

FINANCE COMMITTEE
MEETING MINUTES
UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, MARCH 4, 2020
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The Chair opened the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Finance Committee members present:** Jen Audley, Fred Bowman, Greg Garrison, and Francia Wisniewski.
- **Finance Committee members absent:** John Hanold and Chris Menegoni
- **Selectboard members present:** Chris Boutwell
- **Selectboard members absent:** Rich Kuklewicz and Michael Nelson
- **Others present:** Town Administrator Steve Ellis, Town Accountant Carolyn Olsen, Director of Libraries Linda Hickman, and Director of Parks and Recreation Jon Dobosz
- 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

Finance Committee Moved:

To approve the minutes of February 26, 2020.

Vote: 4 In Favor 0 Opposed 0 Abstained

Discussion: FY21 Annual Budget Requests

541 Council on Aging

The budget for the Council on Aging was discussed. There were no concerns raised.

543 Veterans

The budget for veterans' benefits was discussed. This budget varies year over year depending on the number of veterans receiving service in Montague. This FY budget was set based upon the current census of veterans in town.

610 Libraries

Director of Libraries Linda Hickman discussed the current budget of the library. There is an increase in the payroll for normal contract negotiations and a corresponding increase in the budget for books and media to maintain eligibility for the State Aid to Libraries grant. Linda said

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she has begun providing coverage for 15 minutes before and after the hours that the libraries are open to allow staff adequate preparation and close down time. The library is undertaking a review of its facilities. Linda stated that she had withdrawn her capital request for this fiscal year. She did not have all the information she need to move the request forward.

630 Parks and Recreation

Director of Parks and Recreation Jon Dobosz discussed the Parks and Recreation budget. There were no significant increases and Jon felt that the budget was sufficient for the fiscal year.

691 Historical Commission

The Historical Commission budget was discussed. There were no questions.

693 Soldiers' Memorial

Chris Boutwell, board member of the Soldier's Memorial Committee, discussed the budget and what the committee's role is in managing the memorials. There is one memorial site in each village, although there are sometimes multiple memorials at each site. There were no questions on the budget.

Non-Capital Special Articles

Montague Center Park Survey

Jon Dobosz discussed the need for a survey for the Montague Center park development. Jon is requesting \$5,000 to confirm the boundaries of the lots in the Montague Center park. The \$5,000 request is Jon's best estimate for completing the survey, as he has not yet received any estimates.

Building Assessments for Hillcrest, Sheffield/Administration and GFMS/TFHS

Joanne Blier has requested \$22,500 to conduct building assessments of Hillcrest, Sheffield and GFMS/THFS schools. The assessment for each school will be \$7,500, with the amount needed for GFMS/TFHS allocated between Montague and Gill. The assessments will provide information on the condition of the buildings and what future capital improvements will be needed.

Town Accountant and John Hanold's options for balancing budget

Assuming that approved non-recurring capital articles are funded from Free Cash as been done for fiscal years 2018, 2019 and 2020, the current budget file shows a deficit of \$62,763. At this

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point it is expected that total non-recurring capital special articles that will be recommended by the Capital Improvements Committee will be just under \$200,000.

There are several available options for balancing the budget:

1. Continue using a small amount of Free Cash for operating budgets. Last year a total of \$100,000 was used. In FY2017 a total of \$250,000 was used, and we have been reducing this amount by \$50,000 per year. Using the same annual reduction, \$50,000 in total would be used for FY2021 although some had hoped to be able to fully eliminate this practice for FY2021.
2. A similar option is to use remaining Free Cash (\$471,000 is expected to remain after tomorrow's Special Town Meeting. If \$200,000 is used for capital articles, \$271,000 would remain available for appropriation), or a part of it, to reduce the tax levy. The concept is the same as #1, but the mechanics are slightly different. This option would continue to use reserves to fund operating expenses, which is something the committee has been trying to move away from. Traditionally, unused balances in Free Cash would be appropriated into a reserve account at the Annual Town Meeting.
3. Use \$48,000 (approximately half) of the current FCTS Stabilization Fund towards the FY2021 assessment. This would leave about \$50,000 available for future years. The downside is that Montague enrollment, and therefore assessments, are expected to continue to increase for at least one more year.
4. Suspend annual funding of the Town General Stabilization Fund from Taxation for a year. This fund currently exceeds the minimum set in our financial management policies by \$32,000. The risk is that investment income will be insufficient to keep the balance above the minimum for next year, requiring a larger than usual appropriation from Taxation. This would save \$61,507.
5. A similar option would be to suspend the annual funding of the Town Capital Stabilization Fund from Taxation for a year in light of the \$800,000 appropriation into this fund expected to be approved tomorrow. This would save \$41,805.
6. Level fund the expenses in the Snow and Ice budget, for a savings of \$13,000. This would leave a budget that is likely to be sufficient unless we have a bad winter next year, in which case we have the ability to legally overspend this budget. John Hanold suggests a decrease of \$5,000.

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7. Other potential budget cuts would be \$5,000 in the legal budget, based on recent costs, and \$10,000 in the reserve fund, also based on recent use.
8. Use Free Cash to fund non-capital special articles. Carolyn Olsen does not recommend this, but it is a viable option that would save \$63,203.

Steve Ellis noted that since all of the Overlay Surplus will be appropriated into the Town's Capital Stabilization Fund, some of that fund may be recommended for use towards the GMRSD capital requests to ensure that they also benefit from that allocation.

March 3, 2020 Special Town Meeting

The committee discussed attendance at the special town meeting to be held March 5th and who would be available for comment on specific articles.

Vacancy on Finance Committee

Shauna Wallace has resigned, effective February 27, 2020.

Requests for future agendas

There were no future agenda item requests and the Finance Committee meeting for March 11th was cancelled. The committee wanted to wait for more information on upcoming items.

Topics not anticipated within the 48 hour posting requirements

Upcoming Finance Committee Meeting Dates February 26; March 4, 18, and 25

Motion to Adjourn at 7:27 PM.

List of Documents and Exhibits:

- Minutes of February 26, 2020
- Requests, narratives, and Q & A for departments on agenda
- Requests for Special Articles on Agenda

Respectfully submitted by Greg Garrison