

Finance Committee Meeting

May 1, 2019 7:30 PM EST
Veterans Memorial Building, Room #229
900 Main Street
Millis, MA 02054

In Attendance:

Jodie Garzon, Chairman
Peter Berube, Vice Chairman
Doug Riley, Clerk
Joyce Boiardi
Jim Borgman
Jim Bullion
Peter Jurmain
Shawn Power
Craig Schultze
Mike Guzinski, Town Administrator
Carol Johnston, Finance Director
Catherine MacInnes, Board of Selectmen
Jim McCaffrey, Board of Selectmen
James McKay, Director – DPW
Wayne Klocko
Kevin Kandola, DPW Mechanic

Jodie Garzon called the meeting to order at 7:31 PM.

Warrant Article Discussion and Recommendations:

Article #3 Contract Settlements: SEIU 888, MassCOP, Dispatch Association & AFSCME:

Mike Guzinski expressed to the committee that although none of the contracts have been settled, Labor Counsel suggests earmarking the estimated \$85,000.00 in hopes of settling with the Collective Bargaining Units by November's Town Meeting.

Pete Jurmain made a motion to recommend approval of Article #3, Contract Settlements: SEIU 888, MassCOP, Dispatch Association & AFSCME, in the amount of \$85,000.00 from Taxation; Craig Schultze seconded. Vote: 9/0 motion carries unanimously.

Article #4 FY20 Operating Budget

Carol Johnston explained that the original motion had not reduced the Enterprise Fund amounts from the Taxation amount.

Craig Schultze made a motion to reconsider Article #4, FY20 Operating Budget; Pete Jurmain seconded. Vote: 9/0 motion carries unanimously.

Peter Berube made a motion to recommend approval to fix the compensation of elected officers, provide for a reserve fund, and to raise and appropriate, including appropriations from taxation, by transfer from available funds, the sum of \$34,709.697.00 from:

Taxation	\$33,782,261.00
Ambulance Fund	\$ 283,602.00
Perpetual Care Interest	\$ 332.00
Sale of Cemetery Lots	\$ 7,000.00
Cell Tower Revenue	\$ 53,600.00
Transfer from Sewer Enterprise Fund	\$ 202,778.00
Transfer from Water Enterprise Fund	\$ 247,840.00
Transfer from Stormwater Enterprise Fund	\$ 132,266.00

; Pete Jurmain seconded. Vote: 9/0 motion carries unanimously.

Article #11 Revolving Fund

Mike Guzinski explained that some of the Revolving Fund accounts hadn't been used in over ten years. Therefore, the list was revised to reflect the active Revolving Fund accounts. It was also noted that the Recreation Department's Revolving Fund was increased to \$200,000.00 last Fall. The increase is a spending limit for the programs.

Peter Berube made a motion to reconsider Article #11, Revolving Funds; Pete Jurmain seconded. Vote: 9/0 motion carries

Jim Bullion made a motion to recommend approval of Article #11, Revolving Funds, pursuant to the provisions of MGL Chapter 44, Section 53E1/2, to establish the fiscal year spending limit for the Town's established Revolving Funds for Fiscal Year 2020 as follows:

Oak Grove Farm Maintenance Fund	\$ 35,000.00
Animal Control Shelter Fund	\$ 3,000.00
Fire Alarm Fund	\$ 10,000.00
Historical Commission Fund	\$ 12,000.00
Ambulance Department Fund	\$ 20,000.00
Council on Aging Transportation Fund	\$ 5,000.00
VMB Custodial/Maintenance Fund	\$ 6,000.00
Food Service Fund	\$ 4,500.00
BOH Medical Services/Vaccination Fund	\$ 8,500.00
BOH Rabies Clinic/Program Fund	\$ 2,500.00
School Athletic Fields Fund	\$ 35,000.00
School Extracurricular Fund	\$ 8,000.00
Library Special Use Fund	\$ 10,000.00
Recreation Fund	\$200,000.00
Tobacco Control Fund	\$ 1,000.00

; Jim Borgman seconded. Vote: 9/0 motion carries unanimously.

Article #13 DPW Building Project:

Craig Schultze reiterated he is in favor of the project and voted in favor of it as a Permanent Building Committee member. As a Finance Committee member, he would like to know the impact the project will have on the debt schedule and the water and sewer rates.

Mike Guzinski provided an updated debt schedule outlining the decrease in the General Fund Not Excluded Debt beginning in FY21. Between FY21 and FY24 the General Fund Not Excluded Debt will decrease by \$91,503.15. The first payment for this project will be due in FY21 at which time \$51,403.15 of the \$91,503.15 will come off the debt schedule. There will be some impact in FY21 of approximately \$40,000.00 in available funds for the Operating Budget. The impact to the average household if fully funded by the General Fund would be between \$80.00 and \$90.00 per year. Funding the project 1/3 Water, 1/3 Sewer and 1/3 General will have not impact to the average household property tax.

Jim McKay explained the town hired a consultant, Tighe and Bond, in 2017 to project water and sewer rates for several years. The projection included \$700,000.00 for both Water and Sewer for this project as well as other upcoming projects such as painting the Walnut Street Tank and replacement of the Booster Station. At this time, neither project is ready to move forward. The tank is inspected annually and is structurally sound. After taking this into account, it is expected that the FY20 sewer rates will not increase and the water rates will increase 5%. The increase in water rates will be 46 cents per 1,000 gallons of water; approximately \$40.00 - \$50.00 per year for the average household. The Board of Selectmen will set the FY20 water and sewer rates after FY19 financial are closed out; sometime in July. With the increase in water and sewer users due to future developments, there may be very little impact on the rates. It was reaffirmed that the rate

projections are made on information available at this time. Certified Retained Earnings, surplus cash, for both Water - \$591,574.00 and Sewer - \$578,226.00 can be used for water and sewer projects in the next few years.

Wayne Klocko noted that the contingency for the project is high due to the unknowns of sitework and was voted not to exceed \$3.9 million. He also pointed out that delaying this project will increase the overall cost of it as the cost of construction escalates from year to year in addition to inflation. Temporary trailers, Article #14, will cost the town approximately \$200,000.00 per year and will not eliminate the need for a permanent solution.

The committee expressed their concern for an immediate need to provide employees with a more suitable work environment. They recommended approval of Article #14 in order to provide a safe workplace. Trying to have temporary offices and constructing the new project would be quite challenging as there are school busses and equipment on site as well as Police cruisers and Fire apparatus that frequent the site. It was agreed that funding both Article #13, DPW Building Project, and Article #14, DPW Temporary Offices was not the best use of the town's funds

DLS (Department of Labor Standards) inspected the facility today and MIIA will inspect on Friday, May 3, 2019. DLS's main concerns were where the vehicles are stored and their proximity to the welding area of the garage as well as the loft area that was used for storage. The employees have been very patient throughout the process of temporary fixes to the facility and if approved will endure the conditions until the new facility is constructed. Jim McCaffrey noted in the last round of negotiations with the DPW union, an agreement was reached on a good faith promise by the town to find a permanent solution to the working conditions of the facility. The DPW's Collective Bargaining Agreement expires on June 30, 2019 and this matter could have an impact on negotiations if a permanent solution is not put in place. The Board of Selectmen will approve Article #14 if Article #13 fails at Town Meeting even though it is a temporary solution. If Article #13 passes at Town Meeting, the \$134,415.25 from previous DPW Articles earmarked for Article #14 will be used to reduce the bond for Article #13.

If the building project is approved at Town Meeting, the Permanent Building Committee will select a Project Manager and then an Architect. The design should be complete in late August or early September.

The project includes footings for a mechanic's bay for the School Department. School Administrators are not ready to proceed with the full construction of the bay at this time. The Superintendent's letter regarding the project specifically states the School District would have to find funding for the bay's construction and hiring their own mechanic. Terry Wiggins, School Business Manager, will conduct a cost benefit analysis before moving forward with the bay.

Kevin Kandola would not speak on behalf of all the DPW staff members without their permission but stated he no longer uses the designated break room because of its condition. He has been a DPW employee for fifteen years and has witnessed the decline of the facility and acknowledges that \$3.9 million is a lot of money.

Craig Schultze made a motion to recommend approval of Article #13, DPW Project, not to exceed \$3.9 million funded by Borrowing: 1/3 Water Enterprise Fund, 1/3 Sewer Enterprise Fund and 1/3 General Fund; Joyce Boiardi seconded.

Pete Jurmain preferred to defer a vote until next week until additional information was provided and to have time to think and consider the project and its funding sources. Doug Riley agreed and requested exact impact to water and sewer rate payers. Craig Schultze noted the impact was well spelled out and as a rule of thumb funding of DPW projects have historically been 1/3 Water Enterprise Fund, 1/3 Sewer Enterprise Fund and 1/3 General Fund. Peter Berube felt the project is a risk with potential sitework problems similar to those the town has experienced with other town building sites and suggested Article #14 could give the town time to do their due diligence. Jodie Garzon too was concerned with unexpected costs that could be discovered during sitework.

Wayne Klocko acknowledged the town has been unfortunate with sitework contamination in the past and reassured the committee that the project estimate has sufficient contingencies should contamination be an issue.

Vote: 8/1 motion carries.

The committee agreed that future projects and their costs as well as their impact to the residents should be presented all at once and not piecemeal. The committee would then have the necessary information and time to evaluate and make a recommendation. The Board of Selectmen and Capital Planning Committee are meeting soon and will discuss the presentation of future projects. Jim McCaffrey suggested the committee provide a form of questions and necessary information needed to help future presentations.

Meeting Minutes Approval:

Peter Berube made a motion to recommend approval of the April 24, 2019 Meeting Minutes as written; Craig Schultze seconded. Vote: 8/0 1 abstained motion carries.

Old Business/New Business:

The committee's next meeting will be held on Wednesday, May 8, 2019. It is their Pre-Town Meeting. Jodie Garzon encouraged residents to attend. The Finance Committee's Report will be delivered by Saturday, May 4, 2019 or Monday May 6, 2019. Their report will include the Capital Planning Committee's Report as an addendum. The Town's Election is Monday, May 6, 2019.

Adjourn:

Peter Berube made a motion to adjourn the meeting at 9:27 PM; Pete Jurmain seconded. Vote 9/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore