

JOINT FINANCE COMMITTEE AND SELECTBOARD MEETING MINUTES
DOWNSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, JANUARY 8, 2020
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The Chair opened the meeting

- Meeting was opened at 6:00 PM in the Downstairs Meeting Room
- **Finance Committee members present:** Jen Audley, Fred Bowman, Greg Garrison, John Hanold, Shauna Wallace, and Francia Wisnewski.
- **Finance Committee members absent:** Chris Menegoni
- **Selectboard members present:** Chris Boutwell and Michael Nelson
- **Selectboard members absent:** , Rich Kuklewicz
- **Others present:** Town Administrator Steve Ellis, Town Accountant Carolyn Olsen, Town Planner Walter Ramsey, GMRSD Director of Business and Operations Joanne Blier, and Max Marcus from the Greenfield Recorder
- 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 video recording of this meeting is available at: <https://vimeo.com/384518620>

Minutes

Finance Committee Moved:

To approve the minutes of December 4, 2019 with amendments.

Vote: 6 In Favor 0 Opposed 0 Abstained

The minutes of December 11, 2019 will be reviewed and approved at our next meeting on January 15th 2020.

Reserve Fund Transfers

Town Planner Walter Ramsey spoke about the transfer request. In an effort to meet Green Community objectives, we have leveraged an Eversource incentive program to install two new Electric Vehicle (EV) charging stations at no cost to the town. They will be located at the Second Street Parking lot and Sixth Street parking area. There are set-up costs required in addition to the actual installation; \$2,820 for 3 years of mandatory network service fees, \$4,242 for an optional 5 year extended warranty on the two charging stations and an estimated \$4,500 for electricity charges. The electricity cost will be built into the budget for future years. This reserve fund transfer will provide funding to pay for those expenses and accelerate availability of the chargers for public

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use. The town would not have been able to take advantage of the program if the town had to wait for a special or annual town meeting to establish an operating budget for these expenses.

Questions were asked relative to whether the chargers would be widely compatible with electric vehicle types and Mr. Ramsey explained that these are universal chargers that work with most vehicles, but that certain Tesla models may not be compatible. He understands that new Tesla models will come with adapters to connect to this standard.

The goal is to at least recoup operating costs by charging users a competitive rate for use of the chargers. With regard to the variation in what users pay to use EV charging stations throughout the region, Mr. Ramsey explained he was researching what other communities are charging and their reasoning. Mr. Hanold suggested we should probably neither further subsidize nor seek to profit through our fee structure for the EV chargers.

Finance Committee Moved:

To transfer \$11,562 from the Reserve Fund to Charging Station expense.

Vote: 6 In Favor 0 Opposed 0 Abstained

Town Administrator's Report

Mr. Ellis reports that the Southworth building sale has closed. The new owner, Tom Cusano, has paid approximately \$300,000 worth of sewer liens on the property and an additional \$100,000 in real estate taxes and tax liens. Ms. Cusano's intent for the building is to lease to a few tenants. This repayment along with the \$2.1 Million state awarded grant will allow for further development.

Mr. Ellis said that on January 8 we will be bonding approximately \$11 Million with our maintained AA bond rating. \$6 Million of this will be for the new DPW facility, which is on schedule. The balance includes re-funding of the Public Safety Complex bond and USDA bonds for past sewer CSO projects. The re-funded issues are expected to result in substantial annual savings with no extension of term.

We were also regretfully informed that the incoming new superintendent for our WPCF has elected to remain in his current position in another town. The Town will re-advertise and continue to employ retired superintendent Bob Trombley as a Consulting Superintendent to assist Interim Superintendent Kevin Boissonnault. The intent is to receive applications by the end of January for review in the following weeks. The WPCF annual budget request is not likely to be affected by this change in plan, but we should soon have more information about potential reduced flow to the Erving plant from Millers Falls that would allow for a reduction in the \$60,000 budgeted for overage fees.

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Notice was received that 253 Farmacy will make a payment in the vicinity of \$35,000 as part of the “impact fees” required by the Town’s Host Community Agreement. This represents 3% of the business’ gross retail sales in 2019, during which they operated for a little over 3 months. Projecting forward, the Town may expect to see annual impact fee revenues in excess of \$100,000 associated with retail sales and similar revenue resulting from the local option retail sales tax on cannabis, which is collected by DOR. Both the impact fee and sales tax represent 3% of gross sales. Additional impact fees would be recognized if 253 Farmacy begins to sell product wholesale, which may begin later this fiscal year when their on-site cultivation operation begins to produce mature crops.

As we have only one type of this facility in our town and it is an emerging market the initial suggestion is to place the two revenues in separate stabilization funds and not treat it as part of the general operating budget.

The Town intends to hold a Special Town Meeting in late February or early March. Key warrant articles are expected to include financial matters such as rescinding borrowing authority for a proposed solar array at the sewer plant that was found to have poor Return On Investment, establishment of stabilization funds to handle incoming and potentially volatile impact fee and sales revenues associated with recreational cannabis, and possible mid-year budget supplements for select departments (not yet determined). We may also receive a request for the purchase of new voting booths that would be better purchased in advance of the May Annual Town Election.

Overlay Surplus and the Affordable Assessment

The Assessors recently released \$800,000 of Overlay to Overlay Surplus, which is now available for appropriation. One issue to be addressed is whether to consider if this is subject to the “Compact for Funding Public Education” with the GMRSD and therefore should be divided using the 48.5% (district)/51.5% (town) split used for other available funds when determining the annual “affordable assessment.”

We have already concluded that these funds are one-time revenue and should not be put into our general operating budget.

John Hanold prepared an initial proposal for how the sum should be apportioned, but felt that more information was needed in light of information provided by Carolyn Olsen about the history of contributions to the GMRSD and a concern raised by Joanne Blier that GMRSD E&D returns to the town had not been included in the numbers.

Jen Audley noted that over the years we have consistently contributed more than the 3% increase promised by the Compact to the GMRSD, and that Montague has also funded special article

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requests for capital projects that are additional to the assessment. She favors distributing the overlay surplus among a variety of stabilization funds and dedicating some to GMRSD needs, but doesn't feel we must apply the 48.5%/51.5% formula.

There was interest in using the Overlay Surplus to fund the backlog of deferred maintenance. Steve Ellis and Greg Garrison noted that \$800,000 is actually only a fraction of the amount needed to address capital needs of both the town and district. A single roof replacement can be over \$1M. Greg Garrison said that if we had \$8M, then we could make significant progress on capital needs.

The large provisions for abatements and exemptions in fiscal years 2014-2019 reduced the amount of general revenue available for the Town and the GMRSD (through the Affordable Assessment). Overlay Surplus is partially a return of that provision, so it would be appropriate to recognize that by allocating some of the Overlay Surplus to the District for their capital needs.

Fiscal Year 2021 Budget

General impressions of departmental budget requests and non-capital special article requests were positive.

Carolyn Olsen noted that the projected growth of the Tech School assessment is a significant factor in the deficit and that if it continues in the future, the town will need additional revenue or will have to reallocate resources.

Jen Audley surveyed those present about what attendance to expect at each meeting, requested information on what departments people had questions about, and asked that everyone write down their questions about budgets and special articles. She hopes to group budget hearings within the general department categories outlined in Schedule III.

We are scheduled to meet with both school districts (GMRSD and FCTS) on 2/26. The consensus was that GMRSD's presentation would be first.

Jen Audley will offer a proposed schedule for budget review at our next meeting, pending the scheduling of a Special Town Meeting.

Requests for Future Agendas

none

Topics not anticipated within in the 48 hour posting requirements.

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John Hanold suggested someone attend the DPW building committee meetings in an unofficial capacity to keep up with their project workflow and issues.

Meeting adjourned at 7:39 PM

List of Documents and Exhibits:

- Minutes of December 4, 2019
- Reserve Fund Transfer Request – Charging Stations
- Memo on Overlay Surplus provided by Hanold
- Affordable Assessment history provided by Olsen

Respectfully submitted by Shauna Wallace, with contributions from Olsen, Ellis, and Audley