

FINANCE COMMITTEE MEETING

May 22, 2013

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Meeting Date: May 22, 2013

Called to Order: 6:05 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Lynn Reynolds, Michael Naughton (arrived after second vote), Sharon Kennaugh and Greg Garrison (arrived after first vote).

Others Present:

Town Administrator Frank Administrator, Town Accountant Carolyn Olsen

Minutes

Finance Committee Moved:

To approve the minutes of May 8, 2013.

Vote: 2 In Favor 0 Opposed 1 Abstained

Reserve Fund Transfer

The Veterans' Benefits budget does not have enough left to pay June benefits.

Finance Committee Moved:

To transfer \$8,000 from the Reserve Fund to the Veterans' Benefits budget, line item 001-5-543-5771.

Vote: 4 In Favor 0 Opposed Abstained

Community Preservation Act Update

- Mr. Naughton wanted a clearer idea of exactly what the available exemptions are. Ms. Olsen provided the detailed information from the Department of Revenue's Informational Guideline Release as well as 2013 income limits from communitypreservation.org.
- Director of Assessing Barbara Miller provided a handout with estimated revenues at different surcharge levels and estimated impact on tax bills. If the CPA is implemented, it will significantly increase the workload in the Assessors' office because each exemption must be individually calculated and approved each year.
- Tax Collector Patricia Dion said that the cost to add the additional billing component would be \$3,300 plus an additional \$800 per year for maintenance.
- Ms. Kennaugh added that the Community Preservation Coalition will come and speak to town boards and staff to provide further information and training.
- There is an incentive to towns that have a 3% surcharge in that they are included in the 2nd and 3rd tiers of state funding. Also, towns in category 1 (of 1-10) receive the highest percentage of the tier 2 and 3 funding cycles and Montague would fall in category 2.
- Mr. Naughton asked if Ms. Miller could provide the number of parcels in each value category.

Topics not Anticipated

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Mr. Hanold is inclined to postpone pursuit of a separate WPCF Stabilization Fund until the cost impact of the Industrial Park sewer emergency has been determined.

- A bid was awarded last night for the construction cost of the repair at \$498,500. Related costs will probably push the total cost to \$600,000.
- This emergency has brought forward the issue that there may be many more sewer pipes reaching the end of their useful lives.

Mr. Abbondanzio noted that the town is eligible for \$5 million in low interest loans for the proposed pump station project, but the timeline won't really work for Montague for Fiscal Year 2014. The town might reapply next year while exploring the option of the separate Stabilization fund.

Mr. Naughton said that the past year has shown that questions remain about how to interpret certain parts of the compact, especially what is required by a "meeting". Mr. Naughton suggested the tech panel should come up with specific items to discuss and those issues can be brought to each group in order to obtain a consensus.

The GMRSD asked that the finance committee provide detailed information on what is requested of the school committee. Mr. Naughton will prepare a draft list for discussion.

Next Meeting

June 5, 2013

Future Items

- July/August - Create a list of information to be requested from the GMRSD as part of the budget process (Mr. Naughton)
- Update on WPCF future capital costs and proposed funding (Mr. Abbondanzio)
- Meet with GMRSD Superintendent Sullivan
- Interpret sections of the Compact that currently have different interpretations. (Mr. Naughton)
- Determine what town-wide IT coordination changes would be reasonable and useful (Mr. Naughton)

Meeting Adjourned at 6:50 PM

List of Documents and Exhibits

- Minutes May 8, 2013
- Reserve Fund Transfer Request
- Community Preservation Act – Formula information from www.communitypreservation.org provided by Ms. Kennaugh
- Community Preservation Act -Summary of IGR prepared by Ms. Olsen
- Community Preservation Act – Estimated revenues and impacts on tax bills prepared by Ms. Miller