Rowe Finance Committee
June 8, 2017
6:00 P.M.
Rowe Town Hall

Finance Committee: Loretta Dionne, Paul McLatchy III, Charles Sokol, Wayne Zavotka
Board of Selectmen: Dennis May, Jennifer Morse, Janice Boudreau (Executive Secretary)
Audience of Citizens: Rosemary Gordon, Cynthia Laffond, Florence Veber

Call to Order: Lacking a chair, member Wayne Zavotka called the meeting to order at 6:01 P.M., a quorum of the committee present. He asked for approval to continue as chair for the duration of the meeting, which was given by the other members.

Line Item Transfers: The Finance Committee met jointly with the Board of Selectmen to approve two line item transfers:

LIT FY17-04
~~Transfer #04:~~ A request from the Board of Health for a sum of $788.46 to be transferred from the Health Services Operations Account (01-5-512-400-81) to the Transfer Station Attendants Account (01-5-512-000-40). This was needed due to extra snow removal this winter and for additional dumpster pickups. Though the accounts are all within one budget line, transfers cannot be made from a non-salary to salary line without a line-item transfer approval. After the Board of Selectmen voted unanimously to approve the transfer, a motion was made by Mr. McLatchy and seconded by Mr. Sokol to concur with the transfer. The vote was 4-0-0 in favor.

LIT FY17-05
~~Transfer #05:~~ A request from the Board of Health for a sum of $645.32 to be transferred from the Board of Health Operations Account (01-5-512-400-80) to the Board of Health Clerk Wages Account (01-5-512-000-42). This was due to a change in the staffing and a need to train the new clerk which resulted in additional hours. After the Board of Selectmen voted unanimously to approve the transfer, a motion was made and seconded to concur with the transfer. The vote was 4-0-0 in favor.

Welcome: Executive Secretary Janice Boudreau wanted to welcome the new members of the Finance Committee. She offered a draft schedule of the budgeting process to both the Selectmen and the Finance Committee that she obtained from Heath. She will send copies to the members and was thanked for the welcome and document.

Capital Improvement Plan (CIP): The CIP has not been followed as closely the past few years as it had been in the past. It was suggested that perhaps it needs to be reviewed and even "reactivated". There was agreement between the two boards that this could be a joint effort.

Roads and Bridges: Selectman Morse informed the committee that she is currently working to secure grants for the repair of bridges in town. Currently the bridge over Kings Highway is in need of major repair. There are cost estimates averaging around $400,000, but the selectmen are hoping to offset some or all of that with grants.
For the King's Highway Bridge

Departure: At 6:40 P.M., the Board of Selectmen moved to their office in the next room. All audience members followed.

-End of Joint Meeting-

Fifth Member: Following a review of the agenda, Mr. McLatchy asked that the committee discuss how to go about finding a fifth member. Of the three positions open at the annual election, only two were filled. There was discussion about putting this off until a future meeting, but Mr. McLatchy pointed out that under Chapter 41, Section 11 of the Massachusetts General Laws, in order for the Finance Committee to be involved in the selection process, the Selectmen had to be informed in writing within one month of the vacancy that the Finance Committee wanted to fill the remaining seat. If no written notice was made within one month, the Selectmen could unilaterally appoint a fifth member:

> *Section 11. As used in this section, the term "vacancy" includes a failure to elect. If a vacancy occurs in any town office, other than the office of selectman, town clerk, treasurer, collector of taxes or auditor, the selectmen shall in writing appoint a person to fill such vacancy. If there is a vacancy in a board consisting of two or more members, except a board whose members have been elected by proportional representation under chapter fifty-four A, the remaining members shall give written notice thereof, within one month of said vacancy, to the selectmen, who, with the remaining member or members of such board, shall, after one week's notice, fill such vacancy by roll call vote. The selectmen shall fill such vacancy if such board fails to give said notice within the time herein specified. A majority of the votes of the officers entitled to vote shall be necessary to such election. The person so appointed or elected shall be a registered voter of the town and shall perform the duties of the office until the next annual meeting or until another is qualified.*

Under this law, by notifying the Selectmen, the Finance Committee would have four votes when deciding the fifth member. A letter was drafted by the committee and a motion to approve and submit the letter was made by Ms. Dionne and seconded by Mr. Zavotka. The vote was 4-0-0 in favor. Mr. McLatchy walked next door and delivered the letter.

Minutes: The minutes from the May 8, 2017 meeting were presented. A motion was made by Mr. Zavotka and seconded by Ms. Dionne to accept as revised. The vote was 2-0-2 in favor, with Mr. McLatchy and Mr. Sokol abstaining as they were not members of the committee at the time.

Introduction: Mr. Zavotka asked that all members introduce themselves and answer the question "what can I bring to the Finance Committee?"

> Paul McLatchy III: Paul has lived in Rowe his entire life and currently works for the Postal Service. He has served on other committees and as a Selectman. He feels his knowledge of town government and financial practices can help the committee with their work.
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> Loretta Dionne: Loretta grew up in Connecticut, where she worked in nursing and labor law. She was very involved with the union, and believes that she can better see things from an employee's point of view. She also believes in a practical approach to finances.
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> Wayne Zavotka: Wayne moved to Rowe with his wife Susie in 2011 from Ohio. He had been a pastor there, and was involved with the budget. He is very attuned to people and has a great sense of community. He wants to see a cooperative committee and to have a cooperative and open relationship with the Board of Selectmen. His goals this year include having regular monthly meetings of the Finance Committee and to try and get more information and feedback from the community.

Chuck Sokol: Chuck has never served in an elected office before. He lived in Connecticut before moving to Vermont. He married and moved to Rowe. He has a background in music production and currently designs audio systems. He wants to be more involved with the government in town and was told the Finance Committee was a good way to learn. He wants to make sure that he always has plenty of information before making a decision.

Financial Policies: The members briefly discussed the financial policy handbook for the town. One issue that was brought up was the role of the Board of Selectmen in the reserve fund. The handbook says that the Selectmen must approve all transfers out of the reserve fund and that the Finance Committee may not act on any request until the Selectmen have done so. It is unclear whether this will hold, as state law (Chapter 40, Section 6) seems to give the Finance Committee sole authority over the fund unless otherwise provided for by bylaw:

> *Section 6. To provide for extraordinary or unforeseen expenditures, a town may at an annual or special town meeting appropriate or transfer a sum or sums not exceeding in the aggregate five per cent of the levy of the fiscal year preceding the fiscal year for which the fund, to be known as the reserve fund, is established. No direct drafts against this fund shall be made, but transfers from the fund may from time to time be voted by the finance or appropriation committee of the town, in towns having such a committee, and in other towns by the selectmen; and the town accountant in towns having such an official, and in other towns the auditor or board of auditors, shall make such transfers accordingly.*

The Selectmen invited the Finance Committee to review the financial policy handbook. It was agreed that members should review the document individually and bring suggestions or clarifications to a future joint meeting.

General Responsibilities: In reading both the town bylaw (Article III, Section 11) concerning the Finance Committee and the state law (Chapter 39, Section 16), it implies that it is the Finance Committee's role to submit the budget to the voters at the annual town meeting. Discussion ensued about the role of the Board of Selectmen, ranging from whether they should continue as the dominant producer of the budget to whether they should be involved in any budget other than those departments that they oversee, or somewhere in between. It was agreed that clarification should be sought and the subject should be discussed with the Selectmen.

> ***Section 11**: In accordance with Section 16 of Chapter 39 of the General Laws there shall be a Finance Committee consisting of five members which shall consider all municipal questions relating to appropriations and may consider any municipal question for the purpose of making reports and recommendations to the Town. This committee shall submit its recommendations and report to each town meeting, annual or special. Two members of said committee shall be elected on each of two consecutive years and one on the third year by ballot at each annual town election. No person holding any other elective town office and no employee of the Town earning more than $2,500 per year shall be eligible to serve on said committee. The Finance Committee shall have the powers and duties delegated to it by said Section 16 and other applicable laws including the duty of submitting a budget for the Omnibus article at the annual Town Meeting and such recommendations shall be printed on the annual Town Meeting warrant.*

> ***Section 16**. Every town whose valuation for the purpose of apportioning the state tax exceeds one million dollars shall, and any other town may, by by-law provide for the election or the appointment and duties of appropriation, advisory or finance committees, who shall consider any or all municipal questions for the purpose of making reports or recommendations to the town; and such by-laws may provide that*

committees so appointed or elected may continue in office for terms not exceeding three years from the date of appointment or election.

In every town having a committee appointed under authority of this section, such committee, or the selectmen if authorized by a by-law of the town, and, in any town not having such a committee, the selectmen, shall submit a budget at the annual town meeting.

Monthly Meetings: It was agreed that the committee should meet monthly. At this time, however, a specified day of the month couldn't be determined due to busy schedules. Three meetings were scheduled and a more regular meeting date will be selected in the future.

Elections: The committee voted to elect the following officers:

Wayne Zavotka was nominated by Mr. McLatchy and seconded by Ms. Dionne to be chairman. No further nominations were made, and the vote was 4-0-0 in favor.

Paul McLatchy III was nominated by Ms. Dionne and seconded by Mr. Sokol to be secretary. No further nominations were made, and the vote was 4-0-0 in favor.

Learning Workshops: Chair Zavotka informed the committee that the trainings for new Finance Committee members had already passed and were scheduled almost immediately after the annual elections. He noted that there is a slideshow on the Department of ~~Finance~~ Revenue website, and perhaps this will be reviewed at a future meeting.

Town Finance Report: The committee reviewed both general finances and special funds to get a picture of the current financial status of the town. Chair Zavotka noted several funds to look at in particular that were for special purposes and projects. Mr. McLatchy noted that his goal this year would be to try and develop a road improvement plan with a possible funding source similar to the Capital Stabilization Fund.

Next Meetings: The following meetings were scheduled:

Wednesday, June 14th at 6:00 P.M. A joint meeting will be held with the Selectmen at 6:00 to discuss transfers, and then the committee will continue to meet to discuss a fifth member.

Monday, June 19th at 6:00 P.M. This will be the first monthly meeting of the Finance Committee.

Monday, July 24th at 6:00 P.M. This will be the July monthly meeting of the Finance Committee.

Adjourn: A motion was made by Ms. Dionne and seconded by Chair Zavotka to adjourn. The vote was unanimous in favor, and the meeting was closed at 8:14 P.M.

Respectfully Submitted,
Paul McLatchy III, Secretary

Approved on: 6/14/2017

Wayne Zavotka

Wayne Zavotka, Chairman

Paul McLatchy III, Secretary

Loretta Dionne, Member

Charles Sokol, Member