

TOWN OF ADAMS SELECT BOARD AND FINANCE COMMITTEE JOINT MEETING MINUTES

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ADAMS MASS.

TUESDAY, SEPTEMBER 22, 2015 – 6:30 PM
VISITORS CENTER, MEETING ROOM, 1st FLOOR, ADAMS, MA 01220

On the above date the **Board of Selectmen** and the **Finance Committee** held a joint meeting at the **Visitor's Center** at 6:30 p.m.

Chairman Blanchard presided the *Select Board Workshop*. Present were **Vice Chairman Snoonian**, **Members Joseph Nowak, John Duval, and Arthur Harrington**. *Member John Duval was absent*. Also in attendance was **Town Administrator Tony Mazzucco** and **Town Accountant, Mary Beverly**.

Chairman Timothy Burdick presided the *Finance Committee Meeting*. Present were **Members, Amy Giroux, Leon Parrott, Joan Smigel, John Cowie, Craig Corrigan, , Sandy Kleiner, Charles Foster, Mark Chittenden and Rachel Tomkowicz**. **Vice Chairman David Allen, Brian Johnson, Paul Demastrie, and Jeff Lefebvre** were absent.

The Finance Committee Meeting was called to order at 6:30 p.m.

The Select Board Workshop was called to order at 6:30 p.m.

FINANCE COMMITTEE REORGANIZATION

Chairman Burdick advised the Finance Committee Members that David Allen was not interested in running for the Vice-Chair position due to personal reasons. All members were asked if they were interested in holding positions going forward. There were no responses.

Motion made by Member Cowie to re-elect Tim Burdick as Chairman

Second by Member Tomkowicz

Abstention by Tim Burdick

In favor were Members Giroux, Parrott, Smigel, Cowie, Corrigan, Kleiner, Foster, Chittenden and Tomkowicz

Motion passed

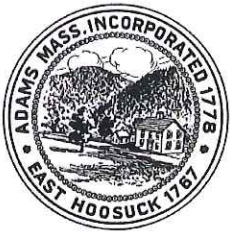
Discussion took place regarding member interest in the Vice Chair position.

Motion made by Chairman Burdick to nominate Member Parrott for Vice Chair

Second by Member Cowie

Unanimous vote

Motion passed



TOWN OF ADAMS

SELECT BOARD AND FINANCE COMMITTEE

JOINT MEETING MINUTES

FINANCE COMMITTEE APPROVAL OF MINUTES

August 25, 2015

Motion made by Member Tomkowicz to approve the meeting minutes for August 25, 2015

Second by Member Cowie

Unanimous vote

Motion passed

RESERVE FUND TRANSFER REQUESTS

\$7,000 for Community Development Staff Wages

An explanation was given by Town Administrator Mazzucco regarding the shifting of staff between departments and the budget line being short due to an unanticipated staff member at a higher pay grade taking a position that was expected to be filled by an entry level pay grade employee. The Town Clerk office may have a surplus at the end of the year to make the difference, but it may equal out with health care by the end of the year.

Finance Committee Members discussed the proposed fund transfer.

Motion made by Member Giroux to approve the \$7,000 Reserve Fund Transfer for Community Development Staff Wages

Second by Member Corrigan

Unanimous vote

Motion passed

\$750 for Overtime Funds for the Building Commissioner Office

Town Administrator Mazzucco explained that the Town is in the process of launching an online permitting software to potentially share services with other communities over time, and as it debuts staff may need to work extra hours at first until it is fully running. If the funds are not expended, they will go back to free cash.

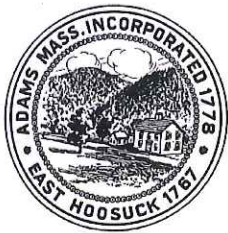
A brief discussion ensued regarding reserve fund transfers being utilized for unforeseen items.

Motion made by Member Tomkowicz to approve the \$750 Overtime Funds for the Building Commissioner Office

Second by Member Cowie

Unanimous vote

Motion passed



TOWN OF ADAMS SELECT BOARD AND FINANCE COMMITTEE JOINT MEETING MINUTES

\$4,000 for Property and Casualty Insurance

Town Administrator Mazzucco explained to the Finance Committee that \$3,200 would be for the Memorial School Insurance and the \$800 would be for the Tax Acquired property Hoosac Valley Coal and Grain.

Discussion took place regarding the Memorial School, and Town Administrator Mazzucco explained that he would be getting quotes for the cost to decommission the building at the request of the Select Board. An RFP for the property will be prepared, but it may not be considered because schools of that era are not being repurposed yet due to the type of structure and cost perspective.

Motion made by Member Tomkowicz to approve the \$4,000 for Property and Casualty Insurance

Second by Member Cowie

Unanimous vote

Motion passed

\$10,600 for Slum and Blight

Town Administrator Mazzucco advised there are two homes and Hoosac Valley Coal & Grain that will require these funds. Hoosac Valley Coal & Grain will require 2 buildings to be taken down and removed so Community Development may work on remediation to get it back on the tax rolls. The other amount would be needed to clean out piles of trash from tax acquired homes.

Discussion took place regarding the process of taking tax acquired properties and getting them on the tax rolls versus not taking the property and paying for it over time. Deferred revenue was discussed as well as lead and asbestos removal, insurance costs and liability for vacant buildings. An estimation was given of \$30,000 to \$40,000 for a single home abatement.

Contamination of Hoosac Valley Coal & Grain was discussed, and the plan for the removal and hauling away of the wood for safety concerns.

Motion made by Member Corrigan to approve the \$10,600 for Slum and Blight

Second by Member Cowie

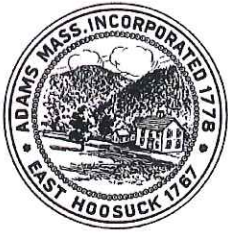
Voted in Opposition was Member Foster

Voted in Favor were Members Giroux, Parrott, Smigel, Cowie, Corrigan, Kleiner, Chittenden and Tomkowicz

Motion passed

LABOR COSTS

Town Administrator Mazzucco gave a PowerPoint Presentation on Labor Costs for the Select Board and Finance Committee.



TOWN OF ADAMS SELECT BOARD AND FINANCE COMMITTEE JOINT MEETING MINUTES

Pension System – employees and employers both contribute to the fund and dates from before Social Security was mandatory for full-time employees. The average contribution from employees is 11%, and pension earned is 15%. Full retirement is after 30 years of service at 65 years of age, and an employee must work 10 years before being vested. Under 10 years employment, the employee only gets back the amount they put into the fund. Pension Plan mechanics were covered.

The pension plan is recommended to be over 75% funded, and pensions are contractual obligations. State law mandates it to be fully funded by the year 2032. If not fully funded, the Town will be obligated to pay it out in cash. Pension is based on 40 hours of work and on the base salary.

OPEB Trust was discussed as part of the plan to hold money in reserve to absorb costs in the future. Stipends for the Board of Selectmen, Board of Health and Assessor were discussed, and do not go into the pension system. Elected employees are exempt, but the Assessor, Town Clerk, and Treasurer are full time employees and go into the pension system. OBRA was explained and only employees that are not on the pension system are entitled, but the Town does not contribute on their behalf. In retirement, a person can work up to 960 hours a year. A person can also un-retire, causing the pension to stop, and then pay into the system from that point.

Health Insurance

The Town of Adams spends approximately \$1 Million on Health Insurance. There is no solution to that cost and nothing to do about it. The more it is used, the higher the rates. All retirees are able to purchase health insurance from the Town and receive a contribution from the Town toward health insurance. Retirees under 65 have access to the same plans at the same rates as employees. Employees aged 65 or over have access to a lower cost medicate supplement plan, and these plans are optional.

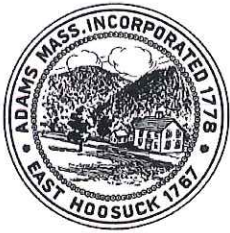
The Town of Adams spends \$385,000 annually on retiree healthcare. Monetary examples were given to explain how much it would cost for a retiree on the insurance plan for 20 years, and early retirement costs for those under age 65. The cost of one retiree could cost in the range of \$300,000, which would amount to about seventy-five cents on the tax rate.

OPEB

Other Post-Employment Benefits (OPEB) are pretty much retiree health care. Government accounting regulations are starting to require Towns to assess their OPEB liability.

Fully-Burdened Labor Costs

Fully-Burdened Labor Costs include the total costs to hire an employee. These are the salary, health insurance, pension costs, Workers' Comp, unemployment, life insurance, Medicare and other contractual obligations.



TOWN OF ADAMS SELECT BOARD AND FINANCE COMMITTEE JOINT MEETING MINUTES

■ **Salary Costs**

The total of direct salaries for the Town is approximately \$3,400,000, and includes elected boards, but does not include overtime pay.

■ **Workers' Comp Costs**

Workers Comp insurance is required by law and rates change by occupation. The Town currently pays out approximately \$108,000 in Workers Comp costs annually.

■ **Medicare Costs**

Medicare is required by law and is 1.45% of payroll for all covered employees. The Town pays approximately \$49,000 currently in Medicare costs

■ **Unemployment Insurance**

The Town pays approximately \$15,000 in unemployment insurance. This amounts to approximately .004% of payroll.

■ **Life Insurance**

The Town's benefits include a standard \$5,000 life insurance policy. The total cost to the Town is \$4,000.

■ **Contractual Obligations**

The contractual obligations the Town include Step increases and Cost of Living Adjustments (COLAs). Shift differentials were discussed for Police Union, as well as longevity pay and uniform allowances. Step increases are approximately 2%. There are 9 Steps which range from Step 1, under a year, to Step 9, which is over 20 years of employment. The Town Administrator and Police Chief have individually negotiated items including professional development, and salary increase details and parameters.

Discussion took place between Finance Committee Members, the Select Board and the Town Administrator to clarify the information presented. It was noted that the informational sessions have been very informative and useful.

ADJOURNMENTS

Adjournment by Finance Committee

Motion made by Member Foster to adjourn the Finance Committee meeting

Second by Member Smigel

Unanimous vote

Motion passed

Finance Committee meeting adjourned at 8:33 p.m.



TOWN OF ADAMS

SELECT BOARD AND FINANCE COMMITTEE

JOINT MEETING MINUTES

Adjournment by Select Board

Motion made by Vice Chairman Snoonian to adjourn the Select Board meeting

Second by Member Nowak

Unanimous vote

Motion passed

Select Board Meeting Adjourned at 8:33 p.m.

Respectfully Submitted by Deborah J. Dunlap,
Recording Secretary.

Joseph Nowak

Joseph Nowak, Member

Arthur Harrington

Arthur Harrington, Member

John Duval

John Duval, Member

Jeffrey Snoonian

Jeffrey Snoonian, Vice Chairman

Richard Blanchard

Richard Blanchard, Chairman