



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Thursday, December 10, 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:

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

GUEST:

- Bill Perlman, Personnel Com

1. Adopt 10/15/15 minutes

Lynn Sibley opened the meeting at 5:00 p.m.

John O. moved the minutes of 10/15/15 as amended. Kevin seconded. Approved unanimously.

2. Discussion of First Draft FY17 Budget

The first draft of the FY17 budget was distributed (See handout). Pat and Linda explained that this draft does not include program manager input as yet, but that there are still many topics to discuss.

Staff Salaries and Increases

Personnel Committee (PC) member Bill Perlman told members that the Wage and Salary study is taking longer than expected, in some part because the FRCOG's positions aren't always comparable to positions in other agencies. Last year the PC began working with a wage consultant to bring staff into equity within and outside of the agency. A grading tool has been created, but not yet applied. The consultant told the PC and staff that FRCOG needs to remain competitive. The PC recommends an across-the-board 2% competitive market (not COLA) increase and it wants to see another year implemented of the 5(6)-year equity plan that looked at staff who are behind in their grade, when years of service are taken into account. These increases are included in this preliminary budget, said Linda. She brought up the idea of smaller merit raises for some staff — particularly those whose jobs changed with the new grants awarded — of no more than 1 or 1.5 %.

Michele G. felt the 2% increase ought to be considered a market index/analysis increase, particularly given the recent loss of one staff member to a higher salary at the Pioneer Valley Planning Agency. She said that when applying for jobs, some younger people look at salary solely, but benefits should also be considered. A wide discrepancy exists in the Valley, she added.

LD reported that the consultant did not look at benefits of other agencies; however, staff obtained the benefit package of agencies within our market analysis group, and found them to be quite similar to ours. They found that time off is the same; that where we use comp time, others use flex time with a 4 day week; and so on. Compared to the private sector, FRCOG has very good benefits, Linda said. Bill remembered that in early days when salaries were slim, the PC pushed to have benefits such as the low-cost Cafeteria Plan. They wanted FRCOG to be competitive, knowing employees could be lured away.

Linda said staff build the budget with what they'd like to see. FRCOG would need to make sure managers know how to implement a merit raise, and think carefully about those who don't get the increase. People have been very loyal, Bill said, responding to Michelle's question about turnover. He said the PC is concentrating on acquisition and retention, and a 0% COLA is an unreal assessment of the economy. The competition is not static either, he said. Michelle said some turnover — some new blood — is good for the agency. John O opined that implementing a merit fairly and equitably is no easy task. Members agreed they would recommend the 2% increase for all, but not merit raises for next year.

Linda said the Wage and Salary Study final draft could be expected in January, when staff would train on the grading tool. The PC has asked to regrade every position in the organization and to make sure department heads know how to use it. In her regrading, the consultant found no one landed in a grade where they aren't at least being paid the minimum for that grade.

Fiscal Manager

Pat reported that the finance department has seen a huge uptick in the intensity and amount of work required to handle the 2 new, large, multi-year grants. Thus, the draft budget contains the cost of the addition of a 3-day fiscal grant manager funded through indirect revenue from the new grants. This position will help with billing management and compliance of both new and longstanding grants. Lynn asked how much of the cost for that new position can be billed off to grants? Linda said it will all be all paid for by indirect from grants.

Local Planning Line Increase

An increase in the regional services local planning line can also be seen in the draft budget. This line is managed by Peggy for planning staff to work on planning projects or to write new grants. When Peggy works directly on a grant, her time charged elsewhere helps to fund this line. However, Linda and Pat expect that a greater amount of Peggy's time will go to pipeline activities, and a lesser amount to planning grants.

Other Budget Items

The draft budget, which results in a 4.4% increase to the regional services assessment, also contains:

- An increase in a regional services professional development line and a scholarship fund for use by grant and municipal assessment funded staff
- A 6% increase to health insurance
- A \$1000 estimated increase in audit costs, and a new line for anticipated extra single audit costs due to new grants awarded

- The normal costs of retirement at 5%, in case we need to start paying an assessment to the state plan. These funds will automatically go to OPEB if it isn't needed for retirement costs.
- Decreases and increases in regional services lines based on past spending and anticipated costs
- \$150,000 for OPEB, consistent with this year's allocation

Linda explained that when staff wrote the memo (see handout) and sent members the budget, it amounted to a 4.4 % increase in the Regional Services assessment but this budget was still in an early draft stage.

John P. asked if the Public Health increase was a result of the loss of grant funding. Pat and Linda explained that the program is still going through the 4-year process of reducing grant use and relying more on town funding, including permitting fees.

Linda reiterated that program managers have yet to scrutinize their budgets. She queried the committee about their view regarding the budget's OPEB level, the decision to include a new fiscal grant manager, salary increases, and the 6% health insurance estimate, and members agreed that they should push forward using these figures. John P. said he'd like to see the regional services assessment come down to 2%, noting that raises are 2%

3. Discussion of accounting software

Pat explained that we were recently told the support for Fundware is expected to sunset. Previously, the message from the CEO of Blackbaud (the parent company of Fundware) was that support would be there as long as there were clients using Fundware. Over the past 6 months and a new CEO, that promise is no longer a given. We currently have an offer to convert Fundware to Blackbaud's Financial Edge at the conversion cost of \$30,000 and this includes the conversion of our towns who use the same system. We would not have to pay to purchase the program.

Kevin suggested that DOR might be able to help. Linda explained that we have an obligation to make sure we can offer accounting software to towns, so asking DOR to amp up getting uniform software to all towns might be a productive effort. She said we didn't have a figure for the cost of new software yet, but just wanted to make the committee aware.

Pat said the best time to changeover is spring. Bill P. suggested we hold out as long as possible, to have the quirks worked out of the new software. Pat replied that Financial Edge has been in existence for a while, so most quirks should be out. The committee members encouraged Pat to continue to investigate the possibility of changing to a new software.

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

Linda and Pat told the committee that a new person came onto the retiree health plan since the committee last met and a motion was needed to move funds to pay for the associated costs as the Statutory budget does not have enough to cover them.

Kevin F. moved use of \$6,000 of the Reserve line from the Miscellaneous and Contingency budget to increase the statutory budget, due to increased retiree costs that occurred after the FY16 budget was approved. Michelle seconded the motion. Motion passed with all in favor.

Linda reported that the solar array is currently not working, having been damaged in a rain storm. Staff is looking to see if this will require repair costs as well as the increase to operating costs. She's unclear if insurance will cover any costs.

John P. asked if FRCOG would consider helping towns with an assessor service. Linda said FRCOG has tried unsuccessfully to regionalize assessors in the past but would be willing to look at the initiative again.

Meeting adjourned at 6:25 p.m.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of 10/15/15 Meeting
- Memo from Linda Dunlavy and Pat Auchard re: First Draft FY17 Budget
- First Draft FY17 Budget