelson arrived at 6:12 PM.

Others Present: Town Administrator Frank Abbondanzio (arrived at 6:01 PM) and Town Accountant Carolyn Olsen

Minutes

Finance Committee Moved:

To approve the minutes of March 9, 2016.

Vote: 4 In Favor 0 Opposed 0 Abstained

Review submitted articles- the following articles have been submitted

Special Town Meeting

FY16 Reserve Fund - \$8,000

Town Share Compactor - \$12,500

FY16 Library Budget - \$1,418 unexpected vacation buyback

FY16 Police Budget - \$26,000 – new officer, training, assessment center

MLP 2nd vote

Amend dog shelter vote to allow 30 year lease

Create a special revenue account known as the PEG Access and Cable Related Fund

Annual Town Meeting

Perennial

1. \$24,000 Information Technology
2. \$100,000 DPW Equipment
3. \$43,325 DPW final lease payment
4. \$33,716 Taxation to Town Capital Stabilization
5. \$50,574 Taxation to OPEB Trust Fund
6. \$385,000 inspect, clean, & line sewer lines

Planning

1. \$385,000 Strathmore abatement. The original request was for \$702,000
2. \$6,500 Strathmore demolition feasibility. The original request was \$40,000
3. \$132,000 Repurchase Industrial Park Parcel – Available Funds

Police

1. \$25,000 Undercover Police Vehicle
2. \$15,000 Balance of K-9 Vehicle
3. \$ Unknown - Storage Building
4. \$50,000 Upgrade Radio System

GMRSD

1. \$10,000 Hillcrest leaking pipes

2. \$50,000 Hillcrest parking lot
3. \$10,000 replace Sheffield pillars
4. \$70,000 Hillcrest classroom space

WPCF

1. \$100,000 Upgrade/Replace primary sludge pumps
2. \$900,000 Town share storm drain repair
3. \$100,000 WPCF share storm drain repair
4. \$20,000 WPCF Equipment Account
5. \$792,026 sludge storage (this number is expected to be lowered)
6. \$200,000 SUFs to WPCF Capital Stabilization

Library

1. \$14,000 Carnegie roof
2. \$20,000 Montague Center roof
3. \$14,000 Carnegie & Montague Center masonry

General

1. \$6,600 Health permit software
2. \$8,000? Building permit software
3. \$25,000 Town Hall phone system
4. \$50,000 DPU Docket 15-178

Non-Money

1. Convey 15 Power Street
2. Accept 4th Street
3. Change name of section of Greenfield Rd
4. Create Police Lieutenant position
5. WPCF reorganization and new positions
6. Zoning- Driveways
7. Zoning – Solar Energy

Town Administrator's Fiscal Year 2017 Budget Recommendation

Mr. Abbondanzio presented his annual budget. Mr. Abbondanzio apologized for the delay, and noted that the budget is a pared down report with recommendations.

Some of the challenges faced:

- The budget has been a moving target with changes in revenue estimates, expenditure requests, and special article requests received.
- Mr. Abbondanzio's original recommendations did not require any reserves, but the correction of a formula error created a deficit that could not be filled without use of some reserves.
- Hard choices will be needed this year, especially with upcoming turnover in major management positions.
- A major question is how much new debt can be taken on.
- New staffing structures are requested in the Police and WPCF departments.
- The budget includes new programming in Libraries, Police and Planning which offer new opportunities.
- The town will have to make cuts or approve an override to fund all of the needs.
- The first health insurance cost increase in several years added \$100,000 to the budget.

Mr. Abbondanzio reviewed the information in his report.

- The departmental budgets required reductions. A total of \$70,605 was cut in various departments, but a new building maintenance position was added in the DPW.
- \$12,896,512 is recommended for special articles, mostly from borrowing. This number will change significantly after recent information received. Debt exclusions are recommended for the larger capital items funded from debt.
- Budget goals – proposed spending plans are tied to department goals.
- The primary goal is to provide core services while minimizing increases to tax rate and sewer rates.
- There are several spending initiatives representing the town's commitment to address building maintenance issues and space needs.
- The budget continues to support education through the funding of the affordable assessment.
- Even in good years, revenue growth is extremely modest. New revenues usually provide only enough money for minimal town wage and expense increases and modest increases to school budgets. This leaves very little for discretionary spending. This year new revenues were offset by budget busters like the health insurance increase.
- The proposed budget is balanced and assumes the Governor's budget for state aid, taxing to the levy limit, new growth of \$120,000, an allowance for abatements of \$400,000 and the use of \$161,140 of the Town Stabilization Fund.
- Growth in spending was generally modest. There were some exceptions due to unusual circumstances such as the planned retirement of the Town Administrator, and extra elections in Fiscal Year 2017.
- Mr. Abbondanzio emphasized the importance of annually appropriating money to the OPEB Trust Fund.
- There have been a lot of changes to the DPW facility plan. The current recommendation is for a debt exclusion of \$9,000,000 but this estimate has changed to \$11,500,000. When this project goes through, the current plan is to borrow for 25 years with level payments. The annual debt service for this would be \$600,000. For the average taxpayer, this would be \$139 per year. The project is likely to be postponed until the fall special town meeting, but there may be a token appropriation in May to show support for the project.
- Regarding the Strathmore abatement project, there is consensus that there is no point in abating roofing and window materials now, since the doors and windows will need to be replaced and the purchaser will address these items. The current, revised, plan is to just abate the interior spaces.
- The sewer line under the canal was built by the utility company, so there may be some responsibility on the part of the utility to maintain or repair that sewer line. Mr. Abbondanzio recommends only repairing the western section. The WPCF is willing to defer the annual \$385,000 appropriation for line inspection, cleaning and lining in order to fund this project. This would be funded with town borrowing, most likely debt-excluded. Mr. Kuklewicz thinks that getting the utility to fix the sewer line is like getting them to fix the bridge, and given the risk involved it may be better for the town to make the repair.

- The Town is making a commitment to the new Shea group with a \$50,000 appropriation to add to the \$75,000 existing grant for the roof.
- The Town, if desired, could do a menu override for items not currently approved.
- List of items not recommended:
 - 2 additional groundskeepers for the DPW
 - Legal fees for the pipeline intervention. We've already contributed more to the pipeline than any other town in the county. Mr. Kuklewicz thinks this is important and needs more discussion.
 - Town hall phone system – this will be deferred until the fall
 - Board of Health and Building Inspector software – still waiting to see if these can be purchased with a grant.
 - Police detective vehicle – the town is already funding a new cruiser and the balance of a new K-9 vehicle.
 - Police radio tower- this can likely be funded from other sources
 - GMRSD underground tanks – this needs more information and can be deferred until fall.
 - Remodeling the Hillcrest stage into classrooms
 - Hillcrest parking
- Mr. Naughton asked if either Groundskeeper position is planned for Fiscal Year 2018. Mr. Abbondanzio said you need to look at the revenue situation each year. Mr. Naughton concerned that with all the new things, if we don't plan for a new position, it may become a big problem. Mr. Naughton wants to keep this request on the radar screen.

Minutes

Selectmen Moved:

To approve the minutes of February 24, 2016

Vote: 2 In Favor 0 Opposed 1 Abstained

Selectmen Moved:

To approve the minutes of March 2, 2016.

Vote: 2 In Favor 0 Opposed 1 Abstained

Selectmen Moved:

To approve the minutes of March 9, 2016. need

Vote: 2 In Favor 0 Opposed 1 Abstained

Use of Reserves for Fiscal Year 2017 Budget

- Mr. Hanold proposed that we use all available reserves, with out dipping below minimum levels, given the serious needs.
- Mr. Naughton feels a strong case was made that all available reserves are needed.
- Mr. Hanold noted that the STM warrant has more money being requested than we have free cash available. The funding for the compactor could reasonably come from a reserve, given the total cost and useful life.

Topics not anticipated within in the 48 hour posting requirements

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Olsen to present a list of current special articles and balances.

Meeting adjourned at 8:01 PM

List of Documents and Exhibits:

- Minutes of March 9nd
- Town Administrator Annual Budget for Fiscal Year 2017

Next Meetings:

- March 23rd –DPW Building Committee, CIC
- March 30th – Vote all appropriations and funding sources
- April 6th – Draft Finance Committee Report, Special Articles
- April 13th – Revise Finance Committee Report and Policy Actions
- April 20th – last chance for changes to recommendations, approve report