



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Wednesday October 26, 2016 / 4:30 p.m.
Location:	JW Olver Transit Center, 12 Olive Street Greenfield, MA – Library
Facilitator:	Lynn Sibley, Chair

ATTENDEES:

- **Lynn Sibley**, Chair, Whately Representative
- **John O'Rourke**, Conway Representative
- **Michele Giarusso**, Leyden Representative
- **Kevin Fox**, Colrain Representative

STAFF:

- **Linda Dunlavy**, Executive Director
- **Pat Auchard**, Finance Director
- **Rebekah Boyd**, Administrative Services Coordinator
- **Bob Dean**, Director of Regional Services

REGRETS:

- **John Payne**, Shelburne Representative

1. Adopt 9/15/16 minutes

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

Michele G. moved the 6/9/16 minutes. John O. seconded. Minutes approved unanimously.

2. Review Budget Development Workbook

Linda and Pat presented the FY18 Budget Development Workbook, highlighting points they felt might be of interest to the committee and full council, including:

- FRCOG's good fiscal condition after the strongest year ever
- A graphic illustrating staff longevity
- The actuarial OPEB report showed a decrease in OPEB liability from \$1.9 million in FY13 to \$1.6 million in FY16, in part due to staff vacant positions when the new information was entered, and to reduced group insurance premiums, and from the \$565,000 OPEB investment over that time period.
- New graphics to explain indirect costs; administration budget funding; the way in which small membership assessment (expected to increase no more than 2.5 % in FY18) leverages money; and accrued benefit budget expenses
- An explanation of the reduction in statutory assessments to towns with the caveat that future legislation could require FRCOG to make contributions to the state retirement system, thus increasing the town assessment
- Touting the doubling of cooperatively purchased highway products and services since 2011
- An explanation of the funding mechanism for flu clinics overseen by the CPHS
- Town Accounting Program retirements, its transition to a new software, and IT struggles with Virtual networks in some towns

- The financial turn-around of the inspections program (FCCIP) in FY16, ending the year with restored staffing and \$46,000 to the good, as we train a new inspector in prep for a retirement
- A graphic explaining the cumulative cost to keep the “new,” but nearly obsolete, (FCECS) emergency radio equipment up-to-date (\$14,000,000 in 2046), compared to the cumulative amount currently being set aside, and the strategies being discussed to mitigate this problem
- The REPC budget composition, reliant on grant funding
- FY16 grant expenditures, which make clear the sobering fact that FRCOG funding is less diverse than is desirable, with state grants having dwindled, and most of its funding federal

Members made a few suggestions for change but basically found the workbook to be accessible and visually engaging. Linda noted that the committee will need to discuss funding increases to retiree health insurance resulting from retirements in FY17, 18, and 19, and decide whether to increase assessment to towns or dip into OPEB.

Plans were made for presentation of the workbook to the full Council on November 3.

3. CPHS budget amendment

Staff explained that when they created the CPHS budget they had to estimate what percent of its operation would be grant-funded without being able to fully predict funding sources a year in advance. Now staff seeks an amendment of the municipal budget from \$121,704 to \$137,131. Revenues used to offset those costs include \$5,000 of reimbursement for vaccine administration, and an assessment to the town of Rowe which recently joined the health district.

Kevin Fox moved the committee approve the amended CPHS budget as written. John O. seconded the motion. All members were in favor.

4. Review the status of accounting software options and pricing

Staff had hoped to have a proposal for the purchase of new accounting software to bring to the committee at the turn of the fiscal year, but have not landed on the best option as yet. Demonstrations to date weren’t focused to the town-use level. Linda said staff may be able to write a grant to fund the software conversion. Staff hopes to have a proposal for Council in January and for the Finance Committee prior to that.

Staff shared their perceptions of the compatibility of various products with FRCOG/town accounting program needs and discussed funding if a grant doesn’t pay for the conversions — likely a one-time data conversion cost. They would like towns informed as soon as possible of any costs.

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

Linda explained that the FRCOG’s Franklin Regional Planning Board (FRPB) has been monitoring the 30- to 50- year relicensing process of the FirstLight hydroelectric facility on the Connecticut River to be sure erosion issues are addressed. The hydroelectric company’s new consultant came to the conclusion that just 4% of erosion is related to the raising and lowering of the river during electricity production in a recent study. FRPB’s streambank erosion committee refutes this claim, feeling the study’s methodology was faulty. Its members encourage FRCOG to hire a consultant with expertise in geomorphology and erosion to contest these results. If the Federal Energy Regulatory Commission (FERC) agrees with FirstLight, erosion control could be greatly reduced or end altogether, Linda said.

Members and staff discussed possible funding scenarios including sharing the cost of a consultant with the Connecticut River Watershed Association, using reserves, and going to the Council and requesting undesignated funds. The committee decided they'd need more information before voting to approve funding.

In an unrelated report, Linda told the committee that FRCOG needs a new shredder as the old one is dripping oil. Members discussed options including using a shredding service.

John O. moved to close meeting at 5:54 p.m. Michele G. seconded. Motion passed unanimously. Meeting closed at 6:40 p.m.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of 9/15/16 Meeting
- *FY18 Budget Development Workbook*
- CPHS Budget Amendment Memo, dated 10/26/16
- *CPHS Budget from July 1, 2016 to June 20, 2017*, dated 10/26/16