

Finance Committee
Minutes

Date: March 6, 2010

Time: 8:00 a.m.

Present: O'Connor, Kupcinskis, Hamilton, Gauthier, Bartosiewicz

Absent: Hebert, Girard

Meeting called to order at 8:00 a.m.

Bob Spain, Town Manager, was in at 8:00 a.m.

Brian Turbitt, Finance Director, was in at 8:00 a.m.

Richard Handfield, Police Chief, was in to discuss his budget at 8:00 a.m.

Michael O'Connor: We are here today to discuss budgets with several department heads. The Town Manager was kind enough to prepare a new proforma, representing a level services budget. The School Committee, the Board of Selectmen and the Town Manager agreed upon a 60/40 split to cover the budget deficit. I would like all of us to reassess this decision and see if there are any comments to be made on this agreement. We can discuss this at Monday evening's meeting after the public hearing. The Town Manager will go through the proforma with us this morning.

Bob Spain: I will let the Police Chief go through his budget first, then I will start going over the proforma.

Police Department

Bob Spain: The initial budget that the Chief turned in came in with a cut. We discussed the size of the cuts. The Chief stated that he did not want to cut personnel but did recommend some other cuts. The Chief made the decision to cut the capital expenditures. If this continues, it could cause problems. Cruisers are the hardest working vehicles in the Town. Normally I would decide what to cut, but this department is a large budget and I had the Chief decide what he could live with.

Richard Handfield: My salary is at the same figure as last year. I kept in \$1,000 extra for the salary of my assistant, in case it is needed. The vacation payout is in the budget in case of a retirement that may happen. I haven't gotten confirmation of the retirement, but I am being proactive.

Bob Spain: We are trying to keep a handle on retirements so we can include their vacation payouts in the budget. We won't have enough in the Town Clerk's budget to include her vacation. I will need to come back to the Finance Committee for additional money for that budget. It is easier if people let us know ahead of time so that we can allot the money in the budget.

Richard Handfield: Every year I include a preamble statement about how many people are potentially going to retire in the coming years.

Bob Spain: This is an issue that we are trying to stay ahead of.

Michael O'Connor: You know, at the end of each year, what has accumulated in sick time. Why don't we accrue that amount and let it grow to alleviate the problem.

Brian Turbitt: We would have to accrue about half a million dollars. To start this you would have to come up with the balance.

Michael O'Connor: We don't have to accrue the past. Whatever is unused for 2010 we could accrue for this year.

Bob Spain: What we would need to accrue on is the number of years. It is something we could look at.

Donald Gauthier: Are we thinking of paying the State's share of the Quinn Bill?

Bob Spain: Contractually, we have to. Eventually all cities and towns will have to pay it.

Richard Handfield: You will start to see a leaner budget as older patrolmen retire and new ones come in. I kept the crossing guards the same. The court time is down a little. As I have stated to you before, most of them opt for comp time when they go to court rather than take the pay. Longevity has some increases. The in-service training will continue and the physical fitness stipend is an accurate figure. I reduced the Capital Outlay by reducing the cruisers from two to one. A few years back I went without getting new cruisers and it took at least two years to catch up. This year I am asking for only one cruiser and I should be okay with that. I cannot eliminate both of them. Grants are at a minimum and I don't see any grants for cruiser replacement.

Albert Kupcinskis: What is the typical mileage on a vehicle that is being replaced?

Richard Handfield: I usually take them off the road at about 80,000. I am hoping for a grant from the State E-911. This can be used for salaries and would be used for one dispatcher's salary. This helps to save money in my budget. The money is in the budget in case we do not get the grant.

Bob Spain: We are looking at not replacing the crossing guards as they retire. We may be able to have the schools and the bus company adjust the routes to allow for this. We are looking at the staffing of the Police Department and what is needed.

Richard Handfield: The part of my budget that has not been funded is my part time dispatcher.

Bob Spain: We need to start addressing the Capital Improvement Plan.

Richard Handfield left at 8:45 a.m.

Bob Spain, Town Manager, went over the proforma

Bob Spain: I have included \$50,000 in our revenue for the location option meals tax. If this doesn't pass, we will have a \$50,000 hole.

Donald Gauthier: Under the estimated new growth, we were at over \$90,000 last year. Why are we only at \$40,000?

Bob Spain: I get the figure from Paula. What we used are figures we know we will have. The actual figures come from the DOR. Paula wants to cut that \$40,000 down to \$20,000. We are making the best guess estimates. The amount of money to be raised has to match the bottom line of the receipts.

Bob Spain went over the Tax Rate Calculation

Matt Belsito, Fire Chief, and Marc Auclair were in at 9:05 a.m.

Fran King, Fire Engineer, was in at 9:05 a.m.

Fire Department

Matt Belsito: Everything except the Capital Outlay has been level funded. There are no raises in the budget, union or non-union.

Bob Spain: That is the case in most of the budgets that you will be looking at today. Based on the capital items, the Fire Engineers listed their priorities. The Chief put a list together with their level of priority. He could use all of what he originally requested for protective clothing, rather than the \$20,000 that was agreed upon.

Marc Auclair: Most of our equipment get about 7-10 years of use. The \$20,000 could be used up in a year or less. We buy the best equipment we can get.

Bob Spain: We need to start looking at this figure with new people coming in. We need to continue to fund this line item every year just to keep equipment up to standard.

Marc Auclair: We tried going with another company and they didn't last. They weren't the same quality.

Bob Spain: The renovation at Headquarters needs to be done, but it will have to wait a little further down the road. There are always going to be renovations needed at each station.

Fire Hydrants

Michael O'Connor: Why did this budget go up \$50,000?

Bob Spain: The Water Company rates went up. Some of it was from street acceptances. Once we accept a street, we accept the hydrants on the street.

Michael O'Connor: Is the \$170,000 for FY10 an accurate number?

Bob Spain: It is a tight number.

Donald Gauthier: How many hydrants does the Town have?

Fran King: We have about 286.

Michael O'Connor: Are there two warrant articles coming from the Fire Department?

Matt Belsito: I will hand Bob the paperwork for 2 vehicles on Wednesday so that they can go out to bid. This is so we have a definite figure to work with for the April ballot.

Michael O'Connor: When would we receive the vehicles?

Matt Belsito: Not until probably the end of FY12.

Bob Spain: We would be reducing some excluded debt that year.

Matt Belsito, Marc Auclair and Fran King left at 9:30 a.m.

Finance Director

Brian Turbitt: The salaries have changed significantly due to the elimination of a position in my office.

My head clerk bid on the Sewer Department position when it became available. She was awarded it. The

person in the Treasurer/Collector office has been doing a majority of the work that my clerk was doing, so we increased the hours in Denise's office and eliminated the position in my office.

Bob Spain: I did not fund the increase for the full year.

Brian Turbitt: Due to the economic climate, I did forgo my salary increase and the assistant salary stayed the same.

Town Audit

Brian Turbitt: The Charter requires us to limit an auditor to 6 years on an outside audit.

Michael O'Connor: That is a by-law. It is not in the Charter.

Brian Turbitt: We have gone out to bid and we believe the price will either be the same or lower than this fiscal year.

Board of Assessors

Brian Turbitt: The salaries remain the same. The entire budget is level funded.

Bob Spain: There is an article for the State mandated re-evaluation for \$52,000.

Treasurer/Collector

Brian Turbitt: The salary is up due to the increased hours. This allows for the increased work load from the Finance Director's budget.

Town Counsel

Bob Spain: I lowered the Town Counsel Budget. I have been watching this account. We don't run to Counsel for everything. We check into prior decisions when something comes up.

Town Hall Computer Operations

Brian Turbitt: There was an increase in the license fees and the support agreements for the software.

Michael O'Connor: Are we charged per terminal or is there one cost for the building?

Brian Turbitt: It is per terminal. The largest increase is in the capital outlay line item. The dollar amount went from \$6,000 to \$51,000. Of that, \$45,000 is for a computer server project. The two servers for the Town are at a critical level. The new virtualization server will handle all of the current servers including the Police Department servers.

Debt Service

Brian Turbitt handed out a copy of the debt being paid currently

Brian Turbitt: The total debt savings for FY10 is \$136,622.14. FY2012 should show a savings of \$272,000 to allow for the Fire Department debt.

Michael O'Connor: Is our interest based on total dollars each year?

Brian Turbitt: Yes it is.

Michael O'Connor: It is important for us to be able to say that there is \$240,000 coming off FY2012 to allow for the Fire Trucks.

Donald Gauthier: How many years are we borrowing for?

Brian Turbitt: For this, it would be 15 years. We could appear before a debt board to get additional years if we could prove a longer equipment life.

Brad Lange, Superintendent of Sewers and John McGarry, DPW Director, were in at 10:30 a.m.

Sewer Systems

Brad Lange: Our budget hasn't changed too much. We had to increase the amount of electric stations by three. We did not increase the employees with the increase in stations. Salary increases were not given. All other line items with the exception of the Upper Blackstone have not changed. We have had a lot of success with the sewer expansion project. We will be starting East Millbury in the middle of April. We came in under budget by about a million dollars. Step 1 of the I/I removal has already started. Our flows have seldom exceeded our past flow. We went from a triple increase to a double increase in I/I this year.

Bob Spain: Phase 2 of the I/I study is scheduled to be done this year out of Retained Earnings.

Michael O'Connor: Is the number for the Upper Blackstone, a firm figure from them.

Brad Lange: Yes, it is.

John McGarry: This budget was discussed and approved by the Board of Sewer Commissioners.

Brad Lange left at 10:50 a.m.

Public Works Administration

John McGarry: We feel we can get by with this decrease.

Public Works Maintenance and Operations

John McGarry: This includes the salaries for the Transfer Station and the Highway Department. The overtime amount has an increase. It was deleted in error last year. There is no increase in man hours in this budget. We have a need, but we did not add any personnel.

Highway Department

John McGarry: I am asking for about the same amount as last year. The capital outlay is up a little. This is the third year of a five year lease. I did give you a list of capital projects that are in waiting.

Albert Kupcinkas: Is the dam inspection on the Ramshorn Dam, paid by the association?

John McGarry: We have four dams. I did look at the Rampshorn Dam and there are a lot of issues there. The dam itself is in pretty good shape. We are in a seasonal drawdown at Little Dorothy and Lake Singletary. The Brierly Pond Dam had a leak and we lost the pond. There is a DCR Grant out there. This is a million dollar project to fix the dike and the dame. The cost for phase 1 is \$568,000 for the dike and this would restore the water. The design is done and paid for.

Snow and Ice

John McGarry: We level funded this budget. As of January 31, 2010 we were at \$192,000. I think we are around \$260,000 right now.

Street Lights

John McGarry: We are carrying the same figure as last year.

Bob Spain: I increased it to allow for the increase in service cost.

Transfer Station

John McGarry: The town Manager is negotiating with the hauler concerning this amount and trying to have them reduce their fees.

Bob Spain: If we go private, we could transfer the employees to the Highway Department.

John McGarry: Casella is coming to the transfer station next week for a tour then they will give me some numbers.

Parks Department

John McGarry: This is basically level funded.

Bob Spain: The Butler Farm is included in this budget.

John McGarry: This budget was reviewed and voted on by the Parks Department. After this budget year, all fields should be irrigated.

Cemeteries

John McGarry: This was reviewed and approved by the Cemetery Commissioners. This is basically level funded. My department is now completely responsible for this budget and it's operation, since Rich retired. Some of the brush and tree cutting needs to be taken care of at several cemeteries.

Bob Spain: I figured we could do one of these projects in this budget.

Gasoline/Diesel Fuel

John McGarry: We decreased this budget due to a lower rate this year. We do have a problem with the storage tanks. It was reported that we had a leak in the underground tank. DEP wants us to take out the

tank. We have a vacuum testing set up for Friday to make sure that there are no leaks. If we fail the test then we need to either replace the tank with an above ground tank or buy it off site. DEP will be there to watch the test being performed.

Bob Spain: If we have to go off site, then the \$115,000 will not be a sufficient amount.

John McGarry left at 11:35 a.m.

Moderator

Bob Spain: This budget is level funded.

Board of Selectmen

Bob Spain: This budget is level funded.

Town Manager

Bob Spain: This budget is down a little due to a reduction of hours.

Town Clerk

Bob Spain: There are several changes in this budget. There is a reduction in the salary amount due to the retirement of the Town Clerk. I have also reduced the staff hours to 19 which will not be eligible for benefits.

Michael O'Connor: At some point the Town Manager will be in to request a Reserve Fund transfer to cover Debbie's payout for vacation and sick time.

Elections and Registrars

Bob Spain: There is an increase due to an additional election.

Conservation Commission

Bob Spain: This budget is level funded.

Planning Board

Bob Spain: This budget is level funded.

Board of Appeals

Bob Spain: This budget is level funded. Next year I plan to eliminate all of the \$1 budgets. Now that they are all revolving accounts, I don't feel we need to have budgets for them.

Town Hall

Bob Spain: This is down by \$1,000, which is National Grid.

Town Report

Bob Spain: This includes the Finance Committee Book. It is level funded.

Ambulance Service

Bob Spain: This includes a 2% increase. It may end up being level funded.

Building Inspector

Bob Spain: The big difference is because I eliminated the clerk entirely.

Michael O'Connor: Will it come back if buildings start going up again?

Bob Spain: We may need a ½ position in the future.

Plumbing/Gas Inspector

Bob Spain: This budget is level funded.

Sealer of Weights and Measures

Bob Spain: This budget will be eliminated next year. It is level funded.

Electrical Inspector

Bob Spain: This budget is level funded.

Emergency Management

Bob Spain: This budget is level funded.

Animal Control

Bob Spain: This budget is level funded.

Tree Warden

Bob Spain: This budget is level funded.

Bob Spain: The School Department met and discussed their new budget total. The Blackstone Valley budget was passed on Wednesday evening. Right now this budget is \$11,000 out of balance on this proforma.

Board of Health

Bob Spain: This budget is basically level funded.

Human Services

Bob Spain: This budget is level funded.

Council on Aging

Bob Spain: This is up slightly under the Purchases of Services.

Veteran's Services

Bob Spain: This is down slightly due to the client load leveling off.

Disability Commission

Bob Spain: This budget is level funded.

Public Library

Bob Spain: We needed to get a waiver from the State for our State Aid. If we are not open for a certain amount of hours per week, we lose our certification.

Parks Department

Bob Spain: This is down slightly. There is no stipend for the clerk. That is now an hourly position.

Asa Waters Mansion

Bob Spain: This budget is level funded.

Donald Gauthier: We are cutting positions in Town and we are still funding this position.

Historical Commission

Bob Spain: This budget is level funded.

Memorial Day

Bob Spain: This budget is level Funded.

Employee Benefits

Bob Spain: Most of the increase is Health Insurance. Retirement is up. There may be some significant savings with the health insurance with some changes in the co-pays.

Michael O'Connor: What is driving the retirement payment up?

Bob Spain: Some of it is the stock market, early retirement and the Governor's Municipal Relief Act.

General and Liability Insurance Expense

Bob Spain: This budget is level funded.

Michael O'Connor: Next year will be our worst year as far as a financial standpoint. Stimulus money won't be available, as it has been for the last couple of years. Free Cash is not as plentiful as it has been previously. It should be used for capital items not the operating budget. We have historically used it all for our operating budget.

Motioned by Gauthier, seconded by Kupcinkas to accept the minutes of January 19, 2010 as written. Unanimous.

Motioned by Gauthier, seconded by Kupcinkas to adjourn at 12:30 p.m. Unanimous.