Rowe Finance Committee  
September 18, 2018  
6:30 P.M. at Rowe Town Hall – Meeting Room 1 & Selectmen’s Office

Present:  Chair Wayne Zavotka, Vice-Chair Loretta Dionne, Christopher “Selmi” Hyytinen, Paul McLatchy III, Laurie Pike
Selectmen:  Chair Jennifer Morse, Vice-Chair Dennis May, Selectman Chuck Sokol
Executive Secretary:  Janice Boudreau
Other Attendees:  None

Call to Order: Chair Zavotka called the meeting to order at 6:33 P.M., with a quorum of the committee present.

Welcome: Chair Zavotka welcomed newly appointed members Selmi Hyytinen and Laurie Pike. Mr. Hyytinen and Ms. Pike were write-in candidates at the annual election. They won their respective seats, but were ineligible until the bylaw approved at town meeting was accepted by the Attorney General’s office. The bylaw was approved in early September, and they were appointed by the Selectmen on recommendation from the Finance Committee. They will serve until the election in May.

Employee Health Insurance: The Selectmen appointed an insurance review committee, but a complaint was lodged by a resident in town, challenging the membership as several of the members or their spouse received benefits from the town. Selectman May received a response from the Ethics Commission on the matter, who advised that those members should not be involved in any way. The Selectmen are now looking into doing the work themselves, rather than an appointed committee.

Research has been done on whether Rowe has been in compliance with state laws when it decided to raise its portion of the insurance costs to 85%. Unless certain general laws are accepted by the town, it is prohibited from paying more than 50%. It seems that all votes can be found except for the actual vote to raise the covered portion from 75% to 85%. The minutes from approximately 1990 to 2007 were archived on old floppy disks, and they are unable to be read. The Selectmen are working with I.T. to try and read them. Ms. Boudreau said that the current odds that they can be read are “a definite maybe”.

Selectman Sokol has a spreadsheet of all employees currently on town plans, including the individual plan and cost. There are currently 24 plans through active employees and 24 plans for retirees on the rolls. He is going to try and update the list to see what the costs would be if the town changed to different percentages, as well as cross-referencing each change with the employee’s salary to see how much of an impact it would have on different people. He will also be working on adding in historic data to try and make some projections for future costs.
Chair Zavotka raised the question about whether the town can or can’t continue on at the current rate. He believes that the rates other towns pay should not be taken into consideration when considering Rowe’s policy and that Rowe may be capable of paying the higher rate. He wants to know if there is a significant debilitating impact on the budget if we continued at the current rate.

Chair Morse reported that she had spoken with Parker Ellmore at Odyssey Advisors regarding OPEB (Other Post-Employment Benefits) financing. This would cover retirement benefits other than pensions.

Ms. Boudreau raised a question about administrative employees with the North Berkshire School Union and Mohawk central offices. These employees can elect to be on Rowe’s coverage, with Rowe being reimbursed by other towns for their percentages. However, when they retire, it’s not clear if they will be covered by all towns, and how much Rowe will be on the hook for. Hopefully this will be discussed at an upcoming meeting with the NBSU administration and then at some point with Mohawk.

Mr. Hyytinen asked about the quality of plans and whether the Hampshire Insurance Trust is the best option for the town. Ms. Boudreau reported that she had been very impressed with the operations and management of the organization. She has also heard positive feedback from other towns. There are other options that could be researched, but past research on the subject has repeatedly led to the Trust.

County Road: Chair Morse met with Bob Dean from FRCOG about petitioning the executive committee to transfer County Road to town ownership. There are currently four plots of land up for sale near the middle of the road, which is not currently maintained in the winter. If someone purchased the plans and built a dwelling, the town would be required to plow the road during the winter. The road is not able to be plowed as it is too narrow and would require a great deal of work to get it to that point.

Estimates range for $80,000 for an engineering study, and at least another $170,000 for work to begin, though this number could be much higher. The lots are being sold for $30,000 for two, or $45,000 for all four. The question is whether the town might be better off buying the lots and in the near future avoid the need to improve the road. However, there are other buildable lots on the road that could pose the same problem in the future at greater expense.

As there are many “what ifs” in this scenario, the Finance Committee declined to make a recommendation, and the Selectmen did not take any immediate action.

Budget Calendar: The two boards reviewed last year’s budget calendar. There will be a Budget Advisory Group meeting on October 10th at 6:30 and an all-boards meeting on November 5th. Other than changing the budget due date from November 15th to November 30th, the budget calendar remained largely unchanged. Both boards seemed to be in agreement that the process that was used last year worked well, and will be followed again this year. The two boards will
meet jointly with other departments and discuss the budget, but render separate recommendations.

Capital Improvement Plan (CIP): Chairs Morse and Zavotka will be meeting with Joe Markarian from FRCOG to discuss progress on the CIP. They will have an update for the next meeting.

Broadband Borrowing: Municipal Light Plant Manager David Dvore sent both boards his outline for broadband expenses. To simplify, the town will need to borrow approximately $600,000 by the end of the project. The total project is estimated at $1.8 million, though this number could end up lower. It is unlikely, but not impossible, for it to be higher. This number is more-or-less a worst case scenario. Stringing of the fibers will begin in December, and hopefully be up and running around summer of 2019.

Mr. Hyytinen stated that there is a public perception that the town will be profiting off of this program/network. While there is a possibility that Rowe might receive some money back if the WiredWest cooperative is profitable, there is no guarantee. The town could choose to assess additional fees, but this was not discussed in depth. This will need to be clarified to the townspeople.

No action was needed from the Finance Committee, as the Board of Selectmen have already been given approval to borrow. They simply wished to keep the Finance Committee in the loop, which was appreciated by the members.

Moved: The two committees ended their joint meeting at 8:30, and the Finance Committee moved to the selectmen’s office.

Minutes: The minutes of June 27th and July 6th were presented. A motion was made to approve each set as written, which was seconded. The vote was 3-0-2 in favor, with Mr. Hyytinen and Ms. Pike abstaining as they were not members at the time.

Capital Assets: Continuing off of a comment made during the joint meeting, Mr. Hyytinen suggested looking into how departments can maintain their capital assets to prolong the life expectancy. For example, the Fire Department is looking into whether it might be better to lease fire trucks, which would be replaced every ten years. This would avoid expensive maintenance costs on older vehicles (most of the current vehicles are at least ten years old, and there is a tanker from the 80s.) This idea was well-received. Mr. McLatchy will draft a letter to send to departments. The letter will be sure to include gratitude for their efforts, but also look to explore new ways of expanding the life of items.

Organization: Mr. McLatchy suggested that now that the committee has a full complement of members, it may be useful to elect a vice-chair. Before, if the chair was unable to be present, the committee lacked a quorum and could not meet. A motion was made by Mr. McLatchy to elect a vice-chair and nominated Ms. Dionne for the position. The motion was seconded by Mr. Hyytinen, and passed unanimously.
**Next Meeting:** The Finance Committee will meet as part of the Budget Advisory Group on October 10th at 6:30, and as part of an all-boards meeting on November 5th.

**Adjourn:** A motion was made by Chair Zavotka and seconded by Vice-Chair Dionne to adjourn the meeting at 8:56 P.M. The vote was 5-0-0 in favor.

Respectfully Submitted,
Paul McLatchy III, Secretary

Approved: October 10, 2018

Wayne Zavotka, Chairman

Loretta Dionne, Vice-Chair

Paul McLatchy III, Secretary

Christopher "Selmi" Hyytinen, Member

Laurie Pike, Member

Attachments:

- Broadband Borrowing Projections
- County Road Property Map
- OPEB Pamphlet from Odyssey Advisors
- Mass General Laws Listing Relating to Health Insurance
- Budget Calendar
- Department of Revenue Suggested Budget Process Document
- Municipal Workshop Series Provided by FRCOG