

Town of Ayer

Finance Committee

Ayer Massachusetts, 01432



Location: Ayer Town Hall, Meeting Room
Finance Committee Minutes

Wednesday March 9, 2011

Present: Brian Muldoon; Chairman, Jesse Reich; Vice Chair, Scott Houde; Clerk, Andrew Crowley; member

Absent:

One committee position open

Called to order at 7:04pm by Brian Muldoon

- Mail
 - Issues of the Beacon
 - Older items including RFTs already visited and approved.
 - Memos from Robert Pontbriand, Town Administrator
 - Budget request for IT line item of \$75,000. The request is to make the IT position full time. Invest in IT infrastructure; replace old equipment, security and state compliance.
 - Budget request to increase the Building Maintenance custodian from part time to full time. This will allow Dan Sherman the appropriate time to maintain buildings and continue efficiency improvements.
 - Budget update memos from Lisa Gabree
- Open Finance Committee position – Connie Sullivan
 - Connie Sullivan faxed a letter of interest to the town administrator on February 28, 2011 to fill the vacancy left by Glen LaPierre. Connie is a former selectman having served for 12 years before his term expired in 2010. Connie's interest is specific to serving through June 30th when the open position expires.
 - JR – Have you served on Finance Committee in the past?
 - No, but has worked with FinCom in the past due to the Triboard nature of Ayer's government.
 - BM – Are you running for Board of Selectman in April?
 - No
 - SH – What are your thoughts on recent financial policies implemented by the town last year? Specifically funding GASB45 (retirement prefunding) and stabilization
 - Practicality drives if it is feasible. Given the current state of the town's budget prefunding does not seem viable. Stabilization funding affects the town's bond rating. The town was lucky to have settled two major law suits in the past couple of years for minimal dollars. The main build up of stabilization money beginning in the early 1990s was from school funding buildup. The money funded over the minimal state required funding was placed in stabilization.
 - BM – The revenues we receive in town do not line up with expenses. What are your thoughts on realignment of services?
 - Looking at the services provided by the town it has grown in the past decade or more. The departments have grown in size but not necessarily in proportion to the population growth. Feedback from the public should be requested to find out what kind of municipality they want.
 - BM – There was a town survey created in late 2010 but was shelved due to the diminishing time table with the budget.
 - CS – Health Insurance is increasing rapidly. The governor's direction for all municipalities to align their health care into GIC should help mediate some of the cost increase.
 - JR – There was discussion if that was viable for Ayer. The town accountant ran the numbers and found that there is no significant savings. Has there been a budget update?
 - BM – The latest budget showed a deficit of \$76,000 with a 3% cut. Slightly favorable with a 5% cut.
 - CS – The GIC has a member base of 185,000. This should be large enough to sway expenses for benefits. Also, the consolidation of the regional school should consolidate expenses.
 - BM – You were here in 1998 when the last tax over ride was passed. Where do you view a tax over ride? Where and when would it be acceptable and accepted?

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- The town was supportive of a capital overrides. Once the debt is paid down the tax rate reduces accordingly. A regular tax over ride is permanent and therefore support is lacking. Some ideas are could the pension liability be paid with debt exclusion? Action for the retirement needs to come from the state level from our representatives. The transfer station has been a hole for the town for years. Is curb side pickup more affordable? Is it worth having and maintaining the transfer station?
- BM – The DPW has reviewed the cost of curb side pickup and found the transfer station to be less costly.
- JR – Your years of service and knowledge to the town will be welcome.
- SH – You are interested in serving only for the remainder of the term to June 30th?
 - Yes. I will have to decide whether to stay on beyond that.
- BM – Pauline Conley and Connie Sullivan have volunteered to serve. There was a third person but they have passed after consideration of the time commitment.
- Motion to present Connie Sullivan to the Board of Selectmen to fill the Finance Committee opening

Motion	JR
Second	SH
B. Muldoon	Aye
J. Reich	Aye
S. Houde	Aye
A. Crowley	Aye
Vote	4 - 0

- Minutes

- Motion to approve minutes for 2/23/2011 as presented

Motion	SH
Second	JR
B. Muldoon	Aye
J. Reich	Aye
S. Houde	Aye
A. Crowley	Abstain
Vote	3 - 0

- Motion to approve minutes for 12/8/10, 1/13/2011, 2/1/2011, 2/9/2011 as presented

Motion	SH
Second	AC
B. Muldoon	Aye
J. Reich	Abstain
S. Houde	Aye
A. Crowley	Aye
Vote	3 - 0

- Motion to approve minutes for 1/19/11

Motion	JR
Second	AC
B. Muldoon	Aye
J. Reich	Aye
S. Houde	Abstain
A. Crowley	Aye
Vote	3 - 0

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- Outstanding minutes are 1/12/2011 and 1/20/2011

- Budget Update

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- The town administrator forwarded a memo to FinCom requesting an increase to the IT budget line item to \$75,000. The increase will improve infrastructure, security, public access, and state compliance.
- BM – Lisa Gabree forwarded budget updates late on Wednesday afternoon. There was a 3% cut, 5% cut and a budget that she balanced. No details were given how the budget was balanced. The balanced budget did include the increase for IT and building services.
- SH – The library is level funded from FY2011 in the balanced budget. The library requested \$454,000 for its funding to keep certification. I revisited the MSBL website and reviewed certification. There is the 2.5% increase, a waiver and also middle of the ground funding. The funding is written ambiguous and need more clarification from MSBL. My concern is that to receive a waiver the budget cuts must be “across the board”. What affect does deficit spending have on that? Perhaps as a committee we should send letters to our state representatives requesting state action for an automatic waiver for FY2012.
- BM – Thoughts on the IT and building maintenance?
 - SH – I believe that IT has never been addressed. The additional custodian will allow Dan Sherman to focus on maintaining the buildings and making them more efficient.
 - JR – Can we contract out IT?
 - SH – I believe the cost is too much. In my experience, the expense can be \$200 per hour in some cases.
- Regional School District
 - The MSBA approved a second round vote for feasibility study by ASRSC for new JR/SR high school.
 - Member Quinty has been outspoken against the feasibility study. His concern stems from the feasibility study passing and then the capital funding failing. That would result in the feasibility stud cost being useless.
 - Mary Spinner – The RSC has a credibility problem. The estimate for the feasibility study prior to regionalization was \$400,000. Now the cost is \$750,000. That number looks too large and scares people.
 - BM – The RSC needs to explain the goal is to borrow for the initial \$250,000 of invoices and then roll the reimbursement to pay for additional costs.
 - Pauline Conley – George Frost said that the \$750,000 must be on the ballot as the full cost of the study. There have been questions asked to MSBA if the RSC needs to put the full cost of the study on the ballot. Those requests have not been answered. What happens to the remaining \$500,000? Townsend recently had a town meeting to approve a feasibility study for a new roof at an elementary school for \$80,000. The borrowing for Townsend is temporary and allows a town meeting. Is the feasibility study for the Jr/Sr high school is temporary, why does this need to be on a ballot instead of a town meeting?
 - PC – Did the RSC follow the provisions of the statute?
 - AC – The Agreement spells out different provisions.
 - BM – The town administrator sent a memo to the RSC on March 8th. It stated a funding around \$6.5 total. Members’ thoughts on the memo?
 - The memo was sent out before the RSC budget hearing. Also the Ayer and Shirley administration teams were scheduled to meet with the school finance team the next day.
 - SH – At the RSC budget hearing, it came to light that the percentages of the funding split between Ayer and Shirley is different from the amounts RSC has quoted. If the percentage is followed to the letter of the agreement, Ayer’s portion lowers from 73% to 71%. That would reduce Ayer’s funding to \$8.1m instead of \$8.3m. The RSC will vote for approval of an amendment to the regional agreement to establish a 73/27 split. That then goes to the town administrators to be included in the town meetings prior to the assessment vote. This could possibly save Ayer almost \$200,000.
 - JR – Shirley may not have the funds to pay the additional \$84,000 that RSC is looking for. If Shirley cannot and does not pay then Ayer is not responsible for their portion.
 - SH – The process is the RSC sets the budget regardless of town input. It then assesses the towns based upon the agreement and it is approved or denied at town meeting.
 - TriBoard meeting – reschedule of the March 3rd meeting is needed.
- Budget Brainstorming

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- Nothing further has been done with the budget memo to the Board of Selectmen. The Warrants are due for the town meeting on April 15th.
- The warrants open on March 22nd. FinCom is responsible for the capital exclusion.
- The BOS public hearing for the budget is scheduled for April 12th. The budget must be approved by April 19th and warrants go to the printer on April 22nd.
- FinCom needs to vote on the warrants prior to printing.
- Meetings to discuss the budget are set for March 23rd and 24th. The budget will be reviewed and then a public hearing will occur in April.
- Mary Arata from the Public Spirit wished to discuss a public records request
 - AR – A public records request was sent to FinCom for all emails of committee members regarding the regional school, Pauline Conley, and the open position. I received responses only from Brian Muldoon
 - BM – The request is made to the committee chair and all information is passed through the committee chair. I passed all emails that occurred to you.
 - AR – Open meeting law restricts any deliberation via email. Any information that is distributed and discussed in email is a violation.
 - BM – All the emails were sent to you. There was no discussion. The numerous emails regarding RSC were trying to set a date to have the joint FinCom presentation.
- Reserve Fund Transfer Balance Account 01132 57800

Beginning Balance	\$136,959
RFT (None)	
Remaining Balance	\$136,959

Motion to adjourn at 8:47pm

Motion	SH
Second	JR
B. Muldoon	Aye
J. Reich	Aye
S. Houde	Aye
A. Crowley	Aye
Vote	4 - 0

Brian Muldoon, Chairman _____ Date _____

Jesse Reich, Vice Chairman _____ Date _____

Scott Houde, Clerk _____ Date _____

Andrew Crowley, Member _____ Date _____