



*Town of Adams Massachusetts 01220-2087*

**FINANCE COMMITTEE**

**TOWN HALL BUILDING  
8 PARK STREET**

Thursday, July 7, 2016, 7:00 p.m.  
**ADAMS TOWN HALL**  
8 Park Street, Adams MA

**AGENDA**

On *Thursday, July 7, 2016* the **Finance Committee** held a meeting at the **Adams Town Hall** at 7:00 p.m. **Chairman Timothy Burdick** presided the Finance Committee Meeting. Present were **Vice Chairman Leon Parrott** and **Members Brian Johnson, Paul Demastrie, Joan Smigel, Sandy Kleiner, Charles Foster, Mark Chittenden, Craig Corrigan, Matthew Pitoniak, Rachel Tomkowicz, Amy Giroux and Jeff Lefebvre.** *Member John Cowie was absent.* Also in attendance was **Town Administrator, Tony Mazzucco.**

**The Finance Committee Meeting was called to order at 7:00 p.m.**

**CALL TO ORDER**

**Chairman Burdick** called the Finance Committee meeting to order at 7:00 p.m.

*Election of Chair and Vice Chair*

*Motion made by Member Lefebvre to nominate Member Parrott as Chairman*

*Second by Member Kleiner*

*Member Parrott declined the nomination*

*Motion made by Vice Chairman Parrott to nominate Tim Burdick as Chairman*

*Second by Member Giroux*

*Unanimous vote*

*Motion passed*

*Motion by Member Demastrie to nominate Member Parrott to serve as Vice Chairman*

*Second by Member Foster*

*Unanimous vote*

*Motion passed*

*Approval of Minutes*

- **March 31, 2016**
- **May 19, 2016**

*Motion made by Member Giroux to waive reading the minutes for March 31, 2016 and to approve them as submitted*

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***Second by Member Lefebvre***

***Abstention by Member Demastrie***

***Voted in favor were Vice Chairman Parrott and Members Johnson, Smigel, Kleiner, Foster, Chittenden, Corrigan, Pitoniak, Tomkowicz, Giroux and Lefebvre.***

***Motion passed***

***Motion made by Member Lefebvre to waive reading the minutes for May 19, 2016 and to approve them as submitted***

***Second by Member Tomkowicz***

***Unanimous vote***

***Motion passed***

#### ***Q4 Reserve Fund Transfers***

There were two requests for Reserve Fund transfers on behalf of the Wastewater Treatment Plant (WWTP). The fourth quarter reserve fund transfers close out the year. \$23,000 was divided \$17,000 for sludge removal and \$6,000 for a chlorination study. There has been a substantial change in the chemical mix, and any time there is a chemical change the Town is required to do a chlorination study. In the last two months the cost was up some for sludge removal, and the Plant was holding 10-12% more solids in the system than it had historically. It may be a natural increase or one vendor may have changed a chemical that discharges to the system. There was a small increase in cost this year but it was not substantial. The Reserve Fund Transfer will cover it for the year; but the Town may need to increase the budget line to handle the solids. The budget for solids for next year is set at \$103,000 but may be \$15,000 to \$18,000 short. If the process corrects itself there should not be any substantial change next year.

Brief discussion took place and it was clarified that the funds would come from Fiscal Year 2016 budget because costs were incurred in 2016. July 15 is deadline for FY2016 bills to be encumbered. It was noted that there is an increase in \$41,000 going into the Stabilization Fund.

***Motion made by Member Lefebvre to approve \$23,000 Reserve Fund Transfer for the Wastewater Treatment Plant***

***Second by Member Giroux***

***Unanimous vote***

***Motion passed***

#### ***Financial Management Policy Review***

The Town Finance Team and the Board of Selectmen will form a sub-committee team to draft a Financial Management Policy to set goals and boundaries for fund balances and to give financial stability over the next few years. This is not to create budgetary restraints but to guide the management of finances going forward as guided by best practices by the State. It will then be simultaneously adopted by the Board of Selectmen and Finance Committee. A vote to exempt it could allow going outside of the policy for emergencies,

and a good protection measure would be for both boards to vote in conjunction to exempt the policy for specific circumstances. The Policy obligates the Town Administrator to follow it. A review of the policy may be done every year to fine tune it.

Discussion by Finance Committee Members took place. If there is an exception it will be outlined where it is inconsistent with the budget and why. Town Meeting will decide whether they agree with the exception or not. Checks and balances are in place. Contents of policy adoption date and parameters for reviewing it will be part of the document. Section 5, which discusses abolishing special purpose stabilization funds was outlined, and once the purpose for their creation has expired it will be abolished. A brief overview of the parts of the document took place, to include the Overview and Purpose, Free Cash, Stabilization Fund, the Special Purpose Stabilization Fund, the Capital Improvement Plan, the Debt Service, OPEB Funding, the Technology and Gift Funds, Taking Property, the Assessors Overlay, Presentation of the Budget, the Reserve Fund and Revenue Projections. All projects will be listed on the Capital Improvement Plan, and will be scratched off as they are completed. A copy of the old Capital Improvement Plan will be provided to the Committee Members.

Suggestions or changes to be made to the policy should be submitted over the next month or two and the sub-committee will get together again. There will be a joint-meeting held in September or October to complete it.

#### **Adjournment**

***Motion made by Member Johnson to adjourn the meeting***

***Second by Member Tomkowicz***

***Unanimous vote***

***Motion passed***

*The meeting adjourned at 8:28 p.m.*

Respectfully Submitted by Deborah J. Dunlap,  
Recording Secretary

  
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Leon Parrott, Vice-Chairman