

Town of Blandford
Finance Committee
Meeting Minutes
October 26th, 2020

Open Session: 3:05pm

Present: **Lombardo**, Chair (via video conference), **Cathy Smelcer**, member, **JGarcia (JG)**, Town Administrator, Peter Langmore, Chair of MLP Board

ACTION ITEMS

1. **Minutes from August 26** – motion below
2. **Fire Department** - Garcia explained to the board that at last Select Board meeting, Fire Chief requested funds to purchase a duplexer and new frequencies to advance emergency communication in Town. The new duplexer is the only new equipment needed and is expected to streamline all calls to one place. It's expected that new frequency and equipment will be owned by the town. The cost is \$4,000 of which \$800 is for the license alone. The Select Board voted to purchase the duplexer contingent on Finance Committee recommendation. Garcia reported to the Finance Committee that there is enough in Capital Projects account to support this request. Motion below.
3. **Library** - Garcia explained to the Finance Committee there was an error in communication during year-end procedures of regarding what can and cannot be encumbered. It was asked by the Library Director if whether or not salary can be encumbered of which the Town Accountant said yes. Therefore, the Library Director proceeded forward with submitting an encumbrance for \$5,646 and its plans to do staff professional development and also pay for COVID response. Recently, it was learned we can't encumber salary line items which put a wrench in Libraries commitments. Garcia explained to the Finance Committee that the Library Director was mis-informed and it was at no fault of the Director. Garcia did mention we can cover \$1,500 for the planned professional development but believes the rest can be submitted for CARES act reimbursement. Garcia brought this up to the Select Board at their last meeting who voted to support funding the gap for professional development for library staff out of Reserve contingent upon Finance Committee review and approval. Garcia reminded the Finance Committee that Finance Committee has the sole authority to approve what gets funded out of reserve. Reserve funds are for unanticipated and unplanned instances that occur. Motion below.

New Business

1. **Broadband update** – Peter Langmore, Chair of MLP Board, was present and provided a broad update of where we are with broadband. He shared with members of the Finance Committee of a complex situation that has appeared. Hiram Blair Rd has two houses, both of which are far out to justify the cost to connect to broadband. One of the two houses, Langmore believes will not want to have internet, therefore currently not a concern. The other house however which is the last house at the very end of the road has inquired about getting connected. Langmore explained that it will cost approximately \$60,000 to get the connection to reach the house at end of driveway plus an additional \$10,000 drop cost to connect the house from end of driveway to the home. Langmore felt strongly that it's not good financial decision for the town to support this cost for one house. Either way, he's bringing this situation to attention of the Select Board (which he did at their last meeting) as well as Finance Committee to review and build consensus on what to do. Lombardo had asked what have other towns have done in this situation. Without having any real specifics, Langmore said he has heard other towns have either loaned the cost to the homeowner of which the homeowner paid back to the town during a period of time; or had homeowners cover a certain percentage and the town cover the rest; or towns have fully took on costs; or towns paid nothing at all placing the burden of the cost on to the homeowner. Smelcer mentioned that if the town took on the

burden, we will never recoup the funds. Lombardo mentioned that if we decide to not take on the cost, we need to be sure we have clear benchmarks that justify the decision.

2. Close of FY20 Update – Garcia reported that last week the books for FY20 has been closed. There are three reimbursements we are waiting on that have not been received on time which will impact our Free Cash. These include:

- Approximately \$115,000 from Chapter 90. Garcia explained the project was going from one fiscal year to the next and was not ready for submittal of full reimbursement to be in line with the accounting transition. Currently, the Highway Superintendent is preparing the reimbursement request.
- Approximately \$2,000 from Green Community incentive. Garcia explained we are waiting on reimbursement from Energy Source (not to be confused with Eversource) for an energy incentive we received during implementation of our green community projects. Garcia explained there were internal issues taking place at Energy Source due to COVID that has caused for this reimbursement to be late.
- Approximately \$21,000 from Elder Affairs through SIG grant. Garcia explained the request for the reimbursement was not submitted on time therefore causing a delay in receiving the reimbursement. This has to do with the COA Consortium between three towns and Blandford is the lead community on the grant. Garcia reported it's the second year we have been the lead on this grant and being involved with the administering of the grant. Garcia is working with our COA Director to advance our grant administering capabilities for this particular grant to be sure this won't happen again.

Garcia explained that because these accounts were in negative during time of balancing books, they get deducted from our Free Cash balance. Garcia reported these particular instances are manageable since the town has a strong free cash balance. Also, once we receive the reimbursements, we can ask the DOR to update our Free Cash balance. Although manageable, we want to make sure we have strategies in place to prevent this from happening since it's not necessarily a best practice. To avoid this in future, if these situations were to occur again, Garcia learned we can have the Treasurer/Collector do short term borrowing to balance the accounts to avoid deductions from Free Cash understanding that funds will be acquired soon to pay off the borrowing.

- 3. Next steps for new highway garage building project** – Garcia reported that a building group was formed to navigate next steps in this process. The group has met twice, the second time with the procurement officer from FRCOG to learn what's required when mitigating building projects. Garcia shared that any public building project that is \$1.5 million or more, an Owners Project Manager (OPM) has to be procured. The building team anticipates the project to hover around \$1million. Although not \$1.5 million, it's still suggested to hire an OPM who will do the research of what construction will cost, facilitate procurement, and work with the town to administrator contract with vendors during construction phase, etc. The OPM is present to keep the town protected and safe throughout the project. Garcia shared that the Select Board anticipates to work with FRCOG to assist us through the procurement for an OPM and once proposals are received, we'll have a dollar amount we can go to town floor with to secure funds from Building Stabilization to get started. Cost for services from FRCOG will be \$2,000. Garcia mentioned he will be presenting a contract for such services to the Select Board tonight.
- 4. Update on capital improvements and needs at public buildings** – Garcia provided a broad overview of capital needs at our public buildings including what has been done and what's currently being looked into.
- 5. Overview of FY22 Budget Process and Timeline** – Garcia presented a timeline of tasks ahead for budget process in preparation for FY22. Tonight, he anticipates to discuss with Select Board their budget priorities and strategic objectives. Coming November, Garcia will be forwarding budget instructions to all

departments for submitting budget requests. Coming January, the Finance Committee will be scheduling to meet with department heads to go over submitted budget requests. Lombardo mentioned how different the process has been compared to many years ago. She expressed gratitude to Garcia for helping the town through the budget process.

6. **Community Development Objectives Presentation** – Garcia presented a powerpoint presentation to the Finance Committee of various community development objectives in town focused on planning for financial security for the town and improving the quality of life. In the presentation he shared three financial benchmarks we can observe three years from today to measure our progress in implementing strategies. These include: 1) Grow tax base by 10%. He noted since FY18, we have already grown by 2.1%. 2) Add/Expand Revenue Generating Sources, and 3) Reduce Tax Rate to \$16 per thousand or below. He noted currently we are at \$17.76. To get to a point where we can reduce the tax rate, we have generate more revenue. In the presentation, Garcia shared different strategies and initiatives that have gone on and currently are going on to do that.

Motion:

1. Lombardo made a motion to recommend to the Select Board to move forward with the \$4,000 purchase of the duplexer to improve emergency communication in town using funds from the Capital Projects account. Smelcer seconded. **All were in favor.**
2. Lombardo made a motion to approve Reserve Transfer request from the Library to transfer \$1,500 from reserve account to library expense account to cover professional development for library staff. Smelcer seconded. **All were in favor.**
3. Finance recommends to pay all of FY20 invoices outstanding from FY21 respective departments. (\$105 water, \$884.84 Highway, \$4.98 New Town Hall Maint, \$15.96 Cemetery, \$647.50 Cemetery, \$982.06 Town Counsel, \$169.37 Town Hall Utilities). Motion Passed.

Tabled:

1. Lombardo made a motion to table the August 26 Finance Committee minutes until next Finance Committee meeting. Smelcer seconded. **All were favor.**

Next Meeting: No meeting scheduled yet.

Meeting Adjourned at 5:00 pm

Joan Lombardo, Chair
Cathy Smelcer, member