

WEST NEWBURY FINANCE COMMITTEE

Meeting Minutes

WEST NEWBURY CLERK
11/22/22 09:22 PM

Date, Time, Location: **Wed. Nov. 16, 2022, 5 PM** (1910 Bldg.)

Attendees (& initials): Chris Wile (CW), Rob Phillips (RP), Walter Burmeister (WB), Dan Innis (DI), Ross Capolupo (RC), Jim Sperelakis (JS), Angus Jennings (AJ). Guests/Participants: SB: Wendy Reed

1. Call to Order: 5:00 PM
2. Approval of Minutes: 8/30/22 and 9/29/22 FC Mtg Minutes. Both motions to approve: CW. Both 2^{nds}: WB. **Both sets of Minutes approved 6-0**
3. Disc. of proposed Pentucket Regional Agreement revisions, process & timeline:
AJ mentioned this topic will be discussed at the SB mtg on M. 11/21, and he will require FC's recomm. by mid-day tmrw (11/17) in order to prepare the SB packet. The FC discussed, and WB offered to summarize the following key elements of the Pentucket Regional Agreement (PRA), in a 'red-lined' revision, as follows:
 - Section IV, Location of Schools, which currently reads (Par. B) "There shall be not less than one elementary school in each member town." WN FinCom (FC) recommends that this be changed to: "There may be one elementary school in each member town, however the towns may decide to share or consolidate elementary schools in the future."
 - Rationale: While it is understood that the idea of potentially regionalizing any of (4) current elementary schools is a major topic for consideration by the communities (and the District), the WN FC feels this language change would ensure that the PRA would not be a stumbling block for any such future consideration of, for example, two or more of the Pentucket communities jointly building a new elementary school. This amendment applies strictly to the 'physical facility', as each elementary school, under current practice, remains under the management of the PRSD.
 - Section XII, Budget: FC recommends reinserting a paragraph similar to the pre-2019 PRA, which would re-establish a 'Regional Budget Committee' consisting of one Select Board (SB) member from each town, one FC member from each town, and one Town Manager/Administrator/Fin. Director from each town. All budget requests from PRSD would first go to this 'Regional Budget Committee', which would, in turn, take the request back to their respective Town for appropriate approvals.
 - Rationale: The existing process of PRSD dealing with each of the 3 Towns separately is both inefficient, and not consistent with good business practice.

- Section VII, Method of Assessing Costs: Paragraph A reads: "All Operating Costs shall be assessed to the three towns on the basis of M.G.L. Chapter 71, Section 16B", which states, 'if two-thirds of the member municipalities approve a school budget, then all members are obligated'.
 - A lengthy FC discussion ensued, weighing the 'pros and cons' of requiring approval of all 3 Towns, before all member Towns are obligated to adopt a PRSD budget. Subsequent to the 11/16 FC meeting, the following day (11/17), AJ clarified with Superintendent Bartholomew, that standard practice is to require 2 out of 3 member Towns to pass the PRSD budget. Since the apparent intent of the FC is also to require 2 out of 3 for budget passage, AJ suggested we adhere to PRA's current 2/3 language, as written in Section VII.
- Section X, Withdrawal of Member Towns: Paragraph A states "two thirds of member towns must approve withdrawal of any member from the Agreement"
 - FC notes that a member Town withdrawal would certainly impact the budgets of the remaining members, and thus recommends that approval from all 3 Towns be required for any member withdrawal.

AJ reiterated that any potential amendments to the PRA would need approval from all 3 Towns' Select Boards & the Pentucket School Com., with a final endorsement by MA State Dept. of Education. In WN, the SB will consider the FC recommendations, with any potential modifications/amendments to the PRA brought to the voters in Spring '23 Town Mtg.

4. Timeline to Spring Town Meeting: The final Spring Town Meeting date will be discussed/decided at the SB meeting on 11/21/22. The proposal is as follows:
 - Town Meeting on Mon. evening 4/24/23, which, if adopted, will necessitate:
 - FC booklet due 4/10/23
 - FC rationales due 3/27/23
 - See item #7 below for corresponding FC meeting schedule
5. Review, analysis & discussion of FY 2022 budget:
 - WB asked why there is a large difference in free cash, i.e., >\$700K in a short period? AJ mentioned this is due largely to two factors:
 - 'Turn-backs', i.e., budgeted items not spent in the FY and 'turned back' to free cash
 - Revenues which come in above projections. These are typically non-real estate tax revenue (which can be accurately budgeted), such as licenses & fees (\$192K in FY22), motor vehicle excise (\$860K), penalties and interest, rentals, e.g., the 'Children's Castle' pre-school, which netted revenue of \$161K in FY22.
 - These 'non-taxable' revenues came in \$195K above projections, i.e., budgeted at \$1.3M and actually came in at \$1.5M.
 - This led to the discussion of 'revolving accounts' and other expenditures in item #6 below.

6. Review and discussion of Reserve Funds & Trusts:

- RP asked, “are we aware of all Town expenditures, e.g., in revolving funds”? AJ cited several examples of Town ‘revolving funds’, which do not typically appear on the General Fund Operating Budget, e.g.,
 - Parks & Rec summer camp
 - CPC Fund (with money coming in/being disbursed)
 - Cable revenues from Verizon & Comcast
 - Water Dept. Enterprise Fund – RP asked if all water dept. expenses get paid by water rate-payers? AJ responded that this is largely the case, except for major capital projects, (e.g., systematic replacement of aging piping, new well field development and distribution, etc.) Regionalization of water, across several towns, may be a potential future method to control/spread these major capital costs.
- AJ presented and discussed several of the Town Reserve Funds & Trusts, such as:
 - ARPA Funds (\$1.4M), which can be used for water, sewer and/or broadband projects, with the intent being Capital related projects.
 - State Grants
 - Stabilization Funds, e.g., Capital Stabilization; School Stabilization; Pension Stabilization; Library ‘Pershing’ Grant.
 - CW suggested that when future articles are presented to the FC, we can/should ask if there are existing Trusts, Gifts, Grants, and/or other Funds that can be used to pay for the requested funds, as opposed to asking the taxpayers of WN to provide funding.

7. Future FinCom meeting schedule (all start at 6 PM):

- Th. Dec. 15, 2022
- W. Feb. 15, 2023
- W. Feb. 22, 2023
- W. Mar. 1, 2023
- W. Mar. 8, 2023
- W. Mar. 15, 2023
- W. Mar. 22, 2023
- W. Mar. 29, 2023 (place-holder, in case we need it)

8. FC Member Appointment: As WB is the FC representative to the Pentucket Regional Committee, to help ‘spread the load’, CW suggested that Ross Capolupo (RC) be appointed to the Capital Improvements Committee. Motion to Approve: WB. 2nd: RP. **Approved 6-0**

9. Adjournment: Motion to Adjourn: CW. 2nd: WB, **Approved 6-0** at 8:05 PM