Rowe Finance Committee
June 14, 2017
6:00 P.M.
Rowe Town Hall

Finance Committee:	Chair Wayne Zavotka, Loretta Dionne, Paul McLatchy III, Charles Sokol
Board of Selectmen:	Dennis May, Jennifer Morse, Janice Boudreau (Executive Secretary)
Audience of Citizens:	Joann Brown, David Dvore, Rosemary Gordon, Cynthia Laffond, Robin Reed, Maggie Rice, Joanne Semanie, Florence Veber, Marilyn Wilson

Call to Order: Chair Zavotka called the meeting to order at 6:00 P.M., a quorum of the committee present.

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

LIT FY17-06: A request to move $600.00 from the Unemployment Insurance Account (01-5-913-400) to the Policy Salary Account (01-5-210-000). The reason for this is due to an increase in the number of breaking and entering events in town, requiring additional police hours. After the Board of Selectmen voted to approve the transfer, Chair Zavotka made a motion to concur, which was seconded by Mr. Sokol. The vote was 4-0-0 in favor.

LIT FY17-07: A request to move $1,224.00 from the Administrative Assistant Compensation Account (01-5-123-110) to the Treasurer Stipend Account (01-5-145-000). This is due to additional training that will be needed for the new treasurer. After the Board of Selectmen voted to approve the transfer, Chair Zavotka made a motion to concur, which was seconded by Mr. Sokol. The vote was 4-0-0 in favor.

LIT FY17-08: A request to move $500.00 from the Board of Health Wages Account (01-5-512-000) to the Board of Health Operations Account (01-5-512-400). The $500.00 stipend for Dr. Warner should be considered a consultant fee and not subject to payroll deductions as he is not an employee. After the Board of Selectmen voted to approve the transfer, Chair Zavotka made a motion to concur, which was seconded by Mr. Sokol. The vote was 4-0-0 in favor.

Reserve Fund Transfer: The following reserve fund transfer was addressed:

RFT FY17-03: A request from the Board of Health to transfer $978.00 from the reserve fund into the Health Services Operations Account (01-5-512-420). This will be used to purchase a pharmacy-grade refrigerator, as the current refrigerator is not adequate. Temperature alarms have been going off, which risks the spoiling of any items inside. The Board of Selectmen voted unanimously to approve the request. A motion was made by Chair Zavotka and seconded by Mr. Sokol to approve the request. The vote was 4-0-0 in favor.

Broadband: Former Selectman Marilyn Wilson and Rowe's Municipal Lighting Plant (MLP) Manager David Dvore joined the two committees to discuss the future of broadband in town. Mr. Dvore asked for the Selectmen to approve an amendment that would allow the use of three out-of-town poles right along the borders in town. The Selectmen voted unanimously to do so.

Ms. Wilson reported that over the past few years, the Massachusetts Broadband Institute (MBI) has instituted a number of policy changes, which have required the town to make changes in their approach to this project.

The total cost of the project is projected to be approximately $1.3 million, of which the state would pay $440,000. This leaves Rowe with the responsibility to finance the remaining $860,000. The town has already appropriated $559,000 towards the project out of the two stabilization funds and free cash. The hope was to appropriate the remaining amount from those three funds, but recent issues with bridges and dams in town have put a halt on that idea.

Mr. Dvore and Ms. Wilson proposed that the Selectmen and Finance Committee look into the possibility of borrowing $500,000 in state house notes to cover the remaining amount necessary. Such a loan would not require bond counsel or an annual audit and would be borrowed at a much lower rate than traditional loans (Mr. Dvore said it would be a rate of about 0.7%). If this amount was borrowed, $199,000 could be transferred back from the already-approved monies into the stabilization fund. The annual cost would be approximately 1/X of the total cost, with X being the number of years the loan would be taken out for (ie. a ten-year loan would require 1/10 of the cost to be paid back, a five-year loan would require 1/5, etc…). While this did sound appealing to members, all avenues will be looked at before making any recommendations.

There was a question about whether a new vote to approve borrowing would be needed. The townspeople voted overwhelmingly in 2015 to approve the borrowing of up to $860,000, but it was unclear whether this would still be valid due to reporting requirements. This will be researched.

Mr. Dvore further explained that once the network was built, the town would own the network, but it would be managed by WiredWest, a regional co-op of MLPs. The town would be responsible for maintaining a depreciation reserve, or an amount of money to cover equipment replacement. Otherwise, WiredWest would be responsible for covering almost all other costs associated with the network.

Mr. Dvore passed on a request for a stipend of $500 for assistant MLP manager Russell Jolly. He stated he could take it out of the existing budget, but wanted the approval to do so first. No recommendation was made, but it appeared that a new account would be created for this.

Lastly, the Board of Selectmen and Finance Committee were invited to attend a meeting on June 26th at 7:00 at the Hawlemont School to further discuss this issue in the region. The members thanked Mr. Dvore and Ms. Wilson for their work and report.

End of Joint Meeting: The joint meeting ended at 7:23, and the members moved to the Selectmen's office next door. No audience members joined them.

Minutes: The minutes of June 8, 2017 were presented. A motion was made by Chair Zavotka and seconded by Ms. Dionne to approve the minutes with several amendments. The vote was 4-0-0 in favor. The minutes were then signed by the members.

Fifth Member: The committee members discussed the search for a fifth member. A number of names were thrown around, but two that stood out were Walt Quist and Rachel Holbrook. Mr. McLatchy will reach out to Rachel Holbrook, and already had an e-mail out to Mr. Quist.

Old Business: Chair Zavotka informed the members that there is a program on the internet called Gateway which contains financial information for all towns in Massachusetts. This would allow members to compare and review other towns to get ideas and see how things might be handled elsewhere. He noted that members might need to go through the Town Clerk to get approval for this.

Road Plan: It was agreed to by the members that Highway Superintendent Lance Larned should be invited to the next meeting of the Finance Committee to discuss plans for a highway road plan. If he is unavailable, perhaps the meeting in July would be better.

Next Meetings: The following meetings are scheduled:

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

Wednesday, June 28th at 6:00 P.M. This will be a joint meeting with the Selectmen to appoint a fifth member.

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 Mr. McLatchy and seconded by Ms. Dionne to adjourn. The vote was unanimous in favor, and the meeting was closed at 8:20 P.M.

Respectfully Submitted,
Paul McLatchy III, Secretary

Approved on: 6/19/17

Wayne Zavotka, Chairman

Paul McLatchy III, Secretary

Loretta Dionne, Member

Charles Sokol, Member