



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Wednesday, September 30, 2020 / 5:30 p.m.
Location:	Open meeting accessed remotely on Zoom, by video or telephone or both.
Zoom Link:	<i>No longer accessible.</i>
Facilitators:	Kevin Fox, Vice Chair

ATTENDEES Finance Committee:

- **Kevin Fox**, Colrain
- **Michele Giarusso**, Deerfield
- **Jay DiPucchio**, Regionally-Elected
- **Kayce Warren**, Deerfield

STAFF:

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

1. Review and adopt 7.21.20 Finance Committee minutes

Vice Chair Kevin Fox opened the Finance Committee meeting at 5:32 p.m. **Jay DiPucchio moved to adopt 7.21.20 meeting minutes as presented. Kayce Warren seconded the motion, which passed unanimously, by roll-call vote.**

2. Fiscal Review for FY22 Budget Development

Having previewed the document, the committee agreed that only a quick overview of the newly streamlined *Fiscal Review* was necessary. Claire obliged the group, taking them through the document, which looks briefly back at FY20, and considers the current FY21 budget, as the committee begins to plan for the FRCOG’s FY22 financial needs. Claire noted revisions to the document (*see Draft Fiscal Review*) and drew their attention to notable changes to programs, program balances, and budgeting strategies, including:

- A FY20 general fund balance of \$936,211 and a surplus of \$211,975, a result of revenues from unexpected grants and contracts
- A FY20 employee increase by an equivalent of four, full-time employees
- The challenge of planning when the state hasn’t yet approved a budget, with the unknowns regarding Local Technical Assistance (LTA) funding the most concerning
- A 4-year longitudinal bar graph charting external revenues in the budget for each year
- The statutory budget figure, shared by all towns, contains the benefit costs for Franklin County Commission staff that retired from the FRCOG between 1998 and 2014. This amount will never grow larger in numbers of people benefitting, as FRCOG began covering post-employment retiree costs through its OPEB fund beginning in 2015.
- The Cooperative Inspection Program fund balance, which shows a revenue surplus of \$203,932 -- an outcome of FY20 permitting for 4 large building projects -- that will fund inspections work done for those projects in FY21 and FY22.

Thanking staff for their excellent work on the document, members discussed how best to present the budget development process and *Fiscal Review* to Council members in their upcoming meeting.

Linda reminded the committee that early in the budget-building process the Finance Committee gives guidance regarding the regional services assessment. With surpluses in the general fund for 3 years running, the question arises as to whether an increase is necessary or prudent. It is, perhaps, a risky year to cut or not raise the assessment, Linda added, with the state budget not yet completed, while the Baker administration awaits a hoped-for federal package to provide state aid. Michele expressed shared frustration with the state-level uncertainty, saying this is the year that it would be helpful for FRCOG to assist the towns financially. Kayce suggested consideration of a level-services budget.

3. Cooperative Public Health Service (CPHS) budget update

Linda explained that FRCOG made a 25-year pledge to never spend beyond its budget, and only spend fully executed contracts. Currently the CPHS is staffed in order to meet the needs of the community during the COVID-19 pandemic, at a level greater than originally budgeted for FY21. There are grant contracts pending to cover the additional program staff and expenses. If contracts do not formalize, the group may need to discuss again.

Michelle suggested FRCOG might declare a state of emergency. Linda explained that if we spend money beyond the budget's means, we are spending municipal money. Thus, such a declaration must come from the Finance Committee and Council and not be unilaterally determined by staff.

4. Fund balance policy discussion

Claire presented a summary of unobligated fund balance (General Fund) and retained earnings (Municipal Programs or enterprises) to begin an evaluation of fund balance policy and targets (*see slideshow*). She found various resources among city and town governments, and the state's financial offices, listing varying percentages of net operating budgets as target for the fund balance in municipalities. FRCOG is a different entity than a town government, she noted, which could change the target for reserves, but she felt it worthwhile for the committee at least to consider our current position. Jay suggested looking at non-profits, such as Service Net, for reference. He agreed that it makes sense to demonstrate thought given to ceilings, regardless of whether members choose to create a policy.

5. Business not reasonably anticipated 48 hours in advance

PPE Bulk Purchase

Staff reported that the bulk PPE purchasing program was implemented fully, and is now closed. As of this date, \$10,960 of the PPE purchasing costs have not been reimbursed by purchasing entities. FRCOG could send out another round of invoicing, or decide that the goal was to help out other nonprofits and businesses in Franklin County, and give up trying to recover the costs. Michele suggested FRCOG try invoicing once more, reporting that in her work with the town of Leyden, she's finding that many entities are overwhelmed, and some are 2 months behind.

Michelle Giarusso moved adjournment, seconded by Jay. Motion passed unanimously and the meeting adjourned at 6:25 PM.

DOCUMENTS DISTRIBUTED:

- Agenda
- Minutes of the 7.21.20 meeting
- Draft FRCOG Fiscal Review for FY22 Budget Development
- Fiscal Review Memo From Claire McGinnis, dated September 25, 2020
- Fund Balance Slideshow

Minutes taken by Rebekah Boyd.