

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

July 2, 2014

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Meeting Date: July 2, 2014

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Sharon Kennaugh, Michael Naughton and Lisa Adams (arrived at 6:15). Lynn Reynolds and Greg Garrison were absent.

Selectmen Present: Mark Fairbrother, Michael Nelson and Christopher Boutwell

Others Present: Town Administrator Frank Abbondanzio, Town Planner Walter Ramsey, Director of Assessing Barbara Miller, Treasurer/Tax Collector Patricia Dion and Town Accountant Carolyn Olsen

Minutes

Selectmen Moved:

To approve the minutes of June 11, 2014.

Vote: 3 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of June 11, 2014.

Vote: 3 In Favor 0 Opposed 1 Abstained

MGL Chapter 44 Section 33B transfers

This statute allows transfers of appropriations between departments at the end of the fiscal year with the approval of both the Board of Selectmen and Finance Committee. These transfers are limited to 3% of the operating budget or \$5,000, whichever is greater.

A legal bill processed for payment today was unusually large, and if the June bill is equally large, there will not be enough money in the Legal Budget. The discussion included whether accelerated action now was preferable to action as a 'Prior Year Bill' at a Special Town Meeting.

Selectmen Moved:

To transfer \$4,394 from the Board of Selectmen's budget to the Legal budget 001-5-151-5301 , with \$2,500 from line item 001-5-122-5193 Sick Leave Buyback and \$1,894 from line item 001-5-122-5450 Streetscape Maintenance.

Vote: 3 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To transfer \$4,394 from the Board of Selectmen's budget to the Legal budget 001-5-151-5301 , with \$2,500 from line item 001-5-122-5193 Sick Leave Buyback and \$1,894 from line item 001-5-122-5450 Streetscape Maintenance.

Vote: 2 In Favor 0 Opposed 2 Abstained

The Finance Committee motion Failed, so the transfer cannot be made.

Finance Committee Reorganization

Finance Committee Moved:

To maintain the current slate of John Hanold as Chair, Michael Naughton as Vice-Chair, and Sharon Kennaugh as Secretary.

Vote: 4 In Favor 0 Opposed 0 Abstained

Community Preservation Act

Mr. Ramsey gave a brief presentation on what the Community Preservation Act (CPA)

- The CPA provides for a 1-3% increase in the property tax.
- About one third of all towns in the state have adopted the CPA.
- The tax is a percentage of the actual tax, not a percent increase in the tax rate.
- Towns can vote an exemption on the first \$100,000 of value.
- Community Preservation funds can be used for open space protection, historic preservation, recreation and affordable housing.
- Funds must be allocated annually, but do not have to be spent every year, so the town can build up funds for certain projects.
- The process for approval is:
 - Town Meeting vote
 - Ballot vote by town residents
- Once approved, a Community Preservation Committee is created with representatives from various town board and committees as well as at large seats.
- The Committee must develop a Community Preservation Plan, and will make recommendations for appropriations to Town Meeting.
- Town Meeting must approve all appropriations from the Community Preservation Fund.
- None of the currently proposed capital projects are eligible for funding from the CPA.
- Other future projects such as the Skate Park Dry Hill Cemetery, the Montague Common Hall, binding records in the Town Clerk's office, rehabilitation of Rutter's park in Lake Pleasant, and the creation of a new park in Montague City are projects that could be eligible for funding from the CPA.
- Ongoing projects like the housing rehabilitation program, agricultural protection program, architectural barrier removal, and support for reuse of municipal property, may be eligible for CPA funding.
- Using Fiscal Year 2013 numbers, a 1% assessment would generate approximately \$36,774 of revenue, which assumes an exemption for the first \$100,000 of residential value, an exemption for personal and commercial property, and does not include the state match.
- A 3% assessment would also make the town eligible for funding from an additional state revenue pool.
- A CPA assessment must be allocated on the tax bills on all districts as well as the town, and all abatements must include adjustment for the CPA.

- Ms. Miller feels that a 1% assessment is not really worth all the work. The income from a 3% assessment would make the work worthwhile.
- Ms. Dion said her office would have similar issues with accounting for the CPA with the town and districts. Software for the first year would be \$3,000 and the annual software maintenance would increase \$1,100.
- The Planning Board also reviewed the process. It recommends not pursuing adopting the CPA at this time for the following reasons:
 - Planning Board members are concerned with required staff oversight.
 - The CPA will not help the town meet the major capital goals that the Planning Board currently supports.
 - The town already has a good record of land protection, historic preservation, and as well as securing grants for things like parks, and we have an adequate supply of affordable housing.
 - The Planning Board's biggest concern is that the CPA committee meetings may get packed with community interest groups that overwhelm the process, which can muddy up the process of objective evaluation of all projects.
- Mr. Fairbrother stated it's another tax on the residents, a burden on town staff, another committee that would have to be created, and he doesn't feel it's worth it.
- Mr. Hanold asked if the town's been precluded from doing anything by not participating in the CPA. It appears that we have not.
- Mr. Abbondanzio noted that we're planning to start funding capital stabilization funds and possible debt exclusions for capital projects and feel this would be competing with these needs.
- Mr. Boutwell has gotten feedback from residents that they are very opposed to any additional tax burdens.
- Mr. Hanold would like the Finance Committee to make a clear statement of whether they would like to pursue the CPA at this time.
- Mr. Naughton is interested in the CPA both because of the state match and because the town has many needs that could be funded through the CPA. He is now more skeptical of receiving much revenue through the state, but does not agree with some of the negative comments such as it being an additional tax. The town can vote to exempt the first \$100,000 of value, and eligible seniors entirely. The CPA could provide money currently appropriated to the Henry Waidlich Conservation Fund. The libraries and town hall are historic buildings that could use funds from a Community Preservation Fund.
- Mr. Hanold noted that when you start a project or program with special funds, it often becomes difficult to fund the ongoing maintenance.
- Ms. Miller noted that while many seniors may be eligible for low income abatements, only 25 have applied so she encourages any seniors who think they might qualify to apply. All financial information provided is confidential, and the town is reimbursed for most of that money from the state, so eligible seniors are not putting a burden on the town by taking the exemption.

Finance Committee Moved:

To recommend the acceptance of the Community Preservation Act.

Vote: 1 In Favor 3 Opposed 0 Abstained

Selectmen adjourned at 7:09 PM.

Topics not anticipated within in the 48 hour posting requirements-

The Compact

- Mr. Hanold asked if the “future item” regarding the Compact is a current issue.
- Mr. Naughton feels this is not a current issue, but noted that the original five year plan expired in 2015 and we need to decide whether we need an ongoing five year plan or if we are comfortable with where we are now.
- Mr. Naughton also noted that it may be time to revisit the assumption that the town should allocate 48.5% of general revenues to the GMRSD.
- Mr. Naughton will talk to some of the other people involved in the Compact to see if there is interest in addressing any issues.

Next Meeting

- The next meeting will be on August 6th. The agenda will include the review of providing 48.5% of operating revenues to the Gill-Montague Regional School District.

Meeting Adjourned at 7:27 PM

List of Documents and Exhibits

- Minutes June 11, 2014