

The Wilbraham Finance Committee
Meeting Minutes
Wilbraham Town Hall
September 19, 2016
7:00 p.m.

Present: Dan Miles, Anna Levine, Nancy Piccin, Todd Luzi, Carolyn Brennan, Marc Ducey, Tim Murphy

Absent: Mike Mannix, Kevin Murray

Also present: Tom Sullivan, Treasurer/Collector, Carol Fitzgerald and Matt Fisher, Hampden Advisory Board.

I. **Open Forum:** No discussions

II. **Special Town Meeting:** The Board was informed that there was a wording change to Article 3. This change was just an elimination of a repeated word.

- a. **Hampden Advisory Board:** Dan started discussion by saying he feels the Finance Committee would overall support the unification. The Hampden Advisory has not yet voted on the unification, nor have the Hampden Selectmen. The Advisory will vote on all the Hampden's Articles for their town meeting after their public hearing. The public hearing is October 17, 2016, the Town Meeting is October 24, 2016. Matt feels the people we hear from are always the same people, not sure it is representative of the entire town. He understands that with unification there is "a loss of identity and any say in the school". He did mention there are very few Hampden children in 6th, 7th and 8th, and financially it doesn't make sense to have two middle schools. Marc gave them some numbers that were generated two years ago... that the combined enrollment in 6th, 7th, and 8th grades will decline approximately 197 students from 2014 to 2019. A significant difference. Trends from studies he has read do not show any kind of significant recovery in the foreseeable future. Carol says that both towns have historically supported the school system, the vocal folks from Hampden, who are against the unification, are the only ones that have been heard to this point. As more information comes in from the District, we will start to hear support from other Hampden town residents. The District people are the experts and we must rely on them to tell us what is going to happen if we unify and what will the results be if we don't unify. We must look to the District to provide us this information. Dan feels that if our board is strongly in favor of the unification, the sooner we release that information, the better for our residents. He feels there is a Leadership void with the people who are more involved with the town finances in Hampden. He would like them to come out earlier with their stance on the unification. He feels the 17th is a little too late for the residents to get the Advisory Boards' opinion on the unification. Anna says the draw for unification is that it is going to save money, and it is going to offer the students more opportunity in terms of the courses they can take and the resources they will have access to. Right now all they are suggesting is some modular classrooms and moving some students, nothing that can't be reversed or is permanent if there is a change in the trend in the number of students. Marc said the School Committee has made a commitment to not increasing the amount of time a student is on the bus. The bus ride may be further in distance, but the average bus time will not increase if unification happens. Carol said she is 200% in favor of the unification, but she can't speak for the advisory committee, and they have a process in the by-laws that they can't as a group vote on anything before their public hearing. She does agree that Hampden has been lacking strong leadership around people who are in support. The people who are against the unification make it very difficult for those who want to support the unification. She said it is very hard to come out in favor of unification without getting really attacked. Marc pointed out that many people against the unification are not arguing against the facts, but the emotional side of closing a

school that has been around a long time; the town would lose some of its identity. Dan said the Finance Committee must look at the facts from a financial stand point. The school is shrinking, but yet it is the biggest budget number we have and they need more and more money, using up the towns resources. He feels it may come to a point of “here’s what we can give you’ instead of ‘what do you want?”. Marc wanted to point out that the tax payer will not see a reduction in taxes they pay if the unification goes through. What they will see is a more efficient use of their tax dollars, offering a better school model to students throughout the district. The savings will also offset the loss of state funds we receive per student, because of the decrease in enrollment. Dan informed the committee that if only one school is ranked at a low level, then the whole district is ranked at a low level, even if every other school in the district is rated at the highest level. More discussion followed on the topic of how negatively affected TWB is with current cuts, and about the overall support of the unification. Currently the school system is a reason why people move into our towns. That reason to move in is being impacted by the current district financial problems, which will only exacerbate the town’s financial problems if the situation isn’t rectified. Carol and Matt’s final comments before leaving were that there is support for the unification, but they can’t speak out publically in favor of it till after the public hearing.

- b. **Article 2. Wastewater Enterprise Fund.** There is a generator at the River Road Pump Station that has stopped working and they can’t get replacement parts for it. They would like to transfer money from Retained Earnings to pay for a new generator.

MOTION: Finance Committee recommends the approval of Article 2, Waste Water Enterprise fund Seconded, approved unanimously.

Article 3. Amendments to the HWRSD Agreement. To see if the Town will vote to amend the Agreement between the Towns of Wilbraham and Hampden, Massachusetts with Respect to the Formation of A Regional School District at the Middle School in Wilbraham.

MOTION: Finance Committee recommends the approval of Article 3, Amendments to the HWRSD Agreement. Discussion: Marc was concerned we would have to fix the roof no matter when/if it fails. Tom pointed out that this is only the case for the next 5 years. Seconded, approved unanimously.

III. **Vote Chairman and Vice-Chairman.**

MOTION: Nominate Dan Miles as Chairman of the Finance Committee, and Nancy Piccin as Vice-Chairman of the Finance Committee. Seconded, approved unanimously.

IV. **Middle School Boiler replacement.** The total cost of the Boiler replacement is \$173,470. Presently we have approved funding as follows:

Encumbered Technology & Efficiency Fund:	\$47,000
Encumbered Town Properties:	\$88,000
MRHS Contractual Agreement:	<u>\$25,000</u>
	\$160,000

This leaves a balance of \$13,470 and a reserve fund transfer of \$13,470 is requested to complete the project.

MOTION: Finance Committee to approve a reserve fund transfer of \$13,470 to Town Properties-Grounds and Buildings Maintenance. Anna questioned using money from the Technology and Efficiency Fund. Tom said the boilers are two gas fired high efficiency boilers, and since the fund is for Technology and Efficiency, this would be appropriate spending. Seconded, approved unanimously.

V. Dan informed the committee that the annual Association of Finance Committee Workshop will be held on Saturday, October 15, 2017 in Devens, MA. If any member would like to attend, please let Nancy know.

VI. **FY2018 Budget**

There was discussion as to which member should be assigned to each department. Dan suggested each committee member email him and Nancy Johnson as to which departments you are interested in being the liaison to for the Finance Committee.

MOTION: Elect Nancy Piccin to the Capital Planning Committee. Seconded, approved unanimously.

There was a discussion as to which day would be best for all or most members to have Finance Committee meetings. Monday seems to be best for all, and Dan would like to rotate the meeting locations. He is open to having the meeting various days of the week, preferably Mondays or Wednesdays.

VII. **Financial Information:** Tom explained Wilbraham has two stabilization funds. A stabilization fund is a special reserve fund into which monies may be appropriated and reserved for later appropriation for any lawful municipal purpose. We have a stabilization fund and a capital stabilization fund. Over the last few years we have been aggressively building the stabilization fund up to at least 5.5% of the town budget. Now we are at 5.5% after the last session. We will now drop to \$50,000 yearly addition to the fund. Right now with Capital Stabilization, we have \$655,000. We will work on getting it to 1,000,000, and then will stop adding to it so aggressively. It will put us into a position where we will not have to do a debt exclusion to pay for unexpected capital repairs, we can instead use the Capital Stabilization fund. Then build it back up again in the following years. Marc asked if it was necessary to have two stabilization funds. Tom said that the regular stabilization fund is there because Moodys requires us to have reserves built up when we bond. We have to bond in April for the Police Station and Fire Station. The Capital Stabilization is what we use to fund and pay down projects. Tom explained there is now a line item in the Capital for a pay down of debt, to reduce the impact when there is a large capital improvement to pay for. What used to happen is as the debt is paid off and goes away, the apportionment that would leave would be taken over by the operation expenses. But now we don't have that. Tom explained that as the debt is paid off, the "pay down of debt" line is increased for use on future capital improvements. We were able to put both the Fire Station and Police Station together for a total debt exclusion of only four million dollars.

We try to keep our Free Cash around two million. The last few years have been difficult to maintain that balance largely because there are two commercial tax payers that are significantly behind in paying their taxes. Also 100,000 went to the Boiler at the middle school. The Free Cash should only be spent on non-recurring expenses.

We are very conservative with our budgeting of estimated receipts, as evidenced from the estimated receipts of FY2016. There was a surplus in FY2016 estimated receipts, which goes directly to our free cash available for appropriation.

Meeting adjourned, 8:25pm.

Debbie Brennan
Staff Accountant