**MONTAGUE FINANCE COMMITTEE**

**Wednesday, April 3, 2024 at 6:00 p.m.**

**This meeting was held via Zoom and recorded:**

<https://vimeo.com/930464116>

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

**Finance Committee members present:** Chair Francia Wisnewski. Vice Chair Dorinda Bell-Upp, Clerk Fred Bowman and members Greg Garrison, John Hanold, Chris Menegoni (arrived at 6:10), and Jennifer Waryas

**Finance Committee members absent:** none

**Others present:** Town Administrator Steve Ellis, Assistant Town Administrator Walter Ramsey, and Town Accountant Carolyn Olsen

The meeting was recorded by MCTV as well as by Carolyn Olsen.

**Meeting minutes:**

Mr. Hanold moved to approve the minutes of March 27, 2024. Seconded by Mr. Bowman and approved.

Bell-Upp – Aye, Bowman- Aye, Garrison – Aye, Hanold – Aye, Waryas – Abstain, Wisnewski - Aye

**Updates from Town Administrator**

* Senator Jo Comerford and Representative Natalie Blais both intend to attend the pre-town meeting on May 4th.
* Reminder that the Governor’s municipal empowerment and municipal relief initiatives provide opportunities to extend certain existing taxing capacities that the Finance Committee may wish to incorporate as future revenue sources.
* The Capital Improvements Committee approved the annual update to the six-year Capital Improvements Plan and the updated plan will be available on the Town’s website tomorrow.

**Finance Committee Report to Town Meeting**

Members reviewed the updated draft. Suggestions for further corrections and improvements:

* In reference to a suggestion to trim a reference to the Capital Improvement plan, Mr. Ellis noted that a couple of places referenced the six-year capital plan, and there was another spot where it was noted that the capital plan will aid in strategic decision making. If one section is trimmed it is still in another place, and Mr. Ellis stressed the importance of understanding that the capital plan is a big part of the long-term financial planning that will be reflected in year-to-year budget and decision making and feels that concept is important to include in the report.
* Mr. Hanold feels we are trying to accomplish more in this report than it really is intended for. The CIC report is a finished document of its own and a good deal of the explanation here really belongs in the CIC report rather than being repeated here, hence his suggestion for trimming this language and simply referring to the CIC report. Mr. Garrison agreed, noting that he had just wished to draw attention to it, and the deletion was made.
* Regarding the question of whether the last section of the addition relative to tax bills was necessary since it is covered elsewhere:
	+ Mr. Hanold feels this may be another area where the Finance Committee Report is dealing with an area that may be of interest to people in general, but which is not part of the annual town meeting. People in town need to be aware of is that their taxes rely on a tax rate which is set late in the year, not at town meeting, and that what drives it is the amount of expenditures. If we want to keep our taxes down, the way to do it is to keep our expenditures down rather than simply approving everything and then lamenting later on that our taxes have gone up. This is a difficult issue to explain to people, but his feeling is that getting into the setting of the tax rate at this point is a little ahead of ourselves.
	+ Ms. Wisnewski’s perspective is that it gives a little more simple substance to the reader. So, while Mr. Hanold feels it may be confusing, we’re talking about the logic that this means that and then making it readable, rather than having a bunch of lingo and technical phrases. She’s not attached, but if people feel that this is the perspective, wants to make sure, it’s not necessarily an explanation of how taxes work, but a general sense that this will mean that when you’re reading the document.
	+ Mr. Garrison thinks it’s important that people understand that when they’re looking at all these things we’re approving and the million of dollars that we’re spending, that it’s not affecting the tax rates specifically, and for them to understand that the tax rate has actually decreased but the assessment values have gone up. The assessments are a calculation of the reality that housing costs and the valuations of housing costs. What people need to understand when they’re reading the finance report is that actually the tax rate is going down and the assessments have gone up. So when people are thinking about property taxes in reference to what we’re spending, it doesn’t correlate.
	+ Mr. Ellis offered that whether you choose to keep the language or remove the language, as a reader he kind of likes this kind of detail, it helps people understand things a little bit. He feels like we said “if a plus b” but we didn’t say c. We say the rate has moved this way and the value has moved that way and Mr. Ellis thinks we need to finish the equation if we’re going to throw this out. Taxes didn’t increase 32.4% , house values went up 34%. I think we should show the change in the average residential tax bill because that’s the effective impact on residential taxpayers. He doesn’t want someone to think taxes have gone down because only the rate went down and he doesn’t want anyone to think the everyone’s bills went up 32%. Mr. Ellis would like to have the average tax bills at the beginning and end of the period to be added along with the percentage increase over time. Mr. Ellis feels the addition of a table would be amazing.
	+ Ms. Bell-Upp added that it’s important to when we add it that it’s happening over a period of year and we’re still having planned small incremental increases. We don’t want to be spending a lot of money but a lot of the increases are driven by utility and wage costs. We have a largely level budget, it’s just that things cost more.
	+ Ms. Waryas feels that we’re not being generally responsible on how we’re spending so she would respectfully disagree with Ms. Bell-Upp’s statement. She feels, as a taxpayer, that we’re not being conservative with the way that we’re spending money. Ms. Waryas feels a table would be awesome along with some language that acknowledges that we understand that we’re making these decisions that are causing giant tax increases but we’re doing it for a valid reason. Something that says we see what we’re doing and we understand the impact but it can’t be helped. Some language that the average person would find useful.
	+ Mr. Bowman agrees with what’s being said but when you go to town meeting and you’ve listened to people sometimes, what’s important is to provide them with before town meeting with as much information about what we’re going to do and how we’re going to do it. Some of those people coming to town meeting probably haven’t even read the all the information we give them. It’s important that we get information out early, get them to understand it, why taxes go up, why we have to spend the money we do. The more information you give to them the better. It’s better for them to understand. Many times he can see it in people’s faces, he can hear it when they ask questions, they don’t understand.
* Members were satisfied to have staff finalize incorporations of these changes as discussed. A final version will be distributed just in case anyone has any last minute suggests prior to printing.

**Finance Committee report for 2023 Town Annual Report**

Ms. Wisneski shared her topics for the Finance Committee 2023 Annual Report. Ms. Bell-Upp offered to help with the writing and members supported the report being completed without final review by the committee.

**Topics not anticipated within** **48 hours of posting:**

* Ms. Olsen suggested that the current threshold for capital outlay in the operating budgets be increased from $5,000 to $25,000 to be consistent with the policy definition of capital assets having a minimum threshold of $25,000. This would also reflect the effect of inflation and provide additional flexibility to departments. There was general agreement, and this will be taken to the Selectboard for approval on April 8th.

Ms. Bell-Upp left at 6:30 PM.

**Adjournment**

Mr. Hanold makes the motion to adjourn at 6:45 PM. Seconded by Mr. Bowman and approved.

Bowman- Aye, Garrison – Aye, Hanold – Aye, Menegoni – Aye, Waryas – Aye, Wisnewski - Aye

Respectfully submitted,

Carolyn Olsen

**Next Meeting** –May 1st -final preparation and assigning speakers for each article at Town Meeting.

**Documents and exhibits**:

Minutes of March 27, 2024