



Town of Medway

FINANCE COMMITTEE

155 Village Street
Medway MA 02053

Tel: (508) 533-3200

Fax: (508) 533-3201

Minutes of Finance Committee-Final Version

DATE: February 12, 2007

PRESENT: Diane Coulter, Rob Kenney, Frank Faist, Joy Smith Dahl, Phyllis Cerel, Judy Yasi, Phil Giangarra, Tom Shea, Steven Chilinski,

GUESTS: Suzanne Kennedy, Jim Galligan, Richard Dunne, Dennis Crowley, Glenn Trindade, Dr. Grandmont, Bob Speroni, Brenda Hamelin, MaryJane White, Andy Rodenhiser, Susy Affleck-Childs, David D'Amico, Susan Connolly, Tina Wright, Gregory Green, Wallace Arthur, Almont Green Corporation Representative (taped the meeting)

PURPOSE: Joint meeting of the Board of Selectman (BOS) and the Finance Committee (FinCom) for review of the first iteration of the Level-Funded Budgets including the Impact statements to their respective departments.

LOCATION: Sanford Hall – Medway Town Offices
155 Village Street
Medway, MA 02053

Diane Coulter called the Finance Committee Meeting to order at 7:15 p.m. at Sanford Hall, Medway Town Offices.

Dr. Grandmont presented an Emergency Transfer Request (ETR) of \$16501.50 for emergency repair of the High School gym wall. He detailed his process for facilitating prompt completion of this repair as all gym classes and sports activities for town leagues would have to have been canceled.

Rob Kenney asked if this was covered by the insurance.

ACTION ITEM: Dr. Grandmont reported that he didn't believe we would be reimbursed however he would check into it.

Jim Galligan (BOS-Chairman) recommended the money would come out of the FinCom Reserve Fund and recommended that the money should be reimbursed back to the FinCom Reserve Fund.

Richard Dunne (BOS-Vice-Chairman) made a motion for the BOS to approve the emergency transfer and that the FinCom reserve would be reimbursed if we received an insurance settlement.

Dennis Crowley (BOS-Clerk) seconded the motion as amended.

The motion was passed unanimously by the BOS members present.

Frank Faist (FinCom member) made a motion for the FINCOM to approve the emergency transfer and that the FinCom reserve would be reimbursed if we received an insurance settlement.

Judy Yasi (FinCom-Clerk) seconded the motion.

The motion was approved by all FinCom members.

Judi Yasi stated that after transferring these monies, the FinCom Reserve Fund will have a balance of \$72,488.22.

Dr. Grandmont thanked the BOS, FinCom, and Town Administrator.

Diane Coulter requested clarification from the guest taping the meeting as to the purpose.

The guest from Almont Green Corporation stated he is looking to create a Medway magazine for Medway Residents which is free and advertisement supported. This would be available as a free DVD to all Medway Residents.

Suzanne Kennedy (Town Administrator) introduced a prospective FinCom member.

Building Inspector Budget

Diane passed out the meeting agenda requesting the Building Inspector – Bob Speroni to present his Budget and impact statement.

Bob stated that his department is funded at the FY07 level excluding the employee benefit costs which need to be provided by the Accountants' Office.

Suzanne stated that all Town Departments' employee benefits will be allocated to their own budgets as a line item. This is different from past years budgeting.

There was discussion on how this could impact all departments' budgets by all.

Jim Galligan stated that the BOS and Suzanne had to decide on which of 2 directions they would request the Budgets to be prepared by department heads since:

- a. Governor Patrick has not completed his budget therefore the BOS and FinCom do not know what the Revenue side will be. (liken this to trying to budget for your household without knowing what you are paid on a weekly basis)
- b. Once Governor Patrick completes his budget, it still has to go to the House and Senate. Historically, the Governor's submitted revenue number is changed once the budget comes back from the House and Senate.
- c. Medway will not have enough time to complete the budgeting process unless it is started now.

The 2 different directions discussed were:

1. Fund based on level of service
2. Level Fund based on FY07 budget

The decision was to have each department head prepare this Budget cycle based on #2; make the assumption that each department will receive the same amount of money to spend as last year (FY07). This was based on the knowledge that the State Lottery revenues are down meaning less money available at the state level to pass on to Medway and the local town receipts are down.

The preliminary expectation of BOS and Suzanne is that each department will net out a level funding (break even).

Bob stated that the impact of level funding would be; should an emergency occur, there would be no funds available within his budget.

Dennis Crowley requested what services will be cut since each department is level funding.

Diane stated that each department was requested to provide an impact statement detailing that specific ramifications to their department based on a level funded budget and that this be presented along with their initial budget presentation.

Phil Giangarra stated that the costs of permits are the only thing that provides revenues to this department.

Frank inquired how Bob determined revenue from permits, estimated or actuals and stated that all fees from this department are directed into the General Fund.

Bob stated it is impossible to project specifically by number of permits as the cost of each is determined by the size of the building project. Also, there are 450 approved permits but when they will actually start is not known and that is what provides the revenue, the date started.

Richard Dunn stated that Bob's Budget data is based on actual revenue from the past year (FY07) and year to date numbers.

Suzanne stated that for all departments that are revenue driven like this one, their expenses need to meet the generated revenue. She also stated that following this initial budget cycle, the departments will be more prepared for addressing impact of level funding.

Bob detailed the specifics of the line items regarding Town Vehicle, Software, and Meetings/education.

The State of MA has a new law that mandates Continuing Education Units for all inspectors but does not provide funding for this new state requirement.

Animal Control Budget

Diane then requested Brenda Hamelin, Animal Control to present her budget and impact statement.

Brenda stated that her department generates revenue by citations which are handled by the Town Clerk.

The Animal Control Budget is shared by the Town of Millis. Brenda is employed through the Town of Millis.

The salary costs plus the expenses are divided in half and Medway is billed on a quarterly basis for this service.

Last year's (FY07) budgeting resulted in no night service. That will continue for FY08.

The impact of no Animal Control night service will mean higher utilization of Police and/or Department of Public Works (DPW) resources. For example, if an animal is injured or killed (dog hit by a car) or there is an occurrence of a rabies bite (resident or pet bitten by infected wildlife), the residents will need to contact

the Police and possibly the DPW to handle the situation. The Police are not trained to handle injured animals and do not have access to the same equipment as the Animal Control Officer (muzzle) which may result in physical injury to the resident and/or Police Officer.

ACTION ITEM: A discussion on payment of the quarterly bills to the Town of Millis resulted in the need for Suzanne to meet with the Millis Town Administrator to resolve this issue and document which town is paying which of this cost center's line items to ensure proper division of future costs.

Town Clerk

Diane then requested MaryJane White, Town Clerk to present her budget and impact statement.

Registrars

The Medway population has remained steady over the past years. The last census was 13,600.

This department is responsible for the town census and the Medway List of Residents.

Elections

FY08 will cost less than FY07. There were 4 elections in FY07 and only 2 are scheduled for FY08.

The cost of this department is dependent on the number of elections for each year and whether they are town or state elections. The town pays for the ballots for town elections and the state pays for the ballots for state elections.

Clerk

Suzanne stated that the Town Clerks salary is determined by 2 things; the Municipal Union's negotiations and Town Meeting. These contracts usually are 3 years in length. Renegotiation is scheduled for this year. Upon the end-date of this contract-6/30/07, there will be a ¼% increase in the Clerk's salary. The salary may also be changed by a vote at Town Meeting.

MaryJane reported that this position requires many state reporting/documenting requirements by law to be completed. This position is also responsible for recording and maintaining all records of Births, Marriages, Deaths, registered voters, number of dogs, non criminal reported complaints, posting of all Town Boards meetings, etc.

MaryJane reported that she has been directed to request assistance from other Town departments however that has not proved fruitful in FY07.

In the FY07 budgeting process, a second Full Time position was requested. This was not approved. It is becoming increasingly difficult to meet all of the state regulated reporting requirements.

This department generates \$20,000 - \$25,000 in fees per fiscal year.

MaryJane reported the impact of level funding for FY08 may result in noncompliance of the town for all the state mandated reporting requirements. She suggested the increasing of fees to offset the cost of additional staff.

Dennis Crowley reported that out of 22 Towns similar to Medway, the Town Clerk's salary ranked 19th and Medway is 22nd as far as least number of staff.

ACTION ITEM: Rob Kenney requested that MaryJane quantify the impact and focus on those activities that must be done to limit the town's liabilities for the next budget cycle.

The statement was made that the infrastructure of the current Town Departments would require changes in order to address the issues of support in the Town Clerk's office.

Planning Board

Diane then requested that the Planning Board present their budget and impact statement.

This department is responsible for review of development plans and inspection of construction.

The Board Chairman stated 100% of the cost of this department is covered by their fees. There are 2 revolving funds covering their expenses; Plan Review and Construction Evaluation. Application and filing fees go into the Town's General Fund and all bills generated are paid from the Town's General Fund.

Based on the Government Study feedback, the Board Meetings are organized to minimize the time required by the consultant and therefore, there has been a decrease in consultant fees since this reorganization of the meetings was initiated.

The Board Chairman stated that there are two types of activities occurring in the Planning Board Department; reactive and planning. They would like to increase the amount of time spent planning in order to generate more revenue for the town.

They are working on a technology grant for \$150,000 that the Building Department, Planning Board and Assessors Office may implement to speed and streamline the approval process for permits to increase town revenues and make these departments work more efficiently together.

This is a key Department as they do the planning for the town's growth which they have not been able to accomplish due to funding. The quality of life in the Town of Medway is dictated by how effective this Board is on planning for future growth of the town.

The impact of level funding this department is:

1. Loss of revenue to the town as the staff is bogged down with clerical duties.
2. Lack of staff to negotiate with developers to bring in commercial monies to the town.
3. Inability to update the Medway Master Plan passed in 1999, 8 years old, to determine future long-term growth plan for the town. This would also require a consultant.
4. Unable to apply for more grant money which would offset the cost to the Town due to lack of staffing resources.
5. Lack of Economic Development Planner position to recruit commercial business to bolster town revenues.

Library

Diane then requested Wendy Rowe present the Library budget.

Wendy presented her level funded budget based on same employee numbers for FY08 as FY07; 2 Full Time and 1 Part Time.

Wendy stated that the money budgeted to the library last year was not enough to run the Library at 32 hours per week as needed to retain certification. Other money sources came from the Friends of the Library and the interest from the Library Trust to meet the cost of keeping the library open 32 hours instead of 20.

Wendy reported that the state did not certify the library due to the percentage of the library's budget cut compared to other town departments even with the 32 hours of operations. Therefore, the library hours were cut back to 20 hours per week. Lack of certification results in no state aid funding for the library.

Wendy projected the impact of level funding FY08 based on FY07 would result in the need to utilize ½ of the principle from the Library trust for FY08 and again for FY09 and as of FY10, the Library would have to close it's doors.

FinCom asked Wendy to determine what her actual budget requirements would be without other revenue sources.

Wendy stated \$250,000 would be the approximate required budget to keep the library open to the degree that they could get state recertification and therefore, state monies. The state requires that a library function at a certifiable level of operation for 1 year before recertification may be granted.

ACTION ITEM: Suzanne, Wendy and Barbara (Town Accountant) will put documentation together to show the funding sources of the library.

Suzanne stated that the Governor's budget should be available in 2 weeks and the House and Senate budgeting should be completed in 6 weeks. Therefore, within 6 weeks, the Governor should provide Medway with the state revenue number.

Diane scheduled an additional FinCom meeting for Wednesday March 7th at which time Suzanne can present the updated budget.

Diane said the next joint BOS/FinCom meeting will be on Saturday February 17, 2007.

Tina Wright asked if we are "doing the right thing by level funding? Do we have enough money to provide the services we need?"

Jim Galligan stated that the information required to answer that is to understand the impact of a level funded budget and that we are not at that level of understanding yet and once there, we will need to evaluate and prioritize.

Katie Tortorello stated that we know based on level funding that there is not enough money and what can we do about that? Should the Board of Selectman and/or Finance Committee notify the residents?

Glen Trindade stated that until the BOS have more solid facts and measurable impacts with defensible data that talking about an override does not seem appropriate based on the Residents' response to last year's request. The revenue number that the Governor provides is not a solid number as this changes based on the House and Senate. Last year, basing the need on the Governor's projected revenue caused confusion once that number changed.

The Finance Committee's purpose is to present a budget based on the dollars available to be spent, even if those dollars are not enough to maintain the same level of service.

The residents of Medway have the ability and authority to contact the BOS with the request for an override.

The assumption of the BOS is that there will be a revenue shortfall and most likely a substantial one but until the hard revenue numbers are provided by the state, the actual number can not be known.

Judy Yasi made a motion to adjourn the meeting at 10:25 p.m. Joy Smith-Dahl seconded the motion and it was unanimously approved.

Respectfully submitted,

Liz Langley
Finance Committee Secretary