

FINANCE COMMITTEE MEETING MINUTES  
UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA  
WEDNESDAY, APRIL 3, 2019  
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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:** Jen Audley, Fred Bowman, Greg Garrison, John Hanold, Chris Menegoni, Michael Naughton, and Richard Widmer.
- **Others present:** Town Accountant Carolyn Olsen. Town Administrator Steve Ellis was absent.
- The Chair announced that the meeting is being recorded by MCTV and asked if anyone else was recording the meeting. No one else was recording the meeting.

**Minutes**

- Mr. Naughton feels that there was not enough information was in the minutes. He felt that the discussion by Mr. Kuklewicz about the future of the library buildings, the question about the location and results of an earlier study of I & I in Millers Falls, and other items should have been included.
- Mr. Widmer proposed that approval be held off until people have a chance to suggest changes.
- Ms. Audley noted minutes were more sparse than usual but decided to let it go. Ms. Audley would be willing to accept them this time but interested in seeing what others think.
- Mr. Hanold is happy with the minutes as written and feels it is important to recognize that if we talk about something that is part of the report, a re-telling is not necessary.
- Mr. Naughton feels that there were other things discussed that were not in the CIC report. While he agrees with a general process of having people provide any additional information they want in the minutes, the amount of missing information for last week is considerable, and he doesn't feel the minutes met the criteria of the Open Meeting Law.
- Mr. Widmer volunteered to revise the minutes and have them for the next meeting.

Finance Committee Moved:

To approve the minutes of March 20, 2019.

Vote:   2   In Favor        3   Opposed        2   Abstained

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**Revised Budget Recommendations**

When Ms. Olsen received the Fiscal Year 2020 Assessment notice from the Franklin County Technical School (FCTS), she realized that the \$1,055,178 amount that was thought to be the entire assessment was only the operating assessment. The capital assessment is \$29,829 for a total assessment of \$1,085,007. This change also impacted the amount available for the appropriation to the FCTS Stabilization Fund and the funding allocations of other articles.

Finance Committee Moved:

To amend the recommendation for the FCTS Assessment from \$1,055,178 to \$1,085,007 based on a revised amount received from the FCTS, to be funded from Taxation.

Vote:   7   In Favor        0   Opposed        0   Abstained

Finance Committee Moved:

To amend the recommendation for the Town Capital Stabilization Fund from \$124,369 to \$121,015, to be funded from Taxation.

Vote:   7   In Favor        0   Opposed        0   Abstained

Finance Committee Moved:

To amend the recommendation for the FCTS Stabilization Fund from \$78,000 to \$51,500, to be funded from Free Cash.

Vote:   7   In Favor        0   Opposed        0   Abstained

Finance Committee Moved:

To amend the recommendation for the Industrial Park Signage by changing the funding source from Taxation to Free Cash.

Vote:   7   In Favor        0   Opposed        0   Abstained

Finance Committee Moved:

To amend the recommendation for the Town Hall Awning by changing the funding source from Taxation to Free Cash.

Vote:   7   In Favor        0   Opposed        0   Abstained

Finance Committee Moved:

To amend the recommendation for the Carnegie Doors by changing the funding source from Taxation to Free Cash.

Vote:   7   In Favor        0   Opposed        0   Abstained

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### **Policy Action Review**

All goals were met except for the amount of non-excluded debt service as a percentage of PYGOR, which is below the minimum recommendation. The purpose of this policy is to make sure that a certain level of debt service is paid from regular operating revenues rather than a specific additional revenue source.

Mr. Widmer asked about the guidelines for the Capital Stabilization Fund, noted that we are currently funding much more in capital requests that we have in the Capital Stabilization Fund, and said that this guideline isn't working. Mr. Naughton said the annual appropriation into the fund is to ensure we make annual contributions, but the policy doesn't say anything about whether we should spend that. Another policy says that 6-8% of Prior Year General Operating Revenue should be used to fund debt and "pay-as-you-go" (PAYGO) projects. Nothing in the Financial Policies says when we should spend from the Capital Stabilization Fund. Ms. Olsen noted that when the policies were drafted there may have been an underlying assumption that major appropriations to that fund would occur when major Appellate Tax Board cases were settled. Mr. Widmer sees major capital needs and is concerned that we don't have the means to fund them.

### **Finance Committee Report and town meeting warrant/motion information**

Ms. Audley asked to break out suggestions between general content and fine-tuning edits. Tonight should focus on general content and minor edits should be e-mailed to Ms. Olsen. The goal is to have a revised draft the next meeting. It was later decided to send all suggestions and edits to the main report to Ms. Audley, and all other suggestions and edits to Ms. Olsen by Monday so that a revised draft could be sent out in advance of next week's meeting.

Mr. Hanold suggested first dealing with the placement of schedules I-IV in the report. Ms. Audley felt some of the schedules were so long it felt unwieldy, and made the original option to separate them to the back of the document, but is comfortable with them in either location. Mr. Naughton prefers keeping them in their respective article so people aren't flipping between pages at town meeting. Mr. Widmer said that wherever they land, he prefers they start at the top of the page. It was decided that all schedules will go in the body of the report.

Other suggestions for the report:

- Specific discussion points should not be in multiple places. The general guideline should be that comments specific to a budget request should be in the article background, and all other comments should be in the main report.

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- Mr. Naughton suggested keeping all expenditure information in the article background.
- Ms. Audley prefers to have more narrative in the main report sections with the pie-charts. Ms. Audley specifically suggested that the main report include the explanation of the debt increase, and general wage information.
- Ms. Audley suggested that the main report note that we were able to fund all special articles with Free Cash and Taxation, which is a positive sign of our financial situation.
- Ms. Audley suggested that information about all department budget increases greater than 8% be included in the background information for that article.
- Suggestions for items to go in the main report under General Conditions are comments on the Cultural Coordinator, possible future changes in the Health Department, the libraries devoting energy and attention to their buildings, new permit software, collective bargaining status, step increase and stipend changes.
- Ms. Audley proposed adding a brief description of the budget development process, and she passed out a sample. Mr. Bowman thinks it's a good idea, especially for newer members. This could be inserted after the first paragraph, before the Introduction.
- There was a brief discussion about the differentiation between background and comments for articles and what types of information should be included in each category. Ms. Audley's distinction was the background should have only facts, while comments should have reasoning and judgement.
- Mr. Menegoni asked that the Airport and WPCF be separated on the revenue pie chart in order to clarify the difference in revenue between the two departments. Mr. Menegoni also asked that more detail be provided to clarify what revenues are included local receipts. While this information is available on the website, Mr. Menegoni thinks that having it in the report as readily available is worthwhile. Ms. Olsen was tasked with coming up with a representation of local receipts and the reasons for any changes.
- Mr. Widmer suggested showing the second expenditure chart (showing just the Town's operating budget) as a detailed wedge of the total budget.
- Ms. Audley suggested adding that 6% of local receipts are reimbursements for School Resource Officers to the main report and eliminate this from the background information. This will go in a new section that will follow up on prior year actions. Mr. Naughton pointed out that

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some local receipts correspond to offsetting expenses, such as the SRO and Veterans' Benefits. The main report should explain that schools do not hire the officers.

- Clarify that the second Expenditure pie chart is a piece of the first Expenditure pie chart.
- Ms. Olsen suggested splitting the Education wedge into separate wedges for each district.
- Ms. Audley asked for various pie chart mockups. Mr. Widmer offered to create a variety of options for review next week.
- Clarify or change, as appropriate, references where "General Fund" should be "Town Operating Budget."
- Ms. Audley offered to make the requested changes to the main report.
- Strike "Senior Center" from the third paragraph of the Conclusion in the main report and reference that these buildings and others require more work.
- Note that increases in Chapter 70 aid benefit both school districts.
- Move the discussion of Gill enrollment, and its impact on the GMRSD budget given the calculation for the Affordable Assessment, to the main report.
- Mr. Naughton noted that the report suggests that the trends in Gill's share of the district assessment might prompt a review of the affordable assessment calculation in the coming year. He suggested that we also look at the GM district agreement, and consider using the foundation enrollment (the number of students that each town is responsible for educating, who go to any public school) rather than actual head count to determine the assessment split.
- Mr. Garrison left at 8 PM.
- Ms. Audley suggested restoring information about the Financial Policies in the main report. Mr. Hanold suggested adding this at the foot of page 1.
- Mr. Naughton commented that, going forward, regular town meeting members may find themselves looking through report for what's new. New information is clear in the background information for articles but not in the main report. Ms. Audley suggested a future "Budget 101" that could live on the website and keep the main report for new content.

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- Mr. Bowman would like to get feedback on the new format from town meeting members. Ms. Olsen noted that the report has always asked for comments and suggestions and said that in almost 20 years she hasn't gotten a single comment. Ms. Audley said that she knows a lot of town meeting members and will solicit feedback from them.
- Ms. Audley asked Ms. Olsen to add last year's summary of warrant money articles with their funding sources (and the % of budget for each) after the list of articles.
- Mr. Naughton asked that the "Historical Budget Summary" table be added back at the end of the introductory section. It had been inadvertently overlooked during preparation of the consolidated report for tonight's meeting.
- Mr. Hanold asked if anyone had an opinion on the meals tax article. Mr. Bowman said an annual vote would kill it. Mr. Menegoni likes the meals tax, as it funds the Cultural Coordinator and thinks it should be permanent. Ms. Olsen noted that these tax revenues do not actually fund any particular item in the budget, but Committee members recalled that their availability was part of the discussion of funding the Cultural Coordinator position. Mr. Widmer knows some of the people who petitioned this and some people have different opinions on government. He said that the way this tax was proposed and passed, there was very little information on the impact on individuals.

**Next Meeting Date:** –April 10th to review and possibly finalize the Finance Committee Report to Town Meeting

**Topics not anticipated within in the 48 hour posting requirements –**

There was a quorum of the Finance Committee at last night's Civic Leader's meeting. It was requested to be posted by the GMRSD. Consultants were hired to see what a preliminary view of regionalization with the Pioneer Valley Regional School District (PVRSD) or the Franklin County Technical School (FCTS) and last night they presented their findings. It was decided that the differences in regionalization between regular schools and technical school would make it too difficult to include the FCTS in a combination of regional school districts. The current proposal is to combine the PVRSD and the GMRSD into a single six-town district. The next step would be to form a regional planning committee to explore the options, which could also include not moving forward. This committee would include 3 people from each affected town, to be appointed by each town's moderator at the request of the Selectboard and School Committee. Questions to be asked include educational benefits as well as financial benefits of consolidation. Members present at last

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night's meeting noted that the GMRSD School Committee doesn't seem to be completely on board.

**Meeting adjourned at 8:56 PM**

**List of Documents and Exhibits:**

- Minutes of March 20, 2019
- Policy Numbers after 5/4/19 expected ATM Votes
- Working draft of Finance Committee Report to Town Meeting