



Franklin Regional Council of Governments

Joint Finance and Personnel Committee — *MINUTES*

Date /Time:	Thursday, November 30, 2017 / 5:30 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— *Finance Committee*

- **Lynn Sibley**, Chair, Whately
- **John O’Rourke**, Conway
- **John Payne**, Shelburne
- **Kevin Fox**, Colrain
- **Jay DiPucchio**, Regionally Elected
- **Ellen McKay**, Leverett
- **Michele Giarusso**, Leyden

ATTENDEES— *Personnel Committee*

- **Bill Perlman**, Regionally Elected
- **Julia Blyth**, Northfield
- **Kayce Warren**, Ashfield
- **Wendy Foxmyn**, Deerfield
- **Dawn Magi**, Northfield

STAFF:

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

1. Discuss FY18 budget priorities that could impact the budget

The meeting was opened at 5:36 p.m. (*Adoption of minutes of previous meetings was delayed until the next regularly scheduled meeting of both committees*)

Linda explained that the process of building the budget starts with a series of assumptions. The draft budget was not ready, but the committee reviewed a handout of current assumptions.

- Staffing is at current levels.
- A Regional Services Assessment limited to 2.5 %
- Payroll increases of 2%.
- Health Insurance estimated increase of 5% (current info from Hampshire Insurance trust). The actual increase won’t be known until voted at the trust’s January meeting.
- Other Post Employment Benefits (OPEB) uses combined budget lines for a total of \$189,827.
- Indirect Revenues projected to decrease by approximately \$5,000.
- IT system upgrades estimated to cost \$30,000.

The draft budget currently has a deficit of \$66,000. Staff suggested ways to bring that deficit down by 1) funding retiree insurance cost out of the OPEB budget and 2) appropriating IT costs from Capital Reserves, Unrestricted Fund Balance.

Bill Perlman said that with the Consumer Price Index (CPI) at 1.7 % (not seasonally adjusted and not including property taxes), the Personnel Committee recommends a 2% increase in staff pay.

John O. moved that Finance Committee instruct staff to use a 2% staff pay raise. Ellen M. seconded. The motion passed with all in favor.

Health Insurance

Members discussed Health Insurance rates and Wendy suggested a 5% increase was too low. Lynn wondered if it might make sense to build the budget with a 9.4% increase. Pat said she would do more work on the subject before presenting a draft FY19 budget.

OPEB

In FY19 there are several projected retirements and members and staff discussed creating a new budget line to cover these costs within the Pooled Benefit budget. Alternatively, the OPEB budget line could be offset by the retirement costs and the net remaining used to fund the trust. Members were brought up to date on our current OPEB funding and since we are well ahead of schedule, the consensus of the committee was to pay for the \$25,744 of retiree insurance costs out of the budgeted OPEB line.

IT

Linda reported that software licenses and some system upgrades are needed for the first time in 5 years. Members were asked to support an appropriation from the Capital Reserve Fund Balance. Jay agreed it is a capital cost and Ellen suggested budgeting \$5-10 thousand every year. Pat reported that since the move, FRCOG budgeted \$2,000 annually and increased that to \$5,000 in FY18. If not used, the funds close out to the Capital Reserve Fund Balance.

Longevity Bonus

The Personnel Policy update of 2016 — a good year financially — offered longtime (10+ years) employees \$1,000 per year in longevity starting in FY17. With a far tighter budget this year, it is the consensus of the Personnel Committee to reduce that figure to \$500, which would result in a savings of \$12,500.

Members asked about future projections of staffing and Linda responded that the agency is experiencing a leveling-off period, and in 2020, indirect revenues will decrease when the depreciation of new building costs are completed. Reducing the longevity bonus would be preferable to possible reductions in staff hours. In another matter, staff said they are looking at the FRCOG's share of the FRTC's operating costs, including 50% of costs for maintaining the outside of the building, a section of the building not used for FRCOG business.

John P. moved the Finance Committee recommend a reduction of the annual longevity payments to employees with 10 or more years from \$1,000 to \$500. Michele seconded the motion, which passed with all in favor.

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

Linda reported that the accounting software has been challenging to use, particularly for the Town Accounting Program (TAP). Pat gave some examples of frustrating aspects of the software. Staff is

arguing to have the vendor solve the problems but there could be additional costs. Kevin F. suggested purchasing separate software for the TAP and the Finance Department.

John O. made a motion for adjournment, seconded by Michele G. Meeting adjourned at 6:38 p.m.

DOCUMENTS DISTRIBUTED:

- Agenda
- Memo: *First Look at FY19 Budget*, From Linda Dunlavy and Pat Auchard, dated Nov. 30, 2017.
- *FRCOG Financial Reports* for period ending October 31, 2017, including, the General Fund Report; Municipal Fee Service Budget Report; Municipal Fees Service Fund Balance Report; Pooled Benefit Report; Executive Committee Report; Regional Services Report; and the Miscellaneous and Contingency Report.