

FINANCE COMMITTEE

Minutes

September 11, 2017

Regular meeting of the Finance Committee was held on Monday, September 11, 2017 at 7:00 p.m. in Room #112, Town Hall with the following members present: Vaillancourt, J. Burke, E. Barmakian, T. Bowen, A. Flowers, A. Hamilton, P. Hinton, L. Huempfner, S. Lawson, , R. Mariani, R. Nottebart and M. Trudell. 7:25 J. Leith Members absent were M. Clow and P. Stasiukevicius. Also in attendance was: J. Johnson T. Administrator at 8:15 p.m., Finance Director M. Thompson, Town Accountant J. Cuneo, School Superintendent L. Lynch, School Business Manager M. Frascia, and members of the School Committee, Fire Chief T. Bailey and Deputy Fire Chief P. Barry.

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

Moment of Silence

Chairman J. Vaillancourt requested a moment of silence for all the people affected by the September 11, 2001 tragedy and the residents marked by the tropical storms Harvey in Texas and Irma in Florida.

Housekeeping

Packets were passed out outlining the details and the duties of the Finance Committee Members along with additional information of interest for Committee Members.

October 16, 2017 Fall Annual Town Meeting

Chairman extended a welcome to staff present to discuss their articles and thanked them for their attendance and participation in discussions.

Draft copy of the Town Meeting Warrant has been provided to the Committee. Selectmen are scheduled to sign it at their meeting of September 12, 2017.

Article 2 - FY2018 Budget Adjustments

Board of Registrars – L. Gaffey, Town Clerk/\$32,000 being requested for the primary and special election to fill the term of Senator J. Timility, who has resigned. Primary will be held on September 19, 2017 and special election on October 17, 2017. Polls will be open from 7:00 a.m. – 8:00 p.m. Town has three polling locations and there is a warden at every precinct, anticipated staff of 54 employees for these elections. She anticipates a 20% to 25% turnout. Town does receive reimbursement for the one hour for

early opening from the State. Board of Registrars are also in attendance and additional hours are needed for the Town Clerk's Office.

Board of Health – R. Chapell, Health Director - \$12,000 being requested (\$7,850 salaries, \$4,150 Expenses). This is due to a staff member being out on extended Family Medical leave. Individual is needed for septic plan review, office coverage, food inspections, and Title V inspections and tests and other miscellaneous tasks. Staff member will be returning the beginning of November and it is anticipated that she will be out 12 weeks.

Fire Department – Chief Bailey and Deputy Chief P. Barry – Requesting \$10,000 in Expenses to be transferred from the Ambulance Account for the new stretcher (Stryker Power Prop Stretcher) This had been previously before the Selectmen and they did not approve it and suggested putting in an article on the Fall Town Meeting Warrant. Cost of the stretcher is \$15,000 and is mandated by the State. Ambulance chassis size has been increased and this is also recommended by the State.

MOTION MADE by P. Hinton, Seconded by J. Burke for Favorable Action on Article 2, Budget Adjustments in the amount of \$54,000, Motion Passed, (12-0-0) (12 voting) Unanimous

Article 6 – Stabilization Fund

\$200,000 being requested from Free Cash. Current balance in Stabilization Account is \$2,260,710. Further discussion held for the Town Administrator.

Article 7 – OPEB

\$100,000 being requested from Free Cash. July 1, 2012 the Town's actuarial accrued liability was \$84,624,681. July 1, 2014 actuarial accrued liability was \$66,096,249. Town is awaiting a July 1, 2016 actuarial audit. Current balance in OPEB Account is \$2,258,162. Town has been putting in \$300,000 in the budget line item the last few years. Further discussion held for the Town Administrator.

7:25 p.m. Committee Member J. Leith

Articles 8, 9, and 10 Schools.

Speaking to these articles was Superintendents of Schools L. Lynch and School Business Manager M. Frascia.

Article 8 – Medicaid Reimbursements

\$471,975 being requested as partial reimbursement of healthcare expenses incurred by the School Department in the prior year. Reimbursement was anticipated when the (In \$2016 \$420,000 was transferred to the School Department for Medicaid receipts) School

Department aggressively applies for reimbursement of these funds. This is for medical care expenses that occur for students. School Department is mandated to provide these services.

MOTION MADE by T. Bowen, Seconded by R. Nottebart for Favorable Action to transfer the amount of \$471,975 from Free Cash to the FY2018 School Budget, Motion Passed (13-0-0) (13 voting) Unanimous

Article 9 – McKinney-Vento Act

\$12,000 being requested. This is partial reimbursement of transportation costs from the school of origin for homeless students and is mandated by the Federal McKinney-Vento Act. This is due to students undergoing enough trauma by being homeless and provides stability in schools they were previously attending. Last year's costs were \$24,000, and it was funded 50% by the State. Previous year was \$76,000 and costs are trending down. School Department budgeted \$42,150 this year and if the money is not used it will revert back to the Town as Free Cash. It is hoped the amount will stay around \$24,000.

MOTION MADE by P. Hinton, Seconded by R. Nottebart for Favorable Action to transfer the amount of \$12,000 from Free Cash for reimbursement of transportation costs under the McKinney-Vento Act to the FY2018 School Budget, Motion Passed (13-0-0) (13 voting) Unanimous

Article 10 – High School Parking Fees

\$37,000 being requested from Free Cash to the School Department. These funds are used to offset the Transportation Budget. Parking Lot at high school is owned by the Board of Selectmen and monies have to go to the Town and be transferred out.

Superintendent Lynch discussed that there is presently insufficient parking spaces to accommodate all the seniors with vehicles. Juniors have to wait for a space. There are 270 seniors and approximately 200 parking spaces. They will be looking to convert an area to create additional parking spaces.

MOTION MADE by S. Lawson, Seconded by P. Hinton to transfer \$37,000 from Free Cash to the School Budget, Motion Passed (13-0-0) (13 voting) Unanimous

Article 13 – DPW Contract

Held for discussion with Town Administrator

Correspondence

Norfolk County Registry of Deeds dated August 14, 2017 re: Computer Seminar

Town Clerk dated August 2, 2017 re: Meetings on Election Days

Minutes

MOTION MADE by M. Trudell, Seconded by J. Leith to approve the minutes of June 19, 2017, Motion Passed (11-0-2) (S. Lawson, R. Mariani abstained) (13 voting)

MOTION MADE by M. Trudell, Seconded by R. Nottebart to approve the minutes of August 28, 2017, Motion Passed (13-0-0) (13 voting) Unanimous

Finance Director

June 30, 2017 Combined Balance Sheet

Finance Director provide the combined balance sheet as of June 30, 2017, listing assets, Liabilities an& Equity and Fund Equity , Total Fund balances of \$63,138,376.

Town Accountant provided as of September 11,2017 balance sheet. Undesignated Fund Balance of \$7,351,573, less Real Estate & PP Taxes of \$522,902, Deferred Property Tax Revenue of \$54,789, Agency Fund of \$108,759, Grant Deficits of \$6,770 and Tax refunds not issued in the amount of \$33,497 for an estimated Free Cash of \$6,624,856.

Article 6 - Stabilization Fund - \$200,000 being requested from Free Cash. This fund is to set aside monies for unforeseen needs such as reduction in state aid or where revenue is not meeting projections. Current balance in Stabilization account is \$2,260,710.

Some members suggested that the amount should be higher, as it helps with the Town's bond rating. Fund should be 5% to 10% of the budget (budget is \$100,000,000 approximately).

2/3 vote required to put money in Stabilization Fund and 2/3 vote required to take the money out at Town Meeting. In prior year's money has been previously taken out to balance the budget.

Article 7 – OPEB - \$100,000 being requested from Free Cash. Actuarial study is currently underway of the Town's OPEB Liability. July 1,2012 the Town's liability was \$84,624,681, July 1, 2016, liability was \$66,096,249. Current balance in the OPEB account is \$2,258,162. Audit is done every two years. Town's liability is anticipated to increase this year. The amount of retirees each year fluctuation and makes the difference in liability. No date for municipalities to be fully funded. Some towns are fully funded. Some not at all. We are presently funding current retirees. Our funding should be \$4,000,000/year. Have to decide what we would be sacrificing to do this, in order to get where we should be. Liability changes every year.

Further discussion to be held with Town Administrator.

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8:15 p.m. – Town Administrator J. Johnson.

Article 13 – DPW Contract - Town Administrator spoke to this contract. Requested amount is for \$43,000 (\$31,000 from Taxation and \$12,000 from Water Retained Earnings). Contract has been unanimously approved by the Board of Selectmen. He reviewed the changes with the Committee: Management Rights, Overtime, Compensation & Classification and Wage Plan, Non-Occupational Sick Leave, Workweek/Workday, Work Clothes, Vacation Leave and Holidays.

Committee had questions on the stand-by staff member for the Water Department (\$16,000). This is due to one water technician is always available 365 days per year.

MOTION MADE by M. Trudell, Seconded by S. Lawson for Favorable Action on Article 13 in the amount of \$43,000 to be funded by \$31,000 Taxation and \$12,000 from Water Retained Earnings, Motion Passed (12-1--0) (J. Leith opposed) (13 voting)

OPEB Discussion

Town Administrator J. Johnson will be setting up a joint meeting of the Finance Committee and Board of Selectmen at the Library Community Room for a presentation from the auditors on the actuarial study of OPEB. Date to be determine.

Article 6 – Stabilization Fund

MOTION MADE by S. Lawson, Seconded by J. Leith for Favorable Action on Article 6, Stabilization Fund in the amount of \$200,000 from Free Cash, Motion Passed (7-5-1) (Voting in favor: P. Hinton, A. Hamilton, A. Flowers, S. Lawson, L. Huempfer, M. Trudell and J. Burke) (opposed were J. Vaillancourt, E. Barmakian, T. Bowen, R. Mariani, R. Nottebart) (J. Leith abstained) (13 voting)

Chairman spoke to preferring to wait on voting this article till after discussion on Free Cash scheduled for the September 14, 2017 meeting.

Article 7 –OPEB Funds

Discussion to be held at September 14, 2017 meeting.

Adjourn:

MOTION MADE by M. Trudell, Seconded by T. Bowen to adjourn the meeting at 8:40 p.m., Motion Passed (13-0-0) (13 voting) Unanimous

Respectfully submitted,

Clare P. Abril
Clerk