



Town of Medway

**FINANCE COMMITTEE**

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**Minutes of Finance Committee-Final Version**

**DATE:** March 21, 2007

**LOCATION:** Medway Middle School/School Committee Room  
45 Holliston Street  
Medway, MA 02053

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

**ABSENT:** Rob Kenney, Ned Myers,

**GUESTS:** Susan Connolly, Tina Wright, Rondi Chapman, Dave D'Amico,  
Dennis Crowley, Suzanne Kennedy, Jim Galligan, Larry Ellsworth,  
Chief Saleski

**PURPOSE:** Review Ambulance Fund Sub-Committee Findings, Budget  
Deliberations if information from BOS + Suzanne is available

**Diane Coulter called the Finance Committee (Fin Com) Meeting to order at 7:05 p.m. at the Medway Middle School-School Committee Room.**

**Diane asked for questions regarding the 3-12-2007 Fin Com Meeting Minutes.**

**Judy had 1 correction to page 3.**

**Diane requested a motion for approval of 3-12-2007 Fin Com Meeting Minutes as amended.**

**Tom made a motion to approve the 3-12-2007 Fin Com Meeting Minutes as amended. Frank seconded the motion and it was approved by all present.**

**Diane requested a motion for approval of the 3-14-2007 Fin Com Meeting Minutes as no questions were raised.**

**Judy made a motion to approve the 3-14-2007 Fin Com Meeting Minutes. Joy seconded the motion and it was approved by all present.**

*ACTION ITEM: Liz to forward 3-12+14-2007 minutes to Dave D'Amico to be placed on town website.*

Diane requested that Frank and Judy present the Ambulance Fund Sub-Committee findings.

Frank stated that Suzanne developed this Sub-Committee whose members consisted of, Chief Vinton, Officer Tingley, Mr. Trufant, Barbara Durand, Rich Dunne, Dennis Crowley, Judy and himself to:

- Study the functions,
- Review the historical budget and
- Develop recommendations for the town

Frank and Judy then reviewed their findings via the [PowerPoint presentation handout-EMS Study Committee:](#)

- This enterprise fund sends out bills and then collects receipts. Expenses to run the ambulance service are paid from the receipts collected.
- Since the Accounting department has straightened out the town Finances, this fund has been in the red for the last few years at approximately \$60,000 per year.
- Barbara sent out calls to other towns to see if there are enterprise funds that run in the black. Two responded; Clinton and West Springfield
- Judy and the Chief had a meeting with Clinton's town accountant and fire chief. It was determined that Clinton doesn't charge the enterprise fund for the entire cost of running the ambulance service. Clinton has a \$1.4 million Fire Budget which picks up a good part of the cost of running their "enterprise" service.
- Medway responds to 458 calls out of 600 per year, the rest are supported via mutual town aide
- 1200 calls/year would be required to break even
- Fiscal Year (FY)06, 66% of the bills were collectable and of that 66%, approximately \$10,000 is outstanding
- Medicare/Medicaid is 40%, 52% is Private insurance revenue

The costs were prohibitive to either include the EMS as part of the Fire Dept. or Outsource these services to a private vendor.

Maintaining the current EMS Enterprise service in Medway and supplementing the yearly budget with \$50,000 was the determined to be the most fiscally feasible.

Jim Galligan asked if increasing the personnel at the early and late parts of the existing shift would close the revenue gap?

Dennis stated that 4 of the 5 new Part Time On-Call Firefighters are also EMTs and in another 2 months we may see a bump in the revenue to slightly decrease the gap as Chief Vinton will be hiring 2 Full time positions and looking for both Fire+EMT certifications.

Judy stated that even if Medway billed for all the calls received, the fund would still require a supplement from the town. Medway does not have the call volume to make the ambulance service profitable or even self-fund its total operation.

Larry Ellsworth asked about the possibility of increasing the Medicare/Medicaid portion and is the revenue based on the FY cutoff?

Frank stated Medicare/Medicaid pay what they determine reasonable/customary and by law the difference is not allowed to be billed to the resident (balanced billing). The total revenue is impacted by the FY cutoff but this only affects approximately \$10,000 more.

Suzanne stated that even if we attempt to collect the outstanding unpaid \$10,000, the return on investment would be negligible.

Suzanne raised the Emergency Transfer Request (ETR) submitted 8 months ago for the McGovern School parking lot.

Phyllis asked if the schools were going to pay the \$4,000 they had promised.

Jim Galligan state that the schools said now they could not afford to pay the \$4,000.

Jim stated the Board of Selectman (BOS) revisited this at Monday's meeting and voted to approve this and forward to the Fin Com.

Tom stated that the Fin Com had previously voted to table the ETR and use the Department of Public Service (DPS) budget money. Fin Com would revisit the issue later in the year and determine the level of the Fin Com Reserve to possibly use for the ETR.

Judy stated there is \$72,488.22 in the Fin Com Reserve fund.

Dave stated the DPS (roads) budget is down to \$5,000.

**Tom initiated a motion to approve the ETR from the Fin Com Reserve. Judy seconded the motion. The motion was approved by all present Fin Com members.**

Diane stated Representative Vallee told the BOS at Monday's meeting to be conservative with budgeting based on the softness of the \$1.1 million House 1.

Jim stated the BOS settled on assuming \$605,000 state aid which would balance the Budget at level service. The Storm+Ice, Ambulance, Animal Control and CIPC were not computed into the BOS budget.

Dave stated \$196,000 out of \$210,000 for Snow+Ice has been spent.

Suzanne stated she still needs to check with the Department of Revenue (DOR) to determine if the BOS+Fin Com can legally transfer 3% from one budget to the newly created Storm Reserve without a Special Town Meeting.

Tom stated his understanding was that once a level is set for the Snow+Ice account this number can not be lowered. Suzanne verified this as correct.

Suzanne passed out a few copies listing the FY08 CIP ranked by priority.

Chief Saleski stated that he is 3 cruiser replacements behind for FY07 and in FY08 2 more behind at a cost of approximately \$30,000 each. There might be additional costs if additional computers, lights, etc. are needed to equip this car. Therefore, the chief needs 5 more cruisers to bring him up to date, for a total cost of \$150K.

Discussion regarding leasing of the cruisers/computers and capital planning/debt services followed.

Suzanne stated next Tuesday she anticipates the 10 year capital planning/debt services/bonding report from Lisa, our fiscal consultant to be available to the BOS+Fin Com.

Tom stated that if we assume:

- \$605,000 in level service department budgets
- \$50,000 added to Ambulance
- \$65,000 added to Storm Reserve
- \$75,000 put in CIPC
- Very small margin to \$1.1 House 1

Frank pointed out that Tom's numbers still did not include the full list of items on Suzanne's handout from 3-14.

Dennis stated the BOS is looking at a debt exclusion override negatively.

Suzanne stated:

- The Health Insurance Reserve should be kept in the Unclassified budget then it can be used as needed for major life event changes.
- Still waiting on Library Budget concurrence from Wendy to Barbara
- Still waiting on the debt service report
- Still waiting on the Animal Control information from the Millis Town Administrator

Suzanne reiterated from the 3-17 Fin Com meeting that she hopes after Town Meeting to have a CIP Committee to be able to start meeting with in September, October, and November to develop this budget separate from the town budgeting cycle to support the town budgeting.

Diane stated that once the Fin Com is provided with more solid budget numbers from Suzanne and the BOS Budget and CIP recommendations then the Fin Com can begin the budget deliberations.

**Judy motioned to end the Fin Com meeting at 8:45 p.m. The motion was seconded by Steve and approved by all.**

Respectfully submitted,

Liz Langley  
Finance Committee Secretary