



Town of Medway  
**FINANCE COMMITTEE**  
155 Village Street  
Medway MA 02053

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**Meeting Minutes: March 28, 2012**  
**Medway High School Library**  
**88 Summer Street**

**Present:** Chairman Martin Dietrich; Vice Chairman Jeff O'Neill; Members: Kevin Dickie, Neil Kennedy, and Frank Rossi.

**Absent:** Clerk Chris Lagan; Christine Devine, Tony Pacholec, and Jim Sheehan.

**Also Present:** Melanie Phillips, Finance Director; John Foresto, Chairman, Board of Selectmen; Tom Holder, Director, Department of Public Services; David D'Amico, Deputy Director, Department of Public Services.

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There being a quorum present, Chairman Dietrich called the meeting to order at 7:04 PM.

**Public Comment:** None.

**Annual Town Meeting Warrant Review**

*The Committee was in receipt of the following information: (1) Draft Warrant, dated March 26, 2012; (2) List of Budget Questions from committee members; (3) 2012/2013 Pavement Season Priority List prepared by Tom Holder, received at meeting.*

At this time Chairman Dietrich began discussion of the articles involving the **Department of Public Services**, using the list of budget questions compiled from committee members. Mr. Tom Holder, Director, Department of Public Services, was present to answer questions.

**Article 7 – FY13 Capital Budget: Water Enterprise:** This is for the Water Superintendent's truck. Mr. Holder stated the department is trying to purchase a new one as well as retrofit an existing truck. The superintendent now drives a former police cruiser (Crown Victoria) which is not set up with the necessary equipment and is nearing the end of its useful life. He is one of six employees, and often transports equipment and parts. Mr. Holder states the recommendation is for a utility body vehicle with compartments on the side similar to a Ford F-250 which would be more useful for the type of work

they do. He added that there is a pool of vehicles used by various departments, and when they are “retired”, they are sometimes auctioned.

Responding to a question from Mr. Jeff O’Neill, Mr. Holder stated the proposed vehicle would be dual purpose and would be outfitted with plowing equipment during the winter. The person using this vehicle would plow the well sites, tanks, and pumping stations.

Article 8 – Sewer Enterprise: Mr. Holder stated \$51,000 was spent on the investigation of the Chicken Brook interceptor. The Sewer Master Plan was done a few years ago, and failures were identified at the time. Robotic equipment inspected 8,000 linear feet of pipe in the wetlands as well as manholes. The pipe is structurally sound, but the joints are failing, ground water is pouring in and we’re being charged to pump it out. The \$200,000 will pay to have the seals rehabbed robotically sometime in the next fiscal year. Discussion followed.

Article 14 – Lease: Roadway Operation and Maintenance Equipment: This article refers to a lease-to- own situation for a multi-use piece of equipment, and simply allows the Town to enter into a lease agreement.

Article 15 – Revolving Accounts: Annual Authorization: Mr. Holder stated the DPS is in the field seeding, fertilizing vegetation control, etc. for Parks and Recreation. The permit fees go into this fund. This article re-establishes the revolving accounts and the authority to spend it on specified uses. Mr. David D’Amico clarified that the DPS also does the school fields. He noted that Hanlon field is not included.

Article 2 – Free Cash Appropriation: Capital Items: Mr. Holder distributed a handout delineating the priority list for the 2012/2013 pavement season priority list. Responding to a question about reclaiming, he stated that “reclaim” means the entire surface of the road is removed, down to the dirt level, and a completely new road is constructed. “Mill” means that only a couple of inches are removed. “Overlay” is a new layer over the top of the existing road. Discussion followed on road assessment. Mr. Holder stated the department has \$520,000 available for this now, and this \$600,000 will allow DPS to finish all of them.

Regarding the backhoe replacement, it has already been obtained and the department is using it. It is presently on a lease-to-own arrangement pending approval of the appropriation.

It was noted that the listing for Sanford Street Bridge involved engineering services only. Each community will contribute funds toward this project. TetraTech will do the design work.

Mr. Holder stated the four-post lift the department presently has is beyond repair, and employees are at moderate risk using it.

Referring to his departmental budget and a line item for Storage, Mr. Holder explained an existing arrangement will be extended at 42B Broad Street to rent two additional bays. Otherwise the department does not have adequate storage for equipment to keep them indoors and prevent deterioration from elements. The garage doors are not big enough to get some pieces of equipment inside, and the additional bays will provide space for those.

Article 22 – Land Transfer: Lovering Street: Mr. Holder explained that a small piece of Town land will be conveyed, or sold, in order to create a developable lot adjacently. A water easement will be included in the conveyance. The committee could check with Ms. Affleck-Childs for particulars.

Article 21 – Eminent Domain: Brentwood Drainage Project: DPS hopes to connect an existing undersize pipe out to a larger one in the street, but cannot do so at this time. Mr. D’Amico believes that the residential perimeter drains all drain into the same pipe. Discussion followed. During large storms there are flooding problems as the pipes cannot handle the increased volume of water.

At this time, the committee began review of the remaining articles. Ms. Melanie Phillips, Finance Director, was available to answer questions.

Referring to Article 1 on the FY13 Operating Budget, Ms. Phillips explained that the bond for the Middle School Repair Project is driving the increase.

The committee asked for Exelon impact information. Ms. Phillips noted that part of it was due to new growth, otherwise, from adjustments in value.

Ms. Phillips stated she had updated balance information for the stabilization and enterprise accounts as well as retained earnings, and distributed related documents. Chairman Dietrich asked why the enterprise accounts have so much money. She responded that the funds are usually used for capital projects, to reduce the costs of a capital project, or subsidize rates. Recently it has been used for the purchase of items such as trucks, such as the superintendent’s truck. She clarified that the Sewer fund has been an enterprise fund for only a couple of years, so the balance is much lower. Chairman Dietrich asked if money can be moved from one to the other. Ms. Phillips explained that the Water and Sewer Commissioners are the ones to ask about long term plans for these funds.

Responding to a variety of questions on funds, Ms. Phillips stated the enterprise funds are fairly steady most of the time. Their retained earnings can be used for any purpose as long as the expenditure is approved at Town Meeting. Retained earnings for water and sewer enterprise funds are calculated by the State Department of Revenue. She noted that part of what is going into the fund is a Capital Improvement Fee implemented by the Water and Sewer Commissioners three years ago. Capital Improvement Stabilization Account could be used for a new DPS facility, planning design services for projects, etc., and could have used this type of account for planning services for Middle School Repair Project, had it existed at the time. Operational stabilization is to keep the town whole, to cover gaps in financing in the lean years. Discussion followed. The committee asked for more specific information on what each of these funds can be used for. Additionally, Mr. Neil Kennedy suggested preparing a definition for residents to explain why the Capital Improvements Stabilization Account is necessary.

Overlay expenditure for this year is \$167,200, covering abatements and exemptions. Last year \$300,000 was spent on this. The overlay also includes delinquent accounts. The Assessor’s Office is required to keep overlay for unpaid taxes. Every fiscal year is separate, and it is not a running total.

GIC (Group Insurance Commission) will feature an increase of 4.25% going forward and can be as high as 10%. Ms. Phillips stated the Town always shops the health insurance premium each year. If we don’t get a good rate from current provider, we shop it. She noted that sometimes they get a lot more bang for the buck doing it themselves. She added that enrollment with GIC is a six-year commitment, and recently the anticipated savings have not been there. If a community enrolls in GIC, then leaves it at a

later date, there is no guarantee that another provider will rank the community differently or keep it in a group similar to GIC. The committee asked for comparison figures.

Regarding signage, this is for "gateway signs" at the town line, Medway 300 celebration, some Town building identify signs, message boards, and installation. The gateway signs will be aluminum with granite posts.

Ms. Phillips explained that quotes relative to DPS projects are coming in now, and the final numbers are changing based on those quotes. She stated department heads are required to get quotes in order to better refine their numbers prior to Town Meeting.

Referring to Article 3 and Non-Capital Items, Ms. Phillips directed the committee to Article 2 of the original warrant for a list of the library initiatives.

The ladder truck (Fire Department) mentioned in Article 6 would be purchased according to the state bid list, which serves as a starting point. A vehicle is then customized for the community purchasing it.

Ms. Phillips stated indirect costs on enterprise funds covers a lot of things, varying from department to department, per endeavor. There is logic behind it, depending on how much time is spent on each endeavor, and prorated from there.

Mr. Jeff O'Neill asked why benefits for school employees are included under the Town expense budget, instead of their own budget. Ms. Phillips stated that is customary for most communities as the benefits are administered through the Town. She added that schools also share in debt service expenses and other things.

It was noted that the money for the historical markers is coming from the Community Preservation Committee. These are markers for historical homes, and are separate from the other sign money. These signs would carry a story of the house, larger than the one that hangs on the house. The cost could be \$2,000 a sign.

Regarding the Medway 300 Celebration, the balance in the account is \$85,000. It is estimated that \$225,000 is necessary to pull of the program for the whole year.

It was noted that any funds remaining in the Sewer Extension Project account will go back to the Town or it will be repurposed via Town Meeting article.

Differentiating between a capital item and non-capital, Ms. Phillips stated an item has to be at least \$5,000 to be considered capital. Articles 2 and 3 are separate because of their cost and nature (capital vs. non-capital).

Selectman Foresto stated that the Board of Selectmen is looking at the Town as a whole, listening to what the groups need and want, and then assessing what is possible and what can wait. A consultancy group will be engaged to interview groups, and put together a package. How the Town acquires the land will open up other avenues. CPA funds can be used to develop a field IF the land is purchased with CPA funds.

The committee wondered if economic development consulting was worth the expense. Selectman Foresto responded that is as there is currently no process in Town that tells people what we are trying to build here. Is vacant space what new companies want or do they want to build their own? If the funds are approved at Town Meeting, the Economic Development Board has to come back to the Board of Selectmen and identify how it wants to spend the money.

At this time Chairman Dietrich asked the committee if there was anything else they wished to discuss at this time. Brief discussion followed. It was agreed to post a meeting for Wednesday, April 4, as it could always be cancelled if it is deemed unnecessary. Selectman Foresto stated the Board of Selectmen will likely reopen the Warrant at their meeting on April 2, and things could change. Updated warrants will be sent out if that happens.

The committee asked Selectman Foresto for input regarding the proposed Capital Improvement Stabilization Fund. He briefly explained its intent is to begin gathering funds in order to have money available before approaching Town Meeting in 2014 for a project such as a DPS Barn.

Chairman Dietrich reminded committee members to submit their reports for the Annual Town Report as follows:

- Report of the Finance Committee – Chairman Dietrich
- Education – Christine Devine and Jeff O’Neill
- General Government – Frank Rossi
- Public Works – Jim Sheehan
- Public Safety – Kevin Dickie
- Health and Human Services – Neil Kennedy
- Cultural and Recreation Subcommittee – Tony Pacholec
- Report of CIPC – Kevin Dickie (follow up with Tom Anderson)

Committee members are to send their reports to Chairman Dietrich by Saturday, April 7. He reminded them to get their department/group to review their report before sending to him.

**At 9:47 PM Mr. Jeff O’Neill moved to adjourn; Mr. Kevin Dickie seconded. No discussion.  
VOTE: 5-0-0.**

Respectfully submitted,

Jeanette Galliardt  
Night Board Secretary