



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Thursday, January 11, 2018 / 5:00 p.m.
Location:	JW Olver Transit Center, 12 Olive Street Greenfield, MA – Library
Facilitators:	Lynn Sibley, Chair, Finance Com & Bill Perlman, Chair Personnel Committee

ATTENDEES:

- **Lynn Sibley**, Chair, Whately (arrived 5:12 p.m.)
- **John O’Rourke**, Conway
- **John Payne**, Shelburne
- **Kevin Fox**, Colrain
- **Ellen McKay**, Leverett
- **Michele Giarusso**, Leyden

STAFF:

- **Pat Auchard**, Finance Director
- **Rebekah Boyd**, Admin Services Coordinator
- **Bob Dean**, Director of Regional Services

1. Adopt 9.28.17 and 11.30.17 (joint meeting with Personnel Committee) minutes

In Lynn’s absence Vice Chair John P. opened the meeting at 5:07 p.m.

John O. moved that Finance Committee adopt the 9.28.17 and 11.30.17 minutes. Kevin seconded. Ellen M. pointed out that she hails from Shutesbury, not Leverett. Staff will amend. The motion to adopt passed with all in favor.

Ellen moved that we change the order of the agenda. John P. seconded. Motion passed unanimously.

2. Review of Cooperative Public Health Service FY19 budget

Phoebe Walker reported that the health agent is retiring and the oversight board asks for permission to spend more of its reserve than intended (up to \$9,997) to make it possible to overlap the current agent and a new person in that role. She explained that staff didn’t know he’d retire, nor did they budget for two in the role, but giving the complexity of the work, much can be gained by having them overlap. This figure includes the costs of full benefits for the new agent, including family health insurance, for a full month.

Ellen made a motion to accept recommendation. Kevin seconded. Motion passed with all in favor.

Phoebe further explained that the pickins are slim and options for filling the position include taking someone fresh out of a Masters program, or attracting someone from Eastern MA with greater experience. Notice and ads have already been posted and resumes are due March 7.

3. OPEB transfer to SBRTF update

Pat announced that we have successfully moved all funds out of Vanguard and over to SRBTF.

4. Review of potential shared HR program and budget

Several FC towns were interested in sharing the services of an HR professional, Bob D. reported. Staff analyzed the idea, and enlisting working groups of town administrators, puzzled through the question of how to do this. Originally, 7 towns wanted to take this on with FRCOG, but in the final analysis, no town felt that they could afford it. Administrators are still interested in obtaining help, however.

Lynn said Whately needs a consultant for particular projects as they arise — such as a difficult FMLA — but she didn't think the town could utilize of budget HR for 8 hours weekly. Bob said staff may put together an a la carte list for towns and come up with costs that match the particular projects. Michele suggested using the Western MA Employers Association to help with this proposed program.

5. FCECS update and FY19 budget

Bob reminded the committee that the FCECS has been fraught with issues for a number of years which the oversight committee, radio system manager, and consulting maintenance vendor have all worked hard to address. Because some key system parts are no longer available, it's just a matter of time before the deteriorating system suffers from major malfunction. The oversight committee and staff all agree that we either must invest heavily in the current system — reengineer and build a new one — or move to the state's 800 MHz system.

Knowing this, staff worked to get a design grant and began to consider possible financing models, but it soon became clear that the state wanted FCECS included in their system. Although FCECS was initially at the bottom of the state's priority list, within the last two months the Governor authorized use of more bond funding for the state system, and staff and our Reps advocated hard to be higher on the list. The state made it clear they would not support us building a new system. We're still hoping for a piece of the E & R grant for things other than design.

Staff and committee members discussed the necessity for a county-wide meeting to have towns consider and make a decision, highlighting the value of FRCOG being relieved of liability were it to go to the state system. Questions to be answered include: the timeline for the transition to the state system, the cost to be part of the 800 MHz system, the annual cost of maintenance, the cost of transitioning, and whether cost-sharing with the state is an option. Regardless of the answers, FRCOG will be asking towns to appropriate FCECS money for the FY19 budget.

6. Review of Draft FY19 Budget

The Committee reviewed the Draft Budget and Budget Notes (See handouts), discussing the following:

- **Use of Capital Reserve** \$30, 000 for IT upgrades that are not ongoing costs, bringing reserve to \$11,000.

- **Group Insurance** Health insurance is budgeted with less than a 5% increase. The new Finance Director position is budgeted for family coverage. Hampshire Regional Trust voted an increase of 4.7% for HMOs and 4.1% on family.
- **FRTC Lease** reflects the FRTA accountant's recommendation of budgeting \$7,500 to 8,000 to avoid the funding scramble to cover costs of storms, etc., at end of fiscal year. (More info forthcoming on building costs next meeting.)
- **General & Worker's Comp Insurance** reflects a 5% increase over FY18 actuals.
- **Indirect** is budgeted to reflect an anticipated increase in health insurance costs, resulting from the shift of some staff from single to family coverage.
- **Town Accounting** has seen staffing changes over the past year. The budget reflects these changes, plus a reduction in the number of towns the program manager covers, requiring the hiring of another part-time person.
- **FCCIP's** budget is reduced because it eliminates transitional overlap with Jim Cerone (retiring), and another fulltime hire starting in April. As of July 1st we will be back to a normal staffing.
- **Retirement or OPEB** budget adds 5% onto payroll. If not used for retirement assessment, then it will be allocated to OPEB trust.
- **Program Budgets** all reflect a 2% payroll increase.

John P. asked how diversified the retirement fund is, wondering if a major portion is invested in stocks. Pat explained that the fund is broadly invested in real estate, timber, national and international companies, index funds, and so on.

Pat is working with a new OPEB actuarial. She is concerned that with more detailed reporting, we could end up with a larger unfunded liability with the new actuary.

Regarding the plan for transitional FCCIP and CPHS staffing, Kevin asked if the staff overlap isn't a loss of money, given that the current FCCIP part-timer has decided to leave after many months of training. He wondered if a contract could be drawn up to require those who would accept the job offer to stay a certain period of time. Bob felt that would require new hires in some departments to agree to something other employees are not asked to do. Administrators of these programs see the overlap as vital on-the-job training.

The Committee next examined the *FRCOG Regional Services Assessments* Handout which showed the FRCOG has increased assessments to towns at an average of 2.12% annually over the past 18 years. Some years the assessments were level funded and some years they were reduced, Pat A. said. Ellen M. remarked that it's amazing that we've been able to keep the assessments down. John P. said part of that reason we've been able to keep assessments down is because of substantial grant increases.

John O. made a motion to accept the \$3,605,218 budget and to recommend it to the Full Council. Ellen M. seconded. All in favor.

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

Though the challenges appear to be lessening, Bob outlined the Finance Department and Town Accountant Program staff's frustrations with the recently purchased software — MIP — and staff's

efforts to resolve the problems. He told the committee that MIP thinks differently than the previously used software, so before looking to replace it, they want to try retraining staff. Much of the issue is with being sure reports are populated correctly. Some issues are specific to individual towns, while many others are universal.

The software vendor is convinced it's a training issue because many towns outside of Franklin County are not having as much of a problem as we are. Members discussed whose responsibility it is to pay for the training for a couple of days above and beyond the contract. The vender has eaten the cost of a lot of training already, he said.

The next meeting will be on Thursday March 22, 5:30 p.m.

Kevin F. made a motion for adjournment, seconded by Michele G. Meeting adjourned at 6:43 p.m.

DOCUMENTS DISTRIBUTED:

- Agenda
- September 28, 2017 and November 30, 2017 draft minutes.
- Vanguard Transaction confirmation.
- Memo: Request to spend additional reserve funds, from Phoebe Walker, dated January 2, 2018
- Fiscal Year 2019 Budget Notes
- FY19 Draft Budget
- FRCOG Draft Regional Services Assessments (Comparison)