

FINANCE COMMITTEE
Berkshire Regional Planning Commission
APPROVED - Minutes of Meeting of May 2, 2019

Members Present: John Duval-Chair, Kyle Hanlon, Sheila Irvin, Malcolm Fick
Tom Matuszko- Executive Director, Marianne Sniezek-Office Manager
Others Present: None

I. Call to Order

Chair John Duval called the meeting to order at 5:20 pm with a quorum being present. The Open Meeting Statement was read by John.

II. Minutes from JANUARY 3, 2019

A motion was made by Kyle Hanlon to approve the minutes; seconded by Malcolm Fick. Unanimously approved.

III. Action Required - Recommend FY2020 Budget

Tom explained the proposed Budget is not a controlling budget. Tom reviewed the Revenue and Expenditure highlighted in the Proposed FY 2020 Budget Memo.

The FY 20 budget is proposed at \$2,859,508. This is \$138,181 higher than the FY 19 budget. This increase is primarily due to the increase in salaries and non-personnel operating expenses. The increase on the salary expenses are the conversion of the Housing Rehab Specialist from a subcontractor position to an offsite part-time employee, the addition of an open part-time offsite public health employee, the conversion of a part-time offsite Project Specialist working on projects instead of Administration, pay scale adjustments and merit increases. In addition, the subcontractor amount increased by \$46,235. The subcontract amount is "money in, money out" and does not affect our bottom line. The increase in the subcontract amount is due to the increase in the Rest of River Clean-up Legal Consultant and the addition of the Berkshire County Overdose Response Partners. Net the subcontracts, the budget is increasing by 4.087% (from \$2,249,781 to \$2,341,726 totaling increase of \$91,946).

The proposed budget shows \$57,127 in Unsecured New Projects. This number is an increase from the FY19 amount of \$29,344. We have several new grant applications we feel BRPC will be highly successfully in receiving. This is a good number because it is not so large that we have to be concerned about not having enough revenue for staff salaries, but it does allow for the ability to take on new projects in the course of the year. The new CDBG application (Sheffield, New Marlborough, Otis) is not included in the budget. There are several items included in the budget that we do not have contracts for yet. Many of these are contracts we've received in previous years. We feel confident that at least most of those will come through. If not, there is enough carryover revenue for the first several months of the year to allow time to adjust.

The budget assumes that District Local Technical Assistance (DLTA) funding will be included in the state budget at a similar or higher funding level as previous years. This is a perennial challenge as this line item has been a bargaining chip between the House, the Senate and the Administration. We still have DLTA funds for calendar year 2019 that extend to December 31, 2019. If DLTA is not approved in the FY 19 state budget, we have time to adjust.

Expenses

Salaries is 132,729 more than FY2019.

Direct billable (Projects) salaries are projected to increase by \$118,901. This can be mostly attributed to the following. The conversion of the Housing Rehab Specialist from a subcontractor position to an offsite part-time employee. The addition of an open part-time off-site public health position. Retaining the retired Executive Director and Senior Planner as part-time employees on special projects. The rest can be attributed to pay scale adjustments and cost of living and merit increases (the range is 0-4.3%).

The Administrative salaries budget increased by \$19,172. This change is attributed to pay scale adjustments and cost of living/merit raises and allowing staff and Program Managers charge to Admin when representing BRPC that cannot be billed to a project.

Intern salaries for Admin shows a decrease from \$10,725 to \$ 1,157. This is attributed to a change in method for recording the Executive Director. The **Intern Projects salaries** has increased from \$4,262 to 8,846 due to the availability of a returning intern.

Benefits

Overall benefits decreased by \$55,411 from \$662,149 to \$606,738. This decrease is mostly due to estimating new hires in the FY19 budget to take family plans for health and dental insurance and instead some new hires currently have individual plans. New staff hired have less vacation, sick accrued time and lower salaries than recent retirees. The Retirees Health Insurance increased due to an additional retiree. The Pittsfield Retirement Plan amount of \$5,903 will be paid in full by the end of FY 19, hence it is no longer an expense.

The **Retiree Health Insurance Liability Trust (GASB 45)** is budgeted for the seventh year at last year's budgeted amount of \$45,000. According to the FY18 audit the total projected unfunded liability was \$704,148. As of March 31, 2019, there was \$531,528.90 in our trust account.

The \$45,000 contribution for the trust remained the same in the budget. The contribution will be used to control our overhead, when we can we will continue to make additional contributions to build up BRPC's unfunded liability.

Non-personnel operating costs are budgeted to increase by \$23,351 from the FY 19 budget. This year we budgeted additional money to update our aging website.

There is a decrease in the **overall direct project expenses** (Interest, equipment/software, legal, supplies meetings, printing, travel & meals, and other direct program expenses) from last year by \$8,723.

We have budgeted to put **\$15,000 into our reserve** to continue to rebuild that.

The overhead rate is targeted in the 138% - 140% range. Through April 2019 the initial overhead rate is 140%. We will continue to use the contributions into the trust to maintain our overhead rate.

John requested he would accept a motion to recommend the Revenue and the Expenditures for the FY2020 Agency Budget.

A motion was made by Kyle Hanlon to recommend to the Full Commission the Revenue and the Expenditures for the FY2020 Agency Budget; seconded by Sheila Irvin. Unanimously approved.

IV. Authorization for a BRPC credit card

Tom explained BRPC currently has a debit card and has controls on how the debit card is used. Due to issues using our debit card for out of state conferences or using our debit card several times in one day has triggered our debit card to be locked. The Executive Director must contact the banks fraud department to answer a series of questions to unlock the debit card.

We are requesting a recommendation to the Executive Committee to allow BRPC to obtain a company credit card to prepay for items. The Executive Director would be the only authorized signor. Staff would not be allowed to use the credit card outside of the office. When traveling staff would use their own credit card and BRPC would reimburse the employee.

A motion was made by Kyle Hanlon to recommend to the Executive Committee to allow BRPC to obtain one company credit card with adequate security measures. The Executive Director would be the only signor; seconded by Malcolm. Unanimously approved.

V. State Retirement Update:

As a recap, in March the Massachusetts State Employees Retirement System filed a bill through the Treasurer in hopes of addressing the employer portion of the state retirement. The bill is asking for a percentage of payroll of the districts to be paid monthly into the pension reserve fund of the state employees' retirement system. Also, outstanding payments for 2016,2017 and 2019 to be paid. Payments for 2013,2014, and 2015 will not be required to be paid.

At the last MARPA meeting it was reported the RPA's involved are staying silent as they felt the bill would not pass.

BPRC will continue to monitor because BRPC joined the Massachusetts State Employees Retirement System under Special Legislation.

If for some reason BRPC states is change due to legislative change and BPPC is forced to pay the State Retirement Board the employer portion we could stop making contributions into the trust. Marianne explained we currently pay the retirees health and dental benefits from the Administration budget. If needed, we could pay the retirees benefits from the Trust.

VI. Massachusetts Paid Family Medical Leave (PFML) Program

BRPC at this time does not know if BRPC is excluded or not. If we are excluded, we recommend we wait and research a private plan or opt in later. We believe if we opt in, we will cannot opt out.

Based on FY20 estimated salaries if BRPC's is included:
Total contribution is 0.63%
BRPC's estimated employer expense \$4,894.
Employee estimated expense \$4,988.

VII. Trust

Marianne explained the following:

- BRPC is planning on putting the full \$45,000 into the Trust and will put in more to close the year with a 140% overhead rate. As of March 2019, the commission needs to invest an additional \$63,521.23 in the Trust to maintain the 140% OH rate. Last year's FY2018 audit BRPC's unfunded liability was \$704,148.
- Trust Balance as of 03/31/2019 totals \$531,528.90

VIII. Other Business – None

IX. Next Meeting - The next meeting will be scheduled as needed. We will need a meeting in January to set assessments.

X. Adjournment

Kyle Hanlon moved to adjourn the meeting at 6:02 pm; seconded by Sheila Irvin. Unanimously approved.

Materials distributed or presented during this meeting:

Agenda
Minutes January 3, 2019
ICMARC Trust balance as of 3/31/2019
Memo - Proposed FY 2020 Budget
Revised Recommended FY20 Budget – Revenue
Revised Recommended FY20 Budget – Expenditures
Commonwealth's Paid Family and Medical Leave (PFML) Program