



Franklin Regional Council of Governments

Finance Committee — *MINUTES*

Date /Time:	Thursday, January 13, 2022 at 5:30 p.m.
Location:	Open meeting accessed remotely on Zoom by video, or by telephone
Facilitators:	Michele Giarusso , Chair

Finance Committee Attendees:

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

Staff and Guest Attendees:

- **Linda Dunlavy**, Executive Director
- **Phoebe Walker**, Dir Community Svcs
- **Bill Perlman**, Executive Committee Chair
- **Claire McGinnis**, Finance Director
- **Rebekah Boyd**, Admin Services Coordinator
- **Bob Dean**, Director Regional Services

1. Review and adopt 12.2.21 minutes

At 5:32 pm, Michele G. called the meeting to order. **Ellen M. moved to adopt the minutes of 12.2.21, as amended, seconded by Jay D. The motion passed unanimously, by roll-call vote.**

2. Review FY23 Draft Budget

Claire walked the committee through the draft budget proposal, pointing out that all budgets include a 6% COLA (Cost of Living Adjustment, based on a Nov CPI of 6%) increase for staff and a 1% (working estimate) increase to health insurance. Other items of note include:

Regional Services

- Total salary line increases by 9%; includes Communications Manager position, longevity salary increases (some phased in over 2 years) and COLA. To reduce impact on this budget and to bill director-level oversight to the programs, some director-level time is moved out of this budget.
- Additional salary expense added to cover grant-matching requirements
- Second phase of After Action Review project costs added to operating (\$25,000)
- Professional development increase of \$5,000 to begin succession-based training
- Computer equipment increase based on Northeast IT recommendations for a new server

Pooled Expense

- Budget expense with 7 new program staff enrolling in health insurance

Collective Purchasing

- Overall 2% increase to expense budget
- A 10% increase to highway products and services bid fees (\$250 is the max increase to towns) to balance this budget

Cooperative Public Health Service (CPHS)

- Originally the FY22 revenue budget included a 20% increase over FY21 to members' assessments, which the CPHS Oversight Committee subsequently voted to reduce to 2%. As the Council has not voted an expense reduction, the original higher numbers still show in the expense portion of the table. The commitment from CPHS is to underspend FY22 by \$15,516.
- The FY23 salary request is an increase over FY21 once amended. Staff requests the Fin Com vote a FY22 budget amendment so this can be clear when presented to Council [*see below*].
- Deerfield will leave the program after FY22; assessments for remaining members increase 4% to balance this budget
- FY23 is balanced with the use of Retained Earnings, as part of a two-year CPHS plan to resize the budget without Deerfield in the group.

Accounting

- This budget is mostly staff costs; one recent resignation reduced health insurance costs.
- Assessments increase 3.4%

Cooperative Inspection

- Longevity and COLA increase salaries by 14%
- Only Greenfield will see an increase to their assessment (2%)

FC Emergency Communication System

- FCECS oversight board requested a \$22,000 reduction in Capital Replacement expense in hope of a 5% assessment reduction. The Executive Committee has approved this, feeling there's enough reserve remaining for decommissioning.

Regional Emergency Response Reserve

- Vaccination clinic health insurance collections amounted to \$103,768 in revenue — less than originally anticipated because fewer clinics were needed and, at those, fewer people vaccinated
- Budget will only be used in the event of a large-scale, regional emergency, and returns to reserve in any year without such emergency. Claire proposes budgeting a modest amount each year for funds to launch an effort; Council would convene to approve a larger project and budget amendment, if needed.

Actions

Finance Director and Executive Director requested that the Finance Committee formalize the change in the current year CPHS expense budget with a FY22 budget amendment.

Ellen M. moved to reduce the FY22 Cooperative Public Health Service program expense budget (02-005) by \$ 15,516, thus amending the bottom line to \$271,200. Michele seconded the motion, which passed unanimously by roll-call vote.

Michele asked about how Deerfield leaving CPHS effects the remaining towns. Claire explained that programs will contract in size as a result.

Michele asked about programs with a 2% decrease to the Benefits, Taxes and Fees line item. Claire explained that these programs pay 5% of their payroll to the Other Post Employment Benefits (OPEB) account, and because that method has been so successful, 2% is no longer needed.

FERC Relicensing Technical Support

The current year FY22 Miscellaneous and Contingency budget included \$10,000 in funds for the possibility that towns would want FRCOG staff support and technical advice for monitoring relicensure of the FirstLight hydroelectric facilities. The need for this effort has come true, making it necessary to transfer these funds into Regional Services for spending. This action makes no net change to the general fund budget in total.

Jay D. moved to make a transfer in the FY22 general fund budget, moving \$10,000 from the Miscellaneous & Contingency (01-010) budget and into the Regional Services (01-003) budget, for ongoing technical support by staff monitoring FERC’s relicensure of FirstLight’s local hydroelectric facilities. Ellen seconded the motion, which passed unanimously by roll-call vote.

3. Determine need for another meeting before Full Council convenes

Staff and committee members discussed the COLA and the resulting increases in assessments for some fee-for-services programs. (The regional membership assessments are level funded in this budget proposal.) Staff presented projected COLAs gathered from municipalities and RPAs, all lower than the 6% proposed by the FRCOG Executive, Finance, and Personnel Committees. Michele requested a spreadsheet showing the costs for each town with the COLA increase reflected in the assessments for fee-for-service programs effected by the increase.

Members considered possible municipal responses to the COLA increase. Lynn expressed her feeling that Whately will stay in the accounting program despite the budgeted changes, adding that the town is quite pleased with their accountant. Ellen said towns in the accounting program could leave, but they’d struggle to hire a decent accountant. Bob D. explained that the increase is \$13,000 across 12 towns — roughly \$1000 for each town that uses the accounting program, depending on the level of services.

Members and staff agreed to meet on January 19 at 5 p.m. to look at the next iteration of the budget proposal once more before the Council Meeting on the 27th. Claire will tidy up budget areas, incorporate the amendment to the CPHS program budget and the revised Transit Center rent line items, draft a fee-for-service assessment spreadsheet, and work with Linda to create a slideshow for the Council meeting. Members expressed gratitude for Claire’s work on the budget and upcoming presentation.

4. Discuss strategy and roles for budget presentation at Council meeting

Members and staff discussed the basic order of budget presentation and the desire to have all FRCOG committees weigh in at the meeting. They decided to revisit strategy when the slideshow is complete, next week.

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

No further business was discussed.

Ellen M. moved to adjourn the meeting at 6:48 p.m. The motion was seconded by Lynn, and passed unanimously by voice vote.

DOCUMENTS DISTRIBUTED and PRESENTATIONS VIEWED:

- Agenda
- Draft Minutes from 12.2.21 meeting with Personnel Committee
- FY23 First Draft Budget Summary
- FY23 First Draft Budget
- Suggested *Finance Committee Motions* memo, dated Jan 13, 2022

Minutes taken by Rebekah Boyd.