



# TOWN OF MONTAGUE

## *Finance Committee*

One Avenue A

Turners Falls, Massachusetts 01376

413 863-3200

### FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING NOTICE

UPSTAIRS MEETING ROOM

1 AVENUE A, TURNERS FALLS, MA

WEDNESDAY, AUGUST 23, 2017, AT 6:00 PM

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#### Meeting Being Recorded

#### Votes May Be Taken

1. Chair opens the meeting.
  - a. Chair announces that the meeting is being recorded by MCCI (if applicable) and anyone else s/he is aware of.
  - b. Chair asks if anyone else is recording the meeting
  - c. Chair announces if anyone else is recording the meeting
2. Minutes – Selectmen July 12<sup>th</sup>, Finance Committee July 26<sup>th</sup>
3. Consider Changes to Financial Management Policies and Objectives (FMP&O)  
Suggestions for changes should be sent to Ms. Olsen for aggregation and discussion on September 13, 2017.
4. Review known financial articles on October 5, 2017 STM Warrant (in no particular order)
  - a. \$20,000 for RiverCulture program. Suzanne LoManto of RiverCulture will speak about this request.
  - b. \$120,000 for a flail mower (originally requested as part of FY18 budget, delayed until fall STM, option to lease at annual cost of about \$25,000)
  - c. \$65,000 for Dry Hill Road improvements. At this point it is very unclear what the actual costs will be.
  - d. \$17,000+ for tuition and transportation for a Montague student to attend Smith Vocational (waiting to hear status of student application). If a resident of Montague is accepted into a vocational program not offered at the Franklin County Technical School, the town is obligated to pay tuition and transportation for the student.
  - e. \$16,250 to pay a contractor for valuation services for natural gas and electric transmission/distribution utility properties. Utilities used to provide this information, but recent rulings have made it clear that towns should be doing their own valuations of these properties.
  - f. \$1,700 for the FY18 Parks and Recreation budget to pay for a portable toilet at Unity Park.
  - g. \$5,900 for the FY18 Libraries budget to pay unused sick leave and vacation time to a retiring employee.
  - h. \$650,000 to remove underground fuel storage tanks at the Hillcrest and Sheffield schools.

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- i. Reduce the FY18 WPCF operating budget by \$186,430. Due to a decrease in FY17 revenues, particularly the lack of revenues from the Montague Process that was shut down for longer than anticipated, the projected 3.5% rate increases will be insufficient to fund the total budget request. In order to balance the budget with the most recent projected revenues, 3 adjustments are being requested to the budget. Wages and Expenses will be reduced by \$156,430, reflecting the vacancy of Chief Operator not being filled, another employee voluntarily reducing his hours in January, and about \$75,000 in reductions of various expenses. Employee benefits will be reduced \$20,000 to reflect actual expenses. Finally, the WPCF DPW Subsidiary budget will eliminate the \$8,000 in capital outlay and another \$2,000 in expenses. The final item needed to balance the budget is the next item.
  - j. Rescind #17 of the 5/6/17 ATM, which funded \$200,000 for the WPCF Capital Stabilization Fund from Sewer User Fees. This was intended capture the net revenues from the Montague Process for future capital projects, but the current estimated revenues from this source are much lower than originally intended due to an unexpected delay in re-starting the process and the need to re-start gradually.
  - k. Rescind unused borrowing authority for the pump station replacement project
  - l. Rescind unused borrowing authority for the storm drain project
  - m. Rescind unused borrowing authority for the skateboard park project
  - n. Appropriate money to the Town General Stabilization Fund, if so decided.
  - o. Appropriate money to the Town Capital Stabilization Fund, if so decided
5. Allocation of Free Cash to STMs, FY19 Operating, FY19 Articles
- Free Cash was certified at \$515,000. This is the amount of Free Cash available to
- a. Fund the FY19 Operating Budgets for the Town and GMRSD Assessment. In recent years this was \$250,000 per year, but last year saw the first move towards reducing our reliance on reserves for operating expenditures by reducing the amount to \$200,000.
  - b. Fund October 5, 2017 Special Town Meeting Articles. Items a-g above would typically be funded from Free Cash (as Stabilization Funds are just at their minimums) and total in excess of \$245,850. If the flail mower were leased, and the Dry Hill Road work delayed, this amount would drop to about \$90,000
  - c. Fund a potential Spring 2018 Special Town Meeting. Among other things, a union contract has not been settled and could require appropriations to fund FY17 and FY18 wage/benefit increases.
  - d. Fund Fiscal Year 2019 special articles, including non-borrowing capital items. Unless the decision is made to reduce Stabilization funds below their recommended minimums, recommended items at the FY19 Annual Town Meeting will most likely be funded from Free Cash.
  - e. In previous years, certified Free Cash in excess of the amount set aside for the next year's operating budget and expected current year STM needs was appropriated into Stabilization Funds. Any amount so transferred at a fall STM is likely to be appropriated at the ATM, which raises the question of whether it is better to move money into Stabilization Funds and then withdraw it within a year, or simply leave the funds in Free Cash until appropriated.

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6. Update on Libraries Study
7. Update on DPW Facility status
8. Review Building/Maintenance Inventory of Needs
9. Topics not anticipated within in the 48 hour posting requirements
10. Motion to adjourn