



# Franklin Regional Council of Governments

## Finance Committee — *MINUTES*

Date /Time:	Tuesday, July 19, 2022 at 5:00 p.m.
Location:	Hybrid meeting at 12 Olive St, Library or accessed remotely on Zoom by video, or by telephone
Facilitators:	<b>Michele Giarusso</b> , Chair

### Finance Committee Attendees:

- **Michele Giarusso, Chair**, Leyden
- **Jay DiPucchio**, Regionally-Elected Rep
- **Ellen McKay**, Shutesbury
- **Kevin Fox, Vice Chair**, Colrain
- **Kayce Warren**, Deerfield

### Staff and Guest Attendees:

- **Linda Dunlavy**, Executive Director
- **Bill Perlman**, Executive Committee Chair
- **Claire McGinnis**, Finance Director

#### 1. Review and adopt 1.19.22 minutes

At 5:06 pm, Michele called the meeting to order.

**Jay moved to adopt the minutes of the 1.19.22. Kayce seconded the motion, which passed with all in favor by roll call vote.**

#### 2. Appropriation transfers in General Fund to close FY22

Claire explained that FY22 Regional Services Operating budget ended \$11,148.87 overspent. Staff would like to cover the deficit with the unspent budget in Regional Services Personnel. This is a simple transfer of budget within this section of the general fund.

**Jay moved to increase the FY22 Regional Services Operating budget by \$11,148.87, transferring that amount from the Regional Services Personnel. Kevin seconded the motion, which passed with all in favor by roll call vote.**

The Pooled Expense budget for all staff benefits was overspent by \$91,406.44 in FY22, related primarily to exceptional sick leave and benefit expenses for newly hired staff. These expenses are recovered from the grants through the indirect billing of benefit expense, but that extra revenue does not eliminate the need for an expense budget amendment. This shortage can be covered with unspent expense lines from the other sections of the budget, and by spending \$5,000 less than budgeted to the Other Post Employments Benefits (OPEB) Trust fund (\$165,000 instead of \$169,500).

**Kevin moved to increase the FY22 Pooled Expense Personnel budget by \$91,406.44 by transferring the following amounts from four other sources within the general fund: \$51,185.64 (Reg Services Personnel); \$15,000 (Misc & Contingency Reserve); \$19,223.59 (Planning Operating); \$5,997.21 (Reg Services Equipment). Michelle seconded the motion, which passed with all in favor by roll call vote.**

### **3. Fee-For-Service Program budget amendments to close FY22**

The good news is that Collective Purchasing did not overspend in FY22 as expected, and operation and transfer of the Franklin County Emergency Communication System (FCECS) also stayed within budget, by using the COMIRs grant for programming. However, the Town Accounting program overspent by \$14,201, and after having used as much grant funding as is available, now requires a budget amendment to cover the overage. Retained earnings and program support are the proposed sources.

**Jay moved to increase the FY22 Town Accounting Program budget by \$14,201.56 to cover actual program expenditures, with \$2,002.95 of that amount transferred from the Miscellaneous & Contingency Program Support line, and \$12,198.61 covered by program retained earnings. Kevin seconded the motion, which passed with all in favor by roll call vote.**

### **4. Carry Forward requests for FCECS and the Website Project**

FY22 Capital appropriations in FCECS were minimal, leaving \$75,000 to add to the reserve. To continue to have funding available in case of emergency capital need within the system, prior year amounts have been carried into the current budget year. The carry forward amount for FY23 is \$348,670. Linda noted that the preliminary estimate for decommissioning is \$400K, making it likely that total reserve amount, and more, will be needed for that effort.

**Jay moved to carry forward into FY23 \$348,670 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. Kevin seconded the motion, which passed with all in favor.**

Staff requested a carry forward for the unspent Website Update project appropriation of \$20,636. The project is now well underway and will be completed this fiscal year.

**Ellen moved to carry forward into FY23 \$20,636 in unspent FY22 appropriation for a Website Update project, 01-010-5463, to complete the project. Michele seconded the motion, which passed with all in favor.**

### **5. Fund Balance transfers for Capital Reserve and Salary & Recruitment Reserve**

Each year FRCOG appropriates a contingency amount for unforeseen capital needs, and if unspent, staff requests transfer of that amount to the Capital Reserve for future significant expenses. If approved, the anticipated Capital Fund balance will be \$205,966. This is FRCOG equivalent of a stabilization account.

**Ellen moved to transfer the unspent \$5,000 appropriation for Capital Contingency FY22 in 01-010, to Capital Reserve Fund Balance, 01-3220. Kayce seconded the motion, which passed with all in favor.**

FY22 marks the second year of appropriation of a Salary and Recruitment Contingency amount for possible executive salary needs. Staff request transfer of the unspent amount into the Salary and Recruitment Fund Balance Reserve. If approved, that balance will be \$70,000.

Ellen moved to transfer the unspent \$35,000 appropriation for Salary & Recruitment FY22 in 01-010, to Salary & Recruitment Reserved Fund Balance, 01-3224. Kayce seconded the motion, which passed with all in favor.

**6. FY23 appropriation transfer in the General Fund**

No FY23 appropriation transfers in the General Fund were necessary.

**7. FY23 appropriation amendments to consider recommendations to Council: FERC Legal, AAR Implementation, Radio Program, and REPC**

Staff need roughly \$30,000 to 1.) Implement recommendations from the AAR; 2.) Continue transfer to the CoMIRS radio system; and 3.) Increase the capacity of the Regional Emergency Planning Committee. The FRCOG already employs staff with the skills needed to implement much of this work. The agency's FY23 budget includes \$25,000 in Regional Services Operating for consultant or direct costs. Staff request the transfer of \$15,000 of that funding from Operating (from which consultants are paid) to Personnel (from which staff salaries are paid), and also asks the finance committee's approval to use \$15,000 of general fund balance for these purposes. As this is both a transfer and increase, the finance committee must first approve the appropriation amendment, and then recommend the amendment to Council for its consideration.

**Kayce moved to recommend to the Council the transfer of \$15,000 from 01-003 Regional Services Operating to 01-003 Regional Services Personnel in the FY23 general fund expense budget, and use \$15,000 of general fund balance, for a total increase of \$30,000 to 01-003 Personnel, for the combined purposes of implementing After Action Report (AAR) recommendations, continuing support for the CoMIRS radio system implementation, and increasing Regional Emergency Planning Committee capacity. Michele seconded the motion, which passed with all in favor.**

Peg Sloan would like to hire legal counsel for an upcoming critical phase of the Federal Energy Regulatory Commission (FERC) relicensing of the Northfield Mountain Pumped Storage and the Turners Falls Hydroelectric projects. FRCOG staff have had discussions with Attorney Ronald Shems from Tarrant, Gillies & Shems to provide legal assistance. Attorney Shems is currently advising the Connecticut River Conservancy (CRC) on certain aspects of the relicensing process. If there is overlap with respect to services, FRCOG will split that cost with the CRC for savings. Staff request an increase of \$20,000 to the legal counsel line in the Miscellaneous & Contingency portion of the general fund. Half of this increase is to be funded with the general fund balance and the other half reimbursed by the Towns of Montague, Gill, Northfield and Erving. If the Finance Committee agrees, a full Council vote is also required, as this will be an increase to the Council budget.

**Jay moved to recommend to the Council an increase of \$20,000 to the FY23 General Fund Miscellaneous & Contingency 01-010 budget to fund legal counsel related to the FERC relicensing of local hydroelectric projects. The increase in the expense budget is expected to be funded with \$10,000 from the general fund balance and \$10,000 in reimbursement from the Towns of Montague, Gill, Northfield and Erving. Kevin seconded the motion, which passed with all in favor.**

Jay asked for confirmation that Erving intends to attend the Council meeting. Linda agreed to seek out that confirmation.

#### **8. Business not reasonably anticipated 48 hours in advance of meeting**

1. With Lynn's departure from both the Council and the Finance Committee, this committee now has two vacancies to be filled in July.
2. The Committee discussed FRTA rent expenses and asked how FRCOG can foster better collaboration and communication in order to better plan for expenses. Michele suggested FRCOG Council members speak with FC Board appointees about budgeting and decision-making.
3. Claire asked if the committee would prefer to have this year-end meeting in May or June — before the year closed. She explained that the advantage of holding the meeting in July is that actual numbers are known. Kevin, Kayce and Michele all prefer July.

**Lynn moved to adjourn the meeting at 6:07 p.m. Michele seconded the motion, which passed unanimously by voice vote.**

#### **DOCUMENTS DISTRIBUTED and PRESENTATIONS VIEWED:**

- Agenda
- FRCOG Finance Committee Minutes from the meeting of 1.19.22
- *Suggested Finance Committee Motions* document and accompanying memo, dated July 18, 2022.

*Notes by Linda Dunlavy, with  
minutes written by Rebekah Boyd.*