



Town of Medway
FINANCE COMMITTEE

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Approved: June 28, 2011

Meeting Minutes: April 13, 2011
Medway Town Hall - Sanford Hall

Call to Order: With a quorum being met this meeting was called to order at:
7:11pm.

Members Present: Chairman, Eric Arbeene, Vice Chairman Martin Dietrich, Clerk, Christopher Lagan, Members: Rondi Chapman, Frank Rossi, Jeff O'Neil, Anthony Pacholec.

Guests Present: Board of Selectman Chairman Dennis Crowley and member Glenn Trindade, Town Administrator Suzanne Kennedy.

FY12 Budget:

Suzanne Kennedy and Dennis Crowley spoke to this Committee concerning the budget for FY12. They mentioned that the Cherry Sheet had come out and it closely resembles the Governor's budget in respect to what the Town of Medway expects to receive. It was also stated that the Senate and the Governor still have to approve, so nothing is set in stone yet.

Stabilization Fund:

Currently this fund has a balance of \$1,379,599 and the BOS stands strong on their goal to keep it at 1M. An adjustment of \$268,000 in revenues will allow the BOS to take that number less from the Stabilization Fund leaving a balance of \$731,449 to be withdrawn.

Free Cash:

As of November, 2010 the certified balance of Free Cash was: \$1,196,814. Discussions on usages for these funds in still ongoing.

Discussion:

A FinCom member questioned the use of these funds to pay for the operating of the Town, as this goes against the ideals of the BOS.

Dennis Crowley replied that yes it is, but in these economic times, there are "exceptions" to the rules and this is one of them.

Another members suggested that a better use would be Capital Improvements instead of using funds to pay for things that had already happened.

Dennis responded that the BOS is taking steps to avoid this large amount of Free Cash in the future.

Health Insurance:

Talks are currently going on which may lead to a significant reduction in the Town's Health Insurance costs. These savings will come with higher co-pays, the addition of Flexible Spending Accounts and the establishment of a Trust to pay for increased co-pays, Emergency Room visits and hospital stays. Currently the expected increase is 19.5% but if this plan is approved the costs there would be only an increase of approximately 4.2%.

Budget Discussions:

Chairman Crowley offered to meet with individual/small groups of members of the Finance Committee to discuss their questions.

Several Finance Committee members responded with their preference of keeping all budgets discussions in an open forum format.

Committee Questions:**Tri-County School Budget:**

Currently shows an increase of \$674,537 up to \$721,080 a \$46,561 increase. The amount paid by the Towns who are part of the Tri-County system is dictated by the State and the number of students each town has in the school. Currently Medway has 4 students, with 8 more applications currently in the works. There has also been a reduction of 75 students in the Medway School System. It was also stated that this payment will mostly go up, as capital spending has been on hold due to the economy, but in the next few years, maintenance items will have to be done due to the length of them they have been put off.

Norfolk Agricultural:

Currently the Town of Medway pays to this school \$14,000. This figure is based upon the costs of \$2,000 per student and Medway has 7 students enrolled.

Town Clerk:

In order to avoid any incidents like the one a few years ago, the Town and the Town Clerk have reached an agreement in where the Town Clerk will be put on a grade/step system in line with the town's other department heads. The Town Clerk agreed to accept the same raise percentage as the unions. For FY12, a raise of 5% has been agreed upon by all parties involved.

Library:

Dennis Crowley stated that for the first time the BOS has placed a non-binding question on the ballot asking if the town favors library regionalization.

Bonding:

Currently due to the low interest rates it has been recommended that the Town not bond, but go straight to short term loans.

Enterprise Funds:

It was requested that the Finance Committee be provided with both the current year to date expenses of all Enterprise Funds but also their year to date balances. Suzanne Kennedy will provide these numbers to this Committee.

Veterans:

It is the hope of the Town that they can find someone who will do this job for the same salary that the previous employee did. Currently the regionalization of this duty is being discussed but due to Legislation any town with a population of more than 12,000 is required to have their own full time Veterans representative. The Town is looking at hiring an interim advocate, so that services will not be interrupted.

Fiscal Stability Funds:

The State mandated deposit amount this year is \$49,551. This is the first time in several years the Town has had to make this monies available, due to the pre-payment of several years.

Administrative Staff:

In FY12 there will be a standardization of all night board secretaries. All monies will now be put into the Administrators budget. There are discussion on going about changing from hourly to stipends.

Unemployment Compensation:

Payments are going up, due to the extended length you are eligible to collect - 99 weeks. Number may change also due to changes at the school.

Police:

Increase if due to salary increases. This is the last year of the contract which included a 2.5% increase.

Board of Health:

Contract negotiations are ongoing.

Legal Budget:

Suzanne Kennedy explained that this is increased due to 2 Tax Appellate cases that are ongoing and special legal counsel must be hired, as well as the expenses incurred with having expert witnesses.

The increase is also attributed to 2 labor issues that will not resolved until 2012.

School budget:

This should be ready for Finance Committee soon.

Budget Calendar:

Suzanne Kennedy passed out the revised budget calendar.

Other Business:

ETR: Town Clerk \$8,000

This request is made to pay for the upcoming May, 2011 Town Elections. Her budget for FY11 - did not plan on the special election in January, 2011 for the Middle School Renovations.

A member questioned if the School could be responsible for these costs as the election was completely school related. Chairman Arbeene will check with Suzanne Kennedy and get back to the Committee.

Library Repairs: \$20,000

Rondi Chapman informed this Committee that one (1) of the four (4) heating units at the Library is broken beyond repair. They are hoping that they is a cost savings in purchasing a new system now that the nice weather has arrived. The Library Board of Trustees will come to a future meeting with all the necessary information to make this request.

Financial Report:

Reserve: Balance \$46,000

Approval of Meeting Minutes:

March 9, 2011 Approved with suggested changes.

Motion: Jeff O'Neil Seconded: Chris Lagan Vote: 7-0-0

March 29, 2011: Joint meeting with School Committee

Carried due to missing information

Liaison Reports:

Rondi: Library:

The Library Board of Trustees fully expect the monies earmarked for Regionalization be cut and are moving forward with that in mind. The Library Director will remain part time.

Rondi will inform the Library that although it seems they have no maintenance budget, that it is now going to included in the DPS's budget.

Chairman's Report:

Eric: Thanked Jeff O'Neil for all his time as liaison to the School Committee. It is a large commitment and we appreciate your efforts.

Budget Meetings:

The following the schedule that was agreed upon:

Sunday, April 24th	all budget questions to Eric, he will compile a list for the upcoming meetings.
Wednesday, April 27th	Budget Meeting
Wednesday, May 4th	Budget Meeting
Monday, May 9th	Public Hearing on Warrants
Sunday, May 8th	Town Meeting book Liaison write ups due
Wednesday, May 11th	Budget Meeting

Terms Expiring:

Shirley Bliss reminded Rondi, Eric and Jeff, that their terms are expiring and that she needs to know by May 1st what their intention is.

Adjournment:

With no further business before this Committee a motion was made and passed to adjourn at: 9:21pm.

Motion: Tony Pacheco Seconded: Rondi Chapman Vote: 7-0-0