



Franklin Regional Council of Governments

Finance Committee/Personnel Committee — *MINUTES*

Date /Time:	Thursday, January 9, 2020 / 5:30 p.m.
Location:	JW Olver Transit Center – Library, Room 221
Facilitators:	Lynn Sibley, Chair

ATTENDEES Finance Committee:

- **Lynn Sibley**, Whately
- **John O’Rourke**, Conway
- **Jay DiPucchio**, Regionally-Elected
- **Kayce Warren**, Ashfield
- **Kevin Fox**, Colrain
- **Ellen McKay**, Shutesbury

ATTENDEES Executive Committee:

- **Bill Perlman**, Regionally-Elected

STAFF:

- **Linda Dunlavy**, Executive Director
- **Rebekah Boyd**, Admin Services
- **Claire McGinnis**, Finance Director
- **Phoebe Walker**, Dir Community Services

1. Call to order Finance Committee (FC)

Chair Lynn Sibley opened the Finance Committee meeting at 5:30 p.m.

2. Review and adopt 12.5.2019 Finance Committee meeting minutes

Jay moved to adopt the minutes of the 12.5.19 meeting. Ellen seconded the motion. Motion passed with all in favor.

3. Discuss FY19 FCECS Year End

Prompted by a question from an external audit in December, Claire reviewed the end of year accounting for FCECS. On Oct 18, 2018, the Council approved a budget amendment to hire the radio systems manager, “up to \$55,000 in funds from the Undesignated Fund Balance” (General Fund implied).

The FCECS program didn’t end FY19 in a deficit, at least in part because of an insurance claim payoff, and no General Fund balance to FCECS retained earnings transfer accounting entries were made. Because the wording in the minutes was vague, Claire wanted on record a full disclosure of how the year end was managed. The committee agreed that it was done appropriately, given there was no deficit.

4. Review FY2021 budget and assessments

The committee reviewed the proposed FY21 budget, including a 2.5% Competitive Market Increase (CMI) for all employees in all programs. Members were pleased with the efforts of staff to make it concise and accessible. Claire drew their attention to the following highlights:

Regional Services — A 5.5% increase over last year, includes CMI, an assumed 4% increase in employer contribution to group insurance, and increases in IT costs. OPEB line decreased with recalculated ratios of current Regional Services employees and retirees from Regional Services positions. *This proportional shift is also reflected in an increase in benefits expenses in the expense pool budget.

Miscellaneous & Contingency — Includes sums of \$5,000 each for the website and the succession planning projects. As requested by committee, \$35,000 for salary recruitment funding is also included.

Pooled Expenses — Benefits and admin costs for 44 people. *Increase in OPEB contribution, as described above.

Collective Purchasing — Increases reflect the costs for benefits and administrative services for program staff, greater after HCG adoption.

Cooperative Public Health Services — Reflects costs of adding 3 towns and a new staff member. The gap between revenue and expense was resolved with a secured grant since this version of the budget went out last Friday.

Town Accounting — Proposed \$64, 945 increase to this budget to fund the staffing growth needed to provide necessary services for towns and to stabilize the program by offering a more competitive rate when hiring. Benefit costs are significantly higher with staff additions.

Linda reported that earlier that day town accounting towns had a productive meeting with staff to discuss proposed increases to that program. The 21% increase to the now fully staffed program — 2 full-time, 5 part time, (4.3 FTE) — was not popular, but towns value the program, want to continue, and will pay for optimal service delivery, she said. Asking if committee members from towns that use the program found it improved, they replied that they like the new accountants, and that the day-to-day service is fine, but that the accountants find the Department of Revenue (DOR) requests for newly customized reports challenging. Kevin asked if the budgetary increase provides more hours to towns. Linda said no, but that it afforded more stability.

Members discussed possible use of the fund balance to reduce assessments, but rejected the idea after discussion. Use of fund balance to create customized templates to meet DOR's demands might be wise as a one-time cost in FY20, they suggested.

Assessments

The committee went over the assessments to towns (see handout for details). Increases are as follows:

Regional and Statutory — 1.1 %

Collective Purchasing — No change for FC Towns; agreements for Hampshire and Berkshire County are now being signed.

Cooperative Public Health — 2%

Town Accounting — Between 16% and 16.2 %, except for Sunderland at 21.4%, with increased hours

FCCIP — Based on recommendation of the Oversight Committee, increased by \$100, except Greenfields participation fee, which is based on usage of staff hours.

John O Rourke moved to recommend to the Franklin Regional Council the FY21 Budget proposal as presented, totaling \$2,315,014 in the General Fund and \$1,796,072 in Municipal Service programs for a total Council budget of \$4,111,086. Jay seconded the motion, which passed with all in favor.

The committee agreed to meet again on January 23 only if the increase to group insurance is much higher than the estimated 4%.

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

Radio Purchasing

Linda outlined a recent meeting with EOTSS regarding emergency communication system migration. The migration likely will occur in an order different from initially reported, with East County being last, although the exact order is still unknown. The state will create a grant program to pay for the cost of the cheaper radios, with distribution following the inventory FRCOG/towns gave them last year. Towns will shoulder costs for extra radios, upgrades from base model, and installation. FRCOG will have a vendor day here at the office by February, when towns can come select their radios. EOTSS assumes three rounds of purchasing: in late FY20, early FY21, and late FY21. Towns also will pay for radio programming. Linda and members of the Executive and Finance Committees (all present at this portion of the meeting) prefer FRCOG or a local vendor to program the radios — to assure long-term efficiency and effectiveness, so radios will stay serviceable, and to keep the programming expense down. The state hasn't yet agreed to this, but FRCOG will continue advocacy. FRCOG Finance will track and invoice Towns all expenses incremental to the base unit order funded by the grant.

Oct 17, 2019 Minutes Revote

October minutes were not actually approved in December as members had believed because a majority of the quorum of the full body (4 members out of 7) did not vote to approve. (The vote was 3 yes, 3 abstentions.) According to *Robert's Rules*, used to govern parliamentary procedures for our Council and Committees, they don't need to be present at a meeting to approve its minutes. **Learning this, members agreed to revote the October 17, 2019 minutes, which were adopted with all in favor.**

Jay moved adjournment. John seconded. Motion passed with all in favor. Adjourned at 6:35 p.m.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of the 12.5.19 meeting and the 10.17.19 meeting
- Proposed FRCOG FY21 Budget
- Assessments to towns for Regional and Statutory, Collective Purchasing, Cooperative Public Health, Town Accounting, and FCCIP costs.
- OPEB Projection, Progressing Toward 100% Funded by FY26

Minutes taken by Rebekah Boyd.