

Finance Committee Meeting

April 4, 2012 7:30 PM
Veterans Memorial Building, Room 229
900 Main Street
Millis, MA 02054

In Attendance:

Chris Smith, Chairman
Craig Schultze, Vice Chairman
Rich Molloy, Clerk
Bud Drummey
Peter Jurmain
Rick Manburg
Doug Riley
Jim Smith
Susan Vecchi
Charles Aspinwall, Town Administrator
Charles Vecchi, Board of Selectmen
Dave Baker, School Committee
Nancy Gustafson, School Superintendent

Chris Smith called the meeting to order at 7:31 PM.

FY13 Budget Review – General Insurance:

Charles Aspinwall:

The original estimate was for \$280,000.00; the FY13 budget request is for \$273,444.00:

| | |
|----------------------------|---------------------|
| General Insurance: | \$113,005.00 |
| Bond Public Employees: | \$ 2,650.00 |
| Police Accident: | \$ 26,502.50 |
| Fire Accident: | \$ 26,502.50 |
| Workers Compensation: | \$ 71,234.00 |
| Public Official Liability: | \$ 5,836.66 |
| Sports Liability: | \$ 4,090.00 |
| School Board Insurance: | \$ 5,836.66 |
| Law Enforcement Insurance: | \$ 5,836.68 |
| Miscellaneous Deductible: | \$ 2,500.00 |
| Flood Insurance: | <u>\$ 9,450.00</u> |
| Total: | <u>\$273,444.00</u> |

FY11 Audit Update:

Charles Aspinwall:

Melanson Heath & Company PC provided three reports:

- Independent Auditors’ Reports Pursuant to Governmental Auditing Standards and The Single Audit Act Amendments of 1996
- Independent Auditors’ Report on Applying Agreed Upon Procedures Over Compliance Applicable to Massachusetts School Districts’ End-of-Year Pupil and Financial Report
- Independent Accountant’s Report on Applying Agreed Upon Procedures Over Student Activity Funds

The reports were presented to the Board of Selectmen on Monday, April 2nd. The School Committee was not present but will be available April 23rd to discuss. The issues were with procedures and some errors in reporting. There are some areas of improvement needed in the Student Activity Funds. The School Department is working with the Town Accountant and auditors to work out proper procedures.

Revenue and Expenses Review:

Revenue Summary:

| | <u>FY12 Projection</u> | <u>FY13 Projection</u> |
|--------------------------|------------------------|------------------------|
| State Aid: | \$ 5,447,866.00 | \$ 5,657,392.00 |
| Local Receipts: | \$ 1,521,113.00 | \$ 1,591,569.00 |
| Transfer in from Sewer: | \$ 88,812.00 | \$ 93,253.00 |
| Transfer in from Water: | \$ 105,633.00 | \$ 121,778.00 |
| CPA Fund: | \$ 271,927.00 | \$ 69,450.00 |
| Free Cash: | \$ 790,685.00 | \$ 331,648.00 |
| Other Available Funds: | \$ 1,011,579.00 | \$ 777,334.00 |
| Tax Levy: | \$ 15,419,133.00 | \$ 16,298,676.00 |
| Amount Available: | \$ 24,656,749.00 | \$ 24,941,099.00 |
| Total Taxable Valuation: | \$995,425,000.00 | \$995,425,000.00 |
| Tax Rate: | \$ 15.49 | \$ 16.37 |

Expenditure Summary:

| | <u>FY12 Projection</u> | <u>FY13 Projection</u> |
|--------|------------------------|------------------------|
| Total: | \$27,082,222.00 | \$24,941,099.00 |

The FY13 Operating Budgets can be: \$22,332,525.00

The FY13 Operating Budgets are: \$22,239,691.00

Surplus: \$92,834.00

The Town Administrator's Operating Budget Recommendations:

- Board of Selectmen/Town Administrator's Office: Restore a Department Assistant II at 16 hours per week.
- Assessors Department: Change the Department Assistant III to a Department Assistant II with an additional 15 hours making the position 35 hours per week.
- Treasurer/Collector: Restore the Department Assistant II to 15 hours per week with an additional 13 hours per week paid out of water and sewer. This position will be 28 hours per week.
- Town Clerk: Restore the Department Assistant II to 20 hours per week.
- Zoning Board of Appeals: Reduce the salary due to a decrease in activity on this board.
- Town Buildings: Restore the 2 hours per week for the maintenance worker.
- Fire Department: Restore the full time firefighter position.
- Building Department: Add an additional 7 hours per week for the Department Assistant I.
- Animal Control: Restore the overnight stipend.
- DPW Highway: Restore summer help \$12,000.00.
- DPW Highway: Restore \$20,000.00 for park expenses

The Town Administrator's Capital Budget Recommendations:

- Fire Chief Vehicle: \$ 39,667.00
- Police Department MDTs: \$ 17,500.00
- Chapter 90: \$280,913.00
This will be offset by the Cherry Sheet
- DPW Trailer: \$ 8,240.00
- Tree Nursery Phase II: \$ 25,000.00
- School Bus Lease: \$ 78,006.00
- School Computer Lease: \$ 60,000.00
- School Curriculum Materials: \$ 36,500.00
The original request from the School Department was \$60,000.00
- VMB – Paint the gym ceiling: \$ 26,100.00
- Library Site Contamination: \$ 27,269.00
- DPW Van: \$ 26,000.00
This will be funded by the Water and Sewer Enterprise Fund

The Town Administrator's operating budget recommendations would partially restore cuts to the municipal side and will stay within the 35%. If the restorations are backed out, the split becomes School Department: 85% Municipal 15%

School Department Article Review:

The School Committee voted unanimously to endorse and fund the iPad/1 to 1 Personalized Learning Initiative for each incoming 9th grade class and repurpose the \$20,000.00 of the \$60,000.00 School Computer Lease Article and use those funds each year towards the purchase of iPads. The remaining cost of the program will be funded with School Choice funds. The total cost of the program is \$41,690.00 and will be an annual expense. The iPads are protected by a hard case with a cost of

\$23.00 each which will be funded by the school's technology budget. Families will have the option of purchasing additional insurance for \$90.00 for (2) screen replacements, a revolving fund would have to be put in place for the \$90.00 payments and cost of additional insurance. In the event a student destroys the iPad, the family would have to pay to have it replaced.

The School Committee's priorities for the \$60,000.00 curriculum request are:

- (1) Middle School Mathematics: Program cost range from \$38,000.00 to \$41,000.00
- (2) Pre-Calculus: Estimated cost of \$8,000.00
- (3) Algebra II: Estimated cost of \$13,000.00

The School Department provided an inventory of textbooks; the average age of textbooks is 10 years.

The School Department requested \$12,000.00 to subcontract the cleaning of the school's bathrooms. The bathrooms are cleaned daily but are not cleaned "good enough". No janitors have been laid off and the committee questioned if this was more of a performance issue with the janitors rather than an urgent expense request.

The School Department would prefer restorations to fully funded articles, specifically 1.5 FTE kindergarten aides. The fees for full day kindergarten have not been raised in several years. The aides were previously funded by the school's operating budget, tuition fees and a grant. There is currently \$90,000.00 in the kindergarten fee revolving account of which \$50,000.00 will need to be reserved to cover the loss of a \$50,000.00 grant.

Warrant Article Recommendations:

Article #33 School Bus Lease: \$ 78,006.00

Craig Schultze made a motion to recommend Article #33 School Bus Lease in the amount of \$78,006.00; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #36 Medicaid Billing: \$ 2,100.00

Craig Schultze made a motion to recommend Article #36 Medicaid Billing in the amount of \$2,100.00; Peter Jurmain seconded. Vote: 9/0 motion carries.

Article #34 School Computer Lease/Purchase: \$ 60,000.00

Craig Schultze made a motion to recommend Article #34 School Computer Lease/Purchase in the amount of \$60,000.00; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #37 School Curriculum: \$ 60,000.00

Craig Schultze made a motion to recommend Article #37 School Curriculum in the amount of \$60,000.00; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #1 Additional Expenses: \$ 31,250.00

This article will replenish the Reserve Fund Transfer account.

Susan Vecchi made a motion to recommend Article #1 Additional Expenses in the amount of \$31,250.00; Rich Molloy seconded. Vote: 9/0 motion carries.

Article #8 Unfunded Health Insurance Liability:

\$100,000.00 was appropriated at the November 2011 Town Meeting for this account
Chris Smith made a motion to dismiss Article #8 Unfunded Health Insurance Liability; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #10 Audit: \$ 32,500.00

Susan Vecchi made a motion to recommend Article #10 Audit in the amount of \$32,500.00; Peter Jurmain seconded. Vote: 9/0 motion carries.

Article #11 Unemployment: \$ 25,000.00

Craig Schultze made a motion to recommend Article #11 Unemployment in the amount of \$25,000.00; Rich Molloy seconded. Vote: 9/0 motion carries.

Article #13 Fire Chief Vehicle: \$ 39,667.00

Craig Schultze made a motion to recommend Article #13 Fire Chief Vehicle in the amount of \$39,667.00; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #14 Police Mobile Data Terminals: \$ 17,500.00

Peter Jurmain made a motion to recommend Article #14 Mobile Data Terminals in the amount of \$17,500.00; Rich Molloy seconded. Vote: 9/0 motion carries.

Article #15 Police Vehicle: \$ 38,000.00

This article will be readdressed at the November 2012 Town Meeting.

Chris Smith made a motion to dismiss Article #15 Police Vehicle; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #16 Chapter 90: \$280,913.00

A presentation to the Board of Selectmen will be made to determine what roads will be paved/repared with Chapter 90 funds. Some possibilities are:

| | |
|---|--------------|
| Grove Street: | \$133,000.00 |
| Daniels Street: | \$ 60,000.00 |
| Village Street (portion): | \$130,000.00 |
| Dover Road: | \$212,000.00 |
| Exchange Street (portion): | \$242,000.00 |
| Pleasant Street (portion w/ sidewalks): | \$240,000.00 |
| Forest Road: | \$ 23,500.00 |

The above estimates do not include police details which is usually 10% of the cost.

Craig Schultze made a motion to recommend Article #16 Chapter 90 in the amount of \$280,913.00, roads to be determined; Rich Molloy seconded. Vote: 9/0 motion carries.

Article #18 DPW Van: \$ 26,000.00

This article will be paid from the water & sewer accounts. It will not have any impact on the operating budget.

Craig Schultze made a motion to recommend Article #18 DPW Van in the amount of \$26,000.00; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #19 DPW Trailer: \$ 8,240.00

Craig Schultze made a motion to recommend Article #19 DPW Trailer in the amount of \$8,240.00; Peter Jurmain seconded. Vote: 9/0 motion carries.

Article #24 Tree Nursery II: \$ 25,000.00

Rich Molloy made a motion to recommend Article #24 Tree Nursery in the amount of \$25,000.00; Susan Vecchi seconded. Vote: 9/0 motion carries.

Article #28 Paint VMB Gym: \$ 26,100.00

Craig Schultze made a motion to recommend Article #28 Paint VMB Gym in the amount of \$26,100.00; Susan Vecchi seconded. Vote: 9/0 motion carries.

Minutes Approval:

Craig Schultze made a motion to accept the March 28, 2012 meeting minutes as written, Peter Jurmain seconded. Vote: 8/0 motion carries.

Upcoming Meeting Schedule:

April 11, 2012 7:30 PM
Veterans Memorial Building, Room 229

April 18, 2012 7:30 PM
Veterans Memorial Building, Room 229

Adjourn:

Susan Vecchi made a motion to adjourn the meeting at 9:45 PM; Rich Molloy seconded Vote 9/0 motion carries.

Respectfully submitted,
Deirdre Gilmore