

Finance Committee Meeting

March 19, 2014 7:30 PM EST
Veterans Memorial Building, Room 229
900 Main Street
Millis, MA 02054

In Attendance:

Peter Jurmain, Chairman
Susan Vecchi, Vice Chairman
Rich Molloy, Clerk
Tom Krimmel
Doug Riley
Craig Schultze
Jim Smith
Charles Aspinwall, Town Administrator
Donna Cabibbo, Tri-County School
Chris Smith, Board of Selectmen
Charles Vecchi, Board of Selectmen

Peter Jurmain called the meeting to order at 7:30 PM

FY15 Budget Presentation: Tri-County School:

Donna Cabibbo:

The total revenues and expenditures for FY15 are \$17,129,884.00 each. Millis' enrollment as of October 2013 was 31 students which is an increase of 3. Millis represents 3.18% of the total enrollment at Tri-County. The original assessment was for \$328,646.00 however this amount will be decreased by 9,214.00 for a total of \$319,432.00. There is a decrease in Academic Teacher's Salaries for FY15 of \$68,415.00 due to changes in staff, retirements, etc. Vocational Teacher's Salaries have increased by \$100,008.00. One capital project has been the replacement of the boilers. The school has also introduced a Bio-Medical Engineering Program.

FY15 Budget Recommendations:

Charles Aspinwall:

The recommendations increase the School's Operating Budget by \$201,720.00 and the Town's Operating Budget by \$139,980.00. The increase of \$341,700.00 is approximately a 1.7% increase. The percentage split between the School and Town is 66.75% and 33.25% respectively. There is a deficit of \$64,085.00 with these recommendations. Increases in Fixed Costs such as debt and employee benefits are \$690,724.00. The increase in State Aid is estimated to be an anemic amount of \$44,000.00. The recommendations are subject to change; the final numbers are not in and there is a deficit to contend with.

Revenue Summary:

State Aid:	\$ 5,941,428.00
Local Receipts:	\$ 1,742,824.23
Transfer from Sewer Fund:	\$ 150,065.14
Transfer from Water Fund:	\$ 168,272.95
Enterprise Revenue:	\$ 2,035,180.18
CPA Fund:	\$ 309,331.00
Free Cash:	\$ 381,920.00
Other Available Funds:	\$ 792,912.00
Tax Levy:	<u>\$17,803,005.93</u>
Total Amount Available:	<u>\$29,324,939.43</u>

Local Receipts have decreased \$71,540.00 and Enterprise Funds have decreased \$51,197.00. The tax rate for FY15 is \$17.64. Licenses and Permits are estimated low due to a decrease in construction. However, revenues from the Acorn Street Development project could come in sometime in FY15. Before building permits would be issued for this project, approximately \$73,000.00 in back taxes would have to be paid. In FY15 medical benefits for DPW employees paid from water and sewer accounts will be fully paid by the Water and Sewer Enterprise Funds. Initially this was going to transition over the course of five years but due to the lack of estimated revenues in FY15 100% of benefit costs will be funded through Water and Sewer Enterprise Funds. The impact is a \$26,125.72 increase for Sewer and a \$26,093.25 for Water. The increase will be offset by increased water and sewer rates. Free Cash is lower than last year.

The following is a list of available balances as of January 31, 2014:

Free Cash:	\$ 381,920.00
Stabilization Fund:	\$1,252,893.76
Ambulance Fund:	\$ 184,691.08
Perpetual Care Interest:	\$ 344.82
Sale of Cemetery Lots:	\$ 4,500.00
Septic Betterments:	\$ 7,821.89
Sewer Betterments:	\$ 823,351.80
Water Surplus:	\$ 221,602.33
Sewer Surplus:	\$ 166,004.01

The following has been recommended in the operating budget:

	Total Budget:	Increase:
Line #1 General Government:	\$ 5,795,991.85	\$ 320,459.00
Line #2 Public Safety:	\$ 3,028,652.66	\$ 46,673.00
Line #3 Millis Schools:	\$13,141,151.00	\$ 201,720.00
Line #4 Tri-County:	\$ 349,693.00	\$ 56,900.00
Line #5 Public Works:	\$ 912,277.30	\$ 10,728.00
Line #6 Health and Human Services:	\$ 234,046.27	\$ 2,566.00
Line #7 Culture and Recreation:	\$ 397,336.00	\$ 17,633.00
Line #8 Debt Service:	<u>\$ 1,527,573.45</u>	<u>\$ 451,008.00</u>
Total:	<u>\$25,386,721.53</u>	<u>\$1,107,687.00</u>

Restoration for a DPW HEO/Laborer is included and will be paid for equally from Water Funds, Sewer Funds and the General Fund. The 1/3 General Fund amount was offset by cuts to other line items such as Summer Help.

The following Capital Items have been recommended:

Department:	Item:	Amount:
Fire	Communication Equipment	\$ 14,312.00
Fire	Turnout Gear	\$ 13,800.00
Police	Cruiser Replacement	\$ 36,575.00
Public Works	Chapter 90 Funds	\$275,963.00
Public Works	Backhoe	\$ 80,060.00
School	Bus Lease	\$ 79,000.00
School	Computer Lease	\$ 70,000.00

Chapter 90 Funds are based on the amount received in FY14. The Public Works Backhoe amount will be split equally between Water Funds, Sewer Funds and the General Fund.

FY15 Budget Presentation – Finance Committee:

Peter Jurmain:

Salaries:	\$3,446.55
Expenses:	\$6,529.00
Total:	\$9,975.55

The budget is level funded. In order to absorb the contractual and step increases, the number of hours has been decreased. Supplies and Expenses were decreased by \$150.00, those funds were transferred to Printing Cost.

FY15 Budget Presentation – Reserve Fund:

Peter Jurmain:

The amount in the Reserve Fund is \$75,000.00. These funds are reserved for emergencies.

Warrant Article Review/Recommendations:

Article #11 Non-Union Wage Increase – This article funds a 2% wage increase.

Craig Schultze made a motion to recommend approval of Article #19, Audit, in the amount of \$35,000.00; Jim Smith seconded. Vote: 7/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article # 20, OPEB Valuation, in the amount of \$5,500.00; Jim Smith seconded. Vote: 7/0 motion carries unanimously.

Craig Schultze made a motion to recommend dismissal of Article #30 Supplemental Snow & Ice Appropriation; Susan Vecchi seconded. Vote: 7/0 motion carries unanimously.

Article #31 Rosenfeld Road Drainage Project – The project is out to bid; bids are due in mid-April. This project could be funded by Borrowing or from Chapter 90 Funds.

Article #33 Village Street Area C Sewer Extension: The Board of Selectmen are holding an informational meeting on Monday, March 24th at the Middle/High School Auditorium. The project specifications can be viewed on the town's website.

Craig Schultze made a motion to recommend approval of Article #34, Water Street Sewer Pump Station Rehabilitation Project, in the amount of \$34,070.00; Susan Vecchi seconded. Vote: 7/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #35, Backhoe Replacement, in the amount of \$80,060.00; Susan Vecchi seconded. Vote: 7/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #36, Unidirectional Hydrant Flushing Plan, in the amount of \$20,000.00; Susan Vecchi seconded. Vote: 7/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #37, School Bus Lease, in the amount of \$79,000.00; Jim Smith seconded. Vote: 7/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #44, Medicaid Reimbursement, in the amount of \$5,000.00; Rich Molloy seconded. Vote: 7/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #45, Board of Health Appointing Authority; Jim Smith seconded. Vote: 7/0 motion carries unanimously.

Old/New Business:

Craig Schultze made a motion to recommend payment in the amount of \$587.30 to the Millis Postmaster for postage to mail the May 2014 Finance Committee Report; Susan Vecchi seconded. Vote: 7/0 motion carries unanimously.

Minutes Approval:

Craig Schultze made a motion to approve the March 12, 2014 meeting minutes as written; Jim Smith seconded. Vote: 5/0 motion carries unanimously.

Upcoming Meetings:

March 26, 2014

April 2, 2014

Town Meeting: Monday May 12, 2014

Adjourn:

Susan Vecchi made a motion to adjourn the meeting at 8:42 PM; Rich Molloy seconded.
Vote 7/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore