

# Finance Committee

## May 11<sup>th</sup> 2017

The meeting was called to order at 6:30PM. In attendance were Mr. Mark Carson, Mrs. Marilyn Fracasso, Mr. Steve Klein, Mrs. Sandy Walker, Mr. Robert Miller and Mrs. Prudence Spaulding. Guests included Mr. John Pshenishny, Ms. Tara White, Mrs. Michele Shalaby, and Mr. Chuck Loring, Highway Superintendent.

The minutes for April 18<sup>th</sup> 2017 were circulated with a motion to accept them as read, Mr. Carson 1<sup>st</sup>, Mrs. Fracasso 2<sup>nd</sup>, passed unanimously.

Mr. Klein asked what affect the defeating of the school budget by two of the five towns would have on our budget, and because the override our town sought would the school's budget be changed and would this affect our budget? Ms. White had a handout with the dates that the school budget would pass through, for instance no later than 30 days after the rejection of the school budget the school committee must reconsider, amend and adopt a revised budget. This budget is likely to be voted on by the School Committee on May 25<sup>th</sup> 2017. This new budget is sent to the towns and if it is not accepted by July 1<sup>st</sup>, the superintendent notifies the commissioner of the state who sets a monthly fee upon the towns based upon 1/12<sup>th</sup> of the last year's budget. In essence the town must wait and see what the school decides to do, and Ms. White stated that there was some talk of the School's budget being cut. Thus it is a "wait and see" what happens as of now. Ms. White also added that the school was facing uncertain situations regarding income, for instance the school in the past had received \$200,000 in Medicaid reimbursements, but should the new federal health law go into effect the state might not have the money to continue this amount of payment.

Added to the budget problems the school is facing is the lawsuit being brought against them because the school district is proposing to shut the Egremont School and not use it this year. The Town of Egremont is suing the district, and this may impact the total school budget if, indeed the school has to be opened and the savings of shutting it would not be realized. Ms. White stated that she understood that it is hoped that this situation can be resolved, and Ms. Walker noted that the new selectman who had recently been elected in Egremont had campaigned on closing the little school.

Mr. Carson stated that he had received an e-mail from Mr. Dennis Sears the chairman of the Finance Committee of the School Committee. A meeting is being held at the school at 5:00PM on May 25<sup>th</sup> to discuss and make a recommendation to accept a bond being issued by

Prudence Spaulding  
May 12<sup>th</sup> 2017

UNIBANK. This bond will cover the cost of the new roof and boiler. Mrs. Spaulding asked why this had taken so long, since the town was already making payments on the roof and boiler. Mr. Carson stated that he had been told that the school had to get all the bills and other paper work done before they could proceed with completing the bond process. Mr. Klein offered to go to this meeting with Mr. Carson.

Mr. Carson then invited Mr. Loring to come and discuss the problem that the highway department is experiencing with one of their trucks. Mr. Loring presented the situation with the 2009 truck and hopes to come before the committee next week with a completed form in order to get money transferred out of the Reserve Fund to pay for the repairs on this truck. The motor on the 2009 Mac truck needs to be replaced. Mr. Loring stated that there were three options, a \$20,000 motor with a year guarantee, a \$25,000 motor with a three year guarantee, and a \$35,000 with a five year guarantee. Mr. Loring stated emphatically that the breakdown of the motor had not taken place because the truck was not well maintained. Added to this at the town meeting there was an article that designated \$20,000 to be spent upon this truck for rear end body work with new hoses etc. When questioned Mr. Loring stated that the motor work and the body work were not done by the same repair shop and thus there would not be a financial saving because the truck required both. Mrs. Spaulding asked if there were funds left in the Machine Repair account. Mr. Loring stated that there was some money but not enough to do both the rear end job and the needed motor job. Thus he would need to come to the Finance Committee and request some money from the Reserve Fund. Mrs. Spaulding reminded him that he would need the correct form to do this and have the amount that was left in his Machinery Account certified by the accountant. Further discussion took place and this request for funds will be placed upon the agenda of the next Finance Committee meeting.

At the beginning of the meeting Mrs. Spaulding presented the committee with a list of items that she would like to discuss before the 2019 budget process begins. Mr. Klein asked how many meeting would be held and when they would be held. Mr. Carson stated that several meetings needed to be held prior to the summer the first would be to decide how to cover the town with enough money since the override did not pass; the second would be the results of the search for a member to fill the remaining vacancy in the committee; and the third would be the expected joint meeting with the select board usually held towards the end of June so that the needed transfer of funds could take place before the close of the fiscal year.

The filling of the vacancy on the committee prompted some discussion. Mrs. Walker offered to write a letter to the Berkshire Edge and the Berkshire Record to be placed on their editorial page, and Mr. Carson stated that the Five Village News would include the search for a member to fill the present vacancy. The results of these searches would not take place for a few weeks.

At present there are two candidates to fill the vacancy. But it would be nice to get a young member since we need to have young people starting to serve the town. When the discussion took place Mrs. Walker stated that she questioned Mrs. Fracasso's placement on the committee since Mrs. Fracasso serves as the town treasurer. However Mrs. Fracasso was voted to serve on the Committee before she became the town treasurer and thus is not on the committee because of her position in the town.

The organization of the committee then took place. Mr. Klein questioned as to whether a complete Committee was needed to select the chairman etc. Mr. Miller reminded the group that the Committee was frequently missing a member or two, and functioned with a quorum.

Mr. Miller proposed that Mr. Carson continue being the Chairman with Mrs. Fracasso 2<sup>nd</sup> passed unanimously.

Mrs. Fracasso proposed that Mrs. Spaulding continue serving as the secretary with Mr. Miller 2<sup>nd</sup> passed unanimously.

Mr. Miller proposed that Mrs. Fracasso serve as Vice Chairman with Mr. Klein 2<sup>nd</sup> passed unanimously.

Mrs. Walker asked if the town was audited yearly, to which Ms. Shalaby stated that there had not been an audit lately because they had been told that with the problems that were going on it would be a waste of money. Mrs. Walker had a summary of the 2014 audit and will share it with the members. She requested a copy of the latest audit. Ms. Shalaby stated that the select board had decided to wait until the school situation was somewhat clearer, and perhaps there will be a needed meeting to vote on the broadband agreement and by that time a decision will be made relating to how to cover the needed funds that would have been covered by the override had it passed. It would be wiser to have all three items covered by a single special Town Meeting.

The next meeting of the Finance Committee will take place on Thursday May 18<sup>th</sup> at 6:30PM. At that time Mr. Klein will not be able to attend and will attend by telephone!

The meeting adjourned at 7:37PM with Mr. Klein 1<sup>st</sup>, Mr. Miller 2<sup>nd</sup> passed unanimously.

Respectfully submitted,

Mrs. Prudence Spaulding Secretary.

Prudence Spaulding  
May 12<sup>th</sup> 2017