



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Thursday, October 15, 2015 / 6:00 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
- Michele Giarusso, Leyden Representative
- Kevin Fox, Buckland Representative

STAFF:

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

1. Adopt 7/16/15 minutes

Lynn Sibley opened the meeting at 6:00 p.m.

John O. moved the minutes of 7/16/15. Lynn seconded. Approved unanimously.

2. Review & Finalize Budget Development Workbook

Linda and Pat discussed changes to the Budget Development Workbook which include:

- An expanded introduction with fiscal summary
- Fund balance charts with every program
- Color coded categorizations of budgets
- Like budgets listed side by side on 11x17 page
- A graph of assessment history
- Regional services and stat assessment conjoined

Linda reported that the workbook begins to look at where revenues are coming from. The founders of the council of governments envisioned that we will use town money to leverage more money. Today, the majority of administrative costs are coming from indirect rate (grants), she said.

Pat said staff had endeavored to explain significant anomalies in the workbook:

For example, for Accounting, the workbook explains that finding qualified staff that stay is the biggest challenge. For FCCIP, commercial permit activity was way down in FY15, requiring the use of surplus to cover it. To bring costs down, one staff member has voluntarily taken a reduction in hours, a policy change to the waiver of municipal fees is now limited to \$500, and a cut to winter staff hours would be

implemented if deemed necessary. Permit revenues are being monitored monthly to determine if a cut in winter staff hours will be necessary.

John Payne asked if residential permits reflected the cost for the work. Linda explained that probably not in all cases, especially with travel, but that the inspectors are obligated to do the inspections.

Pat reminded the group that FCECS and REPC have budgets with assessment formulas developed by oversight committees.

3. Finalize Budget Development Schedule

The committee agreed to a 5 p.m., November 19 meeting and meetings weekly from the end of December through the middle of January, with the goal of sending the budget to Council members one week before the January meeting.

4. Review Year-End Report

Pat provided committee members with an overview report on the year that ended 06/30/15. Individual reports on program and grant revenues, expenses, and fund balances, are now part of the budget development workbook. Preliminary reports show a surplus of \$100,545 in general funds. FCCIP ended the year with a \$45,141 deficit but this was the only municipal service program where there are any current concerns and as mentioned earlier, they are being addressed. Pat and Linda expect FY16 to be a good year, saying the agency was rewarded 2 new grants which bring in 1.2 million per year, and is hiring staff which will bring in new indirect revenues.

Lynn asked about the status of the pay classification update. Linda explained that the consultant has finished the wage comparison, but things are not perfectly clear because many positions, such as the inspection staff, have no comparables. John Payne asked if other inspectors are doing the same work in other parts of the state. Yes and no, said Linda. While population served may be the same, our inspectors need to know and interpret zoning of 15 different towns, making our positions unique. Hartford and Cape Cod are similar. The consultant has given what she believes to be appropriate ranges and is now working on grading tool and reformatting job descriptions. It may be ready for FY17 budget development; she knows that's our goal.

5. Discuss OPEB Contribution vs. Reimbursement to Towns

Because there's been no retirement assessment this year, the FRCOG's cognizant agency — the Massachusetts Department of Transportation (MassDOT) — has suggested that rather than letting the indirect rate dip down, the FRCOG could put the money budgeted for the retirement assessment into OPEB. The result would be an indirect rate that would remain fairly level.

Mass DOT has said we have until December to use these funds for OPEB, but that decision is one only the Council can make. Michelle wondered if this will require a year-to-year vote from the Council. Pat said that if the budget is created to read retirement or OPEB and the Council approved the budget, we would have the flexibility to fund retirement if needed and if not, OPEB.

Lynn asked if we put money into OPEB already this year. Pat confirmed OPEB is in this year's budget. Lynn asked if maybe we could give a small amount to towns. Linda said if we feel we need to give money to towns, we don't want it to be money coming from employee related revenues (grants). Lynn noted that the committee has always said that if the money didn't get put into retirement it should go to OPEB. John P. pointed out the big OPEB deficit, and said doing so would be most consistent.

Michelle made a motion to recommend to the Council, the use of \$98,684 in general funds (from unused retirement) for a transfer into the OPEB Trust fund. John O. seconded. Motion passed unanimously.

6. Quarterly Reports

See handouts and year-end report discussion.

7. Consideration of New Sick Time Law

Linda explained that last year a referendum question passed making it law that all employees — full and part-time, even those who are not benefited — should receive sick time pay. FRCOG has 5 unbenefited employees, and as of July 1, the agency implemented the law and began giving them 1 hour of sick time per 30 hours worked. Since then, staff re-read the law and charter, reported Linda, and the view is that we are "opt in" and thus, not required to give the sick time. Staff told under-20 hour employees that we've adopted the law, but didn't tell them we might not be bound.

The calculated cost since July 1 is \$617.91 The liability for year is estimated to be \$2,249.20. Staff needs a recommendation to bring to Council. Linda told the committee that she likes honoring employees and doesn't want people to come to work sick.

Kevin said he doesn't see people who work few hours being harmed by not having sick time, they can come in another day, he said. Some would suffer & not be able to make up the hours, Pat replied.

Lynn doesn't necessarily see a problem with granting them sick time, however, she pointed out that towns aren't adopting this law as they, too, can opt out. The committee discussed the burden of the law to towns. John P. asked if it's possible to wait a year and then opt-in.

Kevin asked if there is there a cap on sick time. Linda explained that the FRCOG's current policy allows employees to earn 15 days a year in sick time. There's no cap on how much you can earn, but there is a cap on how much you can use in the year, she said. Our personnel policy consultants are recommending a cap of 1,000 hours. Anyone who earns 1,000 hours would stop accumulating until their time goes below 1,000.

John P. asked if not having sick time effected FRCOG's ability to hire for positions of less than 20 hours. Pat thought new people may expect that we've done this.

John P. said he is leaning towards not doing it this year but would like to consider it for next year. In that case, Linda asked, should staff track accrued time to bring to you for consideration?

Michelle asked if the consultant might offer a recommendation. Lynn would like to wait for that recommendation.

Michele moved not to recommend an “opt in” of sick time for employees who work 20 hours or less for FY15 until we hear from the consultant who is doing an overall review of all FRCOG personnel policies. Kevin seconded the motion, which passed unanimously.

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

Michelle moved to adjourn the meeting. Kevin seconded the motion, which passed unanimously.

Meeting adjourned at 7:22 p.m.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of 7/16/15 Meeting
- Budget Development Workbook
- Memo from Pat Auchard re: Financial Reports.
- Year-end reports
- Quarterly reports
- Sick Time for Unbenefited Employees as of 10/9/15