

Minutes of Finance Committee-Draft

DATE: December 10, 2008

LOCATION: Sanford Hall, Medway Town Hall
Medway, MA 02053

PRESENT: Frank Faist, Eric Arbeene (arrived late), Jeff Devolder, Phil Giangarra, Jan Fish, Mark Brown, Larry Ellsworth, Phyllis Cerel, Paul Marble

ABSENT:

GUESTS: Suzanne Kennedy, Melanie Phillips, CIPC members

PURPOSE: Regular Monthly Meeting

Frank Faist called the Finance Committee (Fin Com) meeting to order at 7:11pm.

CIPC CAPITAL BUDGET PRESENTATION-Jim Palladino, Tom Anderson, Rondi Chapman

The Finance Committee was presented with a proposal for the FY10 CIPC Capital Budget (handout supplied). Chairman Faist explained he was unsure if members would be able to fully comment having just received the proposal this evening. The CIPC will be presenting to the BOS on 12/15/08 and they requested feedback from FinCom before that presentation.

The group explained there will be a TM Article that will make adjustments to the cost estimates contained in the proposal presentation. Some of the projects from FY09 proposal have been started, some are in process. The SC is looking at alternatives through a TRANE program/contract to replace the previously approved CIPC monies for school energy management equipment and thermostats. If that contract does not happen, the appropriated money will be used as originally intended.

To help fund the proposed CIPC FY10 projects the committee identified several FY09 projects that were not going to happen or came in under budget to free up approximately \$84K of Debt Service dollars.

The proposal outlined capital requests for over the next three years for roads, Middle School repairs, vehicles, IT and water department.

Police Station snow rails were on the proposal and passed last year. CIPC believes the whole system could have been replaced for the allotted sum, but the Police went a different route and only repaired the issue on the back of the building where employees enter. By not replacing on the front, although the entrance has a roof over the walkway, not installing the ice rails will eventually ruin the gutters. The proposal mentioned this year is a request to finish the job.

There are no HS Capital items capital improvements listed. Jan asked if there was a maintenance budget and/or any requests. CIPC explained this does not include all of the school needs.

The presentation included incomplete Middle School requirements totaled \$696,200. It was mentioned that there may be a need to look at the long term/life of the Middle School and if it makes sense to spend such a large sum of money. The options would be chipping away over time or spending a large chunk at one time.

Steve Dahl-School Committee member who is a liaison to the FinCom brought up a MSBA renovation application that has been submitted for state funding of selected projects. This application has been sent in, and has not been rejected at this point. Steve was unsure of the priority the state takes for this type of application. Also mentioned and discussed at length was the schools initiative with TRANE engineering for a performance management contract that will help to make improvements. It will possibly cover/pay for and install some of the items like windows and the energy management system. Once this contract is authorized, these mentioned items can be removed from this proposal. Dr. Evans and Dave Verdolino are working on the funding for this contract and executing by 1/1/09.

After much discussion about funding and savings it was agreed that the School Committee would be better equipped to answer all questions regarding the TRANE contract.

Jeff Devolder raised the point that this program should be net neutral or close to it and that the contract should be short enough to affect the average life of the equipment.

Melanie Phillips-Treasurer/Collector offered that TRANE is projecting a savings of units of energy not dollars.

CIPC will touch base with the SC on this subject.

The equipment, how it's used every day and what needs to be maintained was another topic on the proposal.

IT Infrastructure was described as a fiber optic wide area network is proposed to connect the Middle School building to Town Hall, this will centralize school system and municipal phones, emails, voicemail, networking and backups, with a hard savings of \$31K a year, only paying for 2 locations instead of 3 and reducing the 100 telephone lines the town has by 30%, reducing costs by \$13K. Rondi explained this is an up front money expense v. constant money. There is a plan in place to do this in 3 phases. Water Dept. and Highway Barn are not included at this time. This will unify the systems and will increase performance and security.

Of all the projects presented the CIPC is recommending 13 projects totaling \$370,000 that will increase debt funding by approximately \$50K per year. They did note that the Fire Station 2 roof is not on the list, as TriCounty may be interested in working on this project.

Mark requested the CIPC provide a final ranking. It was also mentioned that the Town Hall may become an historic building and then funds for capital improvements would come from CPC.

Review of the Budget Calendar

There was a review of what had been decided at the SC/BOS/FC joint meeting. All were reminded that the SC will issue their needs based budget on 1/8/09 and then two weeks later a level service budget. The BOS will revise their policy statement on 12/15/08.

Frank reminded all that FinCom will have from 3/10-4/10 to review the entire budget, interview departments and make their recommendations.

The FinCom will be given a complete package on CD when the BOS is presented with the budget. FinCom has requested that they be presented with an excel version and asked Administrator Kennedy if it would be excel or pdf version. Administrator Kennedy advised she had no comment on how the information would be presented at this time.

Frank will have a schedule laid out by the January FinCom meeting with department head meetings scheduled between 3/10 and 4/10.

FinCom Budget Status

Phil questioned the information presented by the secretary which divided out the FinCom hours v FinCom Appointment Committee hours. There is a \$170.61 discrepancy. The secretary is unclear where this number comes from. It was suggested that Phil check with Carol Pratt, Town Accountant to resolve this issue.

Item	Budgeted	Spent
Salaries	\$ 2,224.00	\$ 1,391.42
Expenses	\$ 4,550.00	\$ 4,350.00
Reserve	\$100,000.00	\$92,315.00 Veteran's \$7,685.00

Secretary Pay

Motion by Paul to approve secretary pay of 8 hours totaling \$100.16 from 11/15 to 12/12/08; Seconded by Larry; no discussion; all in favor

Voucher

Motion by Jeff to approve a voucher to pay \$24.57 for FedEx expense to mail a response to the District Attorney's Office from the FinCom Appointment Committee; seconded by Larry; no discussion; all in favor.

The secretary ordered 9 copies of the Association of Town Finance Guidebook, which will come in CD form.

Minutes

Motion by Mark to accept the minutes of the October 27, 2008 meeting as amended; seconded by Phyllis; no discussion; all in favor.

Motion by Jan to accept the minutes of the October 29, 2008 meeting as amended; seconded by Paul; no discussion; all in favor.

Motion by Paul to accept the minutes of the November 10, 2008 meeting as is; seconded by Larry; no discussion; all in favor.

Minutes of the 12/1 combined SC/BOS/FinCom meeting were held for the next meeting.

Outstanding items

Frank will contact the SC to schedule a meeting in February.

Liaison Reports

Eric-Nothing to report

Paul-Jeff will report

Mark-CIPC thank you for all of your hard work, they will be coming to the next FinCom meeting with an ETR for their secretary's pay.

Larry-Revenue Enhancement Committee has been meeting and there are small opportunities coming our way, not a lot of money, but some.

Frank-Some of the Revenue/fee changes may require by-law changes.

Phil-

Jan-Open space-making sure costs aren't coming back to the town. Design Review, Master Plan, Planning Board, asking financial questions when attending meetings.

Jeff-On the school budget subcommittee with Paul and will lay out assumptions, enrollment is down and Ch70 money is based on enrollment.

Phyllis-CPC-Advised that there has been vandalism at 50 Winthrop Street and that the Town now owns this property, so the Town is responsible for making the repairs.

Library-heating system failure that has an unanticipated \$1600 expense. Frank advised that the Library should be coming to the town for an ETR. Still looking at recertification and some towns are willing to let Medway residents borrow books.

TriCounty-Frank will get in touch with Linda to arrange for her to come in and present their budget.

Frank advised the committee that the secretary, Wendy Harrington has resigned from her position. Frank will work with the Town Administrator to replace Wendy.

Motion by Larry to adjourn; seconded by Phil; no discussion; all in favor.

Respectfully submitted,
Wendy Harrington
Finance Committee Secretary
**approved 1-15-09