



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Tuesday, July 16, 2019 / 5:00 p.m.
Location:	JW Olver Transit Center – Library, Room 221
Facilitators:	Lynn Sibley, Chair

ATTENDEES:

- **Lynn Sibley**, *Chair*, Whately
- **Kevin Fox**, Colrain
- **Jay DiPucchio**, Regional
- **Michele Giarusso**, Leyden
- **Kayce Warren**, Ashfield
- **John O’Rourke**, Conway
- **Ellen McKay**, Shutesbury

STAFF:

- **Linda Dunlavy**, Executive Director
- **Claire McGinnis**, Finance Director
- **Rebekah Boyd**, Admin Services Coordinator

1. Reorganize

Lynn opened the meeting at 5 p.m. She told the committee she would like to step down as chair of the committee. No one volunteered to take the role.

John motioned to have Lynn continue as chair. Ellen seconded the motion. After some discussion about ways in which other members and staff could assist with the role’s responsibilities, Lynn agreed to continue. **Motion passed with all in favor.**

2. Review and adopt 1.10.19 minutes

Jay motioned to adopt the minutes of the 1.10.19 meeting. Kevin seconded the motion, which passed with all in favor.

3. FY19 Amendments: Grant Match; Regional Services, CPHS

Claire went over the June 30 General Fund Report, remarking that the preliminary surplus of \$94,000 is a sign of conservative spending and budgeting, and of overall financial well-being. The handout included revenues, expenses, and preliminary programmatic end-of-year figures. She noted that the unusually high revenue number for the FCECS budget is entirely a result of the lightning strike of a radio tower and the subsequent insurance claim payoff, not because FRCOG overbilled the towns. Finance committee members were pleased with the report.

Miscellaneous & Contingency

This budget, which raises funds for unexpected expenses, historically includes funding for use with an unanticipated grant that requires match money. The year passed without such an opportunity; thus, staff are asking to transfer the earmarked money to the Grant Match Fund, as has been the practice in years past. Given the balance of that fund, and the limited need for this kind of matching funding, staff significantly reduced the Miscellaneous and Contingency budget for FY20. If the committee approves this transfer, the Grant Match fund balance will be \$41,200.

Ellen motioned to transfer \$12,000 appropriated for 2019 Grant Match Contingency to the Grant Match (04-100), following historical treatment of this line item in the Miscellaneous & Contingency budget. Michele seconded, motion passed with all in favor.

Regional Services

This budget ended the year underspent in Operating and overspent in Equipment/Capital. An amendment of \$12,410 from Operating to Capital will bring this program into balance for the year. Staff purchased computing equipment recommended by Northeast IT for the coming year, replacing laptops and switches nearing end of life.

Ellen motioned to transfer \$12,410 from FY19 Regional Services Operating to the FY19 Regional Services Equipment and Capital. John O seconded, motion passed with all in favor.

Cooperative Public Health Service (CPHS)

An increase in staff was deemed necessary when Erving signed on for cooperative nursing, and Shelburne and Colrain joined as comprehensive members. CPHS fee revenues also increased, covering the additional staffing expense. The program overspent by \$3826. Claire explained to members that when towns change their level of service, they are billed a new amount mid-year.

John motioned to increase the FY19 budget Cooperative Public Health Services budget by \$3826, following the addition of part time staff in FY19. Kayce seconded. Motion passed with all in favor.

4. FCECS Carry Forward Request

As has been the case for 3 years, towns have paid into a capital contingency in case disaster strikes the Emergency Communication System. Staff requested the committee approve the same action this year, transferring to the FY20 capital line item the past 3-year's unspent appropriations.

Ellen motioned to carry forward into FY20 the unspent \$245,600 of prior years' appropriations for Capital in the FY19 FCECS budget, continuing to provide funding for emergency capital needs to the FCECS system. Michele seconded. Jay asked that the Finance Committee makes clear to the towns that we will give any surplus back to them once the system is fully transferred to the state-run emergency system. **The motion passed with all in favor.**

5. FY20 Budget Amendments: Regional Services to Planning Admin, Purchasing, CPHS

Regional Services to Planning Administration

Staff request this transfer in an effort to track planning administration time differently, charging all administrative time to one place and thereby formalizing the budget.

Ellen made a motion to transfer \$17,000 from the FY20 Regional Services Personnel Budget to FY20 Planning Administration Personnel, both in the general fund, with \$0 net change to the Council approved budget. Jay seconded, passed with all in favor.

Collective Purchasing

With the absorption of some of the HCG's program came the hiring of an assistant procurement officer. Claire requested that the Collective Purchasing budget be increased to reflect accurately a

two-person program. Staff expect purchasing revenues to increase to help cover this transition year, but if we fall short, fund balance and grant funds are available.

Ellen motioned to increase the FY20 municipal Collective Purchasing program budget by a total of \$94,000, divided between Personnel \$60,000 and Operating \$34,000. Michele seconded. Linda explained that staff feels this absorption is a healthy financial risk: Purchasing has a hefty fund balance, FRCOG should be able to collect the vender fees, and we have set aside grant funds, just in case. Although in FY20, FRCOG is stuck with HCG's way of collecting funding fees (whereby the vender gives us a percentage of the product's purchase after the fact), in FY21, we'll switch to assessments and fee for service to towns, which is faster and easier administratively. We hope to move participating Hampshire County towns to use our method. Ellen remarked that she is impressed that FRCOG can assume that job for the small towns in Hampshire County. While creating a larger buying pool, which helps Franklin County, added Linda. **The motion passed with all in favor.**

Cooperative Public Health

The increase needed for CPHS is \$17,000 in Personnel and \$7,000 in Operating. CPHS revenues will increase to cover the additional expense.

Jay motion to increase the FY20 Cooperative Public Health Services program budget by a total of \$24,000, divided between Personnel \$17,000 and Operating \$7,000, to cover the costs of servicing new towns in the program. Ellen seconded, motion passed with all in favor.

6. FCECS Update: Commonwealth Interoperable Radio System (CoMIRS) Radio Purchasing

Linda reported that that the last meeting with state officials brought very good news. The migration is on schedule and after a careful inventory of countywide equipment — in which FRCOG provided a conservative, but realistic number — The Executive Office of Technology Services Security (EOTSS) plans to provide radios to all towns. They will offer towns two radios to choose from: the lower cost Kenwood and more expensive Motorola. EOTSS plans to give every town an allowance Kenwoods, but towns can upgrade to the Motorolas (approximately \$400 - \$600) on their own dime. Because the transfer will begin to occur in September, however, towns may not easily obtain the money to upgrade, Linda noted. She floated the idea that FRCOG might offer a bridge loan of sorts to help subsidize purchase of Motorolas. She added that it might be risky, however, because if the upgrade goes well and quickly, and every town wanted radio upgrades, that could mean a \$600,000 FRCOG expense. In response to Linda's suggestion, consensus of the committee was that towns should find the money with a special town meeting or by other means. Members voiced their pleasure with the overall solution to the problem of the failing FCECS system.

Linda explained that EOTSS requires FRCOG maintain the FCECS until the migration is complete. It likely will be 2 or 3 years until EOTSS gives the blessing to shut the FCECS down, which is reasonable, as they are worried about liability. She noted communications between the new and old systems might be challenging. Unfortunately, no radio types address this. Current radios do not work on the new system.

7. Business not reasonably anticipated 48 hours in advance of the meeting

Linda reported that the letter from several of the state's Regional Planning Agencies (RPAs) to the legislature said the following regarding state retirement's demand for past, unmade RPA assessments:

- RPAs are special state districts not bound by special legislation
- The costs as presented by the state retirement system would put many RPAs out of business
- Payment of FY16, FY17, and FY18 assessments is not possible because budgets are closed

In another matter, Linda told members that the FRCOG is experiencing some difficulty with salaries not remaining market competitive. Staff hope to work on how to address this, and ask if we need a competitive market increase.

John motioned for adjournment. Ellen seconded. The meeting adjourned at 5:54 p.m.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of 1.16.19 meeting
- Memo from Claire McGinnis, dated July 11, 2019
- FY19 Year End Budget Actions and Suggested Motions
- June 30, 2019 General Fund Report
- Fee For Service Program Report