

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
AUGUST 23, 2017

Page 1 of 6

The Chair opens the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Selectboard Members present:** Richard Kuklewicz. Michael Nelson arrived at 6:18PM. Christopher Boutwell was absent
- **Finance Committee members present:** Fred Bowman, Greg Garrison, John Hanold and Richard Widmer. Chris Menegoni and Michael Naughton were absent.
- **Others Present:** Town Administrator Steve Ellis, Town Accountant Carolyn Olsen, RiverCulture Coordinator Suzanne LoManto, Town Planner Walter Ramsey, and Jennifer Audley
- The Finance Committee Chair announced that the meeting is being recorded by MCCI, and asked if anyone else was recording the meeting. No one else was recording the meeting.

Minutes -

Finance Committee Moved:

To approve the minutes of July 26, 2017.

Vote: 4 In Favor 0 Opposed 0 Abstained

Consider Changes to Financial Management Policies and Objectives (FMP&O)

Suggestions for changes should be sent to Ms. Olsen for aggregation and discussion at a later meeting.

Update on DPW Facility status

On July 6th, the planning committee gave the designer two tasks. The first was to come up with a program that can be implemented within an \$8-10 million range. This was received today but has not yet been reviewed by the committee. Mr. Ramsey provided the revised estimate of \$9.9 million (\$7.9 million for construction costs and \$2 million in “soft” costs, mostly design, management, and contingency). The new estimate reduces the size from 27,000 square feet to 23,250 square feet and eliminates the wash equipment, overhead lubrication system, and light duty vehicle list.

The second task was to consider a second location that just became available, which is 22 acres behind the police station. This parcel is no longer considered a priority habitat, so there are no longer building limitations. The proposed site on Turnpike Road has water available at the street and would not have soil contamination issues. The change in site will not have a significant change in building costs, but could reduce the need to use contingency funds.

Mr. Hanold was concerned about the elimination of equipment that was previously considered to be very important.

Mr. Nelson arrived at 6:18 PM.

Review known financial articles on October 5, 2017 STM Warrant (in no particular order)

- Mr. Hanold noted that the Energy Committee may be submitting an article.

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
AUGUST 23, 2017

Page 2 of 6

a. \$20,000 for the RiverCulture program. Mr. Ramsey and Ms. LoManto of RiverCulture spoke about this request. RiverCulture was originally established in 2006 through the Adams Grant program, which was a State Cultural Council program. It was set up as a year-to year program, but was funded until recently, when the Adams Grant program was eliminated. A replacement grant program is anticipated, but will not be available until FY2019. This request is intended to be a one-time bridge between the two grant programs. In its 11 years, the RiverCulture program has:

- Raised over \$1 million in funds.
- Sponsored many programs that bring in thousands of visitors and improve the quality of life for local residents. These programs have included annual block parties, the Pocumtuck Homelands Festival, an Ice Cream Ride, and Third Thursdays.
- Been deemed vital to the downtown economy.
- Provided a website with a calendar of events and a Facebook page.
- Found over 40 different partners to help fund programs.
- Built community with under-represented populations.
- Ensured that Montague has a seat at the table with regional organizations.

Other things noted were:

- The original grant was limited to the village of Turners Falls, but it is hoped that the new grant will allow the program to become town wide.
- Mr. Hanold is cautious about the tendency for long-term grant funded programs to become so entrenched that when the grant ends we feel obligated to fund the program when the grant ends.
- Mr. Ellis is concerned about preserving continuity, especially since we've just been designated as a cultural area, and noted that it would be difficult to resuscitate the program if it had to shut down for a period of time.
- RiverCulture now works on submitting grant applications for projects for creative infrastructure.
- Mr. Kuklewicz noted there may be reason for small annual appropriations to keep projects moving forward.
- Ms. LoManto is optimistic that this will be a one-time request.
- Mr. Ellis noted that without RiverCulture, additional work will fall on town staff.

b. \$65,000 for Dry Hill Road improvements. There is currently a work-around being arranged that will allow certain parties to use a very rough access road owned by Eversource, which is currently under legal review. This will provide limited access for the DPW, Cemetery Commission, insured maintenance contractors, and family members of the deceased. It appears that the original proposed amount would only pay for part of the work needed. The original proposals did not address drainage/culverts, or the final leg of the journey past the section the water department worked on.

In a 2008 study the projected cost was \$135,000, but even that was unlikely to make the passage safe for a passenger car. This raises the point that if you improve a road, but not to the level of safety for a passenger car, the Town may be giving a false sense of safety about driving in an area with limited cell phone access. This could create serious liability issues for the town. This is not the end of the conversation, but right now we are focused on where we can achieve the most progress. A suitable

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
AUGUST 23, 2017

Page 3 of 6

roadway could be very expensive and the current agreement may be the best and most appropriate way to allow necessary access. Unrestricted access does not seem to be affordable.

- c. \$120,000 for a flail mower (this was originally requested as part of FY18 budget but delayed until fall STM.) There is an option to lease at annual cost of about \$25,000 for five years. Mr. Hanold noted that he tends to prefer purchase, while Mr. Naughton leans towards leasing. Mr. Hanold asked about the urgency of the replacement. Mr. Ellis said the present mower is quite old, its boom has been replaced but is failing, and the cost of a new boom alone is in the area of \$40,000. Mr. Kuklewicz noted the importance of keeping vegetation back to keep back ticks and other insects, which is an additional benefit to community.
- d. \$17,000+ for tuition and transportation for a Montague student to attend Smith Vocational 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. This will not be needed as the student was not accepted at Smith Vocational for the upcoming school year. Mr. Kuklewicz added that the FCTS is looking at adding this program at some point.
- 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. It is also in the Town's interest to secure an independent valuation.
- f. \$1,500 for the FY18 Parks and Recreation budget to pay for a portable toilet at Unity Park. This will become part of the operating budget in FY19. Mr. Widmer asked if one was enough, and asked about how frequently it is maintained. Ms. Audley reinforced this question, noted that there is an assumption that a public park will have public facilities, and strongly suggested that the portable toilet be handicapped accessible. It was also asked if it is possible to make the current restrooms accessible when the office is closed.
- 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. There is one tank at Hillcrest and two at Sheffield, one of which is not used. The firm \$650,000 quote includes replacing the current tanks with new storage devices, and the biggest cost is purchasing and installing the new tanks. Mr. Ellis noted that we may not need to replace the tanks if gas moratorium is removed and natural gas becomes an option for the school's energy use. Alternatively, propane can be considered as an alternative to fuel oil. Mr. Bergeron is expected to discuss this article with the Capital Improvements Committee, who will also look at other energy options. This is unlikely to be on the warrant for October 5th since we don't need to abide by the August deadline, and there is no immediate rush.

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
AUGUST 23, 2017

Page 4 of 6

- 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. 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.

Mr. Hanold asked if the reduction of employees causes harm in eyes of DEP. Mr. Ellis noted that this does not appear to be an issue and while WPCF Superintendent McDonald could use more administrative support, he is confident that the current staff can manage operations. Mr. Kuklewicz noted that we still have a larger staff than 18 months ago because other positions have been added.

- 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. Not at this time.
- o. Appropriate money to the Town Capital Stabilization Fund, if so decided. Not at this time.

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. Mr. Hanold asked the group how rapidly they want to reduce the use of free cash. Mr. Garrison doesn't want to go too quickly and suggested \$180,000. Mr. Hanold was going to suggest \$160,000. Ms. Olsen added that she was aware of some additional new grow for FY19 that would help offset the reduction of Free Cash use, after which \$150,000 was decided on as a starting point.

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
AUGUST 23, 2017

Page 5 of 6

- 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. Given that the Dry Hill Road article will not be on the warrant, and it is likely that the flail mower will be leased, the total expenditures for the Special Town Meeting will likely be \$68,650.
- 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.
- f. Ms. Olsen noted that after updating the formulas with FY17 revenue, the Town General Stabilization fund is now below the recommended threshold by \$123,000. Considering the amount of Free Cash available, and the likely need to use some or all of it to fund needs during the year and at the next Annual Town Meeting, the feeling of the committee was that it did not make sense to appropriate sums to the stabilization funds at this time only to remove them in a few months.
- g. With a certified balance of \$515,391, \$150,000 set aside for the FY19 operating budget, and \$68,250 expected to be spent in October, there will be \$297,141 available for funding the union contract, any other additional needs for FY18, and FY19 special articles.

Update on Libraries Study

Work on the Request For Proposal (RFP) for the study is proceeding. Library Director Linda Hickman is working to find an architect to assist in the technical aspects of the RFP which will be developed by Mr. Ellis. Ms. Hickman has been speaking to local librarians and gaining both suggestions and warnings about how to proceed with the process and who to work with. A Request for Proposals is likely to be ready in the fall.

Review Building/Maintenance Inventory of Needs

Mr. Ellis referred to the file that was e-mailed a few weeks ago. While it is not a complete list, it has a great deal of information and identifies items for which we might want to consider debt service.

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
AUGUST 23, 2017

Page 6 of 6

Topics not anticipated within in the 48 hour posting requirements

Mr. Hanold brought up two items under future items. The first, the question of revisiting the affordable allocation to include the FCTS has been unofficially resolved in that it would be too cumbersome to include the FCTS in a calculation.

The second issue of staffing to do minutes for all boards and committees brings up the greater issue of non-staff supported committees who aren't keeping minutes at all. Mr. Kuklewicz noted that it is a state requirement that town boards and committees must produce minutes of their meetings and that those minutes be made available to the public in a timely fashion, and he emphasized that the town needs to ensure that it is able to meet that requirement. It was decided that this should be on a future items list for the Selectmen, and will come to the Finance Committee if there is a request for funding. Mr. Ellis noted that the new website may offer assistance in making sure minutes are done and posted.

Minutes -

Selectmen Moved:

To approve the minutes of July 12, 2017.

Vote: 2 In Favor 0 Opposed 0 Abstained

Meeting adjourned at 8:18 PM

List of Documents and Exhibits:

- July 26, 2017 Minutes
- Updated estimate for New Public Works Facility
- Handout regarding new potential site for Public Works Facility
- Handout on RiverCulture

Next Meeting Dates:

September 13, 2017

- Mr. McDonald to discuss rationale and calculation for tax subsidy to WPCF operating budget as an offset to the cost of treating inflow and infiltration. Current formula includes industry surcharges that are no longer billed.
- Recommendations for the October 5, 2017 warrant articles
- FY19 budget workflow, schedule, and input on budget requests