

MONTAGUE FINANCE COMMITTEE

Wednesday, March 8, 2023 at 6:00 p.m.

This meeting was held via Zoom and recorded: <https://vimeo.com/806176202>

Finance Committee Chair Francia Wisnewski called the meeting to order at 6:00 PM.

Finance Committee members present: Chair Francia Wisnewski, Clerk Dorinda Bell-Upp, and members John Hanold, Jennifer Waryas, Chris Menegoni, and Fred Bowman

Finance Committee members absent: Vice Chair Gregory Garrison

Others present: Town Administrator Steve Ellis and Town Accountant Carolyn Olsen

The meeting is being aired on MCTV as well as recorded by Carolyn Olsen.

Meeting minutes:

Mr. Hanold makes the motion to approve the Finance Committee minutes from March 1, 2023 as presented. Seconded by Mr. Bowman, and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

Final votes on Schedules I and II

- Mr. Garrison emailed his position that he is in favor of the stipend increases but not of granting increases outside of the Finance Committee's schedule review, which is currently on a 5-year review schedule (requiring a complete review for FY25). Exceptions can be made for extenuating circumstances.

Schedule I, Wages for Elected Officials, was previously recommended as requested with the exception of the requested increase for the Moderator from \$370 to \$500 pending the discussion on February 15th.

Schedule II, Wages for Appointed Officials, was previously recommended as requested with the exception of the following pending the discussion on February 15th and the outcome of the March 2, 2023 Special Town Meeting:

1. Board of Registrars requested an annual increase from \$525 to \$625
 2. Clerk to Board of Registrars requested an annual increase from \$840 to \$900
 3. A new position of Hearing Officer at an annual stipend of \$2,500
 4. A new position of Farmers Market Manager at an annual stipend of \$4,000
- Mr. Hanold repeated his opposition to the increases in current positions specifically because they are outside of the cycle.
 - Ms. Bell-Upp noted that the last few years have been notably unusual and asked when the 5-year review was scheduled. The next review is scheduled for FY25.
 - Mr. Bowman said that policies are recommendations, and that the last few years have been very unusual. He recommends approving all of the requests and leaving it to town meeting members to decide.
 - Mr. Menegoni thinks that if a position's responsibility greatly changes and more time required within the 5-year cycle it makes sense for an increase, but in general he prefers to make increases according to the cycle.

- Ms. Wisnewski notes that this timeline is not part of the formal financial policies that were approved last year.
- Ms. Bell-Upp suggested that if increases for certain positions were granted now, that those stipends not be increased for FY25.
- Mr. Menegoni noted that in the last review it was notable that so many stipends had not been changed in many years. Mr. Menegoni also suggested that a 3-year review might make more sense.
- Ms. Waryas suggested determining the percentage any increases granted now and apply them to FY25 review.
- Ms. Bell-Upp asked if these would be part of the upcoming wage study. Mr. Ellis responded that stipended individuals are not employees under employment law and would not be included.
- Mr. Hanold noted we went through a fair amount of effort to establish a scale in FY20 including review of other towns and determined that 5 year was reasonable for review. One of the reasons for making 5-year cycle was to eliminate being nibbled to death by annual requests for the ambitious. He suggested delaying the increases for one year and spending the time to reevaluate all of the stipends.
- Mr. Bowman said that we're talking about a small amount of money and wants to vote it one way or another and then let town meeting vote.

Mr. Hanold makes the motion to approve the requested FY24 stipends of \$500 for the Moderator, \$625 for the Board of Registrars members, \$900 for the Clerk to Board of Registrars, \$2,500 for the Hearing Officer, and \$4,000 for the Farmers Market Manager. Seconded by **Mr. Bowman**, and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Nay, Menegoni – Aye, Waryas – Abstain, and Wisnewski – Aye

Mr. Hanold voted against the motion only because he disagrees with the increased stipends occurring out of cycle. He is not opposed to new stipends for the Hearing Officer and Farmers Market Manager

Use of Overlay Surplus and unused Free Cash

Overlay Surplus has a balance of \$250,000 and unused Free Cash, pending receipt of additional articles is just over \$2,000,000.

- Mr. Garrison e-mailed his thoughts. He will always advocate for the continued building of the Capital Stabilization Fund. A modest (5% of available funds) allocation to OPEB should also be made in years when Free Cash is in excess of \$1M. That 5% allocation is a discussion point.
- Ms. Waryas is still in favor of putting the Overlay Surplus into OPEB
- Mr. Ellis noted a complicating factor; if, during the USDA Grant application we show any additional CWF or town aid are available for the project, that may reduce loan/grant amount
- Mr. Hanold is still in favor of the 25/75 split between OPEB and Town Capital Stabilization.
- Ms. Waryas asked Mr. Ellis if an appropriation to the CWF Capital Stabilization fund, could reduce the grant initiative. Mr. Ellis responded that it would make it murky and appear contradictory for USDA.
- Ms. Waryas asked about the different investment objectives for OPEB and stabilization funds. The OPEB funds are long term investments, which generally get a higher interest rate, while the stabilization funds are invested more for security and need to be more readily available for use.

- Ms. Bell-Upp thinks it would be good to put extra funds into OPEB but feels it might be a tough sell to town meeting members.
- Mr. Ellis noted that at the last annual town meeting there was vigorous conversation about how much to put into OPEB. Mr. Naughton viewed it as only a paper obligation, and at that time Mr. Kuklewicz felt that putting additional fund into OPEB would be a loss of financial flexibility.
- Ms. Wisnewski suggested that \$500,000 would likely cover principal cost of the loan for the screw pump project, and asked if this could be moved later between stabilization funds. Ms. Olsen confirmed that money can not only be moved from the Town Capital Stabilization Fund to the CWF Capital Stabilization Fund, but that this \$500,000 could also be directly appropriated from the Town Capital Stabilization Fund.
- Mr. Menegoni verified that the total amount of reserves under discussion is \$2.25M. If the vote for Free Cash is 25/75 OPEB/Town Capital Stabilization, that, that puts \$750k into OPEB which puts us in a good position.
- Mr. Hanold still thinks that when we have a large amount of one time money, putting money into OPEB makes good sense, but putting 75% into the Town Capital Stabilization Fund also makes sense. Mr. Hanold feels we do not need to add a lot more to what's already directed to OPEB.
- Mr. Hanold said the idea of postponing putting money into the CWF Capital Stabilization Fund also makes sense, since we will have a chance to revisit that later.

MOVED by Mr. Menegoni: That the Finance Committee add the \$250,000 of Overlay Surplus to the OPEB Trust Fund, said sum to be raised from Overlay Surplus. **Seconded by Mr. Hanold** and approved.
Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

MOVED by Mr. Menegoni: . That the Finance Committee allocate the \$2M in Free Cash 25% to OPEB and 75% to Town Capital Stabilization. **Seconded by Mr. Hanold** and approved.
Bell-Upp – abstain, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Nay, and Wisnewski – Aye

Recommendations for non-CIC Annual Town Meeting special articles

MOVED by Mr. Menegoni That the Finance Committee recommend the sum of \$53,250 for the purpose of funding the operations, maintenance, and debt service of the Colle Building, said sum to be raised from Colle Receipts Reserved for Appropriation. **Seconded by Mr. Bowman** and approved.
Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

MOVED by Mr. Bowman: That the Finance Committee recommend the sum of \$1,053,018 for the purpose of paying the Franklin County Technical School District for Montague's share of the assessment for the yearly operation of the Franklin County Technical School, said sum to be raised from Taxation. **Seconded by Mr. Hanold** and approved.
Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

MOVED by Mr. Bowman: That the Finance Committee recommend the sum of \$11,809,191 for the purpose of paying the Gill-Montague Regional School District for Montague's share of the assessment for the yearly operation of the Gill-Montague Regional Schools, said sum to be raised from Taxation.

Seconded by Mr. Hanold and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

MOVED by Mr. Hanold: That the Finance Committee recommend the sum of \$23,000 for the purpose of providing tuition and transportation for a Montague resident attending Smith Vocational School, said sum to be raised from Taxation. **Seconded by Mr. Bowman** and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

This is expected to be the last appropriation for this student.

MOVED by Mr. Hanold: That the Finance Committee recommend the sum of \$10,000 for the purpose of supplementing the Henry Waidlich Conservation Trust Fund, said sum to be raised from Taxation.

Seconded by Mr. Bowman and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Abstain, Waryas – Aye, and Wisnewski – Aye

MOVED by Mr. Bowman: That the Finance Committee recommend the sum of \$13,100 for the purpose of providing the town match for an \$80,000 Action Grant from the Municipal Vulnerability Preparedness Program to be used to update the Town's Comprehensive Plan, said sum to be raised from Taxation. **Seconded by Mr. Hanold** and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

Mr. Ellis noted that funds for unexpected engineering costs were used after a DOT inspection of the 11th Street Bridge found issues. Funds were spent for an engineering study to avoid going into a forced closure of the bridge.

Ms. Waryas asked if we follow a bid process for engineering projects like this. For small projects like this, the department speaks with well qualified and available contractors, but bids not required.

MOVED by Mr. Bowman: That the Finance Committee recommend the sum of \$11,585 for the purpose of adding to Article #18B of the May 22, 2021, Annual Town Meeting, which funds Unexpected Engineering Expenses, said sum to be raised from Taxation. **Seconded by Mr. Hanold** and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

Mr. Menegoni suggested that the committee provide a clear explanation of OPEB and why so much funding from so many sources is recommended this year.

MOVED by Mr. Hanold: That the Finance Committee recommend the following sums for the purpose of increasing the special purpose funds set forth below, said sum to be raised from Taxation.

Seconded by Mr. Bowman and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

Fund	Amount (\$)
Town General Stabilization Fund	37,388
Town Capital Stabilization Fund	134,891
OPEB Trust Fund	50,000
GMRSD Stabilization Fund	41,339
FCTS Stabilization Fund	21,940
Total:	285,558

Updates from Town Administrator

- As noted at last week’s Special Town Meeting, our Town Clerk is retiring soon. This will create operational challenges including onboarding and training new staff, moving to a new office, and implementing two new state computer systems. Staff is working through costs but hope the result will be budget neutral. Additional information will be shared at Monday’s Selectboard meeting.
- The following articles will be postponed to the fall Special Town Meeting
 - \$400K for the Montague Center Park project
 - \$66K for the Skatepark lighting project
 - \$12,376 for office furniture for 2 offices. The intention is to have a more comprehensive project
- The probable cost of \$100,000 for the 11th Street bridge repairs is not yet on the warrant. This may need to go on the Annual Town Meeting warrant depending on whether ARPA is used. The work needs to be done during the 1 week in September that the canal is drained, so the appropriation can’t wait until the fall Special Town Meeting.

Future meeting topics – Ms. Wisnewski requested that next week’s agenda include a review of the Special Town Meeting and preparation for the Annual Town Meeting.

Topics not anticipated within 48 hours of posting -

Ms. Waryas asked the last date for an article submission for the Annual Town Meeting. The warrant closes on March 16th.

Finance Committee Adjournment

Mr. Bowman makes the motion to adjourn at 7:30 PM. Seconded by Ms. Waryas, and approved.

Bell-Upp – Aye, Bowman – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, and Wisnewski – Aye

Respectfully submitted,

Carolyn Olsen