

Rowe Finance Committee
Meeting as Part of the Budget Advisory Group
October 10, 2018
6:30 P.M. at Rowe Town Hall – Meeting Room 1

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
Other
Attendees: Town Accountant Tracey Baronas, Executive Secretary Janice Boudreau, Town Treasurer Joanne Semanie, Assessors’ Chair Rick Williams, School Committee Chair Susie Zavotka

Call to Order: Chair Zavotka called the meeting to order at 6:32 P.M., with a quorum of the committee present.

FY19 Tax Rate: Assessor Williams reported that the appraisal on the Transmission and Distribution (T&D) lines has been completed, and a preliminary valuation of \$5.8 million has been proposed. They are still waiting on the interim-year revaluation of the hydroelectric properties. Without the appraisal, the *estimated* FY19 tax rate would be \$7.08/\$15.19 (Residential/CIP). If the \$5.8 million valuation sticks, the tax rate would be brought down to \$6.93/\$14.85. Last year’s tax rate was \$6.86/\$14.73. The Assessors will need to speak with the Department of Revenue to determine if the new valuation can be considered new growth. If it is, it can be taxed and bring in revenue. If not, it will be used to lower the tax rate for everyone else. Either way, it seems to be a win-win scenario.

Free Cash: Free Cash has been certified at \$396,462, a considerable increase over last year. This has been the result of the school using more school choice money, and unused Assessor’s Overlay. The unexpended funds from FY17 totaled \$176,000, whereas the unexpended funds from FY18 were \$310,000. There was also an increase in local revenue, which helped to contribute to this, though not to the same extent.

Insurance: Selectman Sokol put together a spreadsheet of all the employees and retirees in town that are receiving benefits, and their specific plans. He wants to put in some estimated growth for the next few years to help project costs. This spreadsheet will help to determine the cost to the town and impact to employees if percentages change.

The Selectmen are unable to locate a record of the town adopting a Mass General Law permitting the Selectmen to raise the town’s percentage above 50%. This does not mean it doesn’t exist, just that it hasn’t been found yet. There are still approximately 15 years of records on old floppy disks that haven’t been able to be read due to software incompatibilities. This vote will need to be found, or the town will need to vote again to adopt the MGL.

County Road: There are four lots of land up for sale on County Road beyond the point where the DPW maintains the road during the winter. If the lots are purchased (two are needed to build a dwelling), the town is obligated to maintain the road. Per DPW Superintendent Lance Larned, the road is not in good enough condition to plow during the winter, and there are areas where snow removal would be difficult. To bring it up to a state where it could be managed, Superintendent Larned estimates it would cost the town hundreds of thousands of dollars- far more than the \$45,000 the owner is asking for.

There is currently an offer on the table to the owner. If the town were to buy the land, the road could be maintained as is. If someone else buys it, the town could be on the hook for an expensive road upgrade. However, even if the town *does* buy the land, if another landowner on County Road should sell his/her parcel, the town could face the same problem again. However, a point was raised that the land could be sold.

Assessor Williams seemed to argue that the road should be able to be maintained as it is and that the situation is not as problematic as it seems, given that the DPW has smaller plow vehicles that could fit along the road. Emergency vehicles are iffy. Mr. McLatchy argued that he felt the town should buy the land, and if someone else should sell their land down the road, cross that bridge when the town gets to it. No one else offered an opinion as to how the town should proceed.

Capital Improvement Plan (CIP): Joe Markarian, FRCOG Consultant, has been working with the department heads to develop a new CIP. He will be making recommendations shortly. He has urged the town to provide for a Capital Improvement Committee (CIC) to oversee the plan, and to establish a standard form and procedure for departments to make capital requests. Whether a bylaw would be needed for a CIC is unknown. It was also discussed whether a separate committee should be appointed, or if this task should be taken on by the Finance Committee. The new plan should include (but not be limited to): town-owned structures, mechanicals, purchases of property, large equipment, and interior building needs.

He also noted that a practice for some towns has been to establish an upper goal for their regular stabilization, and then anything in excess be added to the Capital Stabilization. Noting the town's low tax rate, he offered the suggestion that special overrides could be done for larger projects, offsetting the need for the monies to come out of the stabilization fund. The politics of overrides, debt exclusions, and capital outlay expenditures was discussed.

FY20 Budget: Chair Morse presented a proposal for a new budget worksheet she obtained from the Town of Ashfield. It has a history of voted appropriations and is broken down by account. If adopted, the bulk of the work would be a one-time task of populating data. Once that's done, the information could be used year-to-year. Mr. McLatchy offered to help do this, and the Advisory Group seemed to be on board with using the new form.

All Boards Meeting: There will be an all boards meeting on November 5th at 6:30 at the school. They will start with the FY20 budget information, and then move on to other town business.

Split: The Finance Committee remained while all other boards/officials departed the meeting at 7:48.

Minutes: The minutes of September 18th were presented. Making only spelling/punctuation changes, the minutes were approved 5-0-0.

MMA Bill: A bill for dues from the Mass Municipal Association was received. Chair Zavotka will look into whether this has been paid or not.

Capital Assets Letter: Mr. McLatchy was asked to draft a letter at the last meeting. He asked the members to read the letter before the next meeting, where it might be signed.

Next Meeting: The Finance Committee will meet on October 29th at 6:30. Topics to be discussed included a reserve fund transfer, CIP discussion, and budget guidelines.

Adjourn: A motion was made by Mr. McLatchy and seconded by Ms. Pike to adjourn the meeting at 8:15 P.M. The vote was 5-0-0 in favor.

*Respectfully Submitted,
Paul McLatchy III, Secretary*

Approved: October 29, 2018

Attachments:

- Town Votes Re: Insurance
- Proposed Budget Worksheet
- Draft Letter to Departments

Wayne Zavotka, Chairman

Loretta Dionne, Vice-Chair

Paul McLatchy III, Secretary

Christopher "Selmi" Hyytinen, Member

Laurie Pike, Member