

Rowe Finance Committee
Regular Meeting and Joint Budget Hearing with the Board of Selectmen
April 3, 2019
5:00 P.M. at Rowe Town Hall – Meeting Room 1

Present: Chair Wayne Zavotka, Paul McLatchy III, Laurie Pike
Absent: Vice-Chair Loretta Dionne, Christopher “Selmi” Hyytinen
Board of Selectmen: Chair Jennifer Morse, Vice-Chair Dennis May, Selectman Chuck Sokol
Other Attendees: Executive Secretary Janice Boudreau, Assessor Rick Williams

Call to Order: Chair Zavotka called the meeting to order at 5:04 P.M., with a quorum of the committee present.

General Budget/Levy Limit: Assessors Chair Rick Williams joined the meeting to go over the recent appraisals of the hydro facilities and how those appraisals would have an effect on the taxing capability of the town. While the town is typically limited to a 2.5% increase over the previous year’s levy limit, the town is permitted to assess any new growth as determined by appraisals. This has resulted in a substantially large new growth for the town, nearing \$584,000. In comparison, most years average approximately \$20,000. This means that the town has the ability to raise an additional \$584,000 in taxes for FY2020. For comparison, residential tax rates for the last few years are as follows: FY18: \$6.86, FY19: \$5.01, FY20 (Projected): \$5.42.

While this seems like good news for the town, the utilities have already contested the appraisals and have filed an abatement with the Board of Assessors. If the Assessors deny the abatement, the taxpayer will have the right to contest the decision to the state Appellate Tax Board (ATB). While they still have to pay their taxes in the meantime, should the ATB rule in favor of the utilities, the town would be required to reimburse most of those funds.

This leaves the three boards with some decisions to make, primarily with whether or not the town should assess these additional funds, and if so, to what limit? Should the town prepare for a negative ruling so as to not be hit with a large bill in several years, or should the town simply cross that bridge when it gets to it? While no vote was taken, more individuals present seemed to lean towards erring on the side of caution, though the feeling was not shared by everyone.

If the Assessors should choose to do so, they can put aside funds into their overlay account, which can be rolled over year to year. This means that they could put most (or all) of the \$584,000 into that overlay account until the matter is settled. If the utilities emerge with a positive ruling for them, their abatement could be paid partly or wholly from the overlay account. If the ATB upholds the town’s valuations, the Assessors can declare the money as overlay surplus, which would be released to the town’s general fund. As a decision by the ATB could take several years, this could result in well over a million dollars being set aside. Until then, the town could not benefit from these funds.

Assessors Budget: Chair Williams reported that the Assessors are asking for a total of \$50,000 for legal funding to navigate this process. They are requesting \$25,000 be appropriated from free cash at the special town meeting held the same night as the annual town meeting. This would allow for the funds to be expended immediately. The other \$25,000 is being requested at the annual town meeting out of taxation, which would be available July 1st.

Capital Projects: Some of the capital projects this year include:

- A generator replacement at the fire station for \$15,500.
- Purchasing a used fire engine from Charlemont for \$72,000. Charlemont is pursuing purchasing a rescue vehicle and no longer needs this particular vehicle. This would replace Engine 4, which was purchased in 1993, with a 2003 engine. Engine 4 has had a number of electrical problems and is often out of service.
- An OSHA-required filter for Engine 1 for \$10,000. This is a new requirement and must be done.
- SCBA purchases for \$75,016. The town can choose to lease for roughly \$16,000 a year to even out the costs and make it part of the operating budget versus a capital expense, but the price would eventually cost almost twice as much over the ten-year life of SCBA units.

Separation: The Finance Committee separated from the Selectmen and moved to the next room at 6:22. No audience members followed.

Minutes: The minutes of February 20th, February 27th, and March 27th were approved and signed.

Regional Association Letter: Mr. McLatchy presented a draft letter (attached) to the other members that he wanted to send to all the finance committees in Franklin County. This letter would ask those towns whether they would be interested in forming a regional association, and the reasons why one might be useful. While he had originally pursued this option through Bob Dean and Joe Markarian at FRCOG, nothing has been done in the last year. Members reviewed and made small changes. Mr. McLatchy will bring a copy of the letter on town letterhead back next week for signatures before sending it out.

Capital Improvement Bylaw: Per Joe Markarian at FRCOG, he recommended the town have a bylaw review committee bylaw in place to oversee a capital improvement plan. The members are in agreement that the Finance Committee is the best body to oversee this, as they do not have any assets that would be on any plan and oversee no departments. Where the members differ is whether or not this should be simply part of the duties of the Finance Committee or two separate committees with the same membership. One committee would make meeting postings, minutes, and general procedures far easier. Two committees would allow for different leadership (one chair for the Finance Committee and one for a Capital Improvement Committee) and responsibilities of members. Ultimately the committee opted to add the responsibilities to the Finance Committee's charge under Article III, Section 11 of the town's bylaws and leave it as one committee.

Next Meeting: The Finance Committee will meet at 7:00 on Tuesday, April 9th for the next budget meeting with the Board of Selectmen.

Adjourn: A motion was made by Mr. McLatchy and seconded by Ms. Pike to adjourn the meeting at 6:52 P.M. The vote was 3-0-0 in favor.

*Respectfully Submitted,
Paul McLatchy III, Secretary*

Approved: May 1, 2019

Wayne Zavotka, Chairman

Paul McLatchy III, Secretary

Laurie Pike, Member

Attachments:

- FY2020 Budget Worksheet
- Draft CIP Bylaw
- Draft Franklin County Association Letter