

FINANCE COMMITTEE MEETING MINUTES  
UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA  
WEDNESDAY, SEPTEMBER 2, 2020  
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The Chair opened the meeting

- #1** Meeting was opened at 6:37 PM by virtual attendance in the in Upstairs Meeting Room
- **Finance Committee members participating remotely:** Jen Audley, Fred Bowman, Greg Garrison, John Hanold, Chris Menegoni and Franca Wisnewski.
  - **Others participating remotely:** Town Administrator Steve Ellis and Town Accountant Carolyn Olsen
  - The Chair announced that the meeting is being recorded by the Town of Montague via Zoom and asked if anyone else was recording the meeting. No one else was recording the meeting. Remote participation for both members and the public was provided by Zoom. The link to the Zoom recording is <https://vimeo.com/454209286>.

**#2 Minutes**

The last revision of the minutes was circulated in advance of this meeting.

Finance Committee Moved:

To approve the minutes of July 27, 2020

Vote: Audley –Aye, Bowman –Aye, Garrison –Aye, Hanold –Aye, Wisnewski- Aye, Menegoni-Aye

Finance Committee Moved:

To approve the minutes of August 5, 2020

Vote: Audley –Aye, Bowman –Aye, Garrison –Aye, Hanold –Aye, Wisnewski- Aye, Menegoni-Aye

**#3 Update on Filling Finance Committee Vacancy**

Chair Jen Audley was empowered, by consensus, to advertise the vacancy in two issues of the Montague Reporter and a listing on the town website. Mr. Hanold will circulate to the moderator and committee members a checklist used in the past.

**#4 FY21 Proposed Budget Adjustments**

Town Accountant Carolyn Olsen and Town Administrator Steve Ellis presented a proposal to amend the FY21 budget approved at the Annual Town Meeting, to reflect changes to estimated revenue and expense categories. An excel file was previously provided to members for review prior to the meeting. Local receipts and state aid estimates have been lowered by \$178,692, reducing the amount of available “Taxation” to \$124,837. After discussion, the make-up of the

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revised revenue was accepted as presented. The revised make-up of the expense reductions (\$109,000 total unchanged) is:

IT Spending	\$ 4,000	Additional consulting costs
Shared Costs	2,000	DPW phone costs
Legal Expense	(10,000)	Recent years' pattern
Building Utilities	(35,000)	Recent years' pattern
Health Insurance	(60,000)	Recent experience
Veterans Support	<u>(10,000)</u>	Recent experience
Net Reduction	(\$109,000)	

Discussion focused on new information since end-May and the confidence level of members. There was agreement that the resulting level of reserves was acceptable.

The file also contains proposed appropriations for the October 13, 2020 Special Town Meeting (STM), and a revenue history. These changes do not meet the Financial Policies threshold to consider use of Town General Stabilization Funds to balance the budget. Updated amounts for available Free Cash and Town Capital Stabilization Funds are also included.

A second section of the Appropriations tab shows several articles deferred from the Annual Town Meeting (ATM), and the third section shows potential articles for a winter STM. After consideration of what was voted at the ATM, the second section suggests how to balance the FY2021 operating budget without using Free Cash. Carolyn Olsen feels that this could be adjusted by reducing or eliminating the reductions in Veterans Benefits or possibly Legal, and that there is more room for reduction in Public Building Utilities and Health Insurance. Copies of the budget pages for all 4 departments showing FY20 actual amounts were also provided.

Discussion concerned:

- \* Whether to balance the FY2021 budget using Free Cash or reductions in certain expenses. If reductions are chosen, those amounts and sources need to be decided.

- \* Whether the Finance Committee still wants to allocate the extra Free Cash that was available at the end of FY2020 to various reserves, or stick to the amounts required by the Financial Policies in order to preserve Free Cash for use this winter and for the FY2022 budget.

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Finance Committee Moved:

To recommend to the Selectboard the alteration of the FY2021 budget, by reducing revenue by \$178,695 and spending by \$109,000, and to recommend \$753,714.49 of appropriations for Special Articles (the listing on page 2 plus \$4,000 for Shea Fire System Repairs).

Vote: Audley –Aye, Bowman –Aye, Garrison –Aye, Hanold –Aye, Wisnewski- Aye, Menegoni-Aye

**#5 October 13<sup>th</sup> STM**

Mr. Ellis confirmed the October 13<sup>th</sup> STM date as well as the proposed timeline. The Selectboard is scheduled to finalize the Warrant on September10.

**#6 Updates on Financial Policy and Financial Forecasting Projects**

Ms. Audley reported that Mr. Addelson will submit draft policies for several items on the Financial Polices list, by late September, and that the town staff financial team is contributing to the Financial Forecasting project. Special Town Meeting preparation is causing slower progress.

**#7 Topics not anticipated within the 48 hour posting requirements**

Ms. Audley notified the committee of three webinars offered by the Association of Town Finance Committees in late October, at \$25 per person for the set. Interested members should contact her directly, and the Finance Committee budget will cover the cost.

The next meeting will be September 16<sup>th</sup>.

**#8 Motion to Adjourn**

Finance Committee Moved:

To adjourn at 8:02 PM.

Vote: Audley –Aye, Bowman –Aye, Garrison –Aye, Hanold –Aye, Wisnewski - Aye, Menegoni-Aye

Respectfully submitted by John Hanold

**List of Documents and Exhibits:**

- Minutes of July 27, 2020

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- Minutes of August 5, 2020
- Ms. Olsen's summary of changes to FY2021 approved budget: Revenue and Expenses
- Mr. Ellis' potential Articles for October 2020 Special Town Meeting