

CENTRAL MASSACHUSETTS REGIONAL PLANNING COMMISSION

Budget and Executive Committee Meeting Minutes

February 23, 2017

At the Commission Offices, 2 Washington Square, Union Station 2nd. Fl., Worcester, MA 01604-4016

Attending:

Officers:

Chairperson: Denny Drewry, Westborough
Vice Chairperson: John F. Knipe, Jr., Shrewsbury
Treasurer: Otto Lies, Holden
Assistant Treasurer: Howard Drobner, Boylston
Clerk: Timothy H. Wheeler, Berlin
Assistant Clerk: Robert Hassinger, Grafton

Sub Regional Delegates:

Southeast: James R. Bates, Jr., Upton
Northeast: Kathleen Keohane, Shrewsbury

Not in Attendance:

Southwest: Terrence Cummings, Oxford
Central City: Greg Baker, City of Worcester
North: Charles Richard Williams, Rutland
West: Mary Walter, North Brookfield

Staff:

Janet A. Pierce, Executive Director
Dianna M. Provencher, Business Manager
Judith C. Pearson, Administrative Assistant

Guests:

Peter Krawczyk, Warren
Timothy Morrell, West Brookfield
Roland P. Lambalot, CPA

1. Call to Order

Chairperson Drewry opened the Executive Committee Meeting at 7:15 P.M, noting there was a quorum present. The members then recited the Pledge of Allegiance to the Flag of the United States of America.

2. Approval of the Minutes of the January 26, 2017 Executive Committee Meeting

Upon a motion by Timothy H. Wheeler, duly seconded by Howard Drobner, the members unanimously voted to approve the minutes of the January 26, 2017 Executive Committee Meeting as presented.

3.. Chairperson's Remarks

Chairperson Drewry stated that he would go on to the portion of the Executive committee which included Mr. Lambalot's financial audit of FY'16.

4.. Executive Director's Discussion

Before the report, Ms. Pierce asked for around-the-room introductions.

a. Presentation of Proposed Fiscal Year 2018 budget

Mr. Lambalot presented the financial audit of CMRPC's fiscal year 2016 noting that the audit went well with an unqualified opinion.

He directed the attention of the members to the Statement of Net Position page of the audit indicating the financial status of the Commission as of June 30, 2016. Mr. Lambalot informed the members of approximately \$250,000 owed to Massachusetts Department of Transportation (MassDOT) from closed contracts and advances not taken back by MassDOT on the last bill. He stated that the Commonwealth has only four auditors and those four are conducting audits of Regional Transit Authorities presently and would probably not be auditing regional planning agencies for quite some time.

Ms. Pierce explained that the monies from MassDOT are not included within the Commission's unrestricted fund balance.

Mr. Lambalot reported that the fund balance was increased this year by \$44,157.

He then discussed the "Other Revenue – Pension Support from Non-Employer Contributing Entity" of \$181,051 and the Pension Expense of the same amount. He explained that the amount is formula driven by actuarial rates.

Mr. Lambalot then discussed the Cash and Cash Investments portion of the report that that referenced deposit policy of custodial risk noting that the Commission has no monies of the bank balance of \$718,360 exposed to custodial credit risk.

Regarding the Contingencies Note 15, portion of the audit, Mr. Lambalot reported that the Commission has received notification from the "State Board of Retirement of a potential assessment in the amount of \$562,725 for reimbursement of the Commission's proportionate share of retiree benefits paid to former employees for calendar years 2013 through 2015.

There was considerable discussion regarding the retiree liability to the Commission and its effect on the indirect cost rate (ICR).

Mr. Lambalot distributed Statement of Revenues and Expenditures for the year end June 30 noting the changes from 2012 to 2016. Ms. Pierce added that the ICR was reported at 106.35% but should have been reported at 102.47%. Mr. Lambalot stated that there has been a steady increase in net position over the 4 year comparison figures.

Mr. Lambalot said that the termination policy states that if and when the Executive Director leaves employment that the Executive Director signs off on payable vacation accrued days. The policy should read that the Executive Committee signs off on payable accrued vacation days.

Upon a motion by Howard Drobner, duly seconded by John F. Knipe, Jr., the members unanimously voted to accept the Independent Auditor's Report for the year ending June 30, 2106.

5. Approval of the Warrant for the Payment of Bills and Review of Financial Statements

Ms. Provencher presented the Warrant for the payment of bills totaling \$14,102.89 with no pass-through monies reported.

She noted item #4 for ESRI for the Geographic Information Systems (GIS) for \$6,900. Ms. Keohane asked about item #10 for the Worcester Bravehearts. Ms. Provencher explained that it was for staff development as a replacement for previous plans for a staff outing. Also, she said, the \$500 charge on Item #1 was for the deposit for the Annual Dinner Meeting in June.

Upon a motion by John F. Knipe, Jr., duly seconded by Timothy H. Wheeler, the members unanimously voted to approve the Warrant for the payment of bills as presented.

Ms. Provencher also reviewed the Cash Flow Report as well as the Cash Report.

At this point in the meeting, Mr. Bates suggested that the Sub-Committee Briefings be next on the agenda since Ms. Pierce went to her office to meet with Mr. Lambalot.

6. Sub-Committee Briefings

- a. **Physical Development Committee**-Mr. Wheeler reported that the Committee met on February 22, 2017 as a pre-meeting to establish ground rules for the District Local Technical Assistance (DLTA) funding allocations and some "housekeeping" items from last year's allocations. He added that the Committee committed about \$43,000 of this year's funding which is not "in-hand" yet. He told the members that there will be a 10% match from CMRPC which will be approximately \$25,000. He said the Committee has expended about \$73,000 of the \$244,000 leaving about \$170,000 remaining. Notices will be sent out soon. He reported that the Committee was concerned since there were some overruns from last year's DLTA funding to clean up some projects that had not been finished.
- b. **Legislative Affairs Committee**-Mr. Bates reported that the Legislative Affairs Committee met on January 31, 2017 with a quorum in attendance adding that Robin Craver, Town Administrator from Charlton had resigned from the Committee. Also, Kevin Mizikar from Leicester had joined the Committee and Mr. Douglas Martin from Barre had expressed an interest in becoming a member of the Legislative Affairs Committee. Mr. Bates stated that the Committee reviewed bills to be studied, such as the new Marijuana law, affordable health care act, water resources, zoning reform to name a few. Topics for the next meeting will be the Spring Legislative Breakfast.

At this point in the meeting, Howard Drobner made a motion to recess the Executive Committee Meeting to continue on to the Budget Committee Meeting. The motion was seconded by Timothy H. Wheeler and was passed unanimously at 8:37 P.M.

BUDGET SUB-COMMITTEE MEETING

1. Executive Director's Discussion

Ms. Pierce presented the Anticipated Revenue for FY '18 noting an increase of 7.01%. Regarding the pass-through amount of \$250,000 for FY '17, she stated that the Job Access Reverse Commute (JARC) monies were not included in the FY '18 budget. Half the monies of the DLTA funding were reported on the budget because the DLTA funding is on a calendar year. She added that all projects for DLTA Program will be completed by December 31, 2017.

She reported that the anticipated Indirect Cost Rate (ICR) for FY '18 is 105.54% and the surplus for FY '16 was \$44,157.00

Mr. Wheeler asked about the Community Development Block Grants Program. Ms. Pierce explained that staff is working on five applications that would potentially bring in approximately \$260,000 in administrative fees for the Commission. Mr. Pierce stated that the housing rehab portions of the applications would be done by Pioneer Valley Planning Commission (PVPC) since CMRPC does not have the staff for that particular expertise.

She listed the following endeavors of the Commission staff: Mini-entitlement Grant for Southbridge, joint applications with Sturbridge and North Brookfield with PVPC leading those with amounts of \$20,000 for CMRPC, green communities, 604b Grants, META grants, etc.

Ms. Pierce stated that if all funding comes through, she will be adding more staff if it is reasonable and sustainable and a modified budget will be prepared in the future but the majority of entries on the anticipated revenues are not a guarantee.

Considerable discussion followed regarding the availability of DLTA funding in the past years and anticipated funding this fiscal year.

Regarding the office rent and office move line items that are included in the Proposed Expenses, Ms. Pierce said that she doesn't know whether the Commission will be moving at this time. Also, she said, the legal fund line item was increased since there is a possibility CMRPC would move or stay at Union Station, and a review of the lease needs to be completed in any event.

Upon a motion by James R. Bates, Jr., and seconded by John F. Knipe, Jr., the members voted to recommend the Anticipated Revenue and Expense Budgets to the full Commission at the Quarterly Commission meeting on March 9, 2017.

Mr. Knipe made a motion to adjourn the Budget Sub Committee at 9:08 P.M. Mr. Hassinger seconded the motion and it was passed unanimously. Mr. Krawczyk and Mr. Morrell were thanked by Ms. Pierce and the members for participating in the Budget Committee.

The members then went on to complete the Sub Committee reports finishing with the Transportation Committee.

Transportation (T-Committee)-Mr. Hassinger reported the T-Committee discussed the fast tracked \$50M Route 12/20 Improvements.

7. New Business

Ms. Pierce told the members that a Passenger Rail Summit meeting will be held by the City of Worcester. She said the City has reached out to CMRPC to be involved in the Summit. Ms. Pierce added that staff will be in attendance as an impartial party.

8. Adjournment

Upon a motion by John F. Knipe, Jr., duly seconded by Robert Hassinger, the members unanimously voted to adjourn the February 23, 2017 Executive Meeting at 9:08 P.M.

Respectfully submitted,

Judith C. Pearson
Administrative Assistant

Attachments:

Agenda

Minutes of the January 26, 2017 Executive Committee Meeting

Financial Statements-Independent Auditor's Report for FY '16

Executive Director's Monthly Activity Report

Warrant for the Payment of February, 2017 Bills

Cash flow Report

Report of Cash

Proposed Expenses FY '18

Anticipated Revenue FY '18