



Town of Medway

FINANCE COMMITTEE

155 Village Street
Medway MA 02053

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Minutes of Finance Committee-Final Version

DATE: April 11, 2007

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

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

ABSENT: Ned Myers

GUESTS: Tina Wright, Suzanne Kennedy, Susan Connolly, Mark Flaherty, Andy Rodenhiser, Matt Lynch, Officer Tingley, MaryJane White, Mr. Verdolino, Deb Trindade, Glen Trindade

PURPOSE: Budget Review & Vote

Diane Coulter called the Finance Committee (Fin Com) Meeting to order at 7:04 p.m. at Sanford Hall, Medway Town Offices.

The initial discussion regarding the leasing of the police vehicles followed:

- Officer Tingley stated that it would be a savings in the run as the 3 year cost would be \$13,000, 9,000 and 9,000 and then the buy-out price is \$1.
- Suzanne stated that she does not believe it is good fiscal policy to use FY07 dollars for FY08 expenses
- Diane stated that we could get 2 cars for \$26,000 this year and then \$18,000 a year for the next 2 years
- Frank stated his concern regarding the revenue stream to support leasing
- This discussion was then tabled until later in the meeting.

Andy addressed the Fin Com regarding the PB07 Article stating:

- This was related to ARCPUD only as far as a convenience store within a retirement community development

- If something is not mentioned in the MA zoning by-laws that means it is excluded
- The change is moving the language to the definitions
- Andy stated that for future Warrant Articles the Planning Board would provide the old language, new language, all Town Counsel correspondence related to the change

A motion was made by Tom to approve the PB7 Article based on the further information provided by Andy. Frank seconded the motion and it was approved by all.

MaryJane White (Town Clerk) and Suzanne then discussed her request for .5FTE be added to the Town Clerk's budget:

- Suzanne stated that there was an issue with the union that is currently in negotiation regarding the sharing of a position with the Town Clerk and therefore, she can not discuss this yet.
- MaryJane again requested funding for this position and identified that with the proposed increasing of fees in the Town Clerks office there would be some monies available to partially fund a clerk in the Town Clerks office.
- Diane stated that there are no funds for the remaining monies needed for the added clerk in the current balanced budget proposal to fund this .5 FTE in the Town Clerk's office.

Mark Flaherty then discussed the Water/Sewer FY07 revenue shortfalls and projected FY08 shortfalls and the proposed rate changes document and shifting of dollars from the water reserve fund.

- A capital expenditure surcharge per house per capital expense/debt per year for the life of that specific loan estimated to be approximately 20 years would be instituted in addition to the proposed rate increases.
- This proposed number could change based on if the land value decreases or the interest rates increase before these projects are put into place
- The capital plans would be for the new well, repairs to the Village Street well and the purchase of new meters
- Phil and Frank stated that with the new meters the manpower requirements should be lessened
 - Mark stated that the new meters would not lessen the manpower hours required but did not clarify any further
- Mark stated that the current rates are currently at the 40th percentile and the proposed rates would bring the town up to the 70th percentile within the state
- Mark also stated that the water restrictions are state mandated based on the Charles River and the state plans on extending this to all state rivers not just the Charles in the next year
- Suzanne stated that \$150,000 revenue dollars remain uncollected
- Mark stated that the billing is done by district and they are sent out to each of the 6 districts 2 times/year

- Mark stated they will be sending out friendly reminders and speeding up the billing process
- Mark stated that 82-85% of the revenue is collected yearly and of the \$60,000 that is liened, they must wait until the property is sold to receive those dollars
- Mark stated that \$507,000 exists in retained earnings and he plans to transfer \$310,000 for interest payment, fencing the water tower which is state mandated, and testing, and the sump
- Mark stated there will be another rate increase in January but that would be less than the one currently being proposed
- Mark stated that the retained earnings have been building since 2002 and he thought that the Water Department has been using what was billed is what they had for revenue versus the reality of what is actually collected by the end of the fiscal year is your actual revenue hence, this shortfall. This change in accounting practice has been mandated by the State.
- Suzanne stated that the town does not have enough historical data to increase the rates to keep up with the expenses
- The goal is to change the way that the Water/Sewer Department collects its revenue so that as much as possible of what is billed is collected by the end of the fiscal year

Diane then requested that the Fin Com revisit the leasing of the Police Cars and come to a decision.

- The lease must be signed by 6-30-07 to address the FY07 shortage issue
- There is \$15,000 in the proposed Police FY08 budget for one car to be leased and the Fin Com will try to utilize the Fin Com FY07 Reserve to support the lease of the second Police vehicle before the end of the FY07 year, if funds are available in the May time frame. If not, the Fin Com may modify the proposed budget on the Annual Town Meeting (ATM) floor to fund the 2nd Police vehicle with monies from the FY08 Fin Com reserve.

Glen Trindade asked how the BOS and Fin Com would address the Town Clerk's salary increase and the discussion followed:

- Suzanne stated that the Town Counsel stated that the Omnibus has all the elected officials and the Town Clerk can go into there
- As of now, there is not an increase addressed in the budge for the Town Clerk
- The Fire & School for the next 2 years are 1.75 then 2.25 so the decision was to increase the Town Clerk salary at 2% (\$1000).
- Tom, Suzanne, and Diane stated that the 2% would be put aside from the salary settlement fund, thereby reducing the Salary Settlement fund by the amount for the Town Clerk's FY08 salary increase

Diane requested that the Fin Com vote on the rest of the budget departments including those changes discussed tonight. Diane stated all line items and their corresponding total level service budget numbers for each expense voted on.

ACTION ITEM: Suzanne to send the Library 3 year funding scenario to the Fin Com.

ACTION ITEM: Phil to send an e-mail to Solid Waste to re-affirm that their FY08 budget did not include an increase in Trash rates to fund their department.

ACTION ITEM: Suzanne to make the changes discussed in this meeting the Budget and e-mail to the Fin Com.

ACTION ITEM: All Fin Com members that are liaisons to other Town Boards must send their final documentation to Diane as soon as possible.

Diane then cancelled the Fin Com meeting for the next night.

Phil motioned to end the Fin Com meeting at 8:47 p.m. The motion was seconded by Larry and approved by all present.

Respectfully submitted,

Liz Langley
Finance Committee Secretary

Budget/Department Name	Depart #	Fin Com Member Motioning Approval	Fin Com Member Seconded Motion	Fin Com Members Opposed	T M A
Education-Medway Schools	300	Judy	Frank	None	All F
Education-Tri County	300	Phil	Larry	None	All F
Assessors ^[1]	141	Joy as Amended	Tom As Amended	None	All F
Town Clerk ^[2]	161	Tom as Amended	Frank as Amended	None	All F
Unclassified- Salary Reserve ^[3]	NA	Joy as Amended	Phil as Amended	None	All F
Dept of Public Services	422	Judy	Phil	None	All F
Police	210	Frank	Tom	None	All F
Animal Control	292	Joy	Judy	None	All F
Library ^[4]	610	Larry	Tom	Frank	9
FY08 Transfer to Stabilization	NA	Judy	Tom	None	All F
FY08 Transfer to Storm Reserve ^[5]	NA	Judy	Tom	None	All F
Special Revenue Fund-Water	450	Phil	Judy	None	All F

Ambulance Enterprise Fund	232	Phil	Larry	None	All F
Solid Waste Enterprise Fund ^[6]	431	Larry	Phil	None	All F
Parks Dept	650	Phil	Judy	None	All F
Sunshine Group	654	Phil	Phyllis	None	All F
Disability Commission	545	Judy	Larry	None	All F
Memorial Commission	670	Phil	Tom	None	All F
Historical Commission	691	Phil	Larry	None	All F
Ambulance Fund Subsidy	NA	Judy	Tom	None	All F

^[1] \$35,000 was removed from the Assessors salaries making the Total Salaries \$114,737 and Total Budget \$172,221

^[2] 2% increase as discussed was added making the Total Salaries \$52,304 and the Total Budget \$56,886

^[3] \$1000 was removed from the Salary Reserve as the Town Clerk's budget was increased by \$1000 for the 2% increase

^[4] The Library is using the interest of their fund to keep open at 20 hours per week.

^[5] Frank requested that the \$75,000 put in here in FY07 be documented here as well.

^[6] The vote was based on the assumption that this is the same as what was presented to the Fin Com at the previous meeting during initial budget review.