Rowe Finance Committee
Meeting as Part of the Budget Advisory Group
October 29, 2018
6:30 P.M. at Rowe Town Hall – Meeting Room 1

Present: Chair Wayne Zavotka, Vice-Chair Loretta Dionne, Christopher "Selmi" Hyytinen (Entered at 7:10), Paul McLatchy III, Laurie Pike

Other Attendees: None

Call to Order: Chair Zavotka called the meeting to order at 6:40 P.M., with a quorum of the committee present.

Minutes: The minutes of October 10th were presented. A brief discussion occurred over the wording regarding use of school choice funds. After a quick call to the School Committee Chair seeking clarification, it was agreed to leave the wording alone. A line about over-budgeting was removed as it was felt to be opinion, not fact. With this one change, the minutes were approved as amended. Mr. McLatchy will update the document and bring a copy to be signed at the next meeting.

Reserve Fund Transfers: The following transfers were acted on:

> FY19-RFT-01: A request for $6,300 from the Board of Health, submitted by Board of Health Chair Margaret Rice, to account 01-5-512-400 (Board of Health Operations). The current balance is $51,607.02. The money is requested for the design portion of a project to repair water drainage around the dumpsters at the transfer station. In the winter, water can pool and freeze, requiring the ice to be chopped before dumpsters can be removed. A motion was made and seconded to approve the transfer, and the vote was 4-0-0 in favor.
>
> FY19-RFT-02: A request for $2,500 from Executive Secretary Janice Boudreau for the Gracy House Operations account (01-5-634-400). The building had a smoke detector battery fail, and a main fire alarm board had to be replaced, to the tune of $1,622.76. This has left a balance of $204.44 in the account to last the rest of the fiscal year. A motion was made and seconded to approve the transfer, and the vote was 4-0-0 in favor.

Finance Committee Bylaw: Chair Zavotka read out Article III, §11 of the town's bylaws. He wants to read this out loud from time to time to serve as a reminder of the committee's charge.

All Boards Meeting: The All Boards meeting will take place on November 5th. Chair Zavotka spoke with Selectboard Chair Jennifer Morse about what the Finance Committee should present. She suggested a timeline for the budget, and information on the Capital Improvement Plan (CIP). Chair Zavotka will cover the CIP, and Mr. McLatchy will address the schedule. A motion was made by Chair Zavotka and seconded by Mr. Hyytinen to change the budget due date to December 5th- one month after the All Boards meeting. The vote was 5-0-0. Mr. McLatchy will retype and submit it to Janice Boudreau.

Entrance: Mr. Hyytinen entered the meeting at 7:10.

Liaisons: The committee divvied up liaison assignments to the various departments with budgets. No vote was taken, but it was discussed about whether members serving in other positions might be appropriate to serve as a liaison to that department. In the end, the committee chose not to have people serving in other positions also serve as liaisons. The following assignments were made:

- General Government.....Chair Zavotka
- Park Department .....Vice-Chair Dionne
- Highway Department.....Mr. McLatchy
- Library.....Ms. Pike
- School .....Mr. Hyytinen
- Board of Assessors.....Ms. Pike
- Planning Board.....Chair Zavotka
- Public Safety .....Vice-Chair Dionne
- Council on Aging.....Mr. McLatchy
- Board of Health.....Ms. Pike
- Conservation Commission.....Mr. Hyytinen
- Cemetery Commission.....Mr. Hyytinen

Workshop: There will be a finance workshop at the Olver Transit Center in Greenfield on November 8th. Most members will try to attend.

Capital Improvement Maintenance: The letter drafted by Mr. McLatchy at the last meeting (attached) was reviewed again. Chair Zavotka asked whether it might be more effective to have small meetings with the various department heads to talk about possible strategies and go over their current maintenance plans/practices. This idea was well-received. He will take the draft letter to the Selectmen and try to set up meetings.

CIP Committee Bylaw: It has been recommended by Joe Markarian from FRCOG that the town should have a bylaw for a CIP Committee. Chair Zavotka provided a sample bylaw (attached) provided by the Division of Local Services at the Department of Revenue. This bylaw had a great level of detail. Mr. McLatchy submitted a simpler, shorter draft as well. The committee decided to proceed with using Mr. McLatchy's version as a basis for a bylaw, and then use the DLS's version as a guide for policy. Any bylaw that is proposed will make reference to MGL c.41, §106B.

After discussion, the members agreed that the Finance Committee was probably the best body to serve as this committee, as they are involved with the finances of the town but will have no projects on a plan as they don't oversee any departments.

A conversation was had about whether it might be best to have the work added to the Finance Committee, or whether it should be its own committee (albeit with the same membership). If it was added, no large changes would need to be made. If it was its own committee, it would operate similar to the Board of Selectmen/Municipal Light Plant

Board, where the composition of the committees are the same, but would have different chairs/secretaries, and have separate missions.

Mr. Hyytinen suggested looking into developing a timeline for capital requests that would be based on the value of the project. For example, an item between $5,000 and $9,999 could be requested only 1-2 years out, whereas an item between $10,000-$25,000 would need to be asked at least 3-5 years in advance. Members liked this idea and will likely explore it once a committee is formed.

A motion was made by Chair Zavotka and seconded by Mr. Hyytinen to elect Mr. McLatchy as chair of a new CIP committee. The vote was 4-0-1 in favor, with Mr. McLatchy abstaining.

County Road: Under new business, Mr. McLatchy asked the members to consider making a recommendation to the town on County Road, or whether a recommendation should even be made. Mr. Hyytinen felt that the town should examine the properties it already owns before purchasing more. He will try and bring a map and list of properties the town owns to a future meeting.

Next Meeting: The Finance Committee will meet as part of the All Boards meeting on November 5th, will attend the training on November 8th at the transit center, and will meet with the Board of Selectmen and town attorney on November 14th to discuss insurance. As Ms. Pike is on town insurance and Mr. McLatchy has two relatives on town insurance, they will purposely not attend the meeting on November 14th.

Adjourn: A motion was made by Mr. McLatchy and seconded by Mr. Hyytinen to adjourn the meeting at 8:45 P.M. The vote was 5-0-0 in favor.

Respectfully Submitted,
Paul McLatchy III, Secretary

Approved: 12/17/18

Wayne Zavotka
Wayne Zavotka, Chairman

Loretta Dionne
Loretta Dionne, Vice-Chair

Paul McLatchy
Paul McLatchy III, Secretary

Christopher "Selmi" Hyytinen, Member

Laurie Pike
Laurie Pike, Member

Attachments:

- Agenda
- FY19-RFT-01
- FY19-RFT-02
- Budget Calendar
- DOR/DLS Sample Bylaw
- Draft CIP Bylaw
- Draft Capital Projects Letter

Finance Committee Agenda
October 29, 2018
6:30 pm Town Hall

1. Minutes
2. Line Item Transfer to Board of Health
3. Review Budget Timeline
4. What do we wish to "promote" at All Committee Night
5. Take action on letter to committee/board heads regarding preventative maintenance for capital items
6. Review a bylaw for CIP Committee Mass.gov/DLS
7. Elect a leader to guide a CIP Committee
8. Any other new business to be brought
9. Adjournment

FinCom Seminar - Loretta
Selma
Paul

NO. FY 19 – RFT – 01

Request for Transfer from the Reserve Fund

Date of Request: 10-10-2018

To the Finance Committee:

Request is hereby made for the following transfer from the Reserve Fund in accordance with Chapter 40, Section 6 of the MA General Laws:

Amount Requested:	$ 6,300.00
Transfer To (Account Name):	BOH Operations
Account Number:	01-5-512-400
Current Balance in Said Account:	$ 51,607.02

Requested Amount to be Used for (give specific purpose):

Design and permitting of repair to water drainage around dumpsters at transfer station. Currently has a minimum of 6" of water at any given time. In the winter is freezes and the dumpsters are not able to be moved without the ice being chopped.

This expenditure is extraordinary and/or unforeseen for the following reasons:

Not budgeted for fiscal year 2019

Signature of Department Head: Margaret Rice

Finance Committee Action

Date of Meeting: 10/29/2018 Number Present and Voting: 4

Transfer voted in the amount of: $ 6300 xx

Signatures of Committee Members:

Wayne Zavotka

Loretta Dioscoe

Laurie Pike

[illegible]

Accepted by Select Board

Distribution: Original, Finance Committee, one copy to each Dept. Head, Select Board and Accountant
REV. 10-04-18

NO. FY 19 – RFT – 02

Request for Transfer from the Reserve Fund

Date of Request: 10-29-18

To the Finance Committee:

Request is hereby made for the following transfer from the Reserve Fund in accordance with Chapter 40, Section 6 of the MA General Laws:

Amount Requested:	$2500.00
Transfer To (Account Name):	Gracy House Operations
Account Number:	01-5-634-400
Current Balance in Said Account:	$ 204.44

Requested Amount to be Used for (give specific purpose):

To cover basic operations for the Gracy House including heat and electricity

This expenditure is extraordinary and/or unforeseen for the following reasons:

Had a Smoke Detector battery fail as well as had to replace main fire alarm board for a total with labor of $1622.76

Signature of Department Head: [signature]

Finance Committee Action

Date of Meeting: 10/29/2018 Number Present and Voting: 4

Transfer voted in the amount of: $2500

Signatures of Committee Members:

Wayne Zavotka

Loretta Drosine

Laurie Pike

[signature]

Accepted by Select Board

Distribution: Original, Finance Committee, one copy to each Dept. Head, Select Board and Accountant

REV. 10-04-18

ROWE BUDGET CALENDAR

WHEN	EVENT	WHO
Aug - Oct	Certify Free Cash (used in coming FY19 revenue projections)	~~Town Accountant~~
08/28/17	Financial Roundtable	BOS, Fin Com and Assessors
Sept	Hold Elected/Appointed Officials Form to share information assessment of financial picture	BOS, Fin Com, Dept. Heads
Oct. 15-30	Free Cash Certification	Accountant
Oct 31st	Begin Budget Process for FY 18	BOS, Dept. Heads, Fin Com, School
Oct 31st	Set Tax Rate	Assessors, BOS
Oct 1 - Nov 1	Help & Review Departmental Budgets Send out Notices and meet with Fin Com Liaisons	all Depts.
Nov 1st	Begin Capital Planning process- including 5 year projections	BOS, Fin Com, Acctnt, all Depts.
~~Nov 15th~~ Nov 5	~~Submit FY 18 Budget requests~~ All Boards Early Budgets are Due December 5	all Departments
~~Nov 30~~ Dec 15th	Prepare initial revenue/expenditures projections including capital expenditures	BOS, Fin Com, Accountant
Jan 1st	Release "House 1" first indication of state aid for FY18	Governor
Jan/Feb	Meet with Dept. Heads to review Budget Recommendations	Fin Com, Dept. Heads
March	If Legislature passes Local Aid Resolution, Cherry Sheets Issued	State Legislature, DOR
March	Prepare final revenue/expenditure projection for FY18 in preparation for Annual Town Meeting	BOS, Fin Com
March	Prepare Town Meeting Warrant Recommendations	Fin Com
May	Annual Town Meeting	
June	Make any reserve fund transfers necessary, to complete fiscal year	

mass.gov/DLS
Q capital improvement committee

APPENDIX I SAMPLE CAPITAL IMPROVEMENT PROGRAM BYLAW

Section 1. The board of selectmen shall establish and appoint a committee to be known as the Capital Improvement Planning committee, composed of one member of the board of selectmen, one member of the finance committee, one member of the planning board, the school superintendent or his designee, and three residents of the town appointed by the moderator. The town accountant (or executive secretary or other administrative officer) shall be an ex officio committee member without the right to vote. The committee shall choose its own officers.

Section 2. The committee shall study proposed capital projects and improvements involving major, nonrecurring, tangible projects and assets which: 1) are purchased or undertaken at intervals of not less than five years; 2) have a useful life of at least five years; and 3) cost over $25,000. All officers, boards, and committees, including the select board and school committee, shall, by of each year, give to the committee, on forms prepared by it, information concerning all anticipated projects requiring town meeting action during the ensuing five years. The committee shall consider the relative need, impact, timing, and cost of these expenditures and the effect that each will have on the town's financial position. No appropriation shall be voted for a capital improvement requested by a department, board, or commission unless the proposed capital improvement is considered in the committee's report or the committee shall first have submitted a report to the board of selectmen explaining the omission.

Section 3. The committee shall prepare an annual report recommending a capital improvement budget for the next fiscal year and a capital improvement program with recommended capital improvements for the following four fiscal years. The report shall be submitted to the board of selectmen for its consideration and approval. The board shall submit its approved capital budget to the annual town meeting for adoption by the town.

Section 4. Such capital improvement program, after its adoption, shall permit the expenditure on projects included therein of sums from departmental budgets for surveys, architectural or engineering advice, options, or appraisals. No such expenditure shall be incurred on projects that have not been so approved by the town through the appropriation of sums in the current year or in prior years or for preliminary planning for projects to be undertaken more than five years in the future.

Section 5. The committee's report and the selectmen's recommended capital budget shall be published and made available in a manner consistent with the distribution of the finance committee report. The committee shall deposit its original report with the town clerk.

There shall be a Capital Improvement Committee to consist of the five members of the Finance Committee. They shall elect a chairman and secretary from their membership each year. Said officers may also serve the same role on the Finance Committee. This committee shall be tasked with overseeing spending plans for all stabilization funds other than the general Municipal Stabilization Fund, and any other funds so voted by town meeting. All requests for additions, modifications, or removal of items and/or projects from any spending plan associated with a stabilization fund shall be submitted to the Capital Improvement Committee for their review. All requests for appropriations from funds under their purview must be submitted through the Capital Improvement Committee prior to being placed on a town meeting warrant.

LETTERHEAD

Dear Town of Rowe Departments,

The Finance Committee would like to thank you for your continued efforts to produce and utilize an annual budget that maximizes services while minimizing waste. We know that all elected, appointed, and hired officials strive to ensure that every tax dollar raised is spent responsibly.

As we move forward with our new Capital Improvement Plan (CIP) and the FY2020 Budget, the Finance Committee is looking to work with the various departments to develop and implement plans that will help to prolong the life and lessen the replacement costs of our capital assets. This could be achieved through actions such as: preventative maintenance, quality vs. cost comparison, utilization analysis, interdepartmental sharing, etc… We would like to explore all options we can to reach optimal efficiency for our assets.

If your department has oversight over capital assets, we would suggest over the next year you consider researching whether there may be a way to lengthen the life of those assets. The Finance Committee is prepared to help you in whatever way we can to achieve this goal.

Thank you again for all the hard work you do for the town. We look forward to the upcoming budget season.

Sincerely,

(Signatures)