



# Franklin Regional Council of Governments

## Finance Committee — *MINUTES*

Date /Time:	Thursday, January 7, 2015 / 5:00 p.m.
Location:	JW Olver Transit Center, 12 Olive Street Greenfield, MA – Library
Facilitator:	Lynn Sibley, Chair

### ATTENDEES:

- Lynn Sibley, Chair, Whately Representative
- John Payne, Shelburne Representative
- John O’Rourke, Conway Representative
- Michele Giarusso, Leyden Representative
- Kevin Fox, Colrain Representative

### STAFF:

- Pat Auchard, Finance Director
- Rebekah Boyd, Administrative Services Coordinator
- Bob Dean, Regional Services Coordinator

### GUEST:

Bill Perlman, Regionally Elected Rep

### 1. Adopt 12/10/15 minutes

Lynn Sibley opened the meeting at 5:01 p.m.

**Kevin Fox moved the 12/10/15 minutes (at 6:22 p.m., after budget discussion). John O. seconded. Approved unanimously.**

### 2. Discussion of Second Draft FY17 Budget

Pat and Linda discussed primary budgetary changes and addressed questions regarding the individual budgets are summarized below:

**Assessed Services** The Regional Services budget presented has an assessment increase of 1.9%. The Statutory is up by 9.6%, which is only a \$3,069 increase, due to the addition of a spouse onto retiree health insurance.

**Executive Committee** This budget has a 2% CMI (competitive market increase).

**Regional Services** Changes include a reduction in regional project planner and the addition of a fiscal position; a second year equity increase for six staff based on a 5-year analysis done last year to identify staff who are out of alignment within their grades, when years of service are taken into account; an increase in the local planning line because this line is partly funded by the Planning Director’s direct charging to planning grants. Currently the director spends a good amount of time on the Pipeline project that she can’t charge time on planning grants; an insurance uptick due to rate increases and increases to staff coverage; a “scholarship” line for staff development; and dues increases for NADO.

**Miscellaneous & Contingency** Due to classification code changes, workers comp came down and agency general insurance is using an estimated increase. Staff estimate additional single audit costs due to new grants. Pat explained that general insurance costs include coverage for Professional Liability, Public Officials, General Liability, Employment related practices liability, Equipment, Commercial auto, nurse and volunteer coverage. John P. wondered if it made sense to set an amount for capital reserve in case of an emergency and asked staff to think about what amount they may like to maintain.

**Purchasing** Bob D. explained that this program looks at potential revenues as it operates on a fee-for-service funding schedule. Staff member Andrea Woods is trying to be conservative in her estimates of revenue and has worked hard to shave as many expenses as possible.

**Cooperative Public Health Service** The fundamental change is a decrease in grant funding as they work through the five-year plan to draw down on grant reliance and have towns participate more.

**Town Accounting** Next meeting Fin Com members will need to consider an amendment to the FY16 budget, as 2 of the 14 towns withdrew last year, amounting to a reduction in revenue as well as cost. The program also lost a full-time employee and staff has been working hard to fill a part-time position.

John O. asked why towns left. Bob explained the Rowe withdrew feeling the fee was too high. Charlemont, on the other hand, wasn't a good fit; the town and FRCOG made a mutual decision to part ways. Regarding hiring, he said it's a very challenging program and that staff always go into the hiring process knowing they're going to have to train the candidate (especially with the aging-out of existing accountants) and that the candidate must be willing to travel to multiple far-flung towns. DOR has reached out to Bob, offering phase-in assistance if FRCOG expanded the program to towns in Worcester County, to which he expresses the need for training, funding, and long-term partnering. John P. noted that involvement in such a new program would require significantly more oversight. Bob and Linda have discussed hiring a trained program manager that doesn't have many town responsibilities, thus enabling them to step-in in an emergency and cover day-to-day operation.

**FCCIP** This program has seen a proliferation of solar projects, which is slamming the electrical inspections department. Staff has brought in a part-time inspector to help and don't see a diminishing of solar projects in the near future. Jim Cerone has moved to a 4-day week, which meant the program didn't have to use workshare, which was one cost-saving idea. Bob said the building inspectors have seen a shift from larger to smaller projects, and while the workload is similar for small projects, the permit fee is less. (Solar inspections, for example, require 2 visits, with a small permitting fee of \$100.)

Kevin F. asked if FCCIP can recoup costs on inspectors having to go out more than once. Lynn recalls talk of additional fees for additional trips. John suggested random checks on the contractors we know do good work. Bob explained the bias in that sort of schedule, adding that the state sets inspection requirements and that *all* contractors' work must be up to code. Kevin feels permits should be increased for those who break the rules and don't pull the permits — contractors, rather than punishing those that don't break the rules — property owners.

Bob pointed to the increase in online permitting software line, allowing that improvements are needed in our current system. Committee members asked Pat to dust off idea of leased cars for inspectors to save costs.

**FCECS** Pat offered her opinion that this program is at the most risk when thinking about a lack of capital reserves, referring to John P's question earlier in the meeting. Bob explained that the emergency communication system is being analyzed to determine what's needed for the system now, and what will be needed in future? We're looking at the end of life of for some of the equipment in a not-too-distant future said FCECS Oversight Committee member Bill Perlman.

Kevin wondered if FRCOG can borrow with bonds, using the approximate \$80,000 a year for maintenance costs in the budget but staff replied those maintenance costs would still be needed and additionally there is a need for upgrades and improvements. Bill P. said there's no way the region can afford to replace the system on own; it will have to be a state or federal initiative. Bob suggests a \$10,000 capital replacement fund for transition to next generation system.

John P. asked if the Fin Com should talk about the FCECS risk to FRCOG in the next Council meeting. He said members may want to go to the Council and then to the state and say "we'll operate this system for you, but we may have a several million dollar problem down the road." Bob reassured members that the ECS is not going to just drop dead all at once.

**Accrued Benefit** This budget is increased, not only because we've hired 4 new people in the last 4 to 5 months, but because health insurance is up 6.6%. This budget is funded with indirect revenues.

**John O. moved that the Finance Committee recommend passage of the budget as written [\$3,439,864] to the FRCOG Council. Michelle G. seconds. The motion passes unanimously.**

### **3. Business Not Reasonably Anticipated 48 Hours in Advance of Meeting**

Members discussed strategies for funding the possible replacement of our accounting software in the event of the "sunsetting" of Fundware. Pat expressed her concern that a conversion could come at a time of year when it would be hard to manage and that the spring is the best time for scheduling such an undertaking. Currently there is an offer to migrate to a new system for the cost of conversion only, but there isn't a definite deadline on that offer. She asked if the FC would consider a recommendation to the Council, that will allow for funding of the change to a new accounting software, should we want to consider this before the April Council meeting. Any proposal could then be decided upon by the Finance Committee. Members were hesitant to recommend such funding without real facts about whether Fundware actually will be sunsetted and when.

Bob suggested that if Pat received word that Fundware will no longer be supported after the Council meeting in January, we could start a procurement process immediately. John P. said we could call an emergency Council meeting.

**Kevin F. moved to close meeting. John P seconded. Motion passed unanimously.**

**DOCUMENTS DISTRIBUTED:**

- Agenda
- Minutes of 12/10/15 Meeting
- Second Draft FY17 Budget