



TOWN OF EAST LONGMEADOW
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TOWN COUNCIL

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MINUTES

Town Council Budget Subcommittee Meeting
May 14, 2018 at 3:30 P.M.
Library Conference Room, 60 Center Square
East Longmeadow, Massachusetts 01028

Present: President Kevin Manley, Vice President Michael Kane, Councilor Hill, Denise Menard, Town Manager, Sara Menard, Finance Director.

President Manley called the meeting to order at 3:50 p.m. and announced he was the Chair of this Subcommittee.

Ms. S. Menard distributed the following handouts: FY17 Turn Backs from department heads; documents supporting Mass General Law Chapter 44, Section 53E1/2 Revolving Funds; documents supporting Mass General Law Chapter 44, Section 53D Recreation Revolving Funds; and a report from the Massachusetts Department of Revenue, Schedule A Part 3 –Revolving Funds.

The revolving funds were discussed first. Ms. S. Menard said prior to November 7, 2016, the Town Council would vote on revenue sources. Now it is a bylaw and the Town Council votes on the amounts. She then went over the Balance Sheets as of June 30, 2017, for the Trash, Council on Aging and Health Department Revolving Funds. It was agreed that if there was any extra money in those accounts, it may be able to help, but not a great deal, and not enough to reduce the tax rate. Carolyn Brennan, Director of the Council on Aging, distributed handouts showing the Council on Aging's funding sources and spoke on behalf of that department's revolving funds.

Ms. S. Menard said the point of a revolving fund is to only use that money for a specific purpose, and she would not recommend using the money for something else. President Manley commented that there is a misconception that the revolving fund money can be used for other purposes. Ms. S. Menard said if the Town Council wanted to do that, they would have to amend the bylaw to remove the revolving fund, and dissolve the account in order to use the money.

Next discussed was the Recreation Department's revolving fund. Ms. S. Menard pointed out confusion over the language in the law that "the unreserved fund balance shall not exceed ten thousand dollars at the close of each fiscal year". Focusing on the term "unreserved", the confusion is caused because much of the Recreation Department's income in the spring is registration fees for summer programs and camps, and is not expended until after the end of the fiscal year, June 30. Ms. S. Menard then referred to the Recreation Department's Balance Sheets as of June 30, 2017. She said there used to be one account for that department, but she has separated it into sub accounts for each program. She has been working closely with Rec Director Donna Prather and the department is in much better shape than it used to be.

Ms. D. Menard complimented Ms. S. Menard and Ms. Prather on completing that daunting task. Ms. Prather said as part of the learning process she is working with the sports associations to keep their

registration fees low as to not collect too much money in each account. Ms. S. Menard then discussed the possibility of creating an enterprise fund if they didn't want a revolving fund. She would not recommend that at this point, but maybe in a year or two after Ms. Prather has been here longer.

Ms. S. Menard then referred to the FY17 Turn Backs, which is listed by department number order and shows the amounts and the reasons for the turn backs if any are over \$5K. The second sheet shows what was overspent and why. The turn backs were discussed in detail. Some of the turn back money went into Free Cash. Some turn backs appearing that typically wouldn't happen are those attributed to a lot of vacancies and employee turnovers, which created a lot of fluctuations for departments.

The discussion came back to the proposed tax rate of \$21.99, and Ms. S. Menard commented that she included \$152K for the estimated revenue from the ambulance service, which is a very modest estimate.

Ms. D. Menard said she recently met with Superintendent Gordon Smith, and because of some vacancies the school has had mid-year, they have \$100K to turn back in unspent salaries. She asked if there was a way to use this money to bring down next year's expenses. Ms. S. Menard said the Town Council can approve a capital project using that money.

There was discussion of what capital projects for the school could be funded with the \$100K. It is not a good idea to use Free Cash to lower the tax rate, but this could be a defensible position, and one time occurrence, but shouldn't be a habit.

Ms. S. Menard said they are looking at \$100K of Chapter 70 school money versus what she had in the budget. The final number will come in from the Governor and the Senate Ways and Means Committee, and will be unknown until after the budget is approved.

It was agreed to take the School/IT capital project of clock/intercom/bell systems off the capital list, which reduces the budget by \$86,397. Also, the high school's interior and exterior doors can come off at \$30,918. This will take a total of \$117,315 off the capital project list. Added in would be \$153K from the anticipated ambulance revenue. Ms. S. Menard said that they know that \$192K will be returned from the Police Department due to the regional dispatch, the two cruisers on the capital project list (\$90,841) can be funded with that money.

Returning to the school's capital request, the \$63K requested for the high school special needs teacher was discussed and the pros and cons of funding the teacher through capital requests, or finding the money elsewhere to hire the teacher or have the students be sent out of district. The general consensus was it is in the best interest of the students to keep them in district. Also discussed was the possibility of a large turn back from the school next year due to the large amount of teachers retiring.

With the changes to the budget discussed in the meeting, the tax rate would be reduced from \$21.99 to \$21.80, and President Manley said he would like to get closer to \$21.50. The Subcommittee will reconvene tomorrow, May 15, at 1:00 p.m.

Motion: Councilor Hill made a motion to adjourn at 5:15 p.m. Vice President Kane seconded and all were in favor.

Respectfully submitted,

Jeanne R. Guertin
Assistant Town Clerk