

Finance Committee Meeting

March 22, 2017 7:30 PM EST  
Veterans Memorial Building, Room 229  
900 Main Street  
Millis, MA 02054

In Attendance:

Peter Jurmain, Chairman  
Susan Vecchi, Vice Chairman  
Tayana Antin  
Peter Berube  
Jodie Garzon  
Jerry Nunnaley  
Doug Riley  
Suzanne Kennedy, Town Administrator  
Kris Fogarty, Recreation Department  
James McKay, Department of Public Works

Peter Jurmain called the meeting to order at 7:32 PM

FY18 Budget Presentation: Recreation Department:

Kris Fogarty:

The Director was nominated for the Community Branch Professional of the Year Award and received recommendations from the Fire Chief, Deputy Director of the DPW, former Town Administrator and Board of Selectmen. It was an honor to be nominated but unfortunately she did not win the award.

For FY18 the department is requesting an increase in the salary line item to \$60,296.60 from \$30,202.00 in order to fully fund the Director's salary. The department has a Special Revenue account which funds the part time 10 hour per week Department Assistant I position and annual longevity. By fully funding the Director's salary the department will be able to add much needed program staffing, specifically for the new summer program and allow flexibility for the Director to attend state conferences. During these conferences the Director will gain knowledge of other recreation programs and trends.

The department typically receives 20% of the fees collected. This revenue is used to purchase trophies, candy for the Easter Egg Hunt, soccer balls and nets as well as t-shirts and other program supplies. The department's core programs are: Basketball, Pre-K Soccer, Youth Soccer and Swim Team. With the increase in the Metrowest Basketball Program the department has seen a decline in registrations. The School Department has added a 7<sup>th</sup> and 8<sup>th</sup> grade basketball program that has had an impact on registrations as well. The programs are geared towards younger children although they do offer programs for teenagers and adults. To boost registrations the department has increased advertising but typically it is word of mouth about the programs that interests residents.

The Recreation Department's funding by the town has varied in the past and the committee suggested possibly incremental funding would help. Jodie Garzon noted that there is no Operating Budget for the Cultural Council and the Recreation Department is strained with funding those programs such as the Summer Concert in the Park.

The Director provided a graph with revenues collected but there were some discrepancies with the figures; the Director will provide an updated graph.

FY18 Budget Presentation: Board of Selectmen/Town Administrator:

Suzanne Kennedy:

Salaries:	\$238,829.00
Expenses:	<u>\$ 63,915.00</u>
Total:	<u>\$302,744.00</u>

Salaries overall are decreased due to the new Town Administrator's contract agreement and include a step raise for the Department Head and a contractual 2.5% increase for the Department Assistant II position as well as a step raise. There is an increase in Sick Leave Buy Back in the amount of \$1,400.00.

Expenses include increases in Physical Exams, \$400.00, Dues and Subscriptions, \$400.00, and Automobile/Mileage, \$4,800.00. A Police Detail line item was added in the amount of \$2,450.00.

Physical Exams cover all town employees' pre-employment exams. The requirement is not mandated by the state. Committee members felt pre-employment physicals should be limited to public safety employees. In the event a problem is detected during the physical, the town would have to provide reasonable accommodations for the employee. Town Counsel will advise on the subject.

The increase in Automobile/Mileage is part of the incoming Town Administrator's contract.

Police Details for Town Meetings had previously been paid from another expense line item.

FY18 Budget Presentation: Town Buildings:

Suzanne Kennedy:

Salaries:	\$ 88,168.40
Expenses:	<u>\$176,651.00</u>
Total:	<u>\$264,819.40</u>

Salaries include step raises and contractual increases, an increase in overtime, \$500.00 and the addition of longevity.

Expenses for Fire, Library and Police have been moved from the Town Building's budget into the respective department's budgets. Eventually more items from the Town Building's Budget will be allocated to other town departments.

An increase in VMB repairs, \$11,500.00 will cover the replacement of the Council on Aging refrigerator and the increased cost for boiler repairs.

The salary for the Energy Manager is included in the Town Building's Expense Budget, \$36,974.00. This was previously funded by a grant. The committee requested a recap from the Energy Manager on the programs and savings the town has seen with funding this position. To date, a \$13,000.00 reduction in the street lighting contract has been recognized.

Two separate Supplies and Expense Budget line items have been combined into one. VMB Electricity Distribution costs are expected to increase by 7% in FY18. The School Department has separate electricity supplier contracts.

There is a request for carpet replacement for the VMB in the amount of \$11,827.20 and shade replacements in the amount of \$32,829.00

FY18 Budget Presentation: General Insurance:

Suzanne Kennedy:

Total General Insurance Expense: \$417,330.00

The overall increase to the FY18 Budget is \$20,172.00. Increases are reflected in Police Accidents and Fire Accidents. The General Insurance line item has been increased by 10%. This budget covers some of the School Department's Insurance but not all. The former Town Administrator used a formula to calculate a portion of the insurance costs back to the school.

The committee inquired about the \$14,400.00 item for Inland Marine Insurance; this line item covers the water apparatus the Fire Department is equipped with. The town abuts many water ways: Charles River, Black Swamp, Bogastow Brook and Richardson's Pond.

Snow & Ice Deficit Update:

James McKay:

Snow & Ice Expense Budget:	\$123,001.00
Snow & Ice Expense Costs to Date:	\$291,761.17
Deficit:	(\$168,760.17)

Snow & Ice Overtime Budget:	\$40,245.00
Snow & Ice Overtime Costs to Date:	\$55,356.71
Deficit:	(\$15,111.71)

The cost of salting the roads and snow removal has increased significantly over the past ten years. There are additional road miles due to the acceptance of new subdivisions and roads as well as the addition of parking lots. In November 2017, the Hickory Hill subdivision located off of Acorn Street will most likely be accepted by the town and will increase costs for treatment materials, equipment and snow plow contractors. Snow plow contractors are paid the Massachusetts Department of Transportation rates plus a 3.5% fuel reimbursement. The DPW back bills the School Department for time and materials used on their parking lots. The committee requested a chart/data reflecting the increase in subdivisions and roads as well as the additional costs over the past ten years. The committee senses the Snow & Ice budget is too optimistic for New England Winters. It was also noted that Gas & Diesel used during snow storms is not reflected in the Snow & Ice Expenses; it is paid through the DPW Highway Budget. In some fiscal years the town has relied on the Stabilization Fund to fund the Snow & Ice Deficit, this has left the town with less than the desired 5% of the Operating Budget amount in the Stabilization Fund.

FY18 Budget Presentation: Department of Public Works

James McKay:

Mr. McKay provided an organizational chart of the department as well as a list of vehicles and equipment the department has and their anticipated replacement dates and costs. The department will be asking for the replacement of the Volvo Front End Loader (Unit #20) as well as Dump Truck replacements within the next couple of years. The Department is very lucky to have a full time mechanic and an assistant mechanic to keep the vehicles and equipment running. The Volvo Front End Loader's tires need to be replaced, the cost will be approximately \$9,000.00. The cost will be absorbed in the Highway Budget.

The DPW building is in need of repair. Mr. McKay met with the Permanent Building Committee last Thursday and the cost to repair the building including the roof, ventilation system, wall board and labor is approximately \$470,000.00. Mr. Klocko, Chairman of the Permanent Building Committee, has requested an analysis of the entire building and an engineering study to determine the function of the building, need for showers, restrooms, mechanics bay, etc. This will be presented at the November Town Meeting. The Water Building behind the garage was condemned and now they are having difficulty finding storage for lawnmowers, etc. The committee would like to schedule a tour of the DPW building with the incoming Town Administrator.

I: General Highway Budget:

Salaries:	\$326,792.18
Expenses:	<u>\$528,485.07</u>
Total:	<u>\$885,277.25</u>

Salaries have been decreased due to the retirement of the General Foreman and an HEO/Laborer in 2016. The Department Head's salary has had a shift in the percentage allocated to each department so the General Budget shows a decrease.

Expenses have increased in: Services Engineering, \$2,000.00, Office Cleaning, \$412.00, Catch Basin Cleaning, \$2,000.00 and Snow and Ice Removal, \$50,000.00. The committee discussed an incremental increase to the Snow & Ice budget over the course of a few years.

II: Transfer Station Budget:

Salaries:	\$ 27,992.32
Expenses:	<u>\$ 85,273.18</u>
Total:	<u>\$113,265.50</u>

The department received a grant of approximately \$8,500.00 which will fund a compactor for the paper and cardboard recycle bins.

III: Street Lighting:

Total Expenses: \$55,849.56

This budget is level funded.

IV: Water:

Salaries:	\$ 295,305.24
Expenses:	<u>\$ 840,600.91</u>
Total:	<u>\$1,135,906.15</u>

The Department Head's salary has had a shift in the percentage allocated to each department so the Water Budget shows an increase. Clerical Salaries are increased due to contractual obligations. There are decreases in Longevity and Salaries due to the retirement of the General Foreman.

Expenses have increased in Long and Short Term Debt Principal and Interest due to the Dover Road Water Main Replacement Project. There is an additional line item added for Town Counsel in the amount of \$20,000.00; it is not a reallocation from Town Counsel's Budget. Pending information from the Finance Director there is usually a line item showing the offset of costs in this budget to other department's employees who work on Water and Sewer

V: Sewer:

Salaries:	\$ 221,274.14
Expenses:	<u>\$ 978,581.96</u>
Total:	<u>\$1,199,856.10</u>

The Department Head's salary has had a shift in the percentage allocated to each department so the Sewer Budget shows an increase. Clerical Salaries are increased due to contractual obligations. There are decreases in Longevity and Salaries due to the retirement of the General Foreman.

Expenses have increased in CRPCD (Charles River Pollution Control District) O & M, \$60,580.00, CRPCD Assessment, \$6,400.00, Long and Short Term Debt Principal and Interest due to the Water Street Sewer Station Replacement. There is an additional line item added for Town Counsel in the amount of \$5,000.00; it is not a reallocation from Town Counsel's Budget.

VI: Form #8:

(5) Additional hours for the Department Assistant III position. This request is in part due to the shift in responsibilities from the Board of Selectmen/Town Administrator's office to the DPW office: Chapter 90 filings and Accounts Payables for Street Lighting. More importantly, the mandated MS4-Stormwater Management record keeping and filings requirements beginning July 1, 2017 necessitate the additional hours. The total cost for this request is \$7,035.60.

One full-time HEO/Laborer dedicated to MS-4-Stormwater Management catch basin cleaning and street sweeping, the total cost is \$60,052.00 including benefits.

VII: Form #7

Phase II of the Dover Road water main replacement. Phase I will be finalized in the fall – in the spring the road will be reclaimed and a base coat will be applied – the top coat will be poured in the fall. Phase II will replace the water main on Old Dover Road, Main Street to Union Street and approximately 200 feet of Village Street. The total cost of this project is estimated at \$887,545.50.

Purchase a 2017 Ford F450 Bucket Truck: This vehicle would be utilized by the Fire Department and the DPW the total is \$100,699.00. The vehicle would not be used on a daily basis but would be useful for tree trimming and other DPW and Fire Department duties. Initially if this purchase was not funded, the departments considered using Unit #5 of the Fire Department fleet and requesting a Telescoping Serial Mounted Device, however after further consideration it was determined that the Fire Department still relies on Unit #5 for emergency calls and this is not a viable option.

Purchase a 2017 Yukon Cargo Trailer in the amount of \$7,995.00, this heavy duty trailer would hold 3 – 4 mowers and be more efficient during the summer months than the current trailer which only holds one mower.

Sewer System I/I (Inflow and Infiltration) Phase IV-B in the amount of \$132,650.00. This project is a continuation of the town's endeavor to maintain a sanitary sewer system. The project would be funded through the Sewer Enterprise Fund.

Funding MS4-Stormwater Management in the amount of \$234,400.00. Effective July 1, 2017 EPA regulations require the implementation of this program. To fund future requirements the town could establish a Stormwater Management Enterprise Fund. Residents would be charged by the amount of impervious surface their property has: driveways, roofs, walkways etc.

Old Business/ New Business:

The committee will review the first draft of the FY18 Operating Budget submitted by the town's Finance Director who is scheduled to attend the March 29, 2017 meeting.

The chairman of the School Committee has requested the members of the Finance Committee email questions they may have regarding the FY18 School Budget Presentation scheduled for March 29, 2017 in advance in order to provide adequate answers.

Town Meeting may be postponed by two or possibly four weeks. The Board of Selectmen and/or Town Counsel can make the decision to postpone the meeting. Postponement of the meeting will not have an impact on the Clyde Brown School Replacement Project.

Minutes Approval:

Susan Vecchi made a motion to recommend approval of the March 15, 2017 Meeting Minutes as written; Jodie Garzon seconded. Vote: 7/0, motion carries unanimously.

Adjourn:

Susan Vecchi made a motion to adjourn the meeting at 10:19 PM; Peter Berube seconded. Vote 7/0 motion carries unanimously.

Respectfully submitted,  
Deirdre Gilmore