

Finance Committee Meeting

April 24, 2013 7:30 PM
Veterans Memorial Building, Room 229
900 Main Street
Millis, MA 02054

In Attendance:

Craig Schultze, Chairman
Peter Jurmain, Vice Chairman
Rich Molloy, Clerk
Jim Smith
Susan Vecchi
Doug Riley
Chris Smith
Charles Aspinwall, Town Administrator

Craig Schultze called the meeting to order at 7:30 PM

Article #23 and 34: New Police Station and Renovations to the Fire Station – Impact on Debt Discussion

C. Aspinwall presented 20, 30 year debt exemption options for Police and Fire Stations. C. Aspinwall confirmed that the town can borrow for 30 years for the Police Station, due to the expected life of the station. This is not the case for the Fire Station. If the Selectmen opt for a 30 year loan for the Police Station and a 20 year loan for the Fire Station, this results in a proposed \$299.30 additional impact on the average homeowner over the life of the borrowing. It also means that the average homeowner would pay \$39.91 more during year 1, relative to the 30-year proposal.

These are average costs, based on current rates.

The Selectmen will ultimately decide the terms of borrowing. For discussions at Town Meeting, the Finance Committee will assume 20 year borrowing, unless the Selectmen decide otherwise prior to Town Meeting.

Article #26 and 27: Chapter 90 and Town Funded Road Improvements Discussion:

For the Town of Millis, both the Governor's Budget and House Ways and Means propose \$413,000 in Chapter 90 Funding for FY2014.

C. Smith moved that the Finance Committee recommend approval of Article 26; S. Vecchi seconded. Vote 7/0. Motion carries.

Warrant Article Final Considerations and Recommendations:

Article 3 – current year additional expenses – Police estimate \$73,852 for overtime deficit. Snow and Ice estimate of \$150,000 deficit after restocking salt shed. President

Obama has signed the Declaration of Emergency for the blizzard; the reimbursement remains outstanding. Estimating total of \$200,000 of additional expenses for FY2013.

C. Smith moved that the Finance Committee recommend approval of Article 3 in the amount of \$200,000;
S. Vecchi seconded. Vote 7/0. Motion carries.

For FY2014, anticipated deficit is \$151,056 for the proposed budget.

C. Aspinwall presented (3) possible budget reduction scenarios. These scenarios included proposed reductions in:

- Local roads article
- School budget increase
- Police cruiser article
- Municipal computers
- DPW roller
- Additional Police Officer
- Police Equipment
- School Articles
- Adjustment to Local Receipts

Article 48 had previously been recommended in the amount of \$80,000 to Stabilization Fund. Committee discussed impacts of reducing the amount of this article, relative to the Policy on use of Stabilization Fund.

S. Vecchi noted that the School Bus Lease is now lower than the made a motion to recommend amount, by \$3,411.

S. Vecchi made a motion to recommend reconsideration of article # 22. P. Jurmain seconded. Vote 7/0. Motion carries.

P. Jurmain made a motion to recommend dismissal of article #22. S. Vecchi seconded. Vote 7/0. Motion carries.

C. Smith made a motion to recommend reconsideration of article # 21. S. Vecchi seconded. Vote 7/0. Motion carries.

C. Smith made a motion to recommend dismissal of article # 21. S. Vecchi seconded. Vote 7/0. Motion carries.

S. Vecchi made a motion to recommend reconsideration of article # 31. C. Smith seconded. Vote 7/0. Motion carries.

S. Vecchi made a motion to recommend approval of article # 31 in the amount of \$65,589. C. Smith seconded. Vote 7/0. Motion carries.

S. Vecchi made a motion to recommend dismissal of article #27. C. Smith seconded. Vote 7/0. Motion carries.

R. Molloy made a motion to recommend reconsideration of article # 5. C. Smith seconded. Vote 7/0. Motion carries.

S. Vecchi made a motion to recommend reconsideration of budget line item 3. P. Jurmain seconded. Vote 7/0. Motion carries.

S. Vecchi made a motion to recommend changing budget line item 3 to \$12,939,431. C. Smith seconded. Vote 7/0. Motion carries.

C. Smith made a motion to recommend reconsideration of article # 48. P. Jurmain seconded. Vote 7/0. Motion carries.

C. Smith made a motion to recommend approval of article #48 in the amount of \$65,374. S. Vecchi seconded. Vote 4/3. Motion carries.

S. Vecchi made a motion to recommend reconsideration of the total budget line in article 5. C. Smith seconded. Vote 7/0. Motion carries.

S. Vecchi made a motion to recommend approval of the total budget in article 5 for \$24,294,758.54. C. Smith seconded. Vote 7/0. Motion carries.

Minutes approval

C. Smith made a motion to recommend accepting the meeting minutes from the 4/10/2013 meeting. S. Vecchi seconded. Vote 6/0. Motion carries.

S. Vecchi made a motion to adjourn. C. Smith seconded. Vote 7/0. Motion carries.

Respectfully submitted,
Rich Molloy

TOWN OF MILLIS STABILIZATION FUND POLICY

- Schedule A General Fund Expenditures less transfers to other funds plus payments by the Massachusetts Teacher Retirement System paid on behalf of the town, shall be known as Total General Fund Expenditures and will be the base upon which the selected Stabilization fund/Free Cash reserve will be calculated.
- The annual calculation for the Stabilization Fund/Free Cash reserve shall be made as of June 30 of each fiscal year and shall be considered prior to annual fall town meeting appropriation recommendations.
- The Town's goal shall be to have at least 5% of Total General Fund Expenditures on hand in the Stabilization Fund as of June 30 of each fiscal year.
- If the Town does not meet the 5% goal, then funds shall be appropriated in subsequent Town Meetings to replenish the Stabilization account to the 5% level. A minimum of \$50,000 per annual fall town meeting shall be appropriated to the Stabilization fund to reach the 5% goal.
- If the 5% goal is met, then a minimum of \$50,000 shall be appropriated to the OPEB stabilization fund. If only a portion of the \$50,000 is needed for the Stabilization fund then the balance of the funds will be appropriated to the OPEB stabilization fund.
- The Stabilization Fund may be used for any lawful purpose but should typically be used only for unforeseen and emergency purposes.
- If use of the Stabilization Fund for unforeseen and emergency purposes drops the fund balance below the 5% goal then the town shall develop a funding schedule to re-attain the 5% goal within three years or less.