

JOINT FINANCE COMMITTEE AND SELECTMEN'S MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
FEBRUARY 22, 2017

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Chairman John Hanold opens the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Finance Committee Members Present:** John Hanold, Fred Bowman, Greg Garrison and Michael Naughton, Chris Menegoni and Patricia Pruitt.
- **Selectmen Present:** Michael Nelson and Chris Boutwell. Richard Kuklewicz was absent.
- **Others Present:** Town Accountant Carolyn Olsen, Franklin County Technical School (FCTS) superintendent Richard Martin, and FCTS Business Manager Russ Kaubris
- The Finance Committee Chair announced that the meeting is being recorded by MCATV, and asked if anyone else was recording the meeting. No one identified themselves.

FCTS FY2018 Budget and Preliminary Assessment

The budget presented tonight is still preliminary. The final budget will be voted on March 8th.

Began with a \$145,000 budget gap, which included efficiencies made before the budget process began. Cuts made to balance the budget were:

- A retirement in culinary arts will not be fully replaced, but for the 3 days a week that the student restaurant is open. This is estimated to save \$45,000-\$50,000.
- Closed the Business Technology program for Fiscal Year 2018. This is estimated to save \$50,000. Business Technology pretty much instructed students in basic business software like Microsoft Office.
- Reduced a library position to .5 FTE. This is estimated to save \$50,000.

Other notes:

- 8th grade enrollment in the Franklin County catchment area has dropped significantly in the last 5 years, and there has been a corresponding decrease in the number of FCTS students. Enrollment is expected to level off for the next few years.
- The total budget only went up 1.3%, but assessments are increasing 5% due to stagnation or reductions in other revenues. The district drew down reserves to make up the difference in recent years, but reserves are now too low to continue that level of subsidy.
- The State's Chapter 70 funding formula is holding schools harmless for lower enrollments, and providing a very modest per pupil increase, but the resulting slight increase in total Chapter 70 Aid is not keeping pace with increasing per student costs. The result is that member towns are paying higher per-pupil costs and total assessments.
- Getting the legislature to fully fund transportation aid would provide immediate relief to rural schools. Current reimbursement is about 60%.
- Funding source ratios are about the same as it was in 1996, but as state aid stays level, the towns pay an increasingly large percentage of the costs.
- Instructional services are just over 51% of the total budget.
- Montague enrollment for Fiscal Year 2017 is 59 (three above the prior year). The additional 3 students results in an enrollment change of 5.36%.

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- Montague's estimated assessment for FY18 is \$747,340, with a per pupil assessment of \$12,667. The placeholder amount was \$710,000.
- Mr. Bowman asked what level of an enrollment drop would cause a crisis. The general answer is that a significant reduction in enrollment would require closure of one or more additional programs. Closing a program has two specific repercussions. The first is a reduction in local business started by or worked in by graduates and fewer graduates buying homes in their hometowns. The second is the risk of increased education costs to member towns because if a resident student wants to attend a vocational program not offered at FCTS, the town must pay for out-of-district tuition at the nearest district that does offer that program, as well as transportation costs for the student. This cost can easily approach \$40,000 per student. Mr. Hanold expressed appreciation that the district provides so many programs, making this extra cost a rarity.
- Mr. Martin noted that the FCTS, for the first time in several years, is building a single family home in Erving.
- Mr. Hanold asked about the capital assessment. The issuance of a \$2 million bond will impact the assessments for Fiscal Year 2019. At that time there will be both the normal operating assessment and a small capital assessment.

Minutes -

Selectmen Moved:

To approve the minutes of February 1, 2017.

Vote: 2 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To approve the minutes of February 15, 2017.

Vote: 2 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of February 15, 2017.

Vote: 6 In Favor 0 Opposed 0 Abstained

Finance Committee Moved:

To approve the minutes of February 8, 2017 as revised.

Vote: 6 In Favor 0 Opposed 0 Abstained

Capital Improvements Committee

The committee presented their Report to Finance Committee.

GMRSD Requests

1. The CIC recommends \$80,000 to upgrade Hillcrest electrical service because it is a safety issue
2. The CIC does not recommend \$25,000 for two water heaters at the Sheffield School because they are not convinced of either the cost or the need. The CIC has asked the Energy Committee to evaluate this project.

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WPCF

The CIC recommends all five requested articles:

- \$48,500 to replace an old, rusted out pickup truck.
- \$85,000 for a feasibility study to see if final clarifiers are needed
- \$80,000 to remove and replace two underground fuel storage tanks
- \$35,000 to complete the SCADA upgrade project
- \$200,000 to increase the WPCF Stabilization Fund

DPW

The CIC recommends the following:

- \$75,000 for the DPW Discretionary Account
- \$76,000 for a one-ton dump truck
- \$110,000 for a flail mower. Mr. Hanold asked about the disposition of the old flail mower. Subsequent to the meeting, Mr. Bergeron confirmed that he will obtain trade-in value if possible, and if not he will scrap the vehicle.
- \$385,000 for inspection and lining of sewers

The CIC endorses construction of a new DPW facility but is not in favor of the current cost estimate, and is seeking more cost data as well as expected operating costs of the new facility. Issues are:

- There is no real detail in the provided numbers, which makes it hard to see where savings can be realized. Additionally, labor costs are not specified, so it's impossible to analyze the claim that the higher than expected cost is directly related to prevailing wage requirements.
- There are no estimated operating costs for the new building, or continuing costs to maintain the existing building, if still used. If the current building is used for cold storage, it will fall apart if not heated.
- There is no real understanding of what would be done with the remaining DPW buildings.
- The current estimated new building's cost will double the town's debt.

Mr. Bowman is concerned that if town doesn't replace the garage in time that the state will tell the town to replace it at a later, higher cost.

Topics not anticipated within in the 48 hour posting requirements

- Chief Dodge has found that replacing the failed police department generator will be covered under town insurance policy.

Next Meeting Dates:

March 1, 2017	GMRSD
March 8, 2017	Town Administrator (budgets, participation in budget recommendations-TA Budget), preliminary discussion of any known potential budget recommendations, discuss separation of motion info from FC Report and any necessary adjustments to report
March 15, 2017	Final Revenue Estimates, final Affordable Assessment due, Preliminary Budget Recommendations,
March 22, 2017	Final meeting with CIC

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March 29, 2017	Draft warrant to KP-Law, Review Special Article Requests
April 5, 2017	Draft Finance Committee Report, vote on Special Article requests
April 12, 2017	Revise Finance Committee Report and Policy Actions
April 19, 2017	Final votes, reconsiderations, approve Finance Committee Report
May 3, 2017	Any pre-Town Meeting actions needed
May 6, 2017	Annual Town Meeting
May 10, 2017	Any post-Town Meeting actions needed

Meeting adjourned at 7:40 PM

List of Documents and Exhibits:

- February 15, 2017 Minutes
- CIC Report

Minutes Approved March 1, 2017

John Hanold, Finance Committee Chair

Richard Kuklewicz, Selectboard Chair