

Town of Fairhaven

Finance Committee

Minutes of the meeting for <January 22, 2015>at the BPW Administration Building,
5 Arsene St., Fairhaven, MA

Members in attendance:

Chairman-John Roderiques, Robert A. Furtado, Scott Fernandes, Padraic Elliott,
Kathi Carter, Lisa Plante, John Mota

Member absent:

Therese Szala

Town of Fairhaven:

Jeffery Osuch- Executive secretary

Meeting was covered by government access television. Member of the press was not present.

Chairman called the meeting to order at 7:01 PM. Announced that the meeting was being recorded by government access TV. Chairman has to be notified if anyone else present is recording the meeting by video or audio.

Motion made by Scott to accept the minutes from November 20, 2014. Seconded by John M..

Vote: Unanimous

Motion made by Scott to accept the minutes from December 9, 2014. Seconded by John M..

Vote: Unanimous

- Mr. Osuch distributes copies of the FY16, Article 4 budgets to committee members. Also distributes his gasoline budget suggestions, revenue projections, and the Article 4 spreadsheet.
- Chairman distributes letters and budgets from the MRV Water District, letter from the Millicent Library, letter from the Board of Selectmen concerning budgets, and a letter from Town Art Curator Albert Benac presenting his budget.
- Chairman presents a bill from the Selectmen for \$63.50 for toner and \$91.20 for paper used by the Finance Committee.

- Scott motions to pay the bills in the above amounts from Finance Committee acct. #001-131-00-5420-00-201. Seconded by John M.. Vote: Unanimous

- Chairman states that the Board of Selectmen have requested a joint meeting on February 12, 2015.
 - Chairman states that the meeting should have been done months ago.
 - Selectmen want to discuss financial policies.
 - Chairman states he has told the Selectmen that we must have the information ahead of time to review.
 - Chairman also states that he has told Selectman Murphy that the meeting should take place at our usual meeting place at the BPW Building at Arsene Street.
 - Scott motions to have a joint meeting with the Board of Selectmen on February 12, 2015. Seconded by John M.. Vote: Unanimous

- Mr. Osuch discusses his gasoline spreadsheet.
 - Mr. Osuch states that he has used \$3.60/gallon for the current fiscal year.
 - Gasoline prices have seen a significant drop since then.
 - Chairman states that the government is projecting an average price of \$2.33 for 2015, and \$2.72 for 2016.
 - Mr. Osuch suggests using \$2.50 per gallon for FY16 and he will carry on additional \$.10/gallon to cover oil changes.
The highway dept. does not get the additional \$.10, because their budget includes a line item for oil & grease.
Mr. Osuch also states that the depts. that use diesel fuel get an adjustment to the numbers because the price of diesel hasn't dropped as much.
 - Chairman questions the increase in gasoline for the EMA.
 - Mr. Osuch states that he increased it because of the increase in the first 6 months of this fiscal year.
 - Chairman states that they will use as much gas as they are given.
 - Pat points out that the same is happening with the COA.
 - Pat suggests to Mr. Osuch that the average column on his spreadsheet should be a true average from the 3 previous years, and not include the previous 6 months.
Suggests an average column and a suggested column.
 - Chairman states that the 6 month average can be influenced by a lot of things.
 - Pat questions the drop in the school dept. gasoline.
 - Mr. Osuch states that their gas is in their budget, and the figures on the sheet are just to justify the gas consumption.
 - Discussion of gas price appropriation.

The Town pays \$.20 less per gallon, because we don't pay the tax.

- Chairman states we will set the dollar amount and it won't fluctuate.

As in the past, if there is a shortage because of the price, we will make up the difference from the Reserve Fund. However, a shortage in the number of gallons is not our fault.

- Chairman states, to Mr. Osuch, that he hopes the required oil changes are being done.
 - Mr. Osuch states that it is the responsibility of the Highway Dept. to track that.

- Discussion of Utilities.

- Mr. Osuch states he is projection an increase of 20% in electrical costs.
- States that everyone but EMA has lived within their electrical budgets in the past.
- Chairman states the committee is comfortable with leaving the Utility calculation up to Mr. Osuch.
- Mr. Osuch and the Chairman state there should be plenty of gasoline money from this fiscal year that can be shifted to Utilities if needed.

- Chairman asks Mr. Osuch if the Selectmen have voted a Revenue figure yet.

- Mr. Osuch states no.

- Mr. Osuch states that he is still missing the number from the Ambulance Fund and the Surplus Overlay from the Assessors.

- Chairman states that the Surplus Overlay has been an issue every year.
- States that the Selectmen should send a letter to the Board of Assessors in October requesting the figure.

7:37 PM. Chairman calls a recess while Mr. Osuch makes copies of his Revenue Projection spreadsheet. Back in session @7:41 PM.

- Mr. Osuch explains his Revenue Projections.

- States that the Surplus Revenue after the December STM is \$2,129,727.
He is using 80% of that figure.
- Mr. Osuch also states that the Fire Chief is adding an extra full time firefighter, and planning on paying for it through the Ambulance Fund.
Mr. Osuch states that he doesn't see that being possible.
- Mr. Osuch states that his "ballpark" figures for Revenue, at this point, is \$46,800,000.
Also states that in Article 4 approximately \$4,624,289 comes from the Water & Sewer Enterprise accounts
- Pat starts discussion of how we saw comparisons with the Selectmen's budget last year, and the difficulty of have numbers missing.

- Chairman states that everyone will be treated with a level playing field.
States he would not lead the Committee to a budget that was not balanced.
- Chairman states the Town has voted for a Town Administrator and we still don't have one.

- Committee starts to look over the Article 4 spreadsheet.
- Mr. Osuch makes several points.
 - #48 Contributory Retirement: This number is given to us.
 - #49 Group Insurance: This number is down because the Town started deductibles last year for Health Insurance.
 - #54 Town Insurance: Is down because the Workman's Comp. rating has improved.
 - #43 GNBVTHS: Is using the same number as last year because the school will not provide a number until the Cherry Sheet comes down from the State.
The Town's enrollment is expected to be down approx. 16 students.
 - Chairman states we have always voted the number they provide because it was believed that they were at net school spending.
 - Chairman states that he has discovered that for the last 2 years they have been above net school spending.
 - Therefore, he requests that Mr. Osuch get the complete budget from the school.
 - Mr. Osuch and the Chairman discuss the GNBVTHS budget and their capital improvements.
 - Mr. Osuch states that Articles will be in next week.
 - Discussion between Chairman and Mr. Osuch about people not making the Article deadline.
 - #2 Selectmen b. Salary-Other: Mr. Osuch states that the increase is for his retirement buyout and a 2 month overlap for when the TA is hired.
 - Discussion of the TA appointment.
 - Discussion of the raises that the Personnel Board is recommending.
 - Mr. Osuch states that the raises are not in anyone's budgets.
 - Discussion of Selectmen adding things to the budget.
 - Discussion of Personnel Board reviews.
 - Mr. Osuch states that there are approximately 30 full time employees covered by the Personnel Board.
 - #8 Town Clerk: Increase is because she is looking for overtime for the clerk.
 - #11 Assessors: Includes step increases and software upgrade.
 - #15 Finance Committee: Chairman states he increased Other Charges and Expenses to cover some members being able to attend the annual ATFC meeting.
 - #20 Legal Expense: Mr. Osuch raise it \$5,000 because the rate increased and we have never made the \$130,000 budget in the past.

- #22 Conservation Commission: Salary is increased because the Agent is looking to add 1 hour/week.
 - Discussion of Cons. Agent salary.
 - #26 Fire Department: Capital Outlay of \$9,000 is for a new Server.
 - #30 Shellfish Inspection: Salary and Capital Outlay are up to have the Deputies make repairs to the pier.
 - Chairman cautions Mr. Osuch on having Deputies doing work out of their classification.
 - #32 EMA: Capital Outlay is looking for \$19,999 for a used truck.
 - Discussion of how this number is obviously chosen to come in under the Capital Planning requirement.
 - No back-up information for the purchase is included.
 - #35 Board of Health: Increase in salary covers the retirement buyout for the Health Agent and also the 1% raise from last year was left out of the budget.
 - Mr. Osuch recommends lowering the number for SEMASS, because the cart system of trash collection will be starting.
 - #42 Schools: Mr. Osuch states it is a 2.1% increase from last year. States that this is the number from the School Dept., but the School Committee hasn't voted it yet.
 - #47 Park Dept.: Salary is up because they are intending to add 1 full time employee.
 - #52a. OPEB: Discussion with Mr. Osuch of establishing the trust.
- Pat starts discussion of getting a true cost accounting of the 3rd ambulance.
 - Mr. Osuch and Chairman discuss the procedure of doing a full cost accounting.
 - Discussion of how the General Fund is picking up more and more expenses.
 - Schools are close to net school spending.
 - Decisions will have to be made on how much can be reduced at Police and Fire. Chairman does not see cuts being made on TM floor.
 - Everyone need to be dealt with consistently.
 - Chairman states we will meet next week, but Mr. Osuch will not be present.

8:54 PM. Lisa motions to adjourn. Seconded by John M.. Vote: Unanimous

Respectfully submitted by:

Robert A. Furtado
 Finance Committee Secretary
 (accepted 1-29-2015)