

JOINT FINANCE COMMITTEE AND SELECTMEN MEETING

December 14, 2016

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Meeting Date: December 14, 2016

Called to Order: 6:02 PM

Location: 1 Avenue A, Turners Falls MA

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

Selectmen Present: None. Chris Boutwell, Michael Nelson and Richard Kuklewicz were absent.

Others Present: Town Administrator Steve Ellis and Town Accountant Carolyn Olsen

Recording

The Finance Committee Chair announced that the meeting is being recorded by MCTV, and this is a duly posted meeting of the Montague Finance Committee with a quorum of each body present.

Minutes -

Finance Committee Moved:

To approve the minutes of December 7, 2016.

Vote: 5 In Favor 0 Opposed 0 Abstained

First Light

Mr. Hanold noted that Karen Tonelli has written a letter signed by the chairmen of the Finance Committee and the Boards of Selectmen and Assessors requesting a sit down, meet-and greet, so that the parties can get to know each other. The intent is to share priorities, values and perspectives and is not to negotiate.

Revenue Estimates

Revenue estimates, particularly New Growth, State Aid, Local Estimated Receipts, and the use of Free Cash for the Operating budget. Mr. Naughton provided a handout with a graphic history of new growth and local receipts.

New Growth has traditionally been estimated at \$120,000 with actual amounts from Fiscal Year 2013 to Fiscal Year 2017 ranging from \$112,000 to over \$450,000. Mr. Abbondanzio's forecast assumed \$120,000. Ms. Olsen has suggested \$130,000 would also be reasonable.

Mr. Abbondanzio's forecast estimated a 2.6% total increase in **State Aid** for Fiscal Year 2018 as a result of a 3% increase in unrestricted local aid based on available forecasts. Mr. Abbondanzio's total State Aid estimate was \$1,620,540. Ms. Olsen is concerned about increasing the estimate given talks of mid-year cuts by the governor in the current fiscal year. Mr. Hanold is inclined to go with a 2% increase. Mr. Ellis explained that the economic indicators suggest that the Fiscal Year 2018 revenues will be higher even though the current year revenues are not quite up to expectations at this time. With regard to the unrestricted State Aid line, Mr. Ellis said that he believes the estimate of state economic growth that Mr. Abbondanzio shared is a sound basis for budget planning, but is amenable to using the lower side of the range of estimates Mr. Abbondanzio received, which is 2.6%, if the committee is uncomfortable with Mr. Abbondanzio's proposed 3% increase.

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Mr. Abbondanzio's estimated **Estimated Local Receipts** at \$1,394,163. Ms. Olsen has generated a preliminary estimate of \$1,352,000. The details of Mr. Abbondanzio's amount are unspecified and the committee finds Ms. Olsen's to be well considered.

Mr. Abbondanzio assumed the use of \$250,000 of **Free Cash** towards operating expenses, as has been done in recent years. The Finance Committee had previously discussed reducing the budget's dependency on this reserve, and reducing it if at all feasible. The reduction was spoken of primarily in the context of simultaneously reducing the amount needed for the overlay once the ongoing Appellate Tax Board case was settled.

Finance Committee Moved:

To approve a preliminary estimates for New Growth of \$130,000.

Vote: 5 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve a preliminary estimates for State Aid of \$1,620,540.

Vote: 5 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve a preliminary estimates for Local Receipts of \$1,352,000.

Vote: 5 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve a preliminary estimates for Free Cash for Operating Budget of \$200,000.

Vote: 4 In Favor 1 Opposed 0 Abstained

Total estimated general fund revenue is \$19,186,821.

GMRSD Affordable Assessment

Using the criteria established above, the preliminary Fiscal Year 2018 Affordable Assessment for the Gill-Montague Regional School District is \$9,108,965, an increase from the Fiscal Year 2017 actual assessment of \$256,851 or a 2.9% increase. Compared to the Fiscal Year 2017 Affordable Assessment of \$8,802,571 this is an increase of \$306,394 or 3.5%.

Mr. Naughton asked to go on record as thinking that the GMRSD is facing some significant challenges in keeping their budget affordable for the town, and it's getting harder and harder for them to do this.

Mrs. Pruitt feels it's untenable to support charter schools on the backs of the public schools.

Consider Cut-Off date for Revenue Estimate adjustments

Consider having a cutoff date (such as the March 29th cut-off date for revised new growth estimates) for all revenue estimates after which no changes will be incorporated into the budget process. In other words, if there is any additional state aid or new growth prior to setting the tax rate, those amounts will not be considered available for use at a fall Special Town meeting as has been done in recent years. This

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would prevent confusion about why there is suddenly more taxation available at the Special Town meeting, and eliminate any questions of whether the GMRSD Affordable Assessment should also be adjusted.

Mr. Ellis asked for a brief case study showing the impact of the alternatives. The issue will be reviewed after a better understanding of the potential impacts is gained.

Topics not anticipated within in the 48 hour posting requirements –

Mr. Ellis brought the committees up to date on the possibility of establishing town e-mail accounts for town boards and committees. Mr. Ellis discussed with Town Counsel the issues regarding board members using private e-mails for town business. Town Counsel confirmed that the best practice would be for the town to provide town e-mails for members of boards and committees. Mr. Ellis will pursue obtaining town e-mail accounts for the Board of Selectmen and the Finance Committee at an estimated Fiscal Year 2017 cost of \$1,000. These accounts will act as a test run, and the Fiscal Year 2018 Information Technology budget will include funding to add e-mail accounts to all town board and committee members. This would be a test run to see if it will be an efficient and usable process and to make sure there aren't any problems with people being able and willing to use the town accounts. The other benefit is town account is that past email stays with the positions, rather than disappearing when the person and their personal email account leaves a board.

Next Meeting Date: January 4, 2017

Meeting adjourned at 7:45 PM

List of Documents and Exhibits:

- December 7, 2016 Minutes

Minutes Approved January 4, 2017

John Hanold, Finance Committee Chair

NA
Richard Kuklewicz, Selectboard Chair