

Shutesbury Finance Committee Minutes
Tuesday, September 6, 2011, 7pm

Finance Committee Members Present: Lori Tuominen, Rus Wilson, Eric Stocker, Weezie Houle, Gary Hirshfield, Al Hanson, & George Arvanitis; **Visitors:** Becky Torres, Gail Weiss & Gabe Voelker

- 1) Call to order at 7:05pm.
- 2) Approve minutes of August 9, 2011 as amended.
 - a) Meet with Gail and Gabe to review the mechanics of the finances
 - b) Gabe, Town Treasurer:
 - i) Money come into her, enters it, puts it in the system, compares with Gail once per month, processor, processes warrant, payroll, HR for school and staff, benefit management.
 - ii) She fosters her relationships with bankers. She meets with the bankers for borrowing. We are in good financial team in Shutesbury.
 - iii) When you go out to borrow we are governed by MA general law. First you go to the DOR, then the Bond council, you are rated. Citizens can buy municipal bonds as an investment. You always have to go out to bid. For example, with the WPAT, the town has loaned to residents, but it is a paperwork nightmare.
 - iv) A big issue coming down the road is GASB 45. Unfunded health insurance liability. We had to get actuaries to figure out our retirees. The list is going to grow as teachers and staff retire. We need to start saving funds for the future to funding health insurance. The Finance Committee needs to see the actuary tables so we can project the funding needs. The actuaries recommend we have \$136,000 invested at this time. At present the estimated future liability is \$700,000. We need to redo the actuarial tables to include families.
 - v) The state is changing the way insurance is being handled. Gabe will eventually have to increase hours or hire a clerk to fill out all the paperwork. Even though we have Hampshire County Group Trust insurance and do not participate in the GIC, we will have to prove that we are following the new regulations.
 - c) Gail, Town Accountant:
 - i) Takes the receipts from Gabe. Gail spends the money. She processes the bills. She makes sure everything is correctly charged and in the correct grants, accounts and line items. Her big things are end of year and the recap with the assessors. Closing out the general fund and the recap. She makes sure that the revenue and expense ledgers equal the controls in the general ledgers. Gabe and Gail balance cash each month..
 - ii) Starts with our last year free cash, adds the budget, pulls out the designated, DOR pulls out Start out with the undesignated fund balance. Add revenues collected and subtract bills and payroll processed thru the year. The updated undesignated fund balance becomes the starting point for “free cash”. From this number real estate receivables are deducted and deferred real estate is added in. Then any grants” in the hole” are deducted and that will give you the “free cash” number.
 - iii) The school lunch is not self-supporting. It could be better this year due to the new food service person. Fin committee will keep an eye on it.
 - iv) Free cash could be between \$860,000 and \$880,000.
 - v) Recap: helping the assessors. Balancing act between the revenue and levy limit.
 - vi) In order to certify free cash, there are 10-15 reports have to be certified by the state. The collector and the accountant have to balance. Should equal by about 10%.
 - d) Eric asked if both of them are happy with their software.

- e) Discussed security of the computers.
- 3) Review Expense Reports
 - a) The school budget will be absorbing the \$14,000 in school lunch loss. They also absorbed the huge fuel costs.
- 4) Reports of Committees
 - a) CPA – Allen Hanson - none
 - b) Personnel – George Arvanitis – Made some changes to the handbook. The 5 year Longevity Bonus was previously capped at 25 years. The personnel committee is recommending considering extending the cap to 50 years and is requesting the FinCom feedback. At 25 years the bonus is \$1,500. The 30 year bonus will be \$1,750 and increase by \$250 every five years \$2,750 for 50 years of service and it is pro-rated for part-time employees. The FinCom agreed with the Personnel Board’s recommendation. The police union will be entering into contract negotiations. The committee will be studying contracts in other towns as part of their preparations.
 - c) School Committee – Weezie Houle - none
 - d) Capital Planning – Rus Wilson – Ellen has made a request that all requests for the Capital Planning Committee and Replacement Schedule Guideline be submitted by September 23, 2011. The form we send to the departments has a space for Capital Planning requests.
 - e) Library Fundraising Committee – Weezie presented the Payment, Pledges and Donations report from the New Shutesbury Library fundraising database
 - f) Ed Study Committee – Eric Stocker - none
- 5) Reviewed the Budget Request letter and form language
 - a) Change language of 0% and -5% to “level funded”.
- 6) Future Meeting Agenda items:
 - a) Review the tax rate history
 - b) Meet with the Energy Committee to discuss potential revenues for the town
- 7) Next meeting on October 4, 2011
- 8) Adjourned at 9:30pm.