

**FINANCE COMMITTEE AND CAPITAL IMPROVEMENTS COMMITTEE
JOINT MEETING MINUTES
UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA
DECEMBER 11TH, 2019 AT 6:00 PM
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The Chair opened the meeting at 6:00 PM

- Finance Committee members present: Jen Audley (chair), John Hanold, Frederic Bowman, Shauna Wallace and Francia Wisnewski. Christopher Menegoni and Greg Garrison were absent.
- Capital Improvements Committee members present: Town Administrator Steve Ellis, Frederic Bowman, and Chair Josh Lively.
- Others present: Town Accountant Carolyn Olsen
- The Chair announced that the meeting was 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 available online at <https://vimeo.com/379080793>
- Ms. Wallace took minutes for this meeting.

Minutes of December 4th 2019.

- Review of the minutes from the meeting on December 4th, 2019 has been postponed to the next meeting on January 8th, 2020.

Town Accountant's Report

- This opportunity is regularly provided for recurring news from the Town Accountant.
- After reviewing guidelines, the Board of Assessors voted conservatively to release the sum \$800,000 from the overlay account into Overlay Surplus which is available for appropriation at Town Meeting. This leaves the sum of \$663,341.52 in the overlay account.

Capital Improvements Committee

- Josh Lively shared the preliminary list of CIC Projects and indicated that the scope, cost and number of requests received by the CIC for FY21 is not much different from prior years. How funds will be applied from various accounts is still being determined. Only about 15% of the preliminary list of projects has solid estimates to back them up at this early stage.

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- The CIC intends to create an inventory that includes a detailed assessment of our town-owned buildings, but does not expect this to be completed before making recommendations about FY21 capital requests.

Review of Stabilization Fund & Policy

- Financial policies suggest using 2% of budget year general operating revenue towards capital needs and total of 4-6% for debt service and PAYGO capital items. For FY21 the amount suggested for capital needs (excluding debt service) is about \$450,000. Town Meeting already appropriated about \$250,000 for capital items at the October Special Town Meeting (note: the actual amount was \$360K). This leaves about \$90,000 for a minimum contribution towards capital projects, which is far below the total estimated for capital requests, but similar to what we came up with last year at this point in the process. It is possible in the future that our policies could be re-evaluated and adjusted.
- The current balance of Free Cash is approximately \$500,000. The projected FY21 budget does not account for utilization of any free cash for general operation. Free cash is often used to fund capital projects.
- Not many of this year's capital project requests are eligible for grants except the WPCF pump and blower upgrades and possibly the Turners Falls High School tennis court resurfacing
- Jen Audley mentioned she would like to have a maintenance schedule from the school district, including vehicle replacement, so we can better predict future requests and plan for them.

The CIC adjourned at 6:40 PM

Review of Stabilization Funds & Appropriation Policies

- John Hanold prepared and reviewed a document outlining the different types of funds available and how they are typically utilized. Stabilization funds are appropriated by Town Meeting, not the Finance Committee.
- Amounts in stabilization funds that are not used remain in their accounts at the end of the year. The one exception to this is the Reserve Fund appropriation which is intended for the quick, short, and unanticipated issues that might arise. The balance in this budget is converted to free cash at the end of the fiscal year.
- In 2021 only the DPW will have a discretionary fund. The rest of the departments have opted to integrate expenses they have historically charged to discretionary funds into their normal operating budgets.

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- Fred Bowman urged building up stabilization funds and trying to keep their usage conservative. We typically spend free cash and taxes rather than dip into these stabilization funds.
- John Hanold proposed we reduce the amount of Free Cash used to fund the general operating budget this year as part of the plan to eventually eliminate the practice.

Finance Committee budget requests for FY21 Reserve & Finance

- The committee discussed whether we should increase our reserve fund amount since three departments will no longer request separate discretionary accounts and will include those expenses in their normal budget. There were concerns that emergency expenses might not have been planned for. The consensus was not to increase the reserve fund request.

Finance Committee Moved:

To maintain the Reserve Fund budget for Fiscal Year 2021 at \$60,000.

Vote: 5 In Favor ___ Opposed ___ Abstained

- The second budget request reviewed was that of the Finance Committee. It is \$680 for FY20. Carolyn Olsen suggested we increase the amounts in the seminars and travel lines to provide more education for members. Additionally last year we overspent our printing and bookbinding line by \$90. Providing for these changes would result in an increase to our budget to \$950. It was suggested to increase seminars by another \$50 so the total would be an even \$1,000.

Finance Committee Moved:

To submit a Finance Committee budget of \$1,000.

Vote: 5 In Favor ___ Opposed ___ Abstained

Prepare for the Review of the Department Budgets

- Carolyn will send the Finance Committee a large budget spreadsheet along with department narratives at the end of December. The Finance Committee will review and develop questions for the department heads for clarification and more information. The Finance Committee's job is to review all of the budgets. Hearings with department heads will be respectful of time, but scheduled based off of Finance Committee's need for additional information and public interest.

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No requests for future agendas.

Topics not anticipated within the 48 hour posting requirements.

- Steve Ellis reported that the Millers Falls I&I (Inflow and Infiltration) project is expected to begin on Friday. Should know by next meeting if there are any unanticipated costs that arise.
- A 2.1M Massworks grant will be awarded to the town for the development of the area of the Southworth building. Announcement on Dec 17, Finance Committee is invited to attend.

The meeting was adjourned at 7:46 PM

Documents distributed and discussed at this meeting:

- Summary of FY21 requests received by the Capital Improvement Committees
- Budget worksheets for FY21 requests for Reserve Fund and Finance Committee
- John Hanold's Overview of Funds memo

Next Meeting Date: 1/8/19