

# Town of Ayer

## Finance Committee

### Ayer Massachusetts, 01432



Location: Ayer Town Hall, Meeting Room  
Finance Committee Minutes

Wednesday May 23, 2012

Present: Scott Houde; Chairman, Brian Muldoon; Vice Chairman, John Kilcommins; Clerk, Michael Pattenden; Member,  
Absent: Marianne Zawacki; Member  
In Attendance: Mary Spinner, Pauline Conley, John Canney, Kellie Barhight

Called to order at 7:01 pm by Scott Houde

- Insurance Advisory Committee
  - KB Led a discussion of the Insurance Advisory Committee's proposed 'Insurance Opt Out Plan for the Town of Ayer'.
  - KB-Health insurance costs are up for the employees as well as the town. The proposal offers approximately \$10K of savings per employee.
  - SH-5 employees are now opting out, what is the break out?
  - KB-All 5 are families.
  - MP-How many could opt out?
  - PC-Around 150 full time employees.
  - SH-If we are looking to have more opt out is there a level where fewer participants cause us to pay more per covered employee? We could run into an issue of higher costs per employee if enough opt out.
  - SH-What is the time line for an answer?
  - KB-We need time to talk with the insurance company.
  - SH-As a committee we will put together our questions. We'll shoot for answers by the September meeting.
  - MP-What is the normal cost of having a spouse join a plan?
  - BM-Depends on the plan.
  - JK-Do any surrounding towns have similar programs that we could look at?
  - PC-Shirley
  - KB-Will check on that.
- Mail and Minutes
  - SH Distributed FinCom mail for review. There were no minutes for approval.
- FinCom Roundtable with Area FinComs
  - SH-Years ago we had Shirley, Harvard, Groton and Littleton in for a meeting of area FinComs.
  - SH-We can consider having another meeting in the fall to talk over the big issues such as OPEB.
  - BM-It was a good idea but it was us putting out information.
  - SH-This time we'll come up with areas that we need more information on. We can solicit the other town's opinions.
- FinCom Summer Work
  - SH Initiated a discussion of member's activities beyond the FinCom.
  - JK-I'm on the Personnel Board, Regional School Building Committee, Zero Based Budgeting Committee and serve as Clerk.
  - SH-I'm on the Community Preservation Committee in addition to my FinCom duties.
  - BM-I'm on the Capital Committee and Leadership.
  - SH-After June 30<sup>th</sup> Brian and I are up, we need to decide if we want to be reappointed. We'll revisit this then to even out the spread of work. I would like to see the FinCom off the CPC; I have confidence in the board.
  - MS-You can leave at any time.
  - BM-I think I will re-up with the FinCom.

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- Taxes Without Payment in FY2012
  - SH-The accountant prepared a list of taxes with 0 paid on them all year. I prepared a memo to share my concern. This can lead to a cash flow issue, we have a 6/30 deadline for free cash. We have stripped out free cash as a budgeting item, would like to think most of it would end up in capital.
  - SH-Have you been in touch with anyone on the list? Has anyone paid?
  - JC-Yes and some have paid.
  - SH-Do you have an updated balance?
  - JC-No.
  - SH-The Town Accountant gave us a list with a column for those likely to go to tax title. What is being done to make sure that we collect this year's and prior years money?
  - JC-Of that list 27 are in tax title. Those with prior year tax titles are paying that before this year. 16 are getting ready to go into tax title for fiscal 2011 and we have two new payment agreements.
  - SH-When property is in tax title for FY11 and FY12 is unpaid, is the property considered in tax title for 2012?
  - JC-IF the 2011 process is complete we do a subsequent and put 2012 into tax title immediately.
  - SH-What is the status of Shaker Hill?
  - JC-The closing should be Thursday. They will cut checks this Saturday.
  - JC-My intent is to get it all done by mid-June. There has been a lot of money received recently after I got on the phone. People don't want to be in tax title.
  - BM-Good. We don't want tax title, we want the funds.
  - SH-A better process would be to pull payments in before needing to go to a list. Be proactive.
  - BM-We had a motion two weeks ago to post the list. Are we still going to?
  - SH-The BOS is moving forward with this also. I'll coordinate with Robert, Lisa, and the BOS to get a scrubbed list.
  - PC-The list is scheduled to go up at 5pm on Friday.
- Town Meeting
  - SH-I will update the omnibus budget line items in wages and salaries that have the 2% step and put this on the town website. I have had discussions with Robert; collective bargaining has to happen before Town Meeting.
  - SH-Town Meeting spoke, we have OPEB funding support. Maybe we should earmark the meals tax for funding this.
  - PC-If you are thinking of using meals tax for OPEB then get Town Meeting to make that decision then it becomes something the BOS can't change.
  - SH-The meals tax income is below the \$100K OPEB funding recommendation. We don't want this to become a crutch so that nothing more is allocated to OPEB.
  - PC-With the Attorney Generals buy in there are ways to make it work, before the funds come in and disappear.
  - MP-How much are we paying out now for retirement?
  - SH-1.1M for FY13
  - BM-This doubles every two years based on what I've read.
  - PC-That's just for the current retirees.
  - SH-We have to communicate this out to Town Meeting.
  - SH-We need to get a mechanism for getting more funds.
  - BM-How can we get the hotel tax through?
  - PC-Make a presentation, the hotel tax won't be paid by anyone in the room.
- FinCom Summer Work
  - SH-We have a number of items to look at over the summer.
  - SH-John will serve on the Regional School Building Committee; I will serve as the second for now.
  - BM-We want to get out as much information as possible on this.
  - MP-I would like to see the cost of the other schools too.
  - SH-My thought is to time school payments to the existing debt that is coming off the books.
  - MP-I want to know what the impact will be on real estate tax bills.

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- SH-Financial policies will also be looked at. BM and I will update the policies and give them to the FinCom for review before passing them onto the BOS, department heads etc.
- SH-We also need to work on a 5 year budget model. The RSC is willing to work with us on this.
- SH-As for Devens I will take that. Basically a cost analysis is needed. I have some material from Harvard.
- SH-I'll put Marianne on this as well.
- SH-We have no one on the 5 year model, Michael will you take this?
- MP-Sure.
  
- Old Business
  - SH-David Maher will be coming in June to talk about town issued certificates and licenses.
  - SH-We need to look at zero-based budgeting. This year's budget model will make for a good start. We don't want to just give the standard 2% guideline.
  - MP-I believe that flat is the way to go.
  - SH-We'll discuss it over the summer. I believe that we should start the budget in September not December.
  
- FinCom Round Table
  - SH-I will follow up with Robert (Pontbriand) on contract negotiations.
  - PC-I can give you an update on our strategy sessions in private.
  - JK Gave a report on the Regional School Building Committee.
  - MS-Anything from the Assessors on the TIFs?
  - SH-No.
  
- Motion to adjourn at 8:34 pm

Motion	JK
Second	BM
B. Muldoon	Aye
S. Houde	Aye
J. Kilcommins	Aye
M. Pattenden	Aye
M. Zawacki	NA
Vote	4 - 0

Scott Houde, Chairman \_\_\_\_\_ Date \_\_\_\_\_

Brian Muldoon, Vice Chairman \_\_\_\_\_ Date \_\_\_\_\_

John Kilcommins, Clerk \_\_\_\_\_ Date \_\_\_\_\_

Michael Pattenden, Member \_\_\_\_\_ Date \_\_\_\_\_

Marianne Zawacki, Member \_\_\_\_\_ NA \_\_\_\_\_ Date \_\_\_\_\_