Finance Committee

Town Hall

September 10, 2018

7:00 PM

Chairman Whitsett called the meeting to order at 7:05

In attendance – Kristian Whitsett, Shelley Roberts, John Payne

Guest attendants – Selectboard liason Andrew Baker, Highway Department Head Mark Shippee

Minutes: Members and guests reviewed the meeting minutes from August 20, 2018. Selectmen Baker disagreed with the cost estimation of the Notion to Quilt property regarding the police station because he wanted operating costs included. Kristian noted that the cost estimation pertained specifically to the building. A motion was made by John to approve the minutes, seconded by Kristian, members unanimously approved the of August, 20, 2018.

Highway:

Highway Department Head Mark Shippee and SB liaison Andrew Baker attended the meeting to discuss the highway budget regarding future purchases of equipment and road maintenance.

Questions & Discussion

1. Why are Highway capital requirements projected to double over the next six years compared to the recent past?
   1. Highway department has used Chapter 90 for purchasing equipment in the past but Mark wants to avoid dipping into Chapter 90 funds in the future. Chapter 90 annually allocates about $200,000 to the town. Mark now uses that money for roadwork, like paving. Shelburne has 50 miles of road: 44 are paved and the remaining six are gravel. He says it costs around $200,000 to pave two miles each year. Additionally, roads require at least one annual maintenance a year. Snow equipment not eligible under Chapter 90 but it does cover “all season” equipment. Town could potentially fund a dump truck and sander combo.
   2. Purchasing of new equipment appears to occur in waves. For example, there are three trucks, all bought in 2001, that need to be replaced soon.
2. Could the Highway Department consider leasing?
   1. Andrew mentioned the need to even out Highway capital purchases over the next 10 years to avoid large peaks and troughs in spending. Need to start the process now. Last year the town paid for half of a new front end loader with plow and needs to approve funding to pay for the other half. Leasing the second half of the loader might free up money to put into a “Highway Department Fund” for future uses. John asked if the SB could set up a Highway Equipment account, to be approved at town meeting, to give select members the flexibility to allocate funds if Highway department needs equipment. As a result of this conversation, the Finanace Committee, Select board and Highway Department will look into the option of leasing for future purchases in order to create a rainy day fund.
   2. Mark is meeting with sales consultant, Jeremy Ingalls, from Schimidt Equipment about purchasing a new loader. The estimated cost for the loader is $171, 900.00, not including the cost for a plow at an estimated cost of $12, 500.00. Leasing might be an option for this purchase. The Finance Committee, Andrew and Mark want to pursue the following questions –
      1. How does the warranty work with a lease? Is there an option for a standard or extended warranty?
      2. If town leases, whose responsible for repairs?
      3. Are there other towns who have leased equipment? What’s their experience?
      4. Can we lease-to-buy without penalty?
      5. Are the interest rates fixed or floating?
3. Does the Highway Department have a mechanic to service equipment?
   1. The Highway crew does small scale mechanical work. Most in house repairs are done by Marshall. They send out bigger jobs to area shops specializing in said repair that can’t be executed in house.
4. Are Highway salary rates competitive?
   1. The Highway Department is looking to hire another crew member but it’s challenging to fill the position. According to Mark workers are paid more working for Joe Rae or Rob Mitchell but the town in comparable to other towns like Colrain.
      1. John asked if the SB should look at the wage structure.
      2. Andrew suggested our postings are limited because we don’t use online resources to reach a broader demographic.

Mark and Andrew left at 8:45 PM.

John, Kristian and Shelley reviewed the article for the Special Town Meeting - September 12, 2018.

Members reviewed Article 1 to see if the Town will vote to appropriate $350,000 for the Quilt building for the Police Station. On a motion by John, seconded by Shelley, members unanimously support Article 1.

Members reviewed Article 2 to see if Town will vote to transfer the sum of $100,000 from Housing Trust I Account to Police Department Facility Relocation for renovations. On a motion by John, seconded by Shelley, members unanimously support Article 2.

Members reviewed Article 3 to impose 3% excise tax upon marijuana products. On a motion by John, seconded by Shelley, members unanimously support Article 3.

Members reviewed Article 4 to see if the Town will vote to transfer $11,800 from the Stabilization Account to the FRCOG’s Regional Health Service Account to cover costs of joining FRCOG. Finance Committee with refrain making a motion, pending further discussion during the Special Town Meeting. We want to better understand the how this change will impact Shelburne’s budget.

Senior Center

1. Need to vote on a FC liaison.
2. Funding and Budgeting Sub-Committee of the Senior Center Expansion Committee will meet Thursday, September 13, 2019 at the Senior enter in Shelburne Falls at 2:45.

Mohawk Budget

1. Kristian will explore joint meeting with the Montague Finance Committee to discuss their school budget process.
2. Kristian will invite Karen Bloom to our next meeting to discuss the budget.
3. After talks with Karen, the FC wants to invite school committee reps to discuss the school budget. Reps include Jason Cusimano and Jeremy McGregor.
   1. Primary question – Is there a way to keep the size of the budget in line with the number of students rather than having the budget increase even though enrollment is declining?

Town Website

Website training offered on Tuesday, September 11, 2018 to instruct individual departments how to manage their own page. John suggested we could post meeting minutes and list issues of concern that would be open for input from Shelburne residents.

Next meeting – Monday, October 1, 2018 at 7:00 PM, Town Hall.

Adjournment: Committee adjourned at 9;35 PM.