

FINANCE COMMITTEE MEETING MINUTES  
1 AVENUE A, TURNERS FALLS, MA  
WEDNESDAY, JULY 28, 2021

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Meeting was opened at 6:00 PM at Town Hall, with remote participation via Zoom

- **Finance Committee members present:** Jen Audley (JA), Fred Bowman (FB), Greg Garrison (GG)(Remote), Francia Wisnewski (FW)(Remote), Chris Menegoni (CM) and John Hanold (JH) (Remote).
- **Absent:** Jennifer Waryas
- **Others:** Town Administrator Steve Ellis (SE), Accountant Carolyn Olsen (CO)

The Chair announced that the meeting is being streamed and recorded by MCTV and asked if anyone else was recording the meeting. Ms. Olsen is recording the meeting, but no one else was. Remote participation for both members and the public was provided by Zoom. The link to the recording is <https://vimeo.com/580862171>.

### **Approval of Minutes**

The minutes for the meeting of July 21, 2021, were reviewed and approved unanimously.

Finance Committee Moved: To approve minutes of July 21, 2021.

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

### **Updates from Town Administrator and Accountant**

- No critical updates to report at the moment.

### **Review of Draft Financial Policies**

**JA:** Discussion to focus on determining which ones of the eighteen draft policies we hope to finalize and have in place ahead of the FY23 budget development process. Prior to the meeting members had the opportunity to score each policy in a ranking from 1, meaning it was ready to submit to the Selectboard for approval, 3, meaning it was ok to approve with changes, to 5, meaning it should be held for discussion and changes.

Based on the survey scores received from 4 members of the committee, all of the policies that are in the B category (six financial operations policies), after answering a few minor questions, should move forward.

**CM:** Wanted us to see how the policies work with real numbers.

**JH:** B policies/ operations policies are fine except for B5, policy on procurements, a good deal of work needs to be done to flesh it out.

**SE:** Procurement policy is new and needed, would like it to be adopted as is.

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**JA:** Operations policies were developed with input from town staff who will use them; if they are satisfied we should support the B group

**JA:** Policies in the A group (financial management) are the policies that FinComm seem to have responsibility for shaping. Policies in that group to be held for further review, according to the scores submitted prior to the meeting are A1 Annual Budget, A2 Capital planning, and A7 OPEB.

**FB:** Would like to hold Capital Planning until the CIC have additional building assessments. The current process needs to be improved, need a multi-year plan.

**GG:** Capital Improvements Committee should be involved in review of Capital Planning Policy.

**JA:** The policies that we have in place now include the building blocks of what's in the draft Capital Planning policy.

**JH:** Would like to also hold A5 (Reserves), there are some flow chart type supports that this policy would benefit from, and it needs another looks at how we classify the reserves. There are distinctions that make them desirable to break them down a bit.

**SE:** (responding to CM interest in showing how policies work with real numbers) We can use an existing element of the budget worksheet to create samples that show this. Can include as an appendix to the policies.

**SE:** Clarifies that DPW discretionary fund is a special article, not a stabilization fund or reserve fund. This is part of the annual budget process but not addressed in these policies.

**JA:** Once we have settled our proposed financial policies and offered them to Selectboard, Finance Committee should have a "show and tell:" at which we offer examples. Financial reserves, capital planning, and annual budget process policy are intertwined so perhaps better to work on them together and keep as a set.

**JH:** His reference to "administrative changes" refers to definitions of terms, he recommends the terms be described in a consistent manner. There are minor discrepancies IE: financial reserves.

**JH:** Will draft a flow chart and will bring to committee.

FINANCIAL MANAGEMENT POLICIES

- A-1 Annual Budget Process
- A-2 Capital Planning
- A-3 Debt Management
- A-4 Enterprise Fund20
- A-5 Financial Reserves
- A-6 Investments

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A-7 Other Post-Employment Benefits (OPEB)  
A-8 Enforcement of Property Tax Collections  
A-9 Tax Rate Setting  
A-10 Revenue and Expenditure Forecasting  
A-11 Annual Audit  
A-12 User Fees

FINANCIAL OPERATIONS POLICIES

B-1 Cash and Receivables Reconciliations  
B-2 Grant Management  
B-3 Employee Reimbursements  
B-4 Anti-Fraud  
B-5 Procurement  
B-6 Revenue Processing

**JA:** Concerns regarding A1 (Annual Budget Process): It's new for us to formalize how we create the annual budget. We asked the consultant to capture the current process. At a several junctures, the consultant indicated that the process that we use is quite different than what he has seen in other communities. He might be saying he has concerns. Chair has concerns as well and feels uncomfortable making something into a policy until we have time to consider it, give us time to reflect in how we make the budget process.

**JH:** Agrees, concerned about chain of responsibilities.

**JA:** The current way in which we assemble the budget means that we do not have a final budget to present to the public until the very end of the process, it is time-intensive and requires a few people to invest lots of time. Compelled by idea of a process where a preliminary budget is presented much earlier. Would also like to see staff create and defend a preliminary budget that reflects what they believe their needs are rather than the current process, where we evaluate and defend annual departmental requests. Would like this committee to provide higher value input to the annual budget process, with less seat time, and to provide information to the public earlier in the process.

**JH:** In consultant's version of alternative annual budget process, FinComm has a passive role, we do not review anything until head departments, Town Administrator and Selectboard have already created and reviewed the proposed budget.

**GG:** Understands that in draft policy we are considering, the FinComm becomes the driver of the budget cycle. Feels we should receive the information once it has been vetted.

**CO:** The draft policy describes the Finance Committee's role in the annual budget process accurately.

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**JA:** We can request to keep some aspects of the financial policies from 2014 in place until we finish working on the policies we want to take more time to update.

**FB:** Asked if this is going to make the process longer. Asked when the FY23 budget development season begins.

**CO:** October

**JA:** Most of the task for us is looking at the policies we want to ask the Selectboard to adopt one by one, discuss questions, make decisions. Work on the eight A policies that we have consensus about moving forward starting at next week's meeting. JA will not be present; GG will chair. Meeting will be remote.

Aim to finish by 8/12 and then present to the Selectboard to consider and schedule to vote on at a future date. In the interim, FinCom to present to the public and answer questions.

**FB:** Stick with policies that work for the town and not trying to replicate what other towns do. At a presentation of the policies Important to emphasize and clarify between policies and bylaws.

**CO:** Requested any language changes, suggestions to the policies by Monday so she can prepare document for consideration at the meeting.

**GG:** On A2, our next CIC meeting is on 8/4, this also needs to be reviewed by the CIC. CIC also should be able to provide funding source, which is something that they have not done consistently.

**JA:** CIC should review A2.

**JH:** How much are we expecting to accomplish next week?

**JA:** Indication from the survey, seems possible that the 8 draft policies from the A group we have agreed to move forward could be finalized in one meeting.

### **Adjournment**

Finance Committee Moved: To adjourn at 6:54 PM.

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

### **Topics not anticipated in the last 48 Hours**

No new topics were raised.

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Respectfully submitted by Francia Wisnewski

**List of Documents and Exhibits:**

Draft Financial Policies

Addelson talking points memo