

FINANCE COMMITTEE MEETING MINUTES
 UPSTAIRS MEETING ROOM, 1 AVENUE A, TURNERS FALLS, MA
 WEDNESDAY, DECEMBER 9, 2020
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The Chair opened the meeting at 6:00 PM by virtual attendance via ZOOM Meeting

- **Finance Committee members (remotely):** Jen Audley, Fred Bowman, John Hanold, Jennifer Waryas, Greg Garrison
- **Finance Committee Absence** Chris Menegoni (Excused), Francia Wisnewski
- **Montague Selectboard members (remotely):** Rich Kuklewicz (left 6:45 PM), Chris Boutwell
- **Others participating remotely:** Town Administrator Steve Ellis and Town Accountant Carolyn Olsen,
- The Chair announced that the meeting is being recorded by Carolyn Olsen and the Town of Montague via Zoom. Remote participation for both members and the public was provided by Zoom. The link to the Zoom recording is <https://vimeo.com/489416927#1>

- **FY22 Revenue Estimate (Town Administrator and Town Accountant)**

- Mr. Ellis transmitted his FY22 Revenue Estimate memo just before the meeting, referring to challenges caused by COVID.
- Summary of FY21 Estimate vs. FY22 Estimate (No Reserves Used)

	<u>FY21</u>	<u>FY22</u>	<u>% of Total</u>
Tax Levy	\$19,543,645	\$20,180,441	86.4
State Aid	1,698,920	1,573,915	6.7
Local Receipts	<u>1,637,121</u>	<u>1,614,6371</u>	<u>6.9</u>
Total	\$22,879,686	\$23,368,993	100.0

Consultant Rich Kingsley is impressed at Montague’s success in generating sufficient reserves to provide a buffer for a recession.

Tax Levy

- This is both the largest and most predictable element of revenue. The Debt Exclusion figure includes the greater part of borrowing for the Department of Public Works Garage, which is now fully occupied.
- New Growth is estimated to be at the level of earlier years, before the revaluation of Personal Property of utilities. Abatements & Exemptions is estimated to be similar to recent years.

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- Excess Capacity is forecasted to be at the FY21 level. This figure is the one most likely to be reviewed as the budget season continues.

State Aid

- After two years at the same level Unrestricted General Government Aid (UGGA) is forecasted to drop 10%, approximately the decrease in each of FY09 and FY10. This is 88% of State Aid, and will be re-visited after Gov. Baker's budget proposal in late January 2021.

Local Receipts

- This is the most difficult of the three elements of revenue to predict, since it is a real-time, dynamic actual, not a set amount. It also is the summary of many miscellaneous lines examined by Ms. Olsen.
- Motor Vehicle Excise is 42% of the total used to calculate the Affordable Assessment for GMRSD. It is expected to respond to lower sales, caused in part by availability problems. Meals Tax is not a large component of Local Receipts but is expected to fall in response to COVID-19 impacts.
- Trash Disposal is forecasted to be the same as FY21, and no estimate is made for new cannabis operations, in view of their start late in FY21. This is consistent with the past planning for 253 Farmacy.
- Licenses & Permits is forecasted fairly flat to recognize that the recent surge in solar permit shows no sign of continuing.
- Local Receipts will be reviewed periodically, but firmer data is not likely.

Other Considerations

- The provisional calculation of the Affordable Assessment from GMRSD rises only 1.1%, and the provision for Town operating expenses "less than is required" to meet operating needs (assuming no use of reserves for operating expenses). Montague's reserve balances are substantial enough to contribute to improving this condition, and current challenges are arguably the reason we have provided them.
- Analysis of the economic impact following the economic downtown in 2008-2009 supports planning for a multi-year trajectory.
- Examination of spending forecasts, for both Operating and Special Articles, will begin after budget requests are consolidated in mid-December.
- Discussion of ways to use reserves or otherwise adjust the forecast will be pursued at future meetings.

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#2 Discussion of FY22 Funding and Other Financial Goals

- The Town Administrator’s presentation and memo provided the basis for “a number of strategic decisions” to be discussed at future meetings, beginning on December 16.

#3 Approve Meeting Minutes November 23, 2020 GMRSD

The Selectboard approved the minutes for November 23, 2020 on December 7. It was observed that the description of Solar Revenue for the Airport was incomplete, but of no consequence.

Finance Committee Moved:

To approve minutes of November 23, 2020

Vote: Bowman-Aye, Garrison-Aye, Hanold-Aye, Audley –Aye, Waryas –Aye

The December 2, 2020 Meeting Minutes will be considered on Dec 16.

#4 Reserve Fund Transfer Request

The Selectboard voted a transfer request for \$6,000 at its December 7 meeting, and submitted it to this Committee. It covers unanticipated costs of monitoring Town Hall entries during the COVID pandemic as of December 31, 2020. This cost may be considered eligible for reimbursement through CARES funding, if the deadline for claims is extended beyond Dec 30.

Finance Committee Moved:

To approve Reserve Fund Transfer Request as submitted.

Vote: Bowman-Aye, Garrison-Aye, Hanold-Aye, Audley –Aye, Waryas –Aye

#5 FY22 Budget Requests: Finance Committee and Reserve Fund

- Ms. Audley described the thinking behind her proposed budgets, which will be submitted to Ms. Olsen.
- Ms. Audley will also submit a brief Narrative page for each department.

Finance Committee Moved:

To support the budget requests as submitted: \$700 for Finance Committee and \$60,000 for the Reserve Fund.

Vote: Bowman-Aye, Garrison-Aye, Hanold-Aye, Audley –Aye, Waryas-Aye.

#6 Topics not Anticipated and Suggestions for Future Agendas

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- No late topics raised.

Topics anticipated for December 16 Agenda

- Discussion of FY22 Revenue Estimate Presentation, including Funding and Other Financial Goals for FY22 and beyond
- Changes in IT services
- Orientation to Budget Workbook

Topics anticipated for December 23 Agenda

- Airport Purchase

#7 Adjournment

Finance Committee Moved:

To adjourn at 7:44 PM

Vote: Bowman-Aye, Garrison-Aye, Hanold-Aye, Audley –Aye, Waryas-Aye.

Respectfully submitted by John Hanold

List of Documents and Exhibits:

- Reserve Fund Transfer Request
- FY22 Dept Budget Requests: Finance Committee and Reserve Fund
- Town Administrator's FY22 Revenue Estimate memo (v 12.9.20)