

MONTAGUE FINANCE COMMITTEE

Final Minutes

Wednesday, November 9, 2022 at 6:00 p.m.

This meeting was held via Zoom and recorded: <https://vimeo.com/769256490>

PRESENT: Chair Francia Wisnewski, Vice-Chair Greg Garrison, Clerk Dorinda Bell-Upp, Chris Menegoni, John Hanold, Jennifer Waryas and Fred Bowman, members; Town Administrator Steve Ellis, Superintendent Chelsey Little of Clean Water Facility; Ariel Elan, and Dave Harmon, residents and Scribe BettyLou Mallet.

1. CALL MEETING TO ORDER

The meeting was called to order by Chair Francia Wisnewski at 6:00 p.m. All members present. The meeting is being recorded and aired on MCTV.

6. PRELIMINARY PLANS FOR FREE CASH AND CWF RETAINED EARNINGS

To accommodate the individuals who are attending tonight's meeting, FW asked the approval of the committee members to discuss item #6 at this time. All committee members agreed. Steve Ellis opened the discussion stating there is \$420,000 in retained earnings and \$257,000 in the stabilization fund for the CWF (Clean Water Facility). The FinCom was asked their thoughts on how to handle these funds. JH stated and was echoed by other members, that the funds should be placed where easily accessible should issues such as large items arise. Superintendent Little felt it is a good strategy to access retained earnings for use on capital projects rather than the capital stabilization fund where 2/3 vote is not needed. Her goal is to have a budget surplus to set the rates so there will not be an increase. The retained earnings will naturally roll in to the next fiscal year. FW asked if any member knew if there was a positive forecast at the state level. Steve stated he had heard the Federal Bipartisan Infrastructure Bill will be adding grants/ greater level of loan forgiveness to new borrowing. JW asked how these funds are invested. Steve stated they are invested conservatively and she should reach out to Eileen Seymour for additional questions. JH asked the Superintendent if any items will be discussed in the mid-winter Special Town Meeting. Supt. Little stated there is a full-project funding approval for the screw pumps; replacing the utility truck with a conversion van and a transport vehicle. An upgrade septic receiving station (a major revenue source) will also be added.

2. REVIEW OF MEETING MINUTES – OCTOBER 19, 2022

All of the Finance Committee members received and reviewed the draft minutes of October 19, 2022. No discussion. **On a motion by JH and second by CM, the minutes of October 19, 2022 were approved as written. JW, aye; JH aye; FB, aye; DB-U, aye; GG, aye; CM, aye; FW, aye.**

3. UPDATES FROM TOWN ADMINISTRATOR – FY24 Budget Message; Preliminary budget considerations; Potential requests for additional services.

Steve reviewed the budget message sent to all department heads, which revealed a level-service budget. The forecast for FY24 does not show tremendous growth. There may be a few potential requests for additional services through the DPW and Parks/Recreation for staffing. Looking forward to FY25, there may be additional staffing needs within the Town Clerk's Office for the Federal election.

Since the State of Massachusetts now has a new Governor, cities and towns do not know what to expect moving forward as the process takes time.

FW and Jen Audley will be presenting the last three policies before the Selectboard (Annual Budget Process, Capital Improvements and Reserve Fund) on Monday, November 28.

Steve stated the 6-town regionalization planning committee will be meeting with the SB this coming Monday. There is a need for representation of Montague in this committee. FinCom members are welcome to attend.

4. REVIEW BUDGET CALENDAR

The FinCom members received a draft calendar for FY24 which mirrors last years' calendar. FW will be meeting with past Chair, Jen Audley to discuss the process. If any members have questions, FW can bring them to this discussion and additional information will be discussed at the next meeting.

6. PRELIMINARY PLANS FOR FREE CASH AND CWF RETAINED EARNINGS

Free Cash had now been discussed by the Committee. According to the financial policy decision by the FinCom, the amount of free cash greater than 3% of PYGOR is to go into OPEB or stabilization funds. Eversource has been paying significant back taxes and a substantial amount in motor vehicle excise tax revenues were the biggest contributors to the 2.4 million of Free Cash. There will be a 1-page handout showing what has been done historically for discussion among the Finance Committee at the next meeting.

7. CIC CHECK-IN/UPDATE ON DPW DISCRETIONARY ACCOUNT PROPOSAL FROM CIC

Greg Garrison spoke to the committee on behalf of the Capital Improvement Commission. The CIC met with the DPW and have come to a resolution. Walter Ramsey will be creating new guidelines and presenting them at the next CIC meeting. The CIC has also received a number of FY24 capital requests. A few surprise requests are a septic receiving station and 2.5 million for screw pump upgrades. Although the screw pumps were discussed and voted at Town Meeting, the work cannot be done by employees at the CWF and therefore the estimated cost will rise substantially. The CIC will be meeting with the DPW, Selectboard, Library, Park and Recreation, EDIC and CWF in the next several weeks. JW asked about the screw pumps and if there was information on the website showing financial information. GG stated there is a summary spreadsheet by department under the CIC on the town website.

9. FUTURE MEETING TOPICS – From this meeting's discussion, future topics will include the CIC coming back with draft recommendations regarding the DPW Discretionary Funds, the Budget Process Calendar and a handout on Free Cash recommendations.

10. TOPICS NOT ANTICIPATED WITHIN 48 HOURS OF POSTING – FW stated she attended a Webinar on the cannabis impact fee revenues, what it means to be a host community and how reimbursements work. She also offered gratitude towards the committee with its 100% attendance during election.

The next meeting will be held on Wednesday, December 14, 2022 at 6:00 p.m.

11. ADJOURNMENT

On a motion by JW and second by GG, the meeting adjourned at 7:33 p.m. JH, aye; FB, aye; GG, aye; DB-U, aye; CM, aye; JW, aye; FW, aye.

**Respectfully submitted,
BettyLou Mallet**

Scribe

Materials: Agenda 11/09/2022; Draft Minutes 10/19/2022; FY14 Budget Message; FY24 Budget Schedule (v 2022-10-26); FY24 Affordable Assessment Calculation; Revenue Projections; Free Cash Certifications/Calculations.

Finance Committee approved: December 14, 2022