

Finance Committee Meeting

February 6, 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  
Bud Drummey  
Rick Manburg  
Doug Riley  
Chris Smith  
Jim Smith  
Susan Vecchi  
Charles Aspinwall, Town Administrator  
Charles Vecchi, Board of Selectmen  
Kris Fogarty, Recreation  
James McKay, DPW

Craig Schultze called the meeting to order at 7:33 PM.

FY14 Budget Review – Recreation:

Kris Fogarty:

The FY14 budget:

Salaries:	\$20,202.38
Expenses:	<u>\$ 1.00</u>
Total:	<u>\$22,203.38</u>

The Recreation Department is responsible for providing the Millis community with extracurricular, informative, educational, entertaining activities and provides recreation sports programs. The wide variety of opportunities the Recreation Department offers addresses the needs and preferences of the entire community. The Director has been with the department since 2008. The total salary for the department is \$60,426.80 which includes the Director's salary and a 10 hour per week assistant. The department is planning to fund the following in FY14:

- Directors School – Tuition: \$900.00, Lodging: \$1,320.00 & Travel: \$600.00
- Replace the 90 foot diamond backstop - \$6,500.00
- Equipment Replacement - \$2,000.00
- (4) Field applications - \$6,000.00

The Recreation Department's Special Revenue Fund is used to offset salaries and expenses. The balance in the fund at the end of FY12 was \$58,217.67; the balance as of November 2012 is \$69,199.38. A Fund Use Policy has been implemented with the following guidelines:

1. The recreation department shall pay all expenses relative to recreation programs from the Recreation Special Revenue Fund.
2. The salary of the Recreation Director, subject to Town Meeting appropriation, shall be paid from the Special Revenue Fund (62%) and the balance from the Town Meeting Appropriation (38%).
3. Small capital projects for recreation facilities, i.e. those costing less than \$5,000.00 may be paid by the Recreation Special Revenue Fund with the approval of the Town Administrator provided an analysis shows that fund balance is adequate to cover all outstanding department liabilities.
4. Larger capital projects for recreation facilities, i.e. those costing between \$5,001.00 - \$10,000.00 may be paid by the Recreation Special Revenue fund with the approval of the Board of Selectmen provided an analysis shows that fund balance is adequate to cover all outstanding department liabilities.
5. Requests for Capital projects for recreation facilities costing above \$10,000.00 shall be submitted to Town meeting for funding.
6. The Recreation Committee shall be responsible for setting rates for recreation programming sufficient to pay for programming costs and capital costs below \$10,000.00.
7. No staff may be hired without being appointed by the Town Administrator pursuant to the provisions of the Millis Personnel Plan. The town administrator shall examine fund balance prior to appointment to determine whether sufficient funds are available to pay the position.
8. The fund shall contain a sufficient balance to pay salaries for the year less the Town Meeting appropriation.

#### FY14 Budget Review – Highway:

James McKay:

After reviewing the department's payroll percentages, changes were made to all the DPW's budgets (Highway, Water, Sewer and Transfer Station) to reflect a more accurate breakdown of duties for the Assistant Director, General Foreman, Transfer Station Attendant and Clerical staff.

FY14 Issues:

- Town Parks: The FY13 budget is \$14,000.00 as of January 31, 2013 there is a deficit of \$6,155.80. The water bill alone is close to \$10,500.00 with one more billing cycle this year. There are concerns about the condition of the town's parks and necessary repairs that are needed to keep the parks safe.
- Staffing: There are 10 full time labor positions, 1.25 office positions and 1 management position. In 2006 the town override passed to fund 1 full time position but the position was eliminated in 2010. The department will be looking to restore this position.

- DPW Building: 75% of phase I of the heating and air conditioning system is complete, electrical and stairway projects are 90% complete. Phase II of the project will be presented at the May 2013 Town Meeting. In the future the department is looking to expand the garage with two more bays to house equipment, increase the men's restroom and upgrade the facility with a locker room and shower.

Capital Requests:

- Road Improvements; locations to be determined before Town Meeting.
- Purchase a Hydrostatic Vibratory Roller.

FY13 Budget:

The Snow & Ice budget has 37%, \$59,849.00, of the budget left before this weekend's storm. The average cost of a storm this size ranges from \$55,000.00 to \$65,000.00. Nine contractors with 21 trucks will be available for snow removal. The DPW has 11 trucks and sidewalk equipment for snow removal. An update next week will be presented to assess any anticipated shortfalls in this budget for FY13. The addition of two new small sanders has decreased the amount of time spent treating the roads

FY14 Budget:

Salaries:	\$292,580.76
Expenses:	<u>\$437,339.00</u>
Total:	<u>\$729,919.76</u>

The increase in salaries is due to step increases.

FY14 Budget Review – Transfer Station:

James McKay:

A grant for \$7,500.00 was received from the Mass DEP for the purchase of a 40 yard container to recycle couches, love seats, stuffed chairs, mattresses, box springs and carpet; this will allow the town to lower the fee to residents to dispose of these items from \$40.00 to \$21.00. A rate hearing will be held in May to determine Transfer Station fees for FY14.

FY14 Budget:

Salaries:	\$ 24,365.45
Expenses:	<u>\$ 92,841.25</u>
Total:	<u>\$117,206.70</u>

Salaries were increased due to reallocating the percentage of the Transfer Station Attendant's time. In FY15 there will be another review, eventually making the funding of this position 100% from the Transfer Station Budget.

An increase in diesel of \$2,500.00 and overtime of \$1,500.00 was made to cover the cost and time of hauling the recycling and rubbish. A decrease in equipment repair of \$4,000.00 will offset the wages overtime and diesel fuel increase.

Capital Requests:

- Replace the Cardboard/Paper Container: Estimated cost \$4,000.00 - \$6,000.00.

FY14 Budget Review – Street Lighting:

Jim McKay:

FY14 Budget:

Expenses:	<u>\$62,043.00</u>
Total:	<u>\$62,043.00</u>

Discussion with the Police Chief will be scheduled to determine if some of the street lights can be turned off at night.

FY14 Budget Review – Water:

Jim McKay:

A grant for \$8,500.00 from the Massachusetts Department of Energy was awarded to the department to conduct a comprehensive energy audit and provide recommendations for all of the town's treatment facilities.

The Water and Sewer Departments received a \$10,000.00 grant from MIIA Insurance Co. to be used to identify and GPS all water mains, water gate boxes, water service line connections, sewer mains, sewer manhole covers, drainage lines, drainage manhole covers, catch basins which will be added to the town's GIS system.

The department received a \$3,800.00 grant for Confined Space Training and the purchase of Confined Space Equipment.

FY14 Budget:

Salaries:	\$261,575.25
Expenses:	<u>\$660,567.16</u>
Total:	<u>\$922,142.41</u>

There are increases in the budget of the following due to the Forest Road and Irving Street projects:

LTD Principal: \$16,610.00  
LTD Interest: \$16,234.98  
STD Principal: \$47,466.87

STD Interest: \$ 1,423.02

Capital Requests:

- Replace Unit #18 with a 2012 or 2013 new 1-ton dump truck: \$41,811.00

The cost estimate does not include a trade-in. The trade in value of the recently replaced vehicle was \$7,000.00.

Well #3 is almost ready to go back online. In November and December 2012, the department received numerous calls for water quality issues due to the project and several water main breaks.

FY14 Budget Review – Sewer:

Jim McKay:

FY14 Budget:

Salaries:	\$ 192,803.43
Expenses:	<u>\$ 848,856.10</u>
Total:	<u>\$1,041,659.53</u>

Increase to the budget:

CRPCD (Charles River Pollution Control District) O & M and Assessment: \$\$8,764.03 (2.05%)

LTD Principal:	\$ 9,086.00
STD Principal:	\$48,272.00

Decreases to the budget:

Wages Clerical:	\$ 5,685.00
Wages:	\$10,908.14
Longevity:	\$ 21.67
LTD Interest:	\$ 2,170.13

The committee discussed ways to fund restoring the position that was eliminated; an influx of new revenue would be needed to fund the position.

FY14 Budget Review – Planning Board – Postponed

Police Department Staffing Update:

The Police Chief has issued the following memo:

“I have received updated information from department personnel as it relates to our anticipated budget shortfall. I advised you last week that a member of the department is awaiting word on what type of procedure was needed to address a medical issue. At that time there were two options one which

would require 3-4 weeks of recovery time, the other would require 4 months of recovery time. I was informed this morning that regrettable the procedure which is scheduled for March 1<sup>st</sup> will require 3-4 months recovery time. Given the date of the procedure I feel the best course of action is to plan on the officer being out of work for the balance of the fiscal year. As I mentioned last week, this absence is not reimbursable by the town's insurance carrier.

Of the two other department members that are currently out injured while on duty, one remains out waiting for final determination of a course of treatment, while the other is scheduled to be re-evaluated early next month, for return to duty.

As such, the worst case numbers that were presented previously appear to be the most likely.”

The committee discussed possible revenue sources to cover the shortfall. One option would be a Reserve Fund Transfer and the other would be left over funds in other budget line items transferred to cover the shortfall.

#### Review Ambulance Revenue:

Charles Aspinwall:

The Board of Selectmen voted to increase ambulance rates to fund the addition of a firefighter and to save for the purchase of an ambulance. The Ambulance Revolving fund as of January 31<sup>st</sup>:

July 1, 2012 Balance:	\$299,356.57
Total Receipts:	<u>\$174,962.12</u>
Available Balance:	<u>\$474,318.69</u>
Transfer to the General Fund:	(\$235,000.00)
Expenses:	<u>(\$19,320.25)</u>
Balance:	<u>\$219,998.44</u>

Anticipated receipts of \$25,000.00 per month are expected for February thru June, leaving a balance as of June 30, 2013 of approximately \$250,000.00.

#### Old Business/New Business:

Fire Department Salaries:

The salaries budget presented showed an average increase of salaries of 9% per year from FY11 – FY14. The increase from FY12 – FY13 was the salary for an additional firefighter. From FY13 – FY14 the increase is due to stipends for additional on-call firefighters.

#### Upcoming Meeting:

February 13, 2013

February 27, 2013 (no meeting February 20<sup>th</sup> – school vacation)

March 6, 2013

Town Meeting: May 13, 2013

Minutes Approval:

Susan Vecchi made a motion to approve the January 30, 2013 meeting minutes as written; Peter Jurmain seconded. Vote: 5/0 motion carries unanimously.

Adjourn:

Susan Vecchi made a motion to adjourn the meeting at 8:55 PM; Rich Molloy seconded. Vote 9/0 motion carries unanimously.

Respectfully submitted,  
Deirdre Gilmore