

Town of Sandisfield
Finance Committee Meeting
Date: September 20, 2017
Location: Old Town Hall

The meeting was called to order at 7:00 PM

Members Present: David Hubbard, Kathy Jacobs, Joe Gelinas, Bogart Muller

Members Absent: None

1. Approved minutes for meeting held on August 13, 2017.
2. Discussed Article 1 (transfer \$13,000 from salaries to expenses for Town Administrator) proposed for 10/23/17 Special Town Meeting (STM). Voted 3 for and 1 against.

NOTE: This is a one-time transfer to pay Groux-White Consulting, LLC to provide interim Town Administrator services. FINCOM assumes that the FY19 budget request for the Town Administrator will return the salary request to an amount that is commensurate with the actual Town Administrator salary and that expenses will be at or near the original FY18 budget of \$2,000.

3. Discussed STM Article 2 (increase Town Accountant salary by \$6,827 and expense budget by \$7,000). Voted 3 for and 1 against.

NOTES:

- a. A portion of the Town Accountant salary increase is a one-time provision of 5 hours per week for 10 weeks to close the FY17 books. The FY19 salary request will not include these 50 hours.
- b. The \$7,000 increase in expenses is to pay Dennis Mountain for professional accounting support (\$5,000) and training (\$2,000). FINCOM recommends that a separate training budget be proposed for FY19.

- c. FINCOM understands that a Fiscal Policy Manual is being developed for Sandisfield by the MA DOR's Division of Local Services and that with the implementation of the processes in that manual that consistent and accurate bookkeeping processes will be followed. (This note applies to Town Accountant and Town Treasurer functions).
 - d. FINCOM requests that each town employee put forward a career development plan and a "Training" budget request for FY19 and each year after. (This note applies to all town employees).
 - e. FINCOM requests that the Selectmen direct the Town Administrator to make every effort to put in place processes for monitoring the work hours of all town employees in order to understand and optimize the hours worked by those employees.
4. Discussed STM Article 3 (increase Town Treasurer salary by \$7,153 and the Tax Collector Clerk salary by \$7,047 for a total increase of \$14,200). Voted 4 for and 0 against.

NOTES:

- a. A portion of the Town Treasurer salary increase is a one-time provision of 5 hours per week for 10 weeks to close the FY17 books. The FY19 salary request will not include these 50 hours.
 - b. The increased in budgeted hours raises the Treasurer position to 21 hours/week.
5. Discussed STM Article 4 (increases Web Site Administrator expenses by \$1,500 to pay for Web site maintenance). Voted 4 for and 0 against.

NOTE: The FINCOM understands that this amount was inadvertently left out of the FY18 budget request.

6. Discussed STM Article 5 (add \$3,600 to reserve fund). Voted 4 for and 0 against.

NOTES:

- a. This is to replenish the Reserve Fund for a transfer made on August 2, 2017 by FINCOM from the Reserve Fund to the Technology Maintenance budget.
 - b. FINCOM believes that to accomplish this transfer that the wording of this article needs to be changed to: "To see if the Town will vote to transfer \$3,600 from unallocated revenue to the Reserve Fund."
7. Discussed STM Article 6 (appropriate funds for construction of the Rugg Bridge).
Voted 3 for and 1 against.

NOTES:

- a. The FINCOM votes for this article having reached the following agreements with the Town Administrator and Selectmen. Below is copied from a memo from Rick White that is dated September 5, 2017, a revised version of which was received on September 14, 2017:

The low bid for the Rugg Bridge exceeds the grant cap by \$420,000 The Bridge is in jeopardy of being declared unsafe by State DOT engineers. This article will allow for the full funding of the bridge reconstruction project and will allow the Town to borrow in anticipation of receiving grant funds. The \$420,000 gap will be filled by use of \$100,000 in chapter 90 funding; \$220,000 from your stabilization fund and temporarily borrowing \$100,000 over a four-year period requiring an approximate \$27,500 appropriation per year beginning July 1, 2018.)*

**Note: In a meeting with Joe Gelinas today, 9/14/2016, we discussed the Finance Committee's concerns regarding the Stabilization Fund balance and their desire to temporarily borrow \$200,000 and reduce the appropriation from the Stabilization Fund by \$100,000. Both John and I agreed with the Finance Committee's concerns" in principle' and proposed an alternative for them to consider. The only issue preventing an agreement was a desire to balance the FY 2019 budget without a Proposition 2 and ½ override. Generally, the Town raises between \$70,000 and \$100,000 in incremental revenue each year to fund inflationary budget increases. Borrowing \$200,000 for the Rugg Bridge as opposed to \$100,000 proposed doubles (from 27k to 54k approximately) the principal and interest payments due during FY 2019. A 2% wage adjustment on a \$1.5 million payroll will require an additional \$30,000. Already, you have spent anticipated incremental revenue growth receipts and you have not accommodated regular expense inflation and extraordinary rising energy, pension, health insurance costs. Instead John and I discussed an alternative that we believe addresses the Finance Committee's concerns. We proposed that any amount of free cash certified over \$600,000 be transferred to the Stabilization Fund at Sandisfield's Annual Town Meeting. Free cash was last certified at \$661,000 +-. We expect there to be growth in the free cash number when it is certified in November.*

- b. As with all uses of the Stabilization Fund the FINCOM suggests that a repayment schedule be established to replenish the Stabilization Fund. In this case a five-year payback seems appropriate and warrant articles to accomplish this will be put forward by FINCOM each year.
- c. The FINCOM will make it a priority during this fiscal year to work with the DOR's Division of Local Services, the Town Administrator, the Selectmen, the Planning Board (and its Subcommittee the Master Plan Steering Committee) and other interested parties to put in place a Capital Improvement Plan so that capital expenditures can be planned and funded in a rational manner.

Adjournment: 8:05 pm

Joe Gelinas
B. Brown
R. J. J.