



Franklin Regional Council of Governments

Finance Committee — MINUTES

Date /Time:	Wednesday, June 9, 2016 / 5:30 p.m.
Location:	JW Olver Transit Center, 12 Olive Street Greenfield, MA – Library
Facilitator:	Lynn Sibley, Chair

ATTENDEES:

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

GUEST:

Bill Perlman, Executive Committee

STAFF:

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

REGRETS:

- Kevin Fox, Colrain Representative

1. Adopt 1/28/16 minutes

Lynn S. opened the meeting at 5:40 p.m.

Michelle moved the 1/28/16 minutes. John O. seconded. Approved unanimously.

2. Review FY15 Audit

Pat told members we ended year with fund balance of \$463,283. FRCOG qualified as a “low-risk auditee.” In the management letter, auditors summarized new Federal regulations which will likely require some improvements in the areas of federal grant financial and program management, property standards, procurement, and so on. Pat will attend a 2-day training on the new regulations, and will be looking at FRCOG procedures to assess what may need to be changed.

The few minor issues identified by the auditors, such as modification of the information technology password policy, are already being addressed by staff (*see item 3 below*).

3. FY16 Budget Amendments**REPC**

Pat reported that REPC revenues are \$350 higher than projected. Tracy is asking to increase the REPC expense budget by the extra \$350. This year marked a 5-year recertification process with the state and that regulatory work, particularly around the transportation of hazardous materials, took more staff time than was originally estimated.

Michelle G. moved to approve an amended REPC budget of \$9,050 with the increase funded with additional Tier II fees. John P. seconded. The motion passed unanimously.

Cash Match

Staff asked to transfer \$12,000 from the FY16 Misc. & Contingency match budget line to the cash match budget. There are several needs for match and they include a 5% cash match (approximately \$9,000) for DLTA; a DEP proposal that we anticipate a need for between \$2,500 and \$5,000; and an economic development grant. Pat said that match is tracked, according to its use, within the cash match budget.

John Payne moved approval of the transfer of \$12,000 from the Misc. & Contingency budget to FRCOG's cash match budget. Michele G. seconded the motion, which passed unanimously

Server Funding

Linda explained that staff prepared for the need to replace the server in FY17 by adding \$11,000 to the budget (\$7,000 server, \$4,000 for buffalo box) and anticipated purchasing a new firewall in FY18. Since then, two things have happened:

First, the server we thought would survive through FY16 is failing more rapidly than expected.

Northeast IT said we could have a slightly-used server installed next week for \$800 less than what a new one will cost in July.

Second, our network suffered a cyber attack last week. Linda explained that bots try to invade networks constantly. FRCOG had 1 million unfriendly hits in one month. Last week 37,000 files were corrupted by Ransomware, malicious software designed to block access to a computer system until a sum of money is paid. Because we had a decent back-up system, we were able to avoid payment and restore our files, but this incident has our IT consultants thinking we need more protection. Northeast IT advises that we build another level of protection to be used together with the existing firewall.

Staff would like to use funds from FY16 to replace the failing server before July 1 and to use the funding built into the FY17 budget for additional security measures. Pat explained that funding is available in the FY16 administrative budget to cover this request because we've had 2 open positions that results in a cost savings in the personnel section of the budget, and requested members approve the transfer of \$7,000 of from personnel to the equipment line in order to purchase a server.

Lynn asked if towns were compromised by the attack. Linda explained that no towns were compromised.

Michele G. moved to approve a budget amendment that transfers \$7,000 from the Personnel section of the budget to the Equipment section for the purchase of a new server. John O. seconded the motion which passed unanimously.

FCCIP

Pat reminded staff that permit revenues were coming in short of projections in the fall and the program ended with a significant deficit in FY15. Thus, staffing reductions were implemented from August through the end of April (one staff member taking one day a week off for 38 weeks), then restored to budgeted levels in May. The restoration was based on increased revenue projections and greater staffing needs. Pat presented a budget that represented the reduction of staffing.

Michele G. moved to approve an amended FCCIP budget of \$537,248 to reflect reduced staffing in that program. John O. seconded. The motion passed unanimously.

4. FY16 April reports and projected year-end

FRCOG's OPEB Trust Fund balance is \$437,529, Pat reported. If we don't need to use the FY16 retirement funds to pay a state retirement assessment, we will add another \$96,951 to the Trust fund. The total liability is more than \$2 million said John P., adding that every year the agency doesn't put in the estimated \$225,000 necessary, it accumulates.

5. FY17 Review

Accounting Software

December 2017 is the date for stoppage of tech support to Fundware. Pat said current options were Blackbaud's Financial Edge, Accufund (a program designed with many Fundware features), and a municipal software from Sage. In the fall, Finance and Town Accounting staff will meet with vendors to see DEMOs.

Linda presented the idea of having towns obtain grants through the state's Community Compact program to buy town software. Towns would have to coordinate on the grant application, but can possibly have unique software, she said.

Staffing

Two administrative staff resigned and we took the opportunity to look at what configuration might best serve our needs. The result is two new positions have been created and interviewing begins next week. The search for a grant fiscal manager has ended, without finding a candidate that fit our needs. Now that almost a year has gone by with the two new grants of significance, Pat wants to give the situation a little more time but thinks she can manage with her existing staff. Meanwhile, we have hired Melanson & Heath to conduct fiscal site visits for sub-recipients, which was part of what the new hire was going to do.

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

Pat presented a budget amendment to cover a budgetary deficit in CPHS. The deficit was unanticipated, however, the program is expected to end the year with approximately \$68,392 remaining in its fund balance so can easily cover the increase.

John O. moved to increase the Cooperative Public Health Service (CPHS) budget by \$7,375 to \$131,734, to be covered by program reserves. Michele seconded. The motion carried unanimously.

The Worker's Comp quote came in at \$1,000 more than budgeted. There may be some savings to be found in our public officials' coverage and our insurance agent is investigating options.

John P. moved to close meeting. John O. seconded. Motion passed unanimously.

Meeting adjourned at 6:45 p.m. No meeting date set.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of 1/7/16 Meeting
- Final Draft FY17 Budget
- *FY16 Town Accounting Program Budget Amendment Memo* dated 1/28/16
- *FY16 Town Accounting Program Budget*