

Finance Committee Minutes

October 26th 2017

The minutes for October 10th were distributed at 6:25PM. The meeting was called to order at 6:30PM. Present were Mr. Carson, Mrs. Pshenishny, Mr. Miller, Mrs. Fracasso, Mr. Klein, Mrs. Walker and Mrs. Spaulding. Guests were Mrs. Marsha Pshenishny and Ms. Tara White.

Prior Minutes:

Mrs. Walker stated that the paragraph in the minutes describing the changes being made in the budget request forms was not clear and she would take them home and revise them to return them at the next meeting.

Next meeting:

The next Finance Committee meeting is scheduled to be a joint meeting with the select board, when the members were asked the best day for the joint meeting, it was Monday November 6th. Mr. Miller may not be present but may be able to take part by telephone.

New Budget Request Forms:

Then Committee was presented with the new budget request forms just completed by Mrs. Fleck. It was noted that the large budgets i.e. Winter Roads have been broken down into contributing categories per our suggestion.

Revolving Funds:

Ms. Enoch came as per our request so that she could explain the Revolving Accounts. The town has five Revolving Accounts, Plumbing, Gas, Electrical, Board of Health and Tax Title. These accounts are established under the General Laws Chapter 44, Section 53E ½. The funds allow liabilities to be incurred against them and money spent without appropriations (in accordance with the limitations of the by-law). Each fund has specific Fiscal Year Expenditure Limits namely **Plumbing Inspector's** \$7500; **The Gas Inspector's** \$5,000; **The Electrical Inspector's** \$7,500; **Board of Health** \$17,000; and **Tax Title** \$25,000. Part of the fees garnered by these inspectors is paid to the town (usually about \$5.00 per inspection) for expenditure. The remainder goes into the account to pay expenses.

Inspections done by the **Fire Inspector** are deposited in the General Fund, since inspecting is part of the Fire Chief's job for which he draws a salary .

Police Detail occurs when one of our police officers provides safety work, for National Grid for instance. The service provider pays for these services and 7% of the fee is retained by the town to cover administrative expenses. The **Tax Title** account is relatively new. When a property owner is behind on his taxes in order to proceed to Land Court there are a number of expenses involved with lawyers publishing etc. which are very costly. These costs must be covered and are paid through this fund, however when the taxes are paid these costs are added to the payment of delinquent real estate taxes. The **Wet Lands Account** receives money that is generated by wetland permits. This fund accumulates monies which it has used to purchase land for preservation g.e.. Kolburne Farm. Interest generated by any account is transferred to the General Fund.

Other Revenues:

The committee asked Ms. Enoch to explain the revenues which are not related to real estate taxes.

Yearly revenue is flexible, for instance, - permits and interest on taxes vary from year to year. Revenues also comes from Motor Vehicles taxes, building inspector's permits, transfer station fees, and interest on taxes. A very small amount comes for dog licenses! The State Aid comes from state land, of which we have very little. (This promoted a discussion about the talk of a proposed Marijuana farm, would the land that was used for this be judged agricultural?)

Role of Finance Committee:

Prior to the arrival of Ms. Enoch the committee discussed the role of the Finance Committee. Mrs. Walker had attended the Association of Town Financial Committees which is a part of the Massachusetts Municipal Association. It was an informational meeting related to Finance Committees. At that meeting, state law defined the role of the Town Finance Committees is different from the role of the finance committee serves in New Marlborough. She quoted from the state hand book on Finance Committees which states:-

"The board of selectmen and town manager ... are part of the executive branch of government.... It is their job to collect budget information, develop budget priorities' and formulate a balanced budget, the same as a president or governor...Once developed, that budget is presented to the finance committee, representing the legislative branch, and the town meeting. In effect the local finance committee has the same role as the House Ways and Means Committee in the State Legislature. It is the finance committee's responsibility to

receive the budgets from the executive branch... analyze them, have hearings when the department heads and public can testify, and present a balanced budget at town meeting"

In light of these discrepancies Mr. Klein suggested that the Finance Committee put on the agenda for the joint meeting on November 6 the following item:- Discuss the finance committee's role per the town by-laws and the state statutes.

Road Infrastructure Inventory:

Mr. Carson then reported that he had spoken to Chuck Loring about a program that would investigate all the roads and their condition for the purpose of helping plan their maintenance and repair. Ms. White remarked that if this showed that we had more mileage of roads than the state had listed the town would benefit from additional money through Chapter 90. Mr. Klein added that if this program was really effective it might help track the type of equipment needed to maintain the roads. And then there was the ever-present question of the state road and who pays for that?

Other Business:

Mr. Carson presented the invitation to the state meeting of Municipal Associations to be held in Boston at the Hynes Convention Center Friday and Saturday January 19th and 20th 2017.

Next Meeting:

The next meeting will be held jointly with the selectmen on Monday November 6th at 6:30PM. A motion to adjourn took place at 7:50PM, Mr. Klein 1st, Mrs. Fracasso 2nd passed unanimously.

Respectfully submitted,

Prudence Spaulding, Secretary.