



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Wednesday, January 14, 2015 / 5:30 p.m.
Location:	JW Olver Transit Center, 12 Olive Street Greenfield, MA – Downstairs Meeting Room
Facilitator:	Lynn Sibley, Chair

ATTENDEES:

- Lynn Sibley, Chair, Whately Representative
- John Payne, Shelburne Representative
- John O'Rourke, Conway Representative
- Thomas Fydenkevez, Sunderland Representative
- Thomas Sharp, Erving Representative
- Michele Giarusso, Leyden Representative, (6:05 p.m.)

STAFF:

- Linda Dunlavy, Executive Director
- Pat Auchard, Finance Director
- Rebekah Boyd-Owens, Administrative Services Coordinator

GUESTS: Gordon Fretwell

1. Adopt 12/17/14 (amended) minutes and 1/7/15 minutes.

Lynn Sibley opened the meeting at 5:32 p.m.

Thom S moved the amended minutes of 12/17/14. John O seconded. Approved unanimously.

Thom S. moved the minutes of 1/ 7/15. John P. seconded. Approved unanimously.

2. Review FY16 Budget — Draft III

Salary Adjustment

Linda reported that she brought the finance committee's (Fin Com) thoughts about doing a more formal salary study back to Personnel Committee (PC) and presented them with the "benchmark" idea. Gordon explained that the PC understood the Fin Com's reluctance to adopt the (PC) 5-year approach, but said the PC feels strongly that salary discrepancies need to be addressed. The PC agrees with the idea of funding one year of salary adjustments for FY16 and then bringing in an outside consultant to create a compensation plan that will stand up over time.

Linda asked Tom S. and John P. to share the proposals their respective towns used for obtaining a consultant. The Fin Com hopes this work will start in FY15, pending identification of funds in the existing budget. Tom S. wondered if it isn't necessary to add money to the 16 budget for the consultant's work.

Linda said staff hasn't yet put the price of the salary study in the budget, and explained the way the FRCOG handles one-time expenses: sometimes building them into a line item, and sometimes building capital reserve that can then be put into budget. Tom S. suggested the FRCOG plan for between \$10,000 and \$15,000 for the project. Members discussed how to pay for this, finding that it made the most sense to use some from FY15, likely from Reserve, and to build some into FY16.

In this budget draft, COLA was reduced from 1.5% to 1%. Merit is 1.5% Based on the salary survey, this budget brings staff that are out of alignment, 1/5 of the way into alignment (*2/6 for Department Heads beginning in FY15*). Gordon said the planned study should point us in direction so we're not in this situation again. Tom S. feels this is a wonderful opportunity to bring equity to lagging salaries and is "all in favor." Although he said he's not committing to a 5-year plan, only to a one year plan. John P. was also supportive of the concept.

Other Budgetary Items

Linda and Pat guided the committee through the budget page by page, with the group discussing various programmatic budgets as they proceeded (*see memo and draft budget handouts*):

- **Regional Services** — Increases in hours to front desk.
- **OPEB** — \$150,000 into OPEB, \$50,000 assigned to regional services assessment, applied as an assessment contribution. Cuts were made to line items to get to a \$100,000 in savings to towns.
- **Statutory Budget** — Retirement change created a savings in that line of \$234, 215.
- **Purchasing Budget** — Primary increase to this budget is OPEB. The Program has not needed to tap into its Fund Balance (approximately \$98,000) for program operating expenses, so staff is thinking about a fair way to rebate towns a portion of that balance.
- **CPHS** — Staff and oversight board are working to have towns to fund 75% of the costs of the program as a sustainable level of municipal support, up from the 28% two years ago. The remaining 25% would come from grants each year. In Fiscal Years 16 through 19, the proposed budget would also draw from a reserve fund built up over the past few years with the support of state regionalization grant funding. OPEB gives a 4.3 percent increase. Staff members are meeting with participant towns to agree on an assessment formula, and the Board has endorsed the idea of retaining board of health permit fees to offset the cost to the towns that use the regional health agent.
- **Town Accounting** — Rowe is leaving July 1, resulting in a \$27,000 loss in revenue. Working on how to deal with staffing changes. Now have capacity to add another town, if possible.
- **FCCIP** — No assessment increase except to Greenfield, due to an increase in the city's participation in electrical and plumbing permitting programs. Waiving fees to municipalities for projects only under \$500 in fees is proposed.
- **FCECS** — Increase of 3.9%, largely in Tracy's time, 5% in insurance, some to radio manager's contract, and some for maintenance contract. Although we have a depreciation schedule for the aging system, this FRCOG budget does not include a capital replacement schedule. The yet-to-be-approved FCECS draft budget being presented to Oversight Committee tomorrow night proposes \$50,000 for capital replacement. Staff anticipates the oversight committee will vote in a much smaller amount. Staff would like to bring a budget to the Full FRCOG Council which contains whatever figure the oversight committee recommends.

Tom S. expressed his concern that towns will find the rising cost of the FCECS challenging. Linda explained that at its most recent meeting, the Exec Com recommended adding a small amount for capital replacement and then talking with towns about it. She expects this to be the scenario.

The Town Accounting Program was touted by Tom F. as invaluable and for providing continuity that's difficult to obtain elsewhere. John Payne suggested FCCIP waive permitting fees to support small farmers.

The committee predicted town reactions to the assessment. Lynn and John P. believe their towns will welcome the reduction. Tom F. would love to have money back to pay for education, although he knows OPEB is big burden, and that the FRCOG must make contributions. John P. said he'd be more comfortable if they could give more to OPEB, but feels this budget is a pretty good compromise.

John O. and Lynn expressed their support for approval of the budget with the two changes discussed in this meeting: \$5,000 for the Wage Analysis Consultant Study and up to \$50,000 for the emergency communication system (FCECS) Capital Replacement line. Because the \$50,000 has not been approved by FCECS, this line may change before the Full Council Meeting later this month.

Tom S. moved that the Finance Committee endorse the draft budget dated 1/14/15 with amendments (changes above) made as discussed. Motion seconded by Michele Giarusso. Passed unanimously.

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

Thom Sharp moved to adjourn the meeting at 7:44 p.m. John Payne seconded. Passed unanimously.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of December 17, 2014 and January 14, 2015 Meetings
- Memo re: Draft 3 FRCOG FY16 Budget (dated 1/14/15).
- FY16 Draft Budget 1.14.15