

Finance Committee Meeting

January 11, 2012 7:30 PM
Veterans Memorial Building, Room 229
900 Main Street
Millis, MA 02054

In Attendance:

Chris Smith, Chairman
Craig Schultze, Vice Chairman
Rick Manburg
Richard Molloy
Jim Smith
Susan Vecchi
Charles Aspinwall, Town Administrator
Charles Vecchi, Board of Selectmen
Kris Fogarty, Recreation Department
Brenda Hamelin, Animal Control

Chris Smith called the meeting to order at 7:33 PM.

FY13 Budget Review – Recreation Department:

Kris Fogarty:

The budget is level funded as follows:

| | |
|-----------|--------------------|
| Salaries: | \$20,202.38 |
| Expenses: | <u>\$ 1.00</u> |
| Total: | <u>\$20,203.38</u> |

The balance of the salaries, \$31,053.10, is paid out of the department's revolving fund. The revolving fund typically carries a balance of \$60,000.00 due to the success of the programs. The carnival earned approximately \$2,500.00 last June.

The Recreation Department would like to make some improvements to the town's tennis courts. The approximate cost would be \$2,000.00; this too would be paid out of the revolving fund. The Recreation Department has absorbed a \$13,000.00 cost to maintain the town's fields. This was due to budget cuts in FY12 and the failed override. This cost will be paid out of the revolving fund. In order to generate more revenue to cover of the cost of field maintenance, basketball and soccer fees have been increased \$10.00 per child. The Recreation Department receives twenty percent of all programs fees.

FY13 Budget Review – Animal Control:

Brenda Hamelin:

This is her fifteenth year on the job. She had 1,875 calls in 2011. Of which 810 were for Millis, 991 were for Medway and 74 were out of town. Between both towns there are 1,160 dogs licensed per year.

The proposed FY13 budget is as follows:

| | |
|-----------|--------------------|
| Salaries: | \$58,657.99 |
| Expenses: | <u>\$12,200.00</u> |
| Total: | <u>\$70,857.99</u> |

The expenses increase of \$800.00 was due to increased costs in gas to run the Animal Control truck.

The salaries increase of \$4,937.99 is due to a step raise for the Full time Animal Control Officer as well as a reclassification and a 2% step increase for the Deputy Animal Control Officer.

Medway had more calls last year than Millis so the overall budget will be split:

| | |
|---------|-------------------|
| Millis: | \$31,886.10 (45%) |
| Medway: | \$38,971.89 (55%) |

Medway budgets for the Health Insurance cost for the position and Millis budgets for the Retirement cost. Millis and Medway enter into an annual contract to share services.

The expenses detail:

- Supplies & Expenses: \$2,500.00
This covers cleaning supplies, animal food cell phone, etc.
- Beeper: \$ 500.00
To maintain coverage for both towns
- Propane Gas: \$2,800.00
Heats the Animal Control kennel
- Equipment: \$2,500.00
To purchase gloves, bags, traps, etc.
- Vehicle Supplies/Repair: \$1,000.00
Purchase items for upkeep of the Animal Control Truck.
The truck has 20,000 miles in its first year.
- Gas/Oil: \$2,900.00
Used for gas and oil changes in the Animal Control Truck

They would like to request afternoon & evening coverage. Having an on-call person available to handle calls as needed after 4:00 PM until 7:00 AM would give the Full time Animal Control Officer down time away from the job. The request is for \$20.00 per night (254 nights per year) total annually \$5,080.00 and \$20.00 per call (an average of 50 calls per year) total annually \$1,000.00. The total additional staff salary: \$6,080.00 split between both towns.

Local Receipts:

Charles Aspinwall:

The following Local Receipts are not estimated to their limit; 100% of what is billed is not paid:

- Motor Vehicle Excise
- Meals Tax
- Penalty & Interest
- Pay in Lieu of Tax
- Trash Disposal
- Fees
- Rentals
- Other Department Revenue
- Licenses & Permits
- Fines Investment Income
- Miscellaneous Recurring Revenue
- Miscellaneous Non-Recurring Revenue

The following receipts came in higher than projected in FY11:

| | <u>Amount Over Projected</u> | |
|---------------------------|------------------------------|---|
| • Motor Vehicle Excise | \$169,977.61 | Due to stronger car sales |
| • Meals Tax | \$ 29,570.16 | DOR underestimated |
| • Penalty & Interest | \$ 17,050.35 | Receivables were higher = more interest |
| • Trash Disposal | \$ 35,574.76 | Market for recyclables increased |
| • Licenses & Permits | \$ 93,578.50 | Non-recurring commercial development |
| • Misc. Recurring Revenue | \$102,576.75 | Accounting changes in posting revenue |

The following Miscellaneous Recurring Revenue changed due to DOR guidelines resulting in an increase in FY11 over FY10 of \$114,419.42. It is now posted as revenue and then posted as a budget line item:

- Extended Day
- Cable
- Medway Animal Control
- Medicaid Reimbursement
- DPW Phone Use
- School Phone Use
- Tailings
- Extended Day Modular Debt
- US Bank/Premium From Sale of Bonds

The Town's Accounts Receivables:

- 2007 \$421,000.00
- 2008 \$556,000.00
- 2009 \$698,000.00
- 2010 \$768,000.00
- 2011 \$840,500.00

These are funds billed out and not paid (real estate, personal property, etc.).

Chris Smith:

After analysis of the revenues it appears some of the town's revenues may be underestimated, specifically Local Receipts. There is room for increases in the projections based on the following trends:

| <u>FY11</u> | <u>Projected</u> | <u>Actual</u> |
|--|------------------|---------------|
| • Motor Vehicle Excise Tax: | \$757,000.00 | \$927,000.00 |
| A projection closer to \$875,000.00 for FY13 may be warranted. | | |
| • Penalty & Interest: | \$ 69,000.00 | \$ 92,000.00 |
| Actual has decreased recently; safe bet not to change in FY13. | | |
| • Pay in Lieu of Tax: | \$ 3,500.00 | \$ 4,400.00 |
| This is increasing at a relatively constant rate. | | |
| • Trash Disposal: | \$110,000.00 | \$146,000.00 |
| A positive trend in the last three years; there may be a little room to project higher. | | |
| • Fees: | \$ 38,000.00 | \$ 39,000.00 |
| Review the FY12 YTD before projecting FY13. | | |
| • Rentals: | \$ 20,000.00 | \$ 22,000.00 |
| Review the FY12 YTD before projecting FY13. | | |
| • Other Department Revenue: | \$ 45,000.00 | \$ 59,000.00 |
| Trending down, safe bet not to change. | | |
| • Licenses & Permits: | \$132,000.00 | \$226,000.00 |
| Specific circumstances (Milliston Common project) resulted in higher than projected revenues. | | |
| • Fines: | \$ 24,000.00 | \$ 17,000.00 |
| This is an area where projection should be very conservative. | | |
| • Investment Income: | \$ 40,000.00 | \$ 32,000.00 |
| This is an area where projection should be very conservative. Hopefully, FY12 will be better than projected. | | |
| • Miscellaneous Recurring Revenue: | \$116,000.00 | \$218,000.00 |
| Review the FY12 YTD before projecting FY13. | | |
| • Miscellaneous Non-Recurring Revenue: | \$100,000.00 | \$101,000.00 |
| Review the FY12 YTD before projecting FY13. | | |

FY12

| | <u>Projected</u> |
|--|------------------|
| • Motor Vehicle Excise Tax: | \$827,000.00 |
| • Penalty & Interest: | \$ 75,000.00 |
| • Pay in Lieu of Tax: | \$ 4,300.00 |
| • Trash Disposal: | \$126,000.00 |
| • Fees: | \$ 38,000.00 |
| • Rentals: | \$ 21,000.00 |
| • Other Department Revenue: | \$ 72,000.00 |
| • Licenses & Permits: | \$132,000.00 |
| • Fines: | \$ 23,000.00 |
| • Investment Income: | \$ 40,000.00 |
| • Miscellaneous Recurring Revenue: | \$116,000.00 |
| • Miscellaneous Non-Recurring Revenue: | \$ 3,000.00 |

Old/New Business:

Payment Approval: To approve payment to WB Mason for Doug Riley's nameplate in the amount of \$19.95.

Chris Smith made a motion to pay WB Mason \$19.95; Susan Vecchi seconded. Vote: 6/0, motion carries.

Chris Smith: The School Department is asking if textbooks could be part of their FY13 budget. They will be presenting a line by line budget for FY13. Craig Schultze was not in favor of increasing the base budget for textbooks. Charles Aspinwall will research the town's bylaw for the purchase of capital items with budgeted funds.

The Finance Committee will meet Saturday, January 14, 2012 at 9:00 AM at the Veterans Memorial Building for their annual road trip throughout Millis visiting town buildings and sites. Dave Baker of the School Department would like the committee to make a trip to the schools as well.

Town Council will be contacted to confirm if the Sub-Committee is considered a public meeting/open meeting with four members.

Upcoming Meeting Schedule:

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

January 25, 2012 7:30 PM
Veterans Memorial Building, Room 229

February 1, 2012 7:30 PM
Veterans Memorial Building, Room 229

February 8, 2012 7:30 PM
Veterans Memorial Building, Room 229

Minutes Approval:

Susan Vecchi made a motion to accept the December 14, 2011 meeting minutes as written, Rick Manburg seconded. Vote: 5/0 motion carries.

Adjourn:

Susan Vecchi made a motion to adjourn the meeting at 8:55 PM; Rich Molloy seconded, Vote 6/0.

Respectfully submitted,
Deirdre Gilmore