

Town of Millis Tri-Board Meeting
February 5, 2018 7:00 PM EST
Veterans Memorial Building, Room #130
900 Main Street
Millis, MA 02054

In Attendance:

Finance Committee

Craig Schultze, Chairman
Jodie Garzon, Vice Chairman
Peter Berube, Clerk
Jim Bullion
Peter Jurmain
Jerry Nunnaley
Doug Riley

Board of Selectmen

James McCaffrey, Chairman
Catherine MacInnes, Vice Chairman
Loring Barnes Edmonds, Clerk

School Committee

Steven Catalano

Invited Guest:

Michael Guzinski, Town Administrator
Nancy Gustafson, School Superintendent
Bernard Lynch, Community Paradigm Associates, LLC
Hannah York, CPA, CGA, Consulting Manager, ClintonLawsonAllen, LLP

Craig Schultze called the Finance Committee meeting to order at 7:02 PM.
James McCaffrey called the Board of Selectmen meeting to order at 7:03 PM.

James McCaffrey welcomed all the guests and introduced Hannah York.

Budget Project Update and Timetable:

The meeting is an update of the FY19 Operating Budget preparation and timetable. All department heads, except the School Department, have met with Bernie Lynch and his associate to review their budget requests. Bernie's team is working to assemble the master budget book and should have it available by Thursday. The Board of Selectmen are meeting Saturday, February 10, 2018 to review the department's requests for FY19.

The comprehensive budget book will then be modified with the Board of Selectmen and Town Administrator's recommendations and after further analysis of the town's financials. The book will then be provided to the Finance Committee in a couple of weeks for their review.

This process was intended to assist the town in its Operating Budget preparation and provide a template for uniform budgeting in the future. The document will present both the requested amounts and the Board of Selectmen and Town Administrator's recommendations. The FY19 Operating Budget Book will be finalized by the end of March.

Shared resource suggestions will be highlighted in the overall narrative of the book.

ClearGov Implementation:

The town has provided all the necessary information to ClearGov but unfortunately they are backlogged and have been inundated with service obligations over the past six months. They are in the process of correcting some errors and hope to have the information active in the next couple of weeks. Due to the delay the town may receive a credit towards next year's fee for the service. The Board of Selectmen had hoped to use the ClearGov information in this budget cycle but that is not the case.

Report on Free Cash:

Free Cash was submitted to the Department of Revenue last Friday, February 2, 2018. The amount to be certified is \$344,000.00. Changes to that amount are not expected. The amount should be certified in the next two weeks. Free Cash was prepared by the town's Finance Director; Hannah York assisted with the debt portion of the application. The amount is significantly lower than last year's. Typically, Free Cash consists of "Turnbacks", unused budget funds from the prior fiscal year, and Local Receipts that exceed what was projected. Unfortunately, there was not a lot of revenues in excess of what was estimated.

The town appropriated \$233,013.00 of Stabilization Funds for the FY18 budget; that amount will have to be replenished with Free Cash.

Revenue Projections for FY19:

In order to determine the New Funds Available for the next fiscal year a Sources and Uses spreadsheet is used.

Total Available Funds include the following Sources:

Recurring Revenue:

- State Aid
- Local Receipts
- Other Available Funds
- Tax Levy

Non-Recurring Revenue:

- Free Cash

Special Cases:

- Use of Stabilization Funds

Deduct Offsets:

- School Choice, Library, and County Charges

Total Funds Available for Budgets are determined as follows:

Total Available Funds less the following Uses

Must Fund Warrant Articles:

- Repay Stabilization Fund, Unpaid Bills, Annual Audit, School Bus and Computer Leases, Medicaid Billing, ClearGov and Police Car Lease

Shared and Must Fund Budget Lines:

- State/County Charges, General Insurance, Employee Benefits, Tri-County School and Debt Service

High Priority Warrant Articles:

- Fire Department Vehicle and Equipment, Town Department Fuel Dispense System and Bobcat Excavator

Hannah York highlighted some increases in revenues specifically, approximately \$144,000.00 in Local Receipts and approximately \$34,000.00 in Other Available Funds. The amount factored in for the School Bus Lease will be increased by approximately \$15,000.00. Employee Benefits have increased by 7%. The Tri-County budget has increased by \$172,000.00 based on current enrollment. The group acknowledged the need to educate the public of the town's looming obligation to OPEB, Other Post-Employment Benefits. The High Priority Warrant Articles listed are subject to change based on available funds and recommendations by the Board of Selectmen, Town Administrator and Finance Committee.

The bottom line is the New Funds Available for FY19 are approximately \$45,786.00.

Revenue Split between Municipality and School Department:

In the past, the split is typically 65% School Department and 35% Municipality barring any special circumstances such as the Stimulus Package several years ago. The group agreed that until new revenues such as the Glen Ellen Project and Retail Marijuana revenues are realized it is best to keep the revenue split as is. The group was reminded that approximately \$71,000.00 in municipal staffing for FY18 was funded by Free Cash. Determining the town's Operating Budget is the role of the Board of Selectmen and the Town Administrator. The Finance Committee's role is to determine how it will be funded. Ultimately, the final decision is made by the residents at Town Meeting. The Board of Selectmen are asking department heads to come up with more efficient ways for their departments to operate.

General Discussion:

A Fiscal Forecast including Capital Needs will lead to better decision making. The Capital Planning Committee is working toward having information available by the fall. Taking into account the current financial situation the town is facing, an override may be considered in May. The group acknowledged that the town is faced with contractual obligations; after the Operating Budget is presented a better picture of the financial status of the town will be known.

The Community Compact website has a lot of information on available grants the town could use to better serve the community.

Calendar:

The Board and Committees would like to schedule the next meeting before the May 14, 2018 Spring Town Meeting; ideally in early April.

Board of Selectmen Adjourn:

James McCaffrey made a motion to adjourn the Board of Selectmen meeting at 8:37 PM; Catherine MacInnes seconded. Vote: 3/0 motion carries unanimously.

Finance Committee Meeting Minutes Approval:

Peter Jurmain made a motion to recommend approval of the January 24, 2018 Finance Committee Meeting Minutes as written; Jodie Garzon seconded. Vote: 6/0 1 abstained motion carries.

Finance Committee Adjourn:

Peter Jurmain made a motion to adjourn the Finance Committee meeting at 8:38 PM; Jodie Garzon seconded. Vote 7/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore