

FINANCE COMMITTEE

MINUTES

March 20, 2017

Regular meeting of the Finance Committee was held on Monday, March 20, 2017 at 7:00 p.m. in the Finance Committee Room, Town Hall with the following members present: D. Bruce J. Burke, J. Denneen, R. Nottebart, P. Stasiukevicius, T. Bowen, A. Healy, K. Guyette, J. Leith, E. Barmakian., P. Hinton, M. Trudell, S. Lawson and J. Vaillancourt. Member absent: R. Mariani. Also in attendance was Board of Selectmen: E. Kraus, N. Mackenzie, D. Salvatore and M. Gallivan. School Committee Members: N. Gallivan, W. Buckley, W. Ryan, Geosits and B. Muccini. School Superintendent L. Lynch and School Business Director M. Frascia. Town Accountant M. Thompson, Fire Chief T. Bailey, and Health Director R. Chappell.

7:00 p.m. – Quorum being present, the meeting was called to order by the Chairman D. Bruce.

May 1 Spring Annual Town Meeting Update

Town Administrator spoke to the final insurance numbers will be available next Wednesday. Final budget and article numbers, to be voted, will be finalized in time for the April 3, 2017 meeting. This will be the last night for recommendations for publication in the Finance Committee Booklet. Final numbers for the Police Dispatchers are not available tonight.

Board of Selectmen

MOTION MADE by E. Kraus, Seconded by M. Gallivan to open the Board of Selectmen's portion of the meeting at 7:15 p.m., Motion Passed (4-0-0) (4 voting) Unanimous

Quorum of Board of Selectmen present, the meeting was called to order by the Chairman E. Kraus.

Solid Waste & Recycling Budget

Finance Committee and Board of Selectmen discussed the recent ratification of the trash contract by the Board of Selectmen. Chairman Kraus spoke to the next time that this contract is due, all parties involved will sit down and discuss the financial numbers. Selectmen reviewed the contract and the only options available to them were to vote it up or down. If the contract was not approved, Town would be out of the trash business. Trash contract is bid out. Russell's went forward and have already purchased the trucks and process is too far along to streamline. Selectmen would have liked to have a year to

study the contract. Each Selectmen had received over 100 e-mails regarding the contract and voted on the best interest for their constituents. The way they voted was the way it ended. They did not have enough time to review this or any other major contract. Timing is the issue. Selectmen Kraus based his decision on the best interest of the Town. He is in favor of generating money for the Town. His vote, he felt, was for the best interest of the Town.

Chairman Bruce spoke to the Finance Committee votes on the entire Solid Waste & Recycling Budget. If it is not voted in full, Town would be unable to pay the contractor and they could file a law suit against the town.

FinCom members spoke to every time there is a hot issue pending, the room is filled, otherwise there is no interest. It was a packed house the evening of the Selectmen's vote. Town's finances are pretty clear and the need to do what is right financially. Some members would like to be part of the negotiation of the contracts. If change is the right thing to do, Town should do it.

Selectmen Salvatore spoke to saving money to go to single stream is a no brainer. Selectmen did think about it and looked into the process and respect the opinions and disputed opinions. Single stream is a mistake, garbage collection service by the Town doesn't have to be provided. This service was a difference service, Single stream was to reduce the size of trash in order to encourage recycling. Recycling has its problems and everyone likes a plan to raise money and encourage more recycling. When you increase recycling, more ends up in the landfills or incinerator. Town is paying zero for getting rid of recycling materials. State encourages single stream.

Selectmen Mackenzie spoke that voting single stream is a short fix. Town doesn't pay for recycling now, and we would be giving up something we have free. Recycling every week would have to cost more. Presently there is no limit on how much recycling we can put out now. Residents feel strongly on each side. Health Agent R. Chappell did the presentation and all the facts are available. She provided the options and the Selectmen made the decision.

FinCom Member J. Leith expressed his frustration that there was no Advisory Committee appointed. Contract was sealed and delivered with no chance to find more about it. Finance Committee would like to be involved

MOTION MADE by R. Nottebart, Seconded by J. Denneen for Favorable Action on the Solid Waste & Recycling Budget in the amount of \$1,756,000, Motion Passed (12-0-2) (S. Lawson, M. Trudell abstained) (14 voting)

Town Salaries

Committee Member J. Vaillancourt provided the Committee with information he had prepared on Inflation vs Town Salaries and Property Taxes for their review. Information was gathered from Town Reports. He spoke to other communities not raising their tax

levy to 2 ½%. Information provided is to begin a dialog on not going to a tax levy of 2 ½% every year, need to look at the expectation of the level of services.

Selectmen spoke to always looking on ways to cut taxes and needs of the Town, need to see the full picture. There is the need to balance what kind of services the Town wants to provide. Participation on this discussion should be with the Selectmen, Finance Committee and School Committee. Every tax increase should be scrutinized. Employee salaries from surrounding towns should be looked at, and the need to be competitive.

Finance Committee spoke to this needs to be a long term discussion. Inflation is most important and need to have a longer discussion. Salaries are the big concern and the need to make sure the Town employees are being fairly treated and also reflective of the economic situation, possibly having assistance from a qualified individual to handle the contract negotiations. Town needs to have a good negotiator and, when needed, bring in outside help. Most individuals in the private sector are receiving 1 ½%. There is an unstainable problem. Most of the budget is salaries and the need to control salaries. In the municipal budget, this is not the case. This is an economic reality and need to do something about it. Unfunded mandates are the issue and they are found throughout the budget. These mandates are very expensive and drives a lot of the costs up. The Town's budget is scrutinized and very well managed, no wasteful expenditures. Heart and soul of the Town is the employees and they deserve the money they receive. There is need to obtain the money to fund the mandates from the government that imposes them on us. This discussion should take place in the Fall.

Town Administrator spoke to taking exception on the handling of the contracts, he handles them along with the Board of Selectmen. When necessary, he calls in labor counsel, and if an outside source is needed, they do it. Town needs to remain competitive. Some members of the Finance Committee spoke to this being a possible conflict of interest and should consider engaging outside assistance for potential contracts. He will provide the Committee with a report on the amount of people that have recently left and went to higher salaries.

MOTION MADE by D. Salvatore, Seconded by M. Gallivan to adjourn the Selectmen's portion of the meeting at 8:00 p.m. Motion Passed 4-0-0 (4 voting) Unanimous

School Committee/School Budget

Speaking to the budget was School Committee Chairman N. Gallivan and School Superintendent L. Lynch. This is the third meeting with the Finance Committee. There have been changes in the special ed program, costing an additional \$200,000. This is a very volatile program. Special Need students that are within district or out of district are the Town's responsibility. They are dealing with six new students presently within the system. Some are due to a change in guardianship and residency. They are attempting to deal with it internally with not filling positions and looking at eliminating four full time workers, in addition to working with TEC Collaborative. This is an ever changing

account and they will be working through the Spring to close the budget gap. They are still short \$134,000. They still maintain the need to providing full day kindergarten.

Department Head Nursing K. Garvin/Special Health Care Needs

K. Garvin provided the Committee with a report that was submitted to the State on a breakdown of special health care needs. These are children who have or are at risk for a chronic physical, developmental, behavioral or emotional condition. Some of the funding is thorough a Grant. Medications are provided by families (epic pens, etc.)

School Superintendent spoke to all students being children of taxpayers, and the need to have a comprehensive education for all students regardless of medical condition. Nurses don't diagnose the children, this is done by physicians. There are a lot of support services that go along with the numbers that aren't counted. Schools carry liability insurance. If there is an issue, Town would be sued first. Some nurses are trained in special circumstances.

Van Program/M. Frascia, School Business Manager

Program was started five years ago, when the School Department realized they could do it cheaper than with an outside company. Program has grown with one student at a time and they have only purchased one vehicle through the Capital Budget and one for McKinney-Vinton, others purchased with savings. Savings are one half of what a vendor would charge. (\$326,243/year) They feel they provide a better service than any vendor out there. Drivers are not eligible for health insurance and most of them are residents of the community. Town provides the insurance coverage and pay the incremental costs out of their budget.

School Department doesn't anticipate any new vehicles next year. Types of vehicles are based on the needs of the student. In addition, some of the vans are used for field trips and athletics. M. Frascia is in charge of the vehicles and drivers.

Nutrition Department Overview/M. Frascia, School Business Manager

M. Frascia spoke to in September, 2010, M. Hall became the Food Service Director. At that time, program was \$30,000 in deficit and is now very successful. They don't go before Capital Budget for most of the equipment. School Department had looked to outsourcing the program, but agreed to hire a Food Service Director to help restructure the program and centralize operations at the high school. Hours and wages of workers were reduced and elimination of benefits for new employees. Some equipment was leased to own and paid through the savings created by the restructuring. Program is very successful and the they have implemented a district wide breakfast program and have received \$80,000 in grants

School Budget

Chairman N. Gallivan spoke to many components to the budget and would like to have the support of the Finance Committee. Schools don't want to take money away from other departments. With special ed costs increasing, would like to make the argument that it should be considered non-discretionary costs. They are looking at options for the additional \$200,000 costs and to make internal changes. This will be voted at School Committee meeting next week. Walpole's per pupil average is lower than the State average.

Fire Department

P. Stasiukevicius spoke to reviewing the Fire Budget. Town is growing, projects are coming about, hotels, apartments, etc. He is concerned with the staffing and other municipal services. He has met with the Fire Chief. He tried to understand the scheduling and staffing and attempted to get a handle on the Ambulance Budget. Problem is how to deal with it, looking at revenues. He spoke to his concerns with the Chairman and wanted to let the Committee know what he is working on. Selectmen are looking at ambulance rates. He will prepare a report when he gets all the numbers in place. He is doing this as a citizen. Finance Committee previously had sub-committees to look at issues. He is interested in changing the budget that we presently have.

Minutes

MOTION MADE by T. Bowen, Seconded by J. Burke for Favorable Action on the Minutes of the March 2, 2017 meeting, Motion Passed (14-0-0) (14 voting) Unanimous

Adjourn:

MOTION MADE by S. Lawson, Seconded by J. Denneen to adjourn the meeting at 9:20 p.m., Motion Passed (14-0-0) (14 voting) Unanimous

Respectfully submitted,

Clare P. Abril
Clerk