

MONTAGUE FINANCE COMMITTEE
Final Meeting Minutes
August 11, 2021 at 6:00 p.m.

This meeting was held via Zoom. The recording is available here: <https://vimeo.com/586736284>

PRESENT: Jen Audley – Chair (JA); John Hanold (JH); Gregory Garrison (GG); Jennifer Waryas (JW); Frederic Bowman (FB) and Francia Wisniewski (FW) members; Carolyn Olsen (CO) Town Accountant. ABSENT: Christopher Menengoni

1. Call the meeting to order including announcing that the meeting is being recorded and guidelines for participation.

The meeting was called to order by Chair, Jen Audley (JA) at 6:00 p.m. The announcement was made that the meeting is being held via Zoom and being recorded by Carolyn Olsen as well as MCTV is broadcasting and recording the meeting.

2. Approval of the August 4, 2021 meeting minutes (if available)

The minutes of August 4, 2021 were received by the members and reviewed. JH moved to approve the minutes of August 4, 2021 and seconded by FB. No discussion or amendments were made. **Role call vote: JH, aye; FB, aye, GG, aye; JW, aye, FW, aye, JA abstained as she was not in attendance at this meeting.**

3. Updates from Town Administrator and Town Accountant

There were no updates received from the Town Administrator and CO, Town Accountant did not have any updates to report at this meeting.

4. Review of Draft Financial Policies

The committee continues to work on the Town's Financial Management policies. Last week, they finalized and approved 10 of the policies. On this agenda, JH asked for further discussion of the following policies:

a. Further discussion of A-3 (Debt Management) and A-11 (Annual Audit) Finalize review of A4 (Enterprise Funds) and A9 (Tax Rate Setting)

A-3 (Debt Management Policy) – JH reiterated with the Committee of his concerns regarding some of the wording of this policy however after meeting with CO, his concerns have been eliminated. JA stated that she was not on the FinCom when the financial policies the Town currently has in place were established, but that setting those goals benefited the Town because now the Town is in better financial shape.

A-11 (Annual Audit Policy) – Upon further review and discussion with CO, JH accepts this policy as written. CO added that for educational purposes, what the annual audit is and how it is required by Federal Guidelines due to receiving Federal grants such as CDBG. This policy creates an opportunity for the public to be informed about the results of the annual audit. The

Audit Committee is established by the Select Board and consists of the Town Administrator, Town Accountant, the Treasurer, Tax Collector, 1 Select Board member and 1 Finance Committee member. There was discussion of including the School Committee however schools are independent of the actual operation of the Town and therefore, have their own audit. Upon request from JA for a FinCom member to volunteer to be on the Audit Committee, GG volunteered.

A-4 (Enterprise Funds Policy) – JA feels that this counts as a new policy as the Town does not have one that is treated this way. This policy defines what an Enterprise Fund is and how to manage those funds. Parks and Recreation was discussed and how it is not considered as a utility such as the sewage treatment plant and the airport. The airport is diversified in its revenue with rental income, leases for hangar space and potential income for solar on the property. In regards to sewage treatment, there may be Federal and State support for the sewage systems. The Committee discussed this current policy and how it mentions using direct costs. GG sees the wisdom in funding as this is the first year talking about the rate generating enterprise funds to go into the capital stabilization fund. JA made the suggestion to make a 1 word change “User charges shall be set to a level to cover projected costs direct and indirect” as now there are forecasting tools. **JA called for a vote to finalize this policy with amendments. GG made the motion and seconded by FB. JH, aye; JW, abstain; FW, aye; GG, aye, FB aye; JA aye. Motion carries.**

A-9 (Tax Rate Setting) – JH proposed a spelling correction (“ensuring”) and a wording change (“prescribed” instead of “developed”) and noted that the addition of a second public meeting during the tax rate setting process is a significant change from the current policy, which he supports. JA explained that while she proposed some alternate wording in this section, CO’s response in the comments on the document convinced her that the original wording should stand. She withdraws that suggestion, but proposes removing the phrase “(see Annual Budget Policy)”. No other questions regarding this policy. **On a motion by FB and seconded by GG, the committee moves to finalize policy A-9 Tax Rate Setting Policy with the proposed changes. JH, aye; GG, aye; FY, aye, JW, aye; FB, aye and JA, aye.**

JA mentioned that the 12 policies discussed have now been reviewed and can be brought before the Select Board in September. She asks if the Committee would like to move forward with other policies or okay with the 12 that have been discussed and finalized. Her preference is to move forward and visit the other 4 policies at a later date. She thanks JH for all of his work with the policies. The Committee agrees they are getting ready now for the budget season and will save the other policies for later discussion. JH would like to at least discuss the OPEB policy as that has very few edits to discuss before finalization. The Committee agreed to discuss A-7 OPEB.

b. Review of A5 (Reserves) and A7 (OPEB)

A-7 (OPEB) – This policy seems straightforward. A few minor adjustments of changing the words “will” to “shall” as well as “will or should” to “shall”. CO will make those minor adjustments. FW asked if there are any trends for the OPEB such as employees retiring and CO states the liability will continue until there is a need. Just the general increases that they are having. **GG made the motion to accept the A-7 OPEB policy with the few minor adjustments. FB seconded. JA stated it is a valuable policy to have and can review**

annually and make adjustment is necessary. No other comments given. GG, aye; FB, aye, JW, aye, FW, aye; JH, aye and JA aye. Motion carries.

c. Begin Review of A1 (Annual Budget Process) and A2 (Capital Planning) This topic was deferred to a future meeting.

5. Discuss Financial Policies Timeline

Final drafts will be available of the 13 discussed and finalized policies for the Select Board's August 23 meeting where Michael Nelson will be in attendance for his last meeting. It is important for these policies to be available as he has been a part of these policies from the beginning. 15 minutes will be reserved to present these financial policies. CO will send these policies to the Select Board for their review prior to the meeting. It will be posted as a FinCom meeting so that the Committee can attend and participate. The FinCom will make themselves available for any Q & A from the public at a meeting on September 22. A meeting will be held on September 8 to figure out how to structure that session.

6. Topics not anticipated and agenda requests

JA noted that she will begin including updates from the Capital Improvement Committee and the GMRSD school committee on FinCom agendas after September, as the September meetings will be focused on the financial policies project. For future, they will make headway with the other remaining 3 policies and have them complete by the end of the year.

Another topic is that she is aware of an individual interested in taking the FinCom minutes. This person has experience taking minutes of another local town's meetings and has agreed to help. It will not be under a more formal hiring process rather an independent contractor and the rate will be \$15/hour. The committee is in appreciation to this person who came forward and CA will pursue this position with this individual for future meetings.

On a motion by FB and seconded by GG, the meeting was adjourned at 7:45 p.m. FB, aye; GG, aye, JW, aye, FW, aye JH, aye and JA aye. Meeting adjourned.

Respectfully submitted,

BettyLou Mallet
Scribe

Meeting materials: Minutes of August 4, 2021; Policies – A-3 (Debt Management), A-11 (Annual Audit), A-4 (Enterprise Funds), A-9 (Tax Rate Setting) and A-7 (OPEB).

Approved by Finance Committee: 09/22/2021