

FINANCE COMMITTEE AND SELECTBOARD
MEETING MINUTES
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, JUNE 9, 2021

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Meeting was opened at 6:00 PM by remote participation via Zoom

- **Finance Committee members present:** Jen Audley, Jennifer Waryas, Fred Bowman, Greg Garrison, Chris Menegoni, and John Hanold
- **Absent:** Francia Wisnewski
- **Selectboard members present:** Rick Kuklewicz, Mike Nelson, and Chris Boutwell
- **Others:** Town Administrator Steve Ellis, Accountant Carolyn Olsen, Rick Kingsley (Collins Center), and Ariel Elan

The Chair announced that the meeting is being streamed and recorded by MCTV and asked if anyone else was recording the meeting. Ms. Olsen is also recording the meeting. Remote participation for both members and the public was provided by Zoom. The link to the recording is <https://vimeo.com/561146728>.

Review of Financial Projections Project Results

Mr. Kingsley presented a set of slides summarizing the results of the Collins Center study of Montague's forecasting process, emphasizing that it is not a replacement for Ms. Olsen's budget file. Some significant observations by Mr. Kingsley were:

- He recommends a forecasting process as a support for bond-rating services and as an integration of spending and revenue assumptions. The fact that the present exercise shows immediate deficits starting in FY23 is typical of most towns.
- Montague's New Growth in recent years has been primarily Personal Property, which is not likely to continue and is subject to depreciation.
- The provision of \$500,000 in Excess Taxing Capacity and the creation and regular funding of reserve accounts are signs of prudence and strength.
- The usefulness of FY2022 as a baseline was helped by the actions of the governor and the legislature in addressing the impact of COVID-19 on revenue.
- The improved relationships with the Gill-Montague District and the use of the Affordable Assessment as a guide were positive elements.

Mr. Hanold commented that the model needs regular revision, and relies heavily on a series of factors; Mr. Kingsley replied that its editing should probably be restricted to one or two people to ensure that interrelationships are understood. Mr. Ellis concurred, and emphasized that capital planning must occur along with revision of this model. As an example of the model's sensitivity to factors there was some discussion of the Cost Of Living and Steps & Other Compensation factors.

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At 6:45 the Selectboard adjourned its meeting due to other commitments by some members. At the conclusion of discussion of the Forecasting model Mr. Kingsley left the meeting.

Approval of Minutes

The minutes for the meeting of May 19, 2021 were reviewed and approved.

Finance Committee Moved: To approve minutes of May 19, 2021.

Vote: Audley-Aye, Waryas-Aye, Bowman-Aye, Garrison-Aye, Menegoni-Aye, and Hanold-Aye

Request for Reserve Fund Transfer

Mr. Ellis presented his request for a transfer of \$2,500 to Department 946, Property & Liability Insurance. Before this transfer occurs the year-end balance is forecasted to be \$2,176.50. The overrun is caused by the increase in covered assets (DPW Garage) and rising valuations, and was forecasted at an earlier meeting. The billing frequency will change to an annual cycle.

Finance Committee Moved: To transfer \$2,500 from the Reserve Fund to Property and Liability Insurance, account #001-5-946-5740.

Vote: Audley-Aye, Waryas-Aye, Bowman-Aye, Garrison-Aye, Menegoni-Aye, and Hanold-Aye

Debrief of Annual Town Meeting May 22, 2021

Mr. Hanold observed that Montague's ATM takes longer than other towns with similar warrants because of the complexity of our articles. Mr. Garrison noted that the same budgets get extensive debate each year, featuring a few members each time as active speakers. Mr. Bowman noted that Montague has no real power to change the school budget at the Annual Town Meeting, but that members express their concerns in any case. Ms. Waryas concurs.

Updates from Town Administrator and Accountant

Ms. Olsen mentioned the ongoing effort to procure Information Technology services. She has submitted the spending actuals to date for CARES funds.

Mr. Ellis reported his planned attendance at meetings on June 10 concerning the American Rescue Plan Act. He also announced the expected resignation, effective August 31, of Selectboard member Michael Nelson as the need to travel for his new job increase significantly. His replacement will be determined in a special election in the fall.

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Mr. Adelson of Collins Center will be available July 7 to present his recommendations on Financial Policies; this Committee will be available as well. Ms. Audley cautioned that town residents will expect to be involved in policy review and adoption, in addition to familiarization of the Committee itself.

Planning Considerations for FY2022

- Special Projects. Ms. Audley asks members to consider focusing our attention on fewer topics.
- Summer meeting schedule: No meetings until July 7, but July-to-November is the time we can address longer-term issues before FY2023 budget cycle begins.
- Committee reorganization: Mr. Hanold has stated he will return to being a regular Committee member. Members should consider their interest in Committee positions, and re-appointment for those whose terms are expiring.

Topics not Anticipated in the last 48 Hours

No new topics were raised.

Agendas for Future Meetings

June 16, 23 and 30 – No Meeting (tentative)

July 7 – Year-end Funds Transfers (if any, Collins Center discussion of Financial Policies).

August -- Meetings To Be Determined

Adjournment

Finance Committee Moved: To adjourn at 7:36 PM.

Vote: Audley-Aye, Waryas-Aye, Bowman-Aye, Garrison-Aye, Menegoni-Aye, and Hanold-Aye.

Respectfully submitted by John Hanold

List of Documents and Exhibits:

- Montague Financial Forecast: Users Guide and Assumptions
- Appendix: FY2022-FY2026 Forecast Spreadsheets
- Request for Reserve Fund Transfer