

FINANCE COMMITTEE MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, SEPTEMBER 5, 2018
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The Chair opens the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Finance Committee members present:** John Hanold, Jen Audley, Fred Bowman, Greg Garrison, and Richard Widmer. Chris Menegoni arrived at 6:12 PM. Michael Naughton was absent.
- **Others present:** Town Administrator Steve Ellis.
- 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 August 22, 2018.

Vote: 5 In Favor 0 Opposed 0 Abstained

Discretionary Accounts

Should any of the discretionary accounts (DPW, WPCF, Police, and IT) be folded into the annual operating budgets or continue as Special Articles?

Mr. Widmer asked how much the WPCF usually requests. Mr. Garrison provided a history of the funds. Mr. Garrison thinks putting requests in the operating budget may have to be more specific, and suggested that if the appropriation is in the operating budget, departments would feel pressured to spend it rather than return any balance. Mr. Hanold thinks it's important to be able to carry over unused amounts.

IT – Mr. Hanold noted that there is a planned replacement schedule for IT equipment.

Police – Mr. Hanold noted that there was a lengthy period when none was used and none was requested. The police budget is also large enough to absorb most of these types of expenses. Mr. Hanold noted that it may be worth continuing.

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WPCF – Mr. Garrison feels the WPCF discretionary account is less needed, and that those expenses can more easily be absorbed into their operating budget.

Mr. Garrison feels that discretionary funds should be asked for, expenses are outside of operating budget, saying that it's tough to manage limiting discretionary accounts to only some of the departments that currently have discretionary accounts.

Ms. Audley summarized that we use discretionary funds for large, unexpected, and non-recurring expenses. Ms. Audley is in favor of these funds as a delay in otherwise obtaining a necessary appropriation for unexpected needs could be problematic. Ms. Audley feels that there is an element of unfairness in that only some departments have these funds, so we need to have a very clear articulation of why only some departments have discretionary accounts.

Mr. Menegoni suggested a single discretionary account to be available for use by all funds.

Ms. Audley suggested that, regarding IT, if something came up outside of the plan, a reserve fund transfer would be appropriate. Mr. Garrison suggested that the Town Administrator has access to funds that could be used for this purpose.

Mr. Hanold would not like departments to depend on reserve funds from large requests.

Mr. Garrison suggested reviewing the issue as during the budget process. Mr. Hanold suggested having a recommendation that Mr. Ellis could use in his budget message to departments as to whether the Finance Committee favored discretionary accounts for each affected department.

Mr. Hanold asked for a conclusion to the discussion. Ms. Audley suggested clear instructions on what a discretionary fund can be used for as part of the budget message, and would like other departments to have the opportunity to explain why their department could also use a discretionary fund. The consensus was to continue with the existing funds to be discussed individually as part of the budget process.

Finance Committee Moved:

To continue the current status of discretionary funds including an annual request, allow other departments to request a discretionary fund, and request that the Town Administrator clarify the purpose of discretionary funds in the budget message.

Vote: 5 In Favor 0 Opposed 0 Abstained

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Special Town Meeting

Review likely financial articles on town meeting warrant

1. Increase WPCF budget by \$379,148. \$250,000 for solid waste disposal, 3 additional employees as required by DEP, and \$4,000 net increase in benefits
2. Use \$9,535 of unused insurance proceeds from Shea roof repair (now in Free Cash) for improvement to “green room”
3. Fund retiring employee’s sick leave and vacation buyout
4. Appropriate \$40,150 to Town Capital Stabilization Fund
5. Rescind unused \$21,569 borrowing authority for Article #30 of the May 6, 2017 Annual Town Meeting, which appropriated \$385,000 for the purpose of lining, cleaning and inspection of sewers and GIS sewer layer development.
6. Rescind Article #46 of the May 6, 2000 Annual Town Meeting, which appropriated \$11,500 for consideration of land, specifically Assessors Map 21, lots 008 and 009, to be purchased under Article #46 of the May 6, 2000 Annual Town Meeting.
7. Appropriate \$19,750 for a technical review of the plan for capping and installing a solar power generating facility on the burn dump. This will be funded from the remaining balance of article 14 of the 12/7/05 STM.
8. Appropriate the \$12,500 received from Comcast as PEG payment to provide cable related equipment for MCTV
9. Allow the use of bond premiums to reduce total debt borrowed for borrowing appropriations voted prior to adding this language.

Taxation Subsidy of WPCF

This subsidy by tax payers represents the estimated cost of treating non-metered flow coming into the plant. Part of the flow comes from the drains that combine sewer and storm water.

Begin discussion on best way to address/calculate.

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Mr. Hanold started by noting that the Water Pollution Control Facility is an enterprise fund where the revenue is supposed to cover the costs. Mr. Hanold noted that there is a philosophical issue around the appropriateness of non-users contributing to the cost of the facility, but there is also the view that non-users and the town in general benefit from living in a town where sewage treatment is available to most residents and industries.

Mr. Bowman brought up the upcoming likely 70+% sewer rate increase and suggested that there may be a value in the taxpayers subsidizing some of the cost until rates level off.

Mr. Garrison suggested that the stability of the community is more important than sewer users paying the full cost of operating the WPCF.

Ms. Audley doesn't see any way our sewer users will ever be able to fully fund the operation of the treatment plant and we need to consider other ways of funding the facility.

Mr. Garrison noted that simply moving the cost from sewer rates to taxation has no net benefit to the consumer.

The bottom line is that there is general but not universal support for general fund assistance to support the WPCF and potentially moderate sewer rate increases.

Next Meeting Date: September 19, 2018

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

Meeting adjourned at 7:53 PM

List of Documents and Exhibits:

- Minutes of August 22, 2018