



Town of Medway
FINANCE COMMITTEE
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Meeting Minutes: March 21, 2012
Medway High School Library
88 Summer Street

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

Also Present: Suzanne Kennedy, Town Administrator.

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

Budget Review:

The Committee had been given the task of reviewing the budget as prepared by the Board of Selectmen, and their questions (with relevant discussion) follow.

Mr. Frank Rossi submitted written questions in advance, asking for clarification on the following pages of the budget: Assessors (nothing new or different from last year); Enterprise Funds from Water Department (noticed significant increases in principal and interest on long-term debt); Enterprise Funds for Sewer Department (Other Funding Uses and transfer to general fund); and Cherry Sheet Offsets, Cherry Sheet Charges, Overlay and Enterprise IDC Offset.

Discussion followed on cherry sheet offsets and changes, and overlay (from the Assessor's Office) which involved 125 appeals of tax valuation. Ms. Kennedy suggested appeals could be data entry errors, but residents were also concerned that the taxes went up a fair amount. Data entry errors may have been carried forward for a few years, and the revaluation brought them to light. Mr. Jeff O'Neill asked if the committee could get a list of abatement amounts from last year.

Regarding utilities, Mr. O'Neill wondered why the Town is not collecting more from utilities. Ms. Kennedy clarified that the collection begins in 2012, so annual figures won't be available until 2014.

Mr. Chris Lagan asked about the Parks Department relative to Parks Reserve. Ms. Kennedy responded it an allocation for Parks, Highway, and Enterprise Accounts. The allocation for Parks was shifted from Administration to the Parks Department. In anticipation of union contracts being settled, this amount was increased to allow for potential increases.

Responding to Mr. Tony Pacholec's question about casualty insurance, Ms. Kennedy stated that MIIA offers a wide variety of training programs which we try to use, and after a certain level of participation, it decreases our insurance premiums, as well as generate dividends and rewards (reductions in payment amounts). The Town receives a check in the mail or a credit toward the next year's premiums.

Referring to a budget amount for legal expenses, Mr. Jeff O'Neill wondered why the Oak Grove title work is not included in that amount. Ms. Kennedy responded that it is included in the Economic Development and Planning Budget.

It was noted that, in the 495 Corridor Development Report, the Town of Medway was not mentioned. Ms. Kennedy stated she did not know why, but suggested that Selectman Glenn Trindade may know more about the report and its focus. Naturally the Town wants to promote the industrial park, and there should be a business retention effort. She stated it is important to know that, before any money is spent, the Economic Development Board has to design a plan that the Board of Selectmen will approve. Brief discussion on general development followed.

Warrant for Special Town Meeting:

The Committee reviewed the Draft Warrant for Special Town Meeting, May 14, 2012.

Chairman Dietrich reminded the committee this was a draft warrant, and changes could still be made. Special Town Meeting is scheduled for May 14, 2012. Warrant articles were reviewed, with the following comments or discussion:

Article 1 – (New Article) Utility Revaluation: Half of the project will be completed by June 30, and the other half by September 30. \$50,000 has been budgeted, and the actual invoice came in at \$48,000, with \$24,000 attributed to fiscal years FY12 and FY13.

Article 2 – Budget Transfer to Assessor Revaluation Article: Ms. Kennedy reported that Mr. Will Naser, Principal Assessor, received permission from the Department of Revenue to transfer this money every year in order to prepare for an eventual revaluation project. The work is done in-house with the Deputy Assessor, but sometimes an outside consultant will help out. Mr. Kevin Dickie stated the article seems unclear, and suggested residents will need some clarification. Ms. Kennedy responded the Town Meeting motion will likely clear up any confusion. She also clarified that the revaluation will be done on a 9-year cycle, doing a section each year.

Article 3 – Appropriation: OPEB Trust Account: Ms. Kennedy clarified that the trust was established last year, and the intent is to put a small amount into it each year toward any unfunded liability in health insurance expenses for retirees in the future. This action fulfills a federally-mandated requirement. Discussion followed.

Article 4 – Free Cash Appropriation: This article is for the Town Clerk's salary. Ms. Kennedy explained that the Town Clerk's agreement with the Board of Selectmen stipulated that she was to receive the same COLA increases that are awarded through union contracts.

Article 5 – Appropriation: Repair Storm Related Damage to Town Property: This article represents reimbursement for damaged fire panels at the police station and middle school during Storm Irene.

Due to Department of Revenue regulations, if the amount is higher than \$20,000, Town Meeting approval is required. The funds are presently in insurance escrow account, and if not passed, the money will be held in limbo or disappear.

Article 6 – Prior Year Bills: Just what it says.

Warrant for Annual Town Meeting:

The Committee turned its attention to the Annual Town Meeting Warrant. The article summaries do not match the article numbers because the documents were done at different times.

Chairman Dietrich suggested Ms. Susy Affleck-Childs, Planning and Economic Development Coordinator, be invited to the Finance Committee's public hearing on April 11. There are twenty-two zoning articles, and she would be available to answer any questions.

Ms. Kennedy reported that a waste container business recently purchased one of the parcels in the industrial park, and that the Board of Selectmen was concerned as it is not the type of business it had envisioned as appropriate for the park. Brief discussion followed.

Regarding the Warrant, Chairman Dietrich asked committee members to read the articles and prepare any questions. Ms. Kennedy cautioned that the final warrant would not be ready for a while yet, as the Board of Selectmen has to approve the final draft. Mr. Chris Lagan asked if the articles involving land acquisitions were included. Ms. Kennedy stated those articles would be updated as real estate transactions involving the Town progress. Chairman Dietrich encouraged everyone to familiarize themselves with the summaries and match them to the appropriate articles.

Responding to Mr. O'Neill's question about the low balance in the Capital Improvement Stabilization Account, Ms. Kennedy stated the Board of Selectmen did not want to deplete operational reserves, and the intent is to add to this account little by little every year. She clarified that this account will allow quick purchases in emergency situations.

Ms. Kennedy stated the estimated dollar amounts in articles should be finalized by Friday.

School Building Committee Meeting Update:

Chairman Dietrich reported on the School Building Committee Meeting. He noted that there is a new chairman whose leadership is strong. Phase 1 construction schedule is slipping a little each week. If the construction company does not get it done on schedule, it will not get the bonus. Discussion followed on construction timelines, wish list, reimbursement criteria, funding formulas and sources.

Committee members received copies of the school budget for their preliminary review.

**At 8:25 PM Mr. Kevin Dickie moved to adjourn; Mr. Neil Kennedy seconded. No discussion.
VOTE: 8-0-0.**

Respectfully submitted,

Jeanette Galliard
Night Board Secretary