

FINANCE COMMITTEE AND SELECTBOARD MEETING MINUTES  
UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA  
WEDNESDAY, OCTOBER 30, 2019  
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**The Chair opened the meeting at 6:00 PM**

- Finance Committee members present: Jen Audley (chair), Frederic Bowman, Christopher Menegoni, John Hanold, Shauna Wallace and Francina Wisnewski. Greg Garrison was absent.
- Selectboard members present: Rich Kuklewicz, Chris Boutwell, and Michael Nelson (arrived at 6:03);
- Others present: Town Accountant Carolyn Olsen, Town Administrator Steve Ellis, Max Marcus for the *Greenfield Recorder* (left at 7:12), GMRSD Director of Business and Operations Joanne Blier (left at 7:15), Ariel Elan, and Deirdre Pleasant for Montague Community Television
- 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. The recording of the meeting is archived online at: <https://vimeo.com/370111373>
- Mr. Menegoni took notes during this meeting; Ms. Audley turned them into minutes.

**Introductions and welcome to new Finance Committee members**

Shauna Wallace and Francina Wisnewski have been appointed to the committee by the moderator. Ms. Wisnewski attended as an incumbent member, but cannot vote until she is sworn in. (She has been appointed to fill the seat Richard Widmer notified us he wished to vacate on October 11, but as of 10/30, the Town Clerk had not received a signed resignation letter from Mr. Widmer.)

**Review of Millers Falls Sewer Repair Project Bid Results (Mr. Ellis)**

Town Meeting allocated \$100K from WPCF retained earnings to repair 8-12 leaking sewer pipes joints and sections that an engineering study identified as the primary source of inflow & infiltration in Millers Falls that has led to significant overage and penalties owed to Erving for exceeding flow limits. \$80K of the allocations was to cover the engineering firm's estimate of design and construction costs; \$20K was presumed to provide a buffer against high bids.

The bid process was expedited and four companies were invited to bid; only one responded and their bid was for \$136K, based on testing 130 joints and repairing 8. We do not need to test 130 joints, so there will be a new invitation to bid that defines the limited scope of the job more explicitly. If the responses to the new bid come in over the allocation, there may be a request for a

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transfer from the reserve fund, which would be replenished from sewer retained earnings at a future Special Town Meeting.

The new bid had not yet been issued on October 30. The work is not weather dependent, but the longer the project is delayed the more likely we are to incur additional overage fees from Erving.

**Discussion: Preliminary to the FY20 tax classification hearing, including implications of taxing to the levy limit in the current budget year (Mr. Ellis)**

Mr. Ellis and Ms. Olsen distributed a memo: "FY20 Levy and Tax Rate Scenarios" which included four scenarios for FY20 tax rate increases: taxing to the Levy Limit, or carrying Excess Capacity of \$300K, \$500K, or \$700K. Tax rates will increase in all scenarios, but the jump would be sharpest if we tax to the limit this year.

New debt from the DPW building project is being bonded in phases; this begins to show up on tax bills in FY20 when we bonded \$2.5M, and will become more substantial in FY21 with the bonding of an additional \$6M.

Robust New Growth also contributed to an increase in the total Tax Levy of 6.5%, but total valuation only increased 1.9%. (Total valuation would have increased by 3% if First Light properties were valued at their appraised value; the Town agreed to a reduced valuation of these properties for FY20 and FY21 as a condition of the recent settlement of an appellate tax board case with the utility company.) There will also be a significant reduction in the Assessors' set-aside for Overlay in FY21.

Maintaining Excess Capacity in the Levy would reduce the tax rate, and would also likely reduce the amount of free cash available for the following fiscal year. Since it has been our Town's practice to fund capital improvement and maintenance projects with free cash, the usefulness of a multi-year capital plan that would help us identify future needs and funding sources was mentioned again.

Mr. Ellis noted that the Town had worked with a grant-funded consultant to develop a Capital Plan three years ago, but it was felt to be insufficient. Since then the Capital Improvements Committee has begun developing a detailed inventory of the 15 buildings owned by the Town. That project is not expected to be complete before the 2020 Annual Town Meeting in May. Mr. Ellis also noted that the Town has full schedules of projected equipment replacement for the DPW and the Police, and that the WPCF and the GMRSD have an array of complicated and potentially costly capital needs.

Planning for Excess Capacity during the budget process in any given fiscal year would reduce the Affordable Assessment for the GMRSD. However, as long as the overall Levy continues to increase, the GMRSD would still see a healthy % increase in Montague's contribution each year.

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The Selectboard asked the Finance Committee members for their thoughts on the matter. The committee did not vote, but each member expressed an opinion, and the general consensus was that it makes sense to diverge from our practice of taxing to the levy limit in FY20, that \$700K in Excess Capacity was too much, and that we leaned toward \$300K in Excess Capacity as the best choice for FY20.

Based on this discussion, the options for residential and commercial tax rates that will be presented at the tax rate classification hearing on Nov 4 will assume approximately \$300K in Excess Capacity for FY2020.

**Remainder of agenda deferred to next meeting: Nov. 6**

Ms. Audley asked the Selectboard if there were items on the remainder of the agenda that they wished to discuss. Hearing none, she suggested that the Finance Committee defer the remaining topics on the agenda to their next meeting.

Mr. Bowman moved and Mr. Menegoni seconded:

That the Finance Committee defer the remaining agenda topics to the next meeting.

Vote: 4 In Favor      1 Opposed      0 Abstained

**The meeting was adjourned at 7:23PM**

Documents distributed and discussed at this meeting:

- Minutes for 10/16/19
- "FY20 Levy and Tax Rate Scenarios" (Ellis)
- Town of Montague FY21 Budget Development Timeline (draft: 10/30 – Audley) Not discussed.
- "Analysis: Closing the Books on Fiscal 2019" dated 10/16/19 from the Massachusetts Taxpayers Foundation, distributed at the annual meeting of the Association of Town Finance Committees on 10/26/19. Not discussed.

**Next Meeting Dates:** 11/6; 11/20; 12/4; 12/18