

FINANCE COMMITTEE

Minutes

March 4, 2010

Regular meeting of the Finance Committee will be held on Thursday, March 4, 2010 at 7:30 p.m. with the following members present: T. Jalkut, M. Kent, L. Donovan, R. Knobel, J. Muti, C. Lane, M. Boragine, D. Burke, S. Connell, P. Stasiukevicius, L. Pittman, T. Bowen. Also in attendance were Town Administrator M. Boynton and Finance Director M. Good.

7:30 p.m. – Quorum being present, the meeting was called to order by the Chairman T. Jalkut

May 3, 2010 Spring Annual Town Meeting

Fire Chief T. Bailey/Fire Department

Chief Bailey spoke to having no problems with the recommendation of the Town Administrator on the Fire Department Budget other than being concerned on Overtime Line Item. Department has hired additional paramedics in the FY10 Budget and had 52 applicants for two positions, these positions are being funded through Federal Stimulus Grant for one year in the amount of \$141,000, reimbursement is received on a quarterly basis. With the addition of the new hires, shift coverage will be at 8 personnel on a shift, this would drop to 7 when someone is out. This year's overtime has been high due to coverage during the summer for the ambulance.

Town Administrator spoke to the grant money coming back to the department, just need to make sure when it comes back. Four positions have been built back into the budget, Stimulus funds won't reduce the FY11 budget.

Chief Bailey updated the committee on this year's budget, presently in deficit in the amount of \$185,000 and still has three members out, resulting in a cost of \$122,000 since July 1 for their coverage. They have a provisional hire which amounts to \$27,000, contract settlement cost \$41,000 and was retroactive. Department has had three personnel on long term injuries, until they come back it affects the bottom line, department has also had short term injuries. Firefighter's contract has a clause for contract for light duty, personnel can only answer phone, but it does take them off 111F status, they cannot do fire duty.

Town Administrator spoke to the need to have two paramedics on a shift, resulting in higher overtime costs. There is no specific date for the return of the three individuals out on leave They collect full pay, and do not receive Worker's Compensation. The

\$185,000 deficit is a projection. There is \$212,000 available in the Reserve Fund, and \$250,000 estimated to be available in the insurance line item. He anticipates that there might be some problem with the legal budget due to costs of labor counsel. As of today, snow and ice deficit is \$69,000. They will be ordering salt, (cost of no more than \$100,000) for next year, he would like to deal with the Fire Department deficit (\$185,000) under Article 5 as a budget supplement. He does not anticipate that there will be a lot of money left in the budgets this year.

Fire Department consists of 32 personnel, (24 firefighters, 4 lieutenants and 4 captains) In addition there are 3 non-union personnel, Chief, Deputy Chief and Secretary. Paramedics, and 12 firefighters, one deputy and one captain all receive stipends.

D. Burke questioned whether adding additional paramedics, would help the overtime costs. \$57,000 base pay, plus insurance of \$6,000 - \$16,000 depending on what they have. It has been found that this hasn't worked in the past.

C. Lane questioned that the department, at one time, only had lieutenants, now they have captains. This change has occurred due to union negotiations. There is a wage differential initially, not just a change in rank. This was done due to the Captain acting as shift commanders. Fire Department has no mechanism in place to control vacations.

Capital Budget – Department had requested \$143,000, Capital Budget Committee is only recommending \$35,000 for turnout gear, present equipment is six years old, and hopes to purchase 23 sets of turnout gear for the department.

Balance in Ambulance Fund is \$923,000, Chief Bailey is still happy with the service that does the ambulance billing. Collections rate is 91%, based on what is allowable. Prison runs are a problem, department is sending a letter with the help of Town Counsel with a cc to the legislatures. Town hasn't been paid since last July. They are bound by law to pay us but they don't feel they have to, they are obligated to provide ambulance service. Prison is now a processing center, most of the inmates have been shipped out. They used to do approximately 80 runs, this had dropped dramatically.

Chief will come back to the Committee on a plan on handling the overtime deficit, either through Town Meeting or Reserve Fund Transfer.

Town Administrator's Update

Norfolk Aggie – School Department now has a line item for this new assessment, similar to Tri-County. This is due to the Counties being up against it financially, he feels we should get a discount as we provide for fire, police etc. They also use the Fisher School Field. This amount is over and above net school spending. Norfolk Aggie is considered a vocational school.

Health Insurance – Town Administrator spoke to meeting with department heads today, there appears to be no consensus on the Rate Save Plan. He doesn't want to set non union staff against the unions. Everyone looks at how it affects them. He will be discussing with the Selectmen the options available and how it plays out with collective bargaining. There is recognition that something needs to be done. School Committee has a tentative agreement with School employees on changes to the health insurance. Budget is balanced but he does not know about state aid cuts.

Committee discussed that the increases to non-union represent \$129,000 in cost of living and \$35,000 for step increases, under Article 3. If all the Town's non-union staff move to HMO plans and rate Saver of 30/70 would save \$180,630. Non union school personnel would save \$190,495, there are 88 retirees on Medicare. All non-union and retirees are under Board of Selectmen for insurance costs. Finance Committee has no control of health insurance line item, only Selectmen can require non-union to go to 70/30 rate. This is a discussion that needs to be with the Selectmen. This has an impact on future negotiations with unions, need to do something now. Selectmen need to set the rules. School Committee are in charge of school personnel, if they take more out for health insurance, there is less money for salaries. Any changes in health rules is the right way to do business now

Town Administrator spoke to it not being fair to do both a change of percentage and requirement of joining Rate Saver, and not doing a cost of living and step increases. Need people to be productive. He feels that the Selectmen will go along with 70/30 rate change. He feels that what is best for the organization is change in insurance and not salaries. Those that don't have the insurance are not impacted if there are no raises and step increases.

Articles 24, 25 – Biotech Articles. Sam Lipson from the City of Cambridge will be attending the Planning Board Hearings on these article. Consensus of the Committee was to attend the Planning Board Hearings on April 1, 2010.

9:25 p.m. – Meeting adjourned.

Respectfully submitted,

Clare P. Abril
Clerk