



Town of Medway
FINANCE COMMITTEE

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Meeting Minutes: March 14, 2012
Medway High School Library
88 Summer Street

Present: Chairman Martin Dietrich; Clerk Chris Lagan; Members: Christine Devine, Kevin Dickie, Neil Kennedy, Tony Pacholec, Frank Rossi and Jim Sheehan.

Absent: Jeff O'Neill.

Also Present: Suzanne Kennedy, Town Administrator; John Foresto, Chairman, Board of Selectmen; Selectman Dennis Crowley; Melanie Phillips, Finance Director.

There being a quorum present, Chairman Dietrich called the meeting to order at 7:05 PM.

Public Comment: None.

Review of Budget Process:

The Committee received the FY13 Budget Books and supporting materials from the Finance Director and Town Administrator at the meeting.

Selectman John Foresto stated the budget is a level funded budget for the most part, with small differences between the school and Town side. The schools have lost some head count and have added some positions with the available funds, in addition to some new programs. On the revenue side, state aid figures have not been confirmed.

Selectman Foresto stated the Board of Selectmen is adamant about education and public safety, and asked the committee to consider those first. There has been a 28% increase in calls to the police station since 2005, and the Board believes it the right thing to add another patrolman (salary \$62,000) at this time. Domestic violence and drug abuse are two big items as well as time spent in court. It would make sense to elevate a current officer to detective and hire a new patrolman. The only head count change in the new budget has been on the Town side in the Police Department.

Ms. Christine Devine asked if there was any savings generated by reduced overtime. Selectman Foresto stated overtime is used mostly to cover shifts that are open due to absences, vacation or court appearance, and some shifts are never complete. The national average is 22 patrolmen for a community the size of Medway. He added that the real increase is in the caseload. Demands on services have increased, and lifestyles have changed.

It was also noted that all union contracts expire this year and will need to be renegotiated. Having a large amount of operational reserve may work against the Town in those negotiating sessions, so those funds will be used to help offset some non-budgeted items, as well as moving some free cash to the proposed Capital Improvements Stabilization Fund.

Selectman Crowley cautioned that, if the economy does not improve, the operational reserve will be needed, and the Board feels it important to get that total under \$1 million, maybe \$975,000. Over time the fund will be intentionally depleted. Ms. Kennedy stated she anticipates the free cash next year to be smaller. Discussion followed. Selectman Crowley emphasized that the Board will have to prepare a summary that explains the Board's position on the new Capital Improvements Stabilization Fund. He reminded the committee that it will take a two-thirds majority vote at Annual Town Meeting to create the fund, and later, the same majority vote in order to spend or transfer any funds.

At this time everyone turned their attention to the FY13 Budget Book. The following areas were discussed: Planning and Economic Development; Building Inspector, Fire Department, Police Department, Board of Health, Veterans Services, Library and Department of Public Services.

Planning and Economic Development – This department would like to add an economic development specialist per request from the Board of Selectmen. This full-time staff member would focus on economic development of the community, with the salary of approximately \$60,000 being funded from two sources. Selectman Foresto suggested that improvements to the infrastructure should be made with anticipation of increased business growth. This growth needs a qualified person to spearhead efforts on a full-time basis. Responding to a question from the committee, Selectman Crowley stated companies such as a pharmaceutical company or a mixed-use office park would fit the Board's vision for development. Discussion followed.

Building Inspector – Funds were put into the budget to cover the cost of demolishing a building on West Street.

Fire Department – Ms. Kennedy noted that the Fire Department's budget was increased to cover the salary of the new fire chief, who will likely come in at a higher salary level due to increased qualifications. It was noted there are presently 47 applicants for this position. Ms. Kennedy stated most salary increases are a function of contracts that were approved at Town Meeting on a retroactive basis. Chairman Dietrich stated it would be handy to have a comparison of expenditures, both in dollar and percent.

Police Department -- The Police Chief has asked for two vehicles this year so there would be one rotating out every year.

Board of Health – The current Health Agent will be retiring; there are six applicants for the position. A new budget item is for a program called Sharps, a joint program with other communities to dispose of used hypodermic needles.

Veterans Services – Ms. Kennedy stated the new Veterans District has been formed. Because it will be paid jointly with other communities, the Veterans' Agent salary will be considered an expense, and Medway will be getting an invoice. Medway will hire the part-time Veterans' Agent. Brief discussion followed.

Medway Public Library – The Selectmen added \$20,000 so the library could stop using its reserve funds to buy books. The Library hopes to become more of a media center, adding more computers and other technology. A small audio visual center is being developed, funded by the Cable Access Committee, which will create workstations for people to work on computers.

Selectman Crowley reported the Trustees still want a full-time director, and Board of Selectmen emphasized that it does not want to add recurring expenses. They mentioned filming some programs for local cable access, like a children's story hour, which would be funded differently. Mr. Chris Lagan, liaison to the Library, stated Ms. Rowe was very pleased at the progress that had been made during the last meeting with the Board of Selectmen and Finance Committee. Selectman Foresto pointed out that assistance will be provided to help them locate other sources of funding besides the Town.

Directing the committee's attention to the budget books, Ms. Kennedy pointed out the updates spreadsheets and budget policy figures, noting there was a decrease in state aid. It was also noted that the Level 3 budget was the budget finalized by the Board of Selectmen. Ms. Kennedy added that she set up the budget in alphabetical order so that it is easier to read and people could locate specific departmental budgets.

Brief discussion followed on increased health insurance premiums. This year the rates were lowered because the deductibles were expanded. Because the Town had changed carriers recently, carriers have little history to work with and have to be convinced to work with Medway. Ms. Kennedy noted that including three people with brain cancer has a huge impact on our rates.

Ms. Melanie Phillips, Finance Director, stated GIC (Group Insurance Commission) is a six-year commitment, and people are held to any changes that are made during that time. It is not necessarily the best option. Selectman Crowley commented that having a full time Human Resources Director helps navigate through these things.

Brief discussion followed on debt service this year, a figure of \$3.16 million. Ms. Kennedy stated this information typically is not included in the budget for Annual Town Meeting. Chairman Dietrich suggested this is interesting detail and that taxpayers might be interested. He asked for a printout showing principal and interest amounts to see how those change over time.

At this time Chairman Dietrich reviewed the book setup, noting the departmental descriptions and summaries. He asked members to look over the budget and send him any questions by Sunday. He will forward all the questions to the Town Administrator in one group. Additionally, he reviewed the liaison assignment reports, asking each member to connect with their respective groups on the text of their reports.

Bridge:

It was reported there is a structural problem with the Sanford Street/Lincoln Street Bridge, and the Town of Franklin will share repair costs. \$75,000 may not be sufficient for each Town's contribution. Ms. Kennedy will get more information; more funds may need to come from free cash.

Property purchase – Briggs:

Ms. Kennedy stated the Town is in negotiation with Mr. Briggs regarding the purchase of property. The negotiating team will be working hard to get it all finalized in time for Annual Town Meeting.

School:

Ms. Christine Devine stated the School Budget Advisory Committee met last evening. She reminded the committee that the joint meeting of the Board of Selectmen, Finance Committee and School Committee is March 29. Members should funnel their questions to her, and she will compile a list to forward to the School Committee.

Ms. Devine reported that, at the meeting, they discussed circuit breaker funds, used only for special education programs. They want to have a backup fund for those monies instead of utilizing them each year. This will help offset students coming into the school mid-year whose services are not presently in the school budget. Ideally the fund should grow to a definite point, and then cap it off, possibly by 2015. Brief discussion followed on dealing with funding with respect to contract negotiations, school choice funds, FTE analysis, etc. Superintendent Evans would like to create a Special Education Center that would accept eligible students from area communities, and reimbursement to Medway would come in at the special education rate as opposed to school choice rate. This would serve as a justification for the hiring of a curriculum director and enrollment changes.

Regarding a shared maintenance program with the Town, it was reported that the schools put out an RFP (Request for Proposal) for a consultant to assess their buildings.

Budget Calendar/FinCom Meeting Schedule:

Now that the budget has been delivered, the committee will be meeting on March 21, March 28, and April 4. The public hearing will be scheduled for April 11, and the committee's regular monthly meeting will be on the same night.

Chairman Dietrich asked committee members to take a look at the budget and send him their questions by Sunday. He will compile a list to send to the Town Administrator, with answers to come back by the meeting on March 21. It is anticipated that the Warrants for both the Special Town Meeting and Annual Town Meeting may be available next week.

Financial Reports:

No change from the previous report.

Liaison Reports:

Liaison reports were presented relative to the following groups: Community Preservation Committee, Board of Selectmen, Medway Public Library, and Council on Aging.

Approval of Meeting Minutes:

The committee reviewed draft minutes of meetings held on February 8, 2012.

The Committee asked Ms. Galliardt to get clarification of one section. The minutes will be reviewed at another meeting.

Next meeting:

The next regular meeting will be Wednesday, March 21, 2012 at 7:00 PM, in the library at Medway High School.

At 8:47 PM Mr. Tony Pacholec moved to adjourn; Mr. Neil Kennedy seconded. No discussion.

VOTE: 8-0-0.

Respectfully submitted,

Jeanette Galliardt
Night Board Secretary