



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Thursday, July 14, 2021 at 5:30 p.m.
Location:	Open meeting accessed remotely on Zoom by video, or by telephone
Facilitators:	Lynn Sibley, Outgoing Chair; Michelle, Elected Chair

Finance Committee Attendees:

- **Lynn Sibley, Chair**, Whately
- **Jay DiPucchio**, Regionally-Elected Rep
- **Ellen McKay**, Shutesbury
- **Michele Giarusso**, Leyden
- **Kevin Fox**, Colrain

Staff and Guest Attendees:

- **Linda Dunlavy**, Executive Director
- **Bill Perlman**, Regionally-Elected Rep
- **Claire McGinnis**, Finance Director
- **Rebekah Boyd**, Admin Services Coordinator

1. Reorganize

At 5:31 pm, Lynn S. called the meeting to order, which began with reorganization:

Kevin F. moved to nominate Michele G. for committee chair. Lynn S. seconded the nomination. The motion passed with all in favor by roll-call vote, electing Michele to the office of chair.

Jay D. moved to nominate Kevin F. for committee vice chair. Michele seconded the nomination. The motion passed with all in favor by roll-call vote, electing Kevin to the office of vice chair.

Michele and the committee thanked Lynn for her many budgetary seasons of leadership.

2. Review and adopt 4.8.21 minutes

Jay D. moved to adopt the minutes of 4.8.21 as written, seconded by Lynn S. The motion passed with all in favor, by roll-call vote.

3. Review Emergency Fund motion, and definitions and protocols for use

The finance committee supported the full Council’s April vote establishing a Regional Emergency Revolving Account using anticipated COVID-19 vaccination clinic reimbursements, but after conversations with the auditors, staff propose amending that vote, making revisions, and presenting the revisions to the Council at its upcoming meeting. Proposed revisions include changing the name to a reserve account (there is no expectation of the fund to revolve after use), and changing spending authorization protocols. The full Council also asked the staff and finance committee to clarify terms of use.

Claire shared a slide defining “emergency,” which outlines when and how the clinic-generated funds should be used. The list of emergencies includes, but is not limited to, specific natural and man-made weather events, violence, disease, and governor-declared emergency events, as well as specific FRCOG emergency response activities. The definition further proposes that these incidents could be addressed

swiftly using of the account's funds, as outlined by the bylaws, but mandates that without Council approval, funds cannot be used for planning activities; non-emergency events, activities, or projects; or to offset municipal service programs.

The initial action, taken on April 15, gave the finance committee budget authorization of the account, and required full FRCOG Council endorsement of spending authorizations in excess of 75% of the fund balance. The criterion becomes a problem as the fund is spent down and Council endorsement is required for increasingly smaller amounts. Staff explained that changing the fund to a "reserve account" would revert spending authority to the following, mandated by FRCOG bylaws:

- *The Executive Director can authorize spending up to \$5000 of program support or reserve*
- *The Finance Committee approves reserve account appropriations, which are treated as budgetary transfers from the reserve account to a separate appropriation account*
- *The full Council approves of annual budgeted use of reserves*

The committee discussed ways to present proposed changes. Kevin suggested that combining the two actions into one Council motion that renames and defines would be less confusing. Members discussed the unavoidable lack of accounting clarity with the fund now being a negative number. Consensus was that the definition of emergency and new name and spending authority language was fitting. They agreed that refinements might be necessary when the reimbursements begin to come in and the auditor has had a chance to examine the fund.

4. Review FY22 budget and consider increasing hours of Communications Manager

Claire shared a slide of several program budgets with items anticipated in the spring, but later found to be unnecessary. A revised budget plan includes savings enough to increase the Communications manager position to fulltime and fund the proposed COVID after-action report. Linda explained that initially the communications position was budgeted for part-time (20 hours, plus benefits) at \$49,000, but the personnel committee has since approved of the job description and making the position fulltime.

Staff asked the Finance Committee to fund the fulltime, benefitted, grade 7 position for a total cost of \$75,400. Members asked about job responsibilities and the supervisory structure, and discussed their discomfort with bringing the job description to Council, understanding that although full Council members asked about the job description at the last meeting, never before have they been involved at that level. The committee agreed that presenting essential functions should suffice. Linda explained that the manager would report directly to her, but that the position will work both horizontally and vertically within the agency. Members planned their presentation at the Council meeting.

5. Funding an After Action Report from FY22 Budget

Since the beginning of the pandemic, staff felt it would be necessary to do a COVID after-action report. The questions that challenged staff throughout the now 16-month response was "What power do we have to do anything? Can we make the decision to buy PPE for the region? To open a vaccination center?" and so on. Linda stated the staff belief that an after action will help FRCOG to reflect on its response to the pandemic, and to envision the future for the region. The hope is to engage the public, bringing stakeholders in for feedback, and to hear about their vision for the future of Franklin County.

Linda felt it will be a more expansive after action report than most are doing, and that using an outside, unbiased consultant was important. Staff will draft an RFP for this service.

6. Year-end budget amendments

The town accounting program expanded training capacity in FY21, resulting in unplanned wage expenses. Staff have already applied \$44,100 of efficiency and regionalization grant funds into the program, and have covered another chunk of the expense with LTA regional project funds. Other possible resources are not yet settled. Linda approved use of the program contingency line for this program, reducing the fund balance impact by \$5,000. The fund balance was \$39,002 on July 1, 2020.

Linda said that staff are feeling hopeful about FRCOG's solid, well-trained group of accountants now. Last year the program lost three accountants, including the program manager. Staff have since hired strong accountants, but not those with municipal experience, making it necessary to bring a long-time employee back to train them. With FRCOG's assistance and grant funding, GCC is now offering a town accounting certification program — and to date, 35 people are waitlisted.

Jay moved to approve appropriation of up to \$28,000 of to cover actual FY21 town accounting expenditures, of which \$5,000 will be transferred from the program contingency line, and \$23,000 to be covered by program fund balance. Ellen seconded the motion, which passed with all in favor by roll call vote.

Franklin County Emergency Communications System (FCECS) FY21 capital appropriations were minimal, leaving \$70,754 to add to the reserve. Historically, to continue to have funding available in case of emergency need within the system, prior year amounts were carried into the current budget year. The carry forward amount for FY22 is \$273,854 (compared to the accumulated amount brought into FY21 of \$203,100).

Lynn moved to carry forward into FY22 \$273,850 in unspent prior years' appropriations for capital in the FCECS budget (02-020), continuing to provide funding for emergency capital needs to the FCECS system. Ellen seconded the motion, which passed with all in favor.

The strategic and succession planning project and the website update project were both funded in FY20 and carried into FY21, but have not yet been fully spent. Staff request carry forward for these unspent miscellaneous and contingency appropriations, with the hopes of making good use of both in FY22.

Jay moved to carry forward into FY22 \$6,500 in unspent FY21 appropriation for the strategic and succession planning project (01-010-5464), for implementation of report recommendations. Kevin seconded the motion, which passed with all in favor by roll-call vote.

Jay moved to carry forward into FY22 \$30,000 in unspent FY21 appropriation for the website update project, (01-010-5463). Kevin seconded the motion, which passed with all in favor by roll-call vote.

A capital contingency transfer to the capital fund balance happens each year for unforeseen capital needs, and if unspent, staff request to transfer that amount to the capital reserve for future significant

expenses. If approved, the anticipated fund balance will be \$200,966. This is FRCOG's equivalent of a stabilization account, Claire explained.

Ellen moved transfer of the unspent \$5,000 appropriation for FY21 capital contingency (01-010,) to the capital reserve fund balance (01-3220). Michele seconded the motion, which passed with all remaining in favor. (Ellen M. could no longer participate when her electricity went out in the storm.)

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

Linda reported that building expenses for both FY20 and FY21 ended higher than anticipated. Staff plan to analyze the reasons for the additional costs and will report back.

Lynn moved to adjourn the meeting at 6:36 p.m. The motion was seconded Kevin, and passed by voice vote with all remaining members in favor.

DOCUMENTS DISTRIBUTED and PRESENTATIONS VIEWED:

- Agenda
- Draft Minutes from 4.8.21 meeting
- Memo from Claire McGinnis, dated July 14, 2021.
- Emergency definition/Council motion review/ FY22 programs budgets slides

Minutes taken by Rebekah Boyd.