



**Wednesday, February 22, 2023  
Select Board and Finance Committee Meeting Agenda**

Present were: Jane Nevinsmith, Chair; Joyce Chunglo, Clerk; Randy Izer, Member; Molly Keegan, Member; Amy Parsons, Member

Also present were Carolyn Brennan, Town Administrator; Jennifer Sanders James, Licensing Coordinator; Linda Sanderson, Town Treasurer; Alex Lamarche, Hadley Media; Dan Zdonek, Town Assessor; William Dwyer, Planning Board; Susan Glowatsky, Town Collector; Amy Fyden, Finance Committee; Paul Benjamin, Finance Committee; Andy Klepacki, Finance Committee; and Scott McCarthy, DPW Director.

**Hadley Senior Center at 46 Middle St., Hadley MA, 01035 at 6:00 pm**

**1. Call to Order**

**1.1 Call to order**

The Select Board will convene a hybrid meeting on Wednesday, February 22, 2022 at 6:00 p.m. at the Hadley Senior Center at 46 Middle Street, Hadley, MA 01035 and on Zoom Meeting ID: 810 8930 3736 there and then to act on the following agenda.

The public may access the meeting remotely by using a computer or telephone and follow the instructions below:

Time: Feb 22, 2023 06:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/81089303736pwd=THBLcEZXM1J4Z1BTemN3bXZ1eU5UZz09>

Jane Nevinsmith announced that the meeting was being recorded by Hadley Media and the Select Board office via Zoom.

Jane Nevinsmith asked if anyone else was recording the meeting. There were no responses.

**2. Public Comments**

**2.1 Public Comments**

**3. New Business**

**3.1 FY24 Budget Presentation**

Linda Sanderson and Carolyn Brennan presented the FY24 Budget based upon the Town Administrator's recommendation to the Select Board and Finance Committee employing a deck of PowerPoint slides.

**General Fund Revenues (000s)**

	<u>FY23 Projection</u>	<u>FY24Projected</u>	<u>Y/Y Increase</u>
Property Tax	\$13,883.7	\$14,306.9	\$423.2
State Aid	\$ 1,010.8	\$ 1,019.0	\$ 8.2
Local Receipts	\$ 3,435.3	\$ 3,822.4	\$ 387.1

Enterprise Receipts	\$ 433.9	\$ 449.6	\$ 15.7
Total Revenues	\$18,763.7	\$19,597.8	\$ 834.2
	=====	=====	=====

Linda commented that the projected increase in Local Receipts is mostly from Meal and Excise taxes.

**General Fund Budget (000s)**

	<u>FY23 Projection</u>	<u>FY24 Town Admin</u>	<u>Y/Y Increase</u>
General Government	\$1,565.5	\$1,672.7	\$ 107.2
Public Safety	\$3,521.2	\$3,615.7	\$ 94.5
Education	\$7,591.5	\$7,748.1	\$ 156.6
Public Works	\$1,355.5	\$1,449.1	\$ 93.5
Human Services	\$ 312.7	\$ 350.6	\$ 37.9
Culture & Recreation	\$ 269.4	\$ 291.0	\$ 22.6
Debt Payment	\$1,418.1	\$1,530.3	\$ 112.1
Benefits, Other	<u>\$3,607.1</u>	<u>\$3,817.7</u>	<u>\$ 210.6</u>
Total Budget	\$19,461.1	\$20,476.2	\$ 835.1
	=====	=====	=====

Linda Sanderson also shared that the Free Cash as of 6/30/22 was certified at \$1,751,116. Free Cash after the Special Town Meeting on 10/27/22 was at \$1,468,102.

In summary, with Projected Revenues in FY24 of \$19,597,800 and a Recommended FY24 Budget of \$20,476,200, there is a cash shortfall of roughly \$878,400. The shortfall will be covered by transfers from other funds:

Free Cash to Balance Omnibus Budget:	\$875,000
MSBA Debt Fund Reserve:	\$ 2,444
November 2014 Premium Balance	<u>\$ 928</u>
Transfers to Balance Budget	\$878,372
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Carolyn Brennan then explained the composition of the year-over-year increase of \$835, 078.

Town Personnel Increases:

Benefits:	\$210,618
Salary (increases and added/expanded positions)	\$232,793 \$443,411

All Other Increases:

All Town Depts.	\$235,071	
School	\$156,596	<u>\$391,667</u>
Total FY 2024 Recommended Increases		\$835,078 =====

Carolyn Brennan provided further explanation regarding the increases. Front and center is the issue of inadequate support and staffing. Health and safety issues need to be better addressed. Adequate building maintenance and custodial services are lacking as well. Committees also require more skilled support.

Building maintenance is currently handled by one Town employee and custodial services are outsourced for the Town Hall as well as the Senior Center and the Library.

The Building Inspector has requested the hire of a part-time building inspector, with which Carolyn concurs.

Carolyn Brennan has also recommended the expansion to full-time hours for the Board of Health Inspector to include leadership at the Director level. The Administrative Assistant would increase weekly hours from 7 to 10. Funding will come from discontinuing the monthly stipend paid to the Board members as well as increased permitting and inspection fees.

Within the Police Department, their workload continues to increase requiring an increase in capacity. The ambulance should be in service sometime in June requiring 2 more firefighters/EMTs.

Incremental increases in clerical support are recommended for a few departments that need help. Increased cross-training is also needed.

Support for Carolyn has increased by recently naming Linda Sanderson as Finance Manager in addition to Treasurer.

The Conservation Board, the ZBA, and the Planning Board all need clerical support translating into recruiting a full-time person.

In response to Molly Keegan's question, Carolyn Brennan stated that in several department conversations with Linda Sanderson and Carolyn Brennan, some requested increases for FY24 were denied. Inflation and supply chain issues were considered but are viewed to be unknowns at this time.

Linda Sanderson added that funds requested to get the ambulance up and operational are not being recommended to come from the general Funds but rather a special article to be funded by free cash wherein funding will be asked for but recovered by ambulance fees earned over the course of the first year.

Linda Sanderson next covered the FY24 budgets for Enterprise Funds.

**Enterprise Funds Revenues (000s)**

<u>FY23 Projection</u>	<u>FY24 Projected</u>	<u>Y/Y Increase</u>
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Sewer	\$1008.2	\$1008.2	0
Water	\$1293.5	\$1293.5	0
Hadley Media	<u>\$ 71.2</u>	<u>\$ 71.2</u>	<u>0</u>
Total Revenues	\$2372.0	\$2372.0	0
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#### **Enterprise Fund Budget (000s)**

	<u>FY23 Budget</u>	<u>FY24 Town Admin</u>	<u>Y/Y Increase</u>
Sewer	\$1070.4	\$1131.2	\$ 60.8
Water	\$1351.2	\$1544.2	\$193.1
Hadley Media	<u>\$ 100.8</u>	<u>\$ 101.8</u>	<u>\$ 1.0</u>
Total Budget	\$2522.4	\$2777.2	\$ 154.9
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Linda Sanderson also shared that the Fund Balance for Sewer as of 6/30/22 was certified at \$350,906. The Fund Balance for Sewer after the Special Town Meeting on 10/27/22 was at \$255,604. The Fund Balance for Water as of 6/30/22 was certified at \$1,207,448. The Fund Balance for Water after the Special Town Meeting on 10/27/22 was \$1,133,541. The Fund Balance for Cable as of 6/30/22 was certified at \$192,958. The Fund Balance for Cable after the Special Town meeting on 10/27/22 was \$165,793.

Cash reserves will be used to defray Budget deficits. The intention for Cash reserves is typically to fund capital expenditures and/or reduce debt service related to capital expenditures.

Carolyn Brennan summarized by stating that there is an alarming trend when it comes to infrastructure issues and funding. The aging of the Town's infrastructure is unavoidable but funding will be necessary as such. Linda Sanderson added that the Town is looking at a bond (debt) within the next 2 years for possibly \$3 million.

### **3.2 Water and Sewer Rates Presentation**

Susan Glowatsky presented the Financial Team's recommendations for the Water and Sewer rates for the upcoming year. Based upon projected revenues against what has been recommended for the FY24 Budget by the Town Administrator, the recommendation is to execute a 3-year plan for rate increases of 15%, 5%, and 5% for Sewer. The \$10 fee for non-users will still remain intact. The last rate increase for Sewer was executed in 2007.

For Water, the recommended 3-year plan for annual rate increases is 12%, 6%, and 6%.

Susan Glowatsky pointed out that other towns in Hampshire County are faced with the same or even larger rate increases for Water and Sewer.

In summary, reserves for infrastructure need to be replenished more quickly due to the fact that delays in rate increases over recent years have depleted these same reserves.

A public hearing is scheduled for 6:30 PM on March 1, as part of the next Select Board meeting at the Hadley Senior Center.

#### **4. Consent Agenda**

Warrants	AP2333, AP 2332, AP2332S
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Motion to approve the Consent Agenda.

Motion: Chunglo                      Second: Izer

Roll call vote: Chunglo: Aye, Keegan, Aye; Nevinsmith: Aye; Parsons: Aye; Izer: Aye

#### **5. Other Items Not Anticipated 48 Hours in Advance**

#### **6. Announcements**

#### **7. Adjournment**

Motion to adjourn.

Motion: Chunglo                      Second: Keegan

Roll call vote: Chunglo: Aye, Keegan, Aye; Nevinsmith: Aye; Parsons: Aye; Izer: Aye

Meeting was adjourned at 7:09 pm.

Respectfully submitted,

Peter Lore