

JOINT FINANCE COMMITTEE AND SELECTMEN'S MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
March 8, 2017

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Chairman John Hanold opens the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Finance Committee Members Present:** John Hanold, Fred Bowman, Michael Naughton, Greg Garrison and Patricia Pruitt. Chris Menegoni was absent
- **Selectmen Present:** Michael Nelson and Chris Boutwell. Richard Kuklewicz was absent.
- **Others Present:** Town Administrator Steven Ellis, Accountant Carolyn Olsen, and Miranda Davis of The Recorder.
- The Finance Committee Chair announced that the meeting is being recorded by MCATV, and asked if anyone else was recording the meeting. There was no one in the audience.

Minutes -

Selectmen Moved:

To approve the minutes of March 1, 2017.

Vote: 2 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of March 4, 2017.

Vote: 5 In Favor 0 Opposed 0 Abstained

Town Administrator Budgets

The following questions were sent and answered via e-mail prior to the meeting.

1. The cell phone stipend has doubled; in the absence of new staff, what led to this? Mr. Abbondanzio did not use a cell phone. I found very quickly that it was essential that I make my cell number available for work happening outside normal hours or while on business travel.
2. Outside Help for Meeting Minutes has been discussed before, but we would like to hear if you expect this supplemental support to be a one-year or long-term addition, as you settle into your job. At times in the past there has been discussion of minutes-support for other boards, and we wonder if this line would cover that service, in part. I think it's important to consider this in context. Wendy's position would preferably be 35 hours per week, but is 30. I was initially told that Frank kept those extra 5 hours (which she might reasonable devote to minutes) in his budget, but though the line suggested that was the case, the budget figure was adjusted to reflect her actual 30 hours. Watching that minutes and other work were behind, I asked first if she was open to adding hours. That won't work for her right now, so I shifted in approach to contracting a lower paid specialist for up to 12 hours/week at a lower cost. If we find we have over-allocated, I will cut this line next year, but I propose it be a permanent budget feature.
3. Is it correct that the sharp increase in the Seminars line, and Travel farther down, represent a change in activity? Yes. While I do not plan to attend a greater number of MMA conferences, I will be more engaged with other programming and organizations (Chamber, STAM, FRCOG) that I feel will benefit community interests. I am also more actively participating in court proceedings, hearings of public concern (such as FERC), and I have some training obligations in the coming year (procurement).
4. Are there any changes in this department's scope of work, or the objectives of you and the BOS that will affect this department? Three months in to my tenure, I am still learning the past practices of the Town

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Administrator and Board of Selectmen. I don't necessarily expect the BOS to evolve in any particular direction, as their work is well-defined and driven by statute and bylaw, and we've not formally discussed our past and future objectives, but there are new and important matters for us to focus on. Beyond major capital projects on the horizon, I expect that negotiating a settlement with First Light as part of the FERC re-licensing process—a once in 40 years project—to demand substantial attention in the next 18 months, and it presents a unique opportunity. I think we also need to assess our current staffing structure and consider how to address gaps in critical areas, such as human resource and facilities management expertise, for example.

For my part, I see value in being very engaged and accessible both in the office and the community, as well as with external collaborators. I believe this helps me to better anticipate challenges and to create growth opportunities for individuals, the organization, and the town. My increased focus on engagement and participation may change the shape of the job and how time is used, but only to a modest extent. As a newcomer, I see the challenge presented by systems that may be well-established and known to key individuals, but may not in all cases be clearly defined, communicated, and adopted. At the moment, I'm working to become aware of those systems (there are many), but where appropriate, I would view my office as a catalyst for considering how best to align, refine, and formalize them within the organization.

Discussion:

- Mr. Ellis has budgeted for an average of 12 hours of week for transcription of minutes, but over time we may find that fewer hours are needed. Mr. Ellis also feels that this is a task best done by someone other than the Executive Assistant. A discussion followed about staff workload, the contents of minutes, and the best allocation of tasks according to skills and costs.
- Mr. Naughton spoke to the need for board members to carefully review draft minutes to make sure they accurately and completely represent discussions that took place.
- Detail of calculations for the Board of Selectmen seminars and travel budgets were made available.
- Mr. Hanold asked if the \$80,000 requested for the Town Counsel budget will be sufficient. Mr. Ellis provided some updated information. In looking into the bills from labor counsel and asking questions, it was found that we have gone over the number of hours we have a right to per our contract with Sullivan, Hayes & Quinn. After asking for details of the bills, they found that there was an error in their billing department in not billing us for hours over the contract limit. We are now on a PAYGO rate for all labor-related legal services. It is likely that past billing overages will be forgiven, but it is unclear what the final costs will be for Fiscal Year 2017. While two union contracts through June 30, 2019 are settled but not yet signed, the police voted to change their representation, so that contract for FY17-19 will essentially have to start from scratch. Mr. Ellis hopes to be able to determine a better estimate for next year.
- Relative to the 946 General Insurance budget, after the insurance company reviewed our list of values, it was determined that the Carnegie and some WPCF facilities were significantly undervalued, providing inadequate coverage. Mr. Ellis hopes to have a better idea of final numbers in the next few weeks. Additionally, Mr. Ellis is planning to increase efforts to get more of the available credits to reduce our insurance costs.
- Mr. Naughton asked about our commitments to and expectations from the various intergovernmental agencies. In most cases, Montague receives basic services, and Mr. Ellis is not aware of any way to reduce these costs. Mr. Ellis noted that the town is using the FRCOG services in several different

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areas, specifically in technical assistance with procurement waivers and the Strathmore Request for Proposals process.

- Mr. Naughton asked if Mr. Ellis was going to submit thoughts for a balanced budget. He does not intend to propose changes to departmental requests.

Montague's Updated Fiscal Year 2018 Revenue Estimates

- Revenue estimates used for the Affordable Assessment include the net tax levy less excluded debt, the net estimated state aid, local receipts less the SRO reimbursement from the FCTS, and use of Free Cash for the town operating budget and the GMRSD assessment.
- Last week, the Town's Director of Assessing Karen Tonelli received information from Eversource and National Grid that provided a significant increase in estimated new growth. The estimated new growth amount went from a preliminary \$130,000 to a realistic \$500,000. Due to the significant increase, the GMRSD was notified that their Affordable Assessment, while still preliminary, would be expected to increase from \$9,176,465 to \$9,355,915. This increase of \$179,450 represents 48.5% of the \$370,000 increase in new growth.
- The current net State Aid estimates are slightly higher than the governor's recommendations.
- Ms. Olsen reviewed the detail of the estimated local receipts, and found that, while some amounts needed to be reallocated, there was no change in the total.
- Items to be resolved:
 - The net state aid estimate is currently estimated at \$1,620,540. The Governor's estimate is \$1,617,524. Most of the difference is due to an increase in the state assessments that was not incorporated into the Finance Committee's original estimate. Mr. Hanold noted that information received at a recent Legislative Breakfast was that the Governor's numbers were solid.
 - The currently approved net tax levy does not include the increase in estimated new growth. Ms. Tonelli told Ms. Olsen that she was comfortable with a total new growth of \$503,015. This amount represents the amount that is firm as of last week, additional estimated growth to round that amount up to \$500,000, plus a small additional amount to offset the reduction in the estimated net state aid.
 - Free cash for the operating budgets is currently set at \$200,000.
- The final estimated revenue amounts for the Fiscal Year 2018 to be used to calculate the affordable assessment are:

| | |
|----------------|----------------|
| Net tax levy | 16,454,796 |
| Net State Aid | 1,617,524 |
| Local Receipts | 1,352,000 |
| Free Cash | <u>200,000</u> |
| Total | 19,324,320 |

Finance Committee Moved:

To set the general fund revenue estimates for Fiscal Year 2018 at \$19,324,320.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To set the general fund revenue estimates for Fiscal Year 2018 at \$19,324,320.

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Vote: 2 In Favor 0 Opposed 0 Abstained

Final Affordable Assessment

Using the final revenue estimates, the resulting Fiscal Year 2018 Affordable Assessment is \$9,355,915.

Finance Committee Moved:

To set the final Fiscal Year 2018 Affordable Assessment for the GMRSD at \$9,355,915.

Vote: 5 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To set the final Fiscal Year 2018 Affordable Assessment for the GMRSD at \$9,355,915.

Vote: 2 In Favor 0 Opposed 0 Abstained

Changes to Finance Committee Report

Due to staff concerns about last minute changes to the motions, it has been requested that the Finance Committee Report to Town Meeting be prepared with warrant articles rather than motions. Schedules that are part of the motions will be included in the report, and funding sources will be shown as part of the recommendations. The final motions will be available to town meeting members at the meeting.

Mr. Naughton asked if warrant articles could be amended to include "as referenced in schedule XX." Ms. Olsen will follow up with Town Counsel to see if that can be done.

Budget Discussion

- Mr. Hanold reviewed the summary sheet showing known requests and potential funding sources.
- Mr. Bowman provided additional information on behalf of the Capital Improvements Committee (CIC):
 - The CIC is expecting the Library to request 2 additional special articles. The first request will be for \$50,000 for a building needs study of the Carnegie library, including blueprints. The second request will be for \$30,000 for a roof for the Carnegie, including repairing or replacing the fancy work around the eaves.
 - The CIC is meeting again on April 5th, and will discuss these requests at that meeting.
 - At today's meeting, the CIC approved the revised request for \$15,000 for two water heaters at the Sheffield School.
- The mission for next week is to come in with recommendations for changes, with an emphasis on recommendations for the operating budgets.

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

Next Meeting Dates:

March 15, 2017 budget deliberations
March 22, 2017 Final meeting with CIC, budget deliberations
March 29, 2017 **MEETING DOWNSTAIRS.** Budget Recommendations
April 5, 2017 Draft Finance Committee Report, vote on Special Article requests

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| April 12, 2017 | Revise Finance Committee Report and Policy Actions |
| April 19, 2017 | Final votes, reconsiderations, approve Finance Committee Report |
| May 3, 2017 | Any pre-Town Meeting actions needed |
| May 6, 2017 | Annual Town Meeting |
| May 10, 2017 | Any post-Town Meeting actions needed |

Meeting adjourned at 7:45 PM

Topics not anticipated within in the 48 hour posting requirements

List of Documents and Exhibits:

- March 1, 2017 Minutes
- Revenue estimate detail
- Affordable Assessment calculation
- Summary of requests and potential sources

Minutes Approved March 15, 2017

John Hanold, Finance Committee Chair

Richard Kuklewicz, Selectboard Chair