

FINANCE COMMITTEE REPORT

FISCAL PERIOD JULY 1, 2023 THROUGH JUNE 30, 2024 ANNUAL FALL TOWN MEETING  
CONTAINING THE RECOMMENDATIONS OF THE FINANCE COMMITTEE

PLEASE BRING THIS REPORT WITH YOU TO THE ANNUAL TOWN MEETING



ANNUAL FALL TOWN MEETING – MONDAY, NOVEMBER 6, 2023 AT 7:30 PM  
MIDDLE/HIGH SCHOOL AUDITORIUM  
PRE-TOWN MEETING – WEDNESDAY, NOVEMBER 1, 2023 AT 7:00 PM – 900 MAIN STREET, ROOM #229 AND  
VIA ZOOM: [www.zoom.us](https://www.zoom.us) MEETING ID: 885 6242 6120  
THE MEETING WILL BE BROADCAST LIVE ON THE MILLIS COMMUNITY MEDIA CHANNELS



Fall Town Meeting (FTM) will be held on 6 November 2023 to seek Voter authorization for several Warrant Articles submitted by the Select Board. Whereas the Annual Town Meeting held in the spring is primarily concerned with approval of the operating budget, the FTM is focused on appropriation of Free Cash and approval of other non-recurring purchases.

This year, the State certified Free Cash amount is \$3,266,213. The table below shows the resources available for use along with proposed transfers and expenditures. Both revenue and expenditures are shown by fund source at the top of the table. It should be noted that not all the Free Cash is proposed for expenditure. Rather, several transfers are proposed to Stabilization Funds which are essentially savings accounts. Additionally, the Warrant proposes deferring appropriation of \$895,855 until the Annual Town Meeting, next spring. Finally, two articles (Article 4, PFAS Treatment Plant and Article 6, Vactor Truck) seek authorization to borrow.

Synopses of the Warrant Articles along with the Finance Committee recommendations are contained on the subsequent pages of this report.

Respectfully submitted,

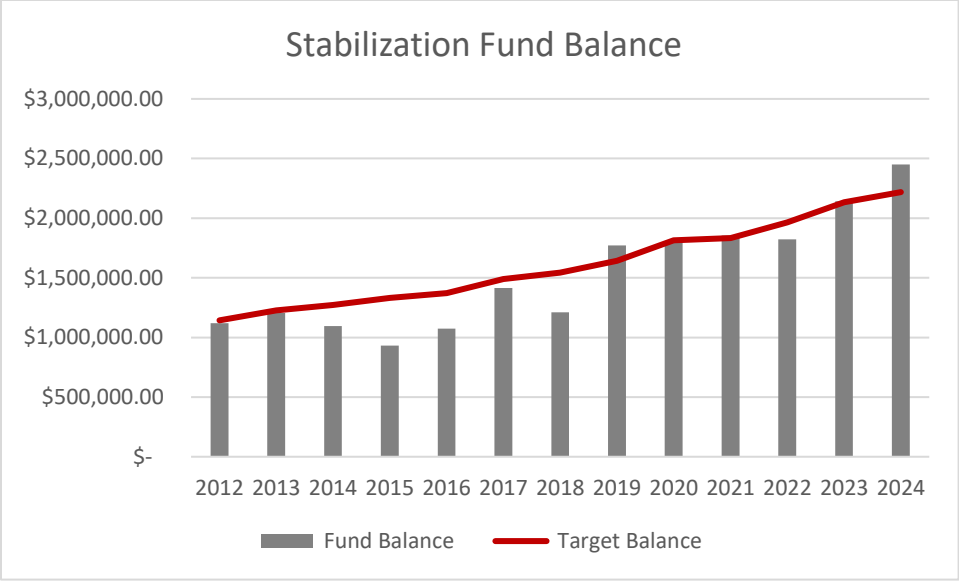
Pete Berube, Chairperson  
Joyce Boiardi  
Cathy MacInnes

Jodie Garzon, Vice Chairperson  
Michael Krone  
Sara Reyes

Peter Underhill, Clerk  
Jonathan Loer  
Jen Zarutskie

Fall 2023 Free cash

Certified Free Cash FY24	\$3,266,213	Free Cash Fall 23 TM	Marijuana Funds	Opioid Funds	Enterprise Funds	Borrowing/ Other	Totals
Requested Fall TM 2023		\$ 2,821,639	\$ 400,365	\$ 44,209			\$ 3,266,213
Unpaid Bills:	\$ (6,816)				\$ (6,407)		\$ (13,223)
Add'l FY23 Operating Budget			\$ (210,585)	\$ (2,520)			\$ (213,105)
Capital Items							\$ -
Public Safety Radios/Antenna	\$ (89,373)						\$ (89,373)
Town HVAC repairs	\$ (75,000)						\$ (75,000)
DPW Chevy Silverado Pickup Truck			\$ (84,906)				\$ (84,906) water/sewer
Phase 2/Lighting Replacement	\$ (110,000)						\$ (110,000)
PFAS Treatment Facility						\$ (7,100,000)	\$ (7,100,000) water funds
Sidewalk and Road Maintenance/Repairs	\$ (500,000)						\$ (500,000)
Vactor Truck						\$ (573,559)	\$ (573,559) borrowing
Bus Lease						\$ (136,100)	\$ (136,100) School budget
OPEB Actuarial Study	\$ (7,800)						\$ (7,800)
Special Ed Stabilization Fund	\$ (320,784)						\$ (320,784)
111F Injury Leave Fund	\$ (300,000)						\$ (300,000)
OPEB	\$ (50,000)						\$ (50,000)
Stabilization	\$ (700,000)						\$ (700,000)
	\$ (2,159,773)	\$ (210,585)	\$ (2,520)	\$ (91,313)			\$ (10,273,850)
Total Allocated Free Cash	\$ 2,159,773	\$ 210,585	\$ 2,520				\$ 2,372,878
Remaining Free Cash for Spring	\$ 661,866	\$ 189,780	\$ 41,689				\$ 893,335
Must Fund - Spring:							
Unpaid Bills							\$ -
Special Ed shortfall							\$ -
Audit							\$ -
Contract Ratifications							\$ -
Capital Items							\$ -
Unemployment Insurance							\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance of F/C available for allocation	\$ 661,866	\$ 189,780	\$ 41,689			N/A	\$ 893,335



#### Article 1: Unpaid Bills

This is a semi-annual article to fund bills incurred in previous fiscal years. The bill for this Town Meeting totals \$13,223.23 and will be funded from Free Cash, Sewer, Stormwater and Water Enterprise Reserves.

*The Finance Committee unanimously recommends approval of Article 1.*

#### Article 2: FY24 Operational Budget Adjustments

This Article is requesting to transfer a total of \$213,105.03 from the Marijuana Impact Fees and the Opioid Settlement Funds (both Free Cash) to pay wages and expenses not sufficiently funded. These are normal adjustments for the operating budget under Article 3 of the May 3, 2023 Annual Town Meeting.

*The Finance Committee unanimously recommends approval of Article 2.*

#### Article 3: Capital Items

This Article is requesting the town to appropriate and raise by taxation, transfer from available funds \$359,279.00 to fund (4) capital requests from multiple departments for FY24. The Capital Planning Committee conducts a process to review and prioritize the capital requests from each department. This process helps the Select Board determine which capital items to be in the Town Meeting Warrant.

*The Finance Committee unanimously recommends approval of Article 3.*

#### Article 4: PFAS Treatment Plant at Well #3 Borrowing Authorization

If approved, this Article would authorize borrowing for construction and associated activities of a \$7.1M water treatment plant to remove per- and polyfluoroalkyl substances (PFAS) at Well #3. The proposed project is similar to the recently completed treatment facility at Wells #1 and #2 which is successfully removing PFAS to non-detectable levels.

*The Finance Committee unanimously recommends approval of Article 4.*

#### Article 5: Road and Sidewalk Construction, Design and Repair

If approved at the Town Meeting, this Warrant Article will transfer \$500,000.00 from Free Cash to maintain, repair, design, and construct roads and sidewalks in the town of Millis.

*The Finance Committee unanimously recommends approval of Article 5.*

#### Article 6: Vactor Truck

The Vactor Truck would be used by the DPW to clean storm drains and basins throughout the town and clear main sewer lines should they become clogged. The Department currently rents a Vactor Truck from a third party, when necessary, but it is not always available when needed.

*The Finance Committee recommends approval of Article 6.*

#### Article 7: Bus Lease Borrowing Authorization

This Article authorizes the town to borrow the sum of \$136,100.00 for the lease/ purchase of 1 new replacement school bus for the Millis Public Schools. Authorization to enter into the related lease to purchase agreement was previously approved at the May 3, 2023 Millis Town Meeting.

*The Finance Committee unanimously recommends approval of Article 7.*

#### Article 8: OPEB/Actuarial Study

This Article is a required study which will be funded by Free Cash in the amount of \$7,800.00.

*The Finance Committee unanimously recommends approval of Article 8.*

#### Article 9: Special Education Fund

This Special Education Stabilization Fund was established at the May 2023 Town Meeting. The sum of \$320,784.00 will be funded from Free Cash. These funds will be used to pay for unforeseen Special Education expenses that are incurred throughout the year. The School Committee and Board of Selectmen must authorize any funds expended.

*The Finance Committee unanimously recommends approval of Article 9.*

#### Article 10: Chapter 41 Section 111F Injury Leave Indemnity Fund

If approved, this article would authorize transfer from Free Cash the sum of \$300,000.00 to the MGL Injury Leave Indemnity Fund. This is a legally-required operating fund to cover the medical leave expenses for Town police and firefighters injured on the job who have met the insurance coverage threshold.

*The Finance Committee unanimously recommends approval of Article 10.*

#### Article 11: OPEB Trust Fund

This Article would add funds to the Other Post-Employment Benefits Funds. Currently the town has \$259,936.00 in the OPEB Trust account and is covering claims as needed out of the general operating budget. However, the estimated shortfall to cover all estimated obligations is about \$50 million, so we need to be consistently setting aside additional funds for future OPEB needs. For this Fall Town Meeting the Select Board is requesting \$50,000.00 be moved from Free Cash to the OPEB Trust Fund Account.

*The Finance Committee unanimously recommends approval of Article 11.*

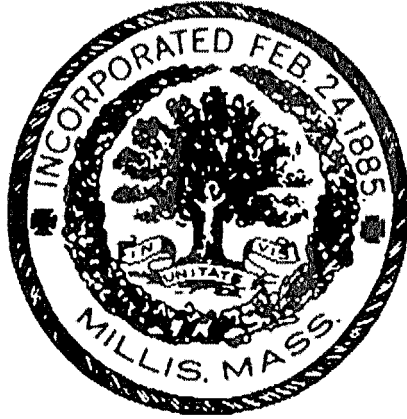
Article 12: Stabilization Fund

The Town of Millis has adopted a policy to maintain a stabilization fund equal to 5% of its annual General Fund Budget Expenditures to be used for unforeseen and emergency purposes. For this Fall Town Meeting the Select Board is requesting \$700,000.00 be moved from Free Cash to the Stabilization Fund, which will put our account balance at about 5.5% of our FY24 budget.

*The Finance Committee unanimously recommends approval of Article 12.*







## **WARRANT**

**2023**

### **FALL ANNUAL TOWN MEETING**

### **TOWN OF MILLIS COMMONWEALTH OF MASSACHUSETTS**

**NORFOLK, SS.**

**GREETING:**

To either of the Constables of the Town of Millis in said county, in the name of the Commonwealth of Massachusetts, you are hereby directed to notify and warn the inhabitants of the Town of Millis qualified to vote in elections and in town affairs, to meet on Monday, the sixth day of November, AD 2023 at 7:30 p.m. in the Middle-Senior High School auditorium in said Millis:

**FOR THE BUSINESS MEETING, THEN AND THERE,  
TO ACT ON THE FOLLOWING ARTICLES, VIZ**

## WARRANT INSTRUCTIONS

### OPENING MOTIONS

Pledge of Allegiance

Opening Comments (Moderator James McCaffrey, Finance Committee Chair Peter Berube)

Opening Motions

Moderator recognizes Finance Committee Chairperson

(Mr. Berube) I move that the reading of the warrant and return of service thereof be omitted

(Fin Com Vice Chair) Second

Discussion

Vote

Moderator recognizes Finance Committee Chairperson

(Mr. Berube) I move that the Moderator be granted unanimous consent to omit the reading of the articles and to refer to them by number and subject matter.

Second (Fin Com Vice Chair)

Discussion

Vote

## **FALL 2023 TOWN MEETING ARTICLE LIST**

1. Unpaid Bills
2. FY24 Operational Budget Adjustments
3. Capital Items
4. PFAS Treatment Plant at Well #3 Borrowing Authorization
5. Road and Sidewalk Construction, Design and Repair
6. Vactor Truck Borrowing Authorization
7. Bus Lease Borrowing Authorization
8. OPEB/Actuarial Study
9. Special Education Fund
10. Ch. 41 Section 111F Injury Leave Indemnity Fund
11. OPEB Trust Fund
12. Stabilization Fund

# TOWN OF MILLIS

## NOVEMBER 6, 2023, FALL ANNUAL TOWN MEETING WARRANT

**ARTICLE 1.** To see if the Town will vote to appropriate and raise by taxation, or by transfer from available funds the sum of **\$13,223.23 for unpaid bills**, or to take any other action relating thereto.

DEPARTMENT	VENDOR	AMOUNT
Select Board	Direct Energy	\$ 30.71
BOH	John McVeigh	\$ 30.79
Building Dept	Tim Costello	\$ 17.03
Building Dept	Bob Fogarty	\$ 40.22
Building Dept	Michael Giampietro	\$ 16.38
Building Dept	Jennifer Sweet	\$ 2.62
Building Dept	Michael Mancini	\$ 3.93
Treasurer	Gatehouse Media	\$ 945.52
Treasurer	KP Law	\$ 448.00
Town Clerk	Donna Cabibbo	\$ 108.75
Library	Esther Davis	\$ 750.00
Fire	Joseph Sullivan	\$ 647.73
DPW	Wheelbrator	\$ 2,921.12
DPW	Commonwealth of Mass (EZ Pass)	\$ 51.80
DPW	Norfolk Power Equipment	\$ 20.02
DPW	Steves Auto Parts	\$ 760.64
DPW	Verizon	\$ 20.62
		<b>\$ 6,815.88</b>
DPW - SEWER	Verizon	\$ 20.62
DPW - SEWER	Verizon	\$ 39.36
DPW - SEWER	Verizon	\$ 11.05
		<b>\$ 71.03</b>
DPW - WATER	Alpha Analytical	\$ 1,120.15
DPW - WATER	Williamson Pump	\$ 717.02
DPW - WATER	Verizon	\$ 20.62
DPW - WATER	Verizon	\$ 39.36
DPW - WATER	Verizon	\$ 11.04
		<b>\$ 1,908.19</b>
DPW-STORMWATER	Millis Police Detail	\$ 4,020.70
DPW-STORMWATER	USA Bluebook	\$ 297.98
DPW-STORMWATER	USA Bluebook	\$ 109.45
		<b>\$ 4,428.13</b>
<b>TOTAL UNPAID BILLS</b>		<b>\$ 13,223.23</b>

(Submitted by Select Board)  
4/5 Majority

**ARTICLE 2.** To see if the Town will vote to transfer from **Marijuana Impact Fees (Free Cash)** the sum of **\$210,585.03**, and transfer from **Opioid Settlement Funds (Free Cash)** the sum of **\$2,520.00**, for a total sum of **\$213,105.03** for additional wages and expenses not sufficiently funded under Article 3 - Operating Budgets, of the May 3, 2023, Annual Town Meeting, as follows:

<u>Department</u>	<u>Description of Expense</u>	<u>Total Expenses</u>
Administration	Social Work Services – Entire Community	\$ 35,000.00
Police	School Resource Officer Salary	\$ 23,299.83
Police	Marijuana Training	\$ 27,500.00
Recreation	Teen Program Coordinator	\$ 12,220.00
School	School Adjustment Counselor – 1.0 FTE	\$ 60,791.20
School	High School Paraprofessional	\$ 21,435.20
School	Middle School SEL Teacher	\$ 30,338.80
Board of Health	Substance Abuse Therapist	<u>\$ 2,520.00</u>
		<b>Total \$213,105.03</b>

Or take any other action related thereto.  
(Submitted by Select Board)

**ARTICLE 3.** To see if the Town will vote to appropriate and raise by taxation, transfer from available funds, or borrow the sum of **\$359,279.00** to fund the following **Capital items**:

<u>#</u>	<u>Department</u>	<u>Item</u>	<u>Cost</u>
1	Fire	Public Safety Radios/Antenna	\$ 89,373.00
2	Town Bldgs.	HVAC Repairs	\$ 75,000.00
3	Water/Sewer	Chevy Silverado Pickup Truck	\$ 84,906.00
4	Library	Phase 2/Lighting Replacement	<u>\$110,000.00</u>
			<b>Total \$359,279.00</b>

Or take any other action related thereto.  
(Submitted by Select Board)

**ARTICLE 4.** To see if the Town will vote to appropriate **\$7,100,000, or any other amount, to pay costs of designing, constructing, furnishing and equipping a new Well 3 PFAS Treatment Facility**, including the payment of all other costs incidental and related thereto; to determine whether this amount shall be raised by borrowing or otherwise provided, or to take any other action relative thereto.

(Submitted by Select Board)  
2/3rds Majority

**ARTICLE 5.** To see if the Town will vote to transfer from available funds the sum of **\$500,000, for Road/Sidewalk Construction, Design, Repair, and Maintenance**, or take any other action related thereto.

(Submitted by Select Board)

**ARTICLE 6.** To see if the Town will vote to borrow under the provisions of M.G.L. Chapter 44 or any other enabling authority, the sum of **\$573,559 for the purchase of a Vector Truck for the Department of Public Works** or take any other action in relation thereto.

(Submitted by the Select Board)  
2/3rds Majority

**ARTICLE 7.** To see if the Town will vote to borrow under the provisions of M.G.L. Chapter 44 or any other enabling authority, the sum of **\$136,100.00 for the lease/purchase of one Bus for the Millis Schools** or take any other action in relation thereto.

(Submitted by the School Committee)  
2/3rds Majority

**ARTICLE 8.** To see if the Town will vote to transfer from available funds the sum of **\$7,800.00 for an OPEB/Actuarial Study**, or take any other action related thereto.

(Submitted by Select Board)

**ARTICLE 9.** To see if the Town will vote to transfer from available funds the sum of **\$320,784.00 to the Special Education Fund**, or take any other action related thereto.

(Submitted by Select Board)

**ARTICLE 10.** To see if the Town will vote to transfer from available funds the sum of **\$300,000.00 to the MGL Chapter 41, Section 111F Injury Leave Indemnity Fund**, or take any other action related thereto.

(Submitted by Select Board)

**ARTICLE 11.** To see if the Town will vote to transfer from available funds the sum of **\$50,000.00 To the OPEB Trust Fund Account**, or take any other action related thereto.

(Submitted by Select Board)

**ARTICLE 12.** To see if the Town will vote to transfer from available funds the sum of **\$700,000.00 to the Stabilization Fund**, or take any other action related thereto.

(Submitted by Select Board)

And, you are hereby directed to serve this Warrant by posting attested copies hereof fourteen days before time of said meeting as directed by the vote of the Town. Hereof fail not and make due return of this Warrant with your doings thereon at the time and place of said meeting.

Given under our hands this 12th day of October in the year two thousand and twenty-three.

**TOWN OF MILLIS  
SELECT BOARD**

  
\_\_\_\_\_  
Craig W. Schultze, Chair  
\_\_\_\_\_  
Ellen Rosenfeld, Vice-Chair  
\_\_\_\_\_  
Erin T. Underhill, Clerk

**A True Copy, Attest**

  
\_\_\_\_\_  
Lisa J. Hardin, Town Clerk  
\_\_\_\_\_  
Helen R. Kubacki, Constable  
Town of Millis



## Capital Planning Committee Report – November 2023

The Capital Planning Committee (CPC) is pleased to present the Town with our capital planning report for November 2023. The committee was established by bylaw in May of 2017 with the mandate of creating a long-term capital plan for the Town of Millis which could help citizens attain a more complete understanding of expenditures that the Town may need to undertake in coming years. The CPC has worked with the Select Board, Town Administrator, Library, School, DPW, COA, Police, Fire and other town departments to compile the information provided in this report.

For those items considered, the CPC went through a process to rank the priorities for the various projects, which accounted for such factors as public safety, integration with broader projects, and overall benefit to the Town. Based on this ranking, the committee then grouped the various capital items into three categories 1) highest priorities 2) medium priorities and 3) lower priorities. It should be noted that the CPC does not choose projects for consideration at Town Meeting based on availability of funding. The Select Board selects projects for inclusion in the Warrant and the Finance Committee makes its recommendation for action at Town Meeting.

The department requests for fiscal year 2024 that the CPC considered are shown in the table below:

	# of projects	Total estimated cost
Highest priorities	6	\$8,032,838
Medium priorities	0	0
Lower priorities	0	0
Total	6	\$8,032,838

Highest priorities include the construction of a water treatment plant for Well 3, a new radio antenna for public safety communication, a pickup truck for the DPW, a lighting management system for the library, HVAC repairs for the Veterans Memorial Building and Fire Station, and a vactor truck for the DPW to be used to clean storm drains.

Included in this report is a schedule that summarizes the Town's known long-term capital needs for the next 10-years and beyond that have been identified by the various departments for them to service the needs of the community. The intent of the Committee is to provide the citizens of Millis with as much transparency as possible to the evolving future capital needs of the town, totaling approximately \$90 million broken down as follows:

Maintenance and repair of existing capital	\$19.1M
Enterprise system related capital needs	\$26.3M
Other potential capital needs	\$44.2M
Total	\$89.6M

Included in the maintenance and repair category are items such as the replacement of vehicles and equipment that are expected to reach the end of their useful life in the next 10 years and ongoing road maintenance. Enterprise system capital needs include sewer, water and stormwater projects such as potential stormwater remediation projects.

Other capital items include potential costs related to renovations to the Middle High School, the potential need for upgrades to the Senior Center, possible renovations to the Lansing Millis Building, and use of open space, including athletic fields. The Capital Planning Committee is working with various Town Departments and Committees to assess potential costs for these projects and have included preliminary estimates in our long-term capital plan.

Since the Committee first compiled information on the Town's capital needs, we have refined the prioritization process, however, we recognize that there are areas that will need to be further developed within the capital planning process, and as such, the Committee expects that the long term capital plan and the annual recommendation process will evolve over time to meet the needs of the Select Board, other relevant committees, department heads, and most importantly, the citizens of the Town of Millis.

The members of the Committee have regularly scheduled meetings where the public is welcome to attend and ask any questions regarding this report and we look forward to working with all interested parties on this important initiative.

Respectfully submitted,

Town of Millis Capital Planning Committee

Jonathan Barry – Chair

Jonathan Loer (Finance Committee representative)

Peter Jurmain

Marc Conroy (School Committee representative)

Craig Schultze (Select Board representative)

**Capital Planning Committee Priorities for November 2023 Town Warrant**

<b>Highest priorities</b>			
Department	Description	Estimated Cost	Comment
DPW	Treatment plant for well 3	7,100,000	Federal funding expected to defray a portion of the cost
Public Safety	New antenna for communication	89,373	
Library	Upgrade lighting system	110,000	
Town buildings	Municipal buildings HVAC repair	75,000	
DPW	Pickup truck	84,906	
DPW	Vactor truck	573,559	
Subtotal		\$8,032,938	
<b>Medium priorities</b>			
Subtotal		N/A	
<b>Lower priorities</b>			
Subtotal		N/A	
Total		\$8,032,838	

## Town of Millis - Capital Planning Summary November 2023

### Maintenance and Repair/Replacement of Existing Capital

Owner	Description	Annual													Sum of Indefinite	
		Sum of FY24 Sum of FY25 Sum of FY26 Sum of FY27 Sum of FY28 Sum of FY29 Sum of FY30 Sum of FY31 Sum of FY32 Sum of FY33														
COA		\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	50,000	
DPW		\$ 839,892	\$ 712,000	\$ 620,000	\$ 500,000	\$ 525,000	\$ 640,000	\$ 500,000	\$ 500,000	\$ 655,000	\$ 640,000	\$ 702,000	\$ 6,833,892			
Fire		\$ 100,000	\$ 200,000	\$ 110,000	\$ 195,000	\$ 760,000	\$ 60,000	\$ 170,000	\$ 60,000	\$ 425,000	\$ 850,000		\$ 2,930,000			
Library		\$ 140,500	\$ 60,000	\$ 57,000	\$ 28,000	\$ 25,000	\$ 25,000						\$ 335,500			
Police		\$ 28,490	\$	\$ 50,850	\$	\$ 3,950		\$ 15,980	\$ 81,995				\$ 181,265			
Police/Fire																
School		\$ 1,301,964	\$ 830,218	\$ 1,102,722	\$ 462,059	\$ 211,245	\$ 67,245	\$ 148,233	\$ 310,972	\$ 534,536	\$ 90,600		\$ 120,000			
													\$ 5,059,793			
Town administration																
VMB		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 900,254	\$ 250,000			
		\$ 364,558	\$ 433,000	\$ 232,000	\$ 40,000	\$ 52,000	\$ 45,000	\$ 227,000	\$ 70,000	\$ 497,000	\$ 452,000		\$ 3,312,812			
Grand Total		\$ 2,800,404	\$ 2,260,218	\$ 2,005,572	\$ 1,442,059	\$ 1,602,195	\$ 862,245	\$ 1,136,213	\$ 1,167,967	\$ 2,136,536	\$ 2,057,600	\$ 1,602,254	\$ 19,073,262			

### Other Potential Capital Needs

Owner	Description	Annual											Sum of Indefinite	
		Sum of FY24	Sum of FY25	Sum of FY26	Sum of FY27	Sum of FY28	Sum of FY29	Sum of FY30	Sum of FY31	Sum of FY32	Sum of FY33			
		Total												
COA	Senior Center Placeholder											\$ 16,000,000	\$ 16,000,000	
School	Athletic Fields - High School												\$ 5,000,000	\$ 5,000,000
School	HS Renovation												\$ 19,000,000	\$ 19,000,000
Town	Athletic Fields - Clyde Brown												\$ 1,500,000	\$ 1,500,000
Town	Athletic Fields - Oak Grove												\$ 670,000	\$ 670,000
Town	Lansing Mills Building Upgrades												\$ 2,000,000	\$ 2,000,000
Energy	Vehicle charging station												\$ 76,800	\$ 76,800
Grand Total													\$ 44,246,800	\$ 44,246,800

### Enterprise System Related Capital Needs

Owner	Description	Annual												Sum of Indefinite
		Sum of FY24	Sum of FY25	Sum of FY26	Sum of FY27	Sum of FY28	Sum of FY29	Sum of FY30	Sum of FY31	Sum of FY32	Sum of FY33			
DPW	Stormwater Recharge Structures	\$ 40,000											\$ 40,000	
DPW	Infiltration/Inflow Investigations & Repairs	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 2,000,000	
DPW	Walnut Street Water Tank & Farm Street Water Tank												\$ -	
DPW	Water meter replacement	\$ 333,333	\$ 333,334	\$ 333,333									\$ 1,000,000	
DPW	Water System Master Plan	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 697,000	\$ 6,273,000	
DPW	Stormwater Improvements and Infrastructure		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 9,000,000	
DPW	New treatment plant for well 3	\$ 7,100,000											\$ 7,100,000	
Grand Total		\$ 8,370,333	\$ 2,230,334	\$ 2,230,333	\$ 1,897,000	\$ 1,897,000	\$ 1,897,000	\$ 1,897,000	\$ 1,897,000	\$ 1,897,000	\$ 1,897,000	\$ 1,200,000	\$ 920,000	
													\$ 26,333,000	

## **Millis Municipal Finance / Budget Glossary**

### **Appropriation**

An authorization granted by Town Meeting to expend money and incur obligations for specific purposes. An appropriation is usually limited in amount and the time period within which it may be expended.

### **ARPA Funds (American Rescue Plan Act)**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law and provided \$350 billion of funding to states, territories, tribal and local governments to respond to the COVID-19 public health emergency and its economic impacts. Eligible uses of the funds are water and sewer infrastructure, broadband infrastructure, public sector revenue loss, premium pay for essential workers, assistance to impacted workers, families, and businesses, and to support public health responses to COVID-19. Millis was allocated \$869,795.68 in ARPA funds from the Federal government and \$1,614,120 from Norfolk County.

### **Available Funds**

Balances in the various fund types that represent non-recurring revenue sources. Examples of available funds are free cash, stabilization fund, and overlay surplus (all defined herein).

### **Bond**

A written promise to pay a specified sum of money, called the face value or principal amount, at specified dates in the future, called the maturity date(s), together with periodic interest at a specified rate. Bond Anticipation Notes (BANs) are executed by the Select Board. The difference between notes (usually one year or two years in length) and a bond is that a bond runs for a longer period of time.

### **Bond Rating (Municipal)**

A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the city or town to make timely debt service payments. A bond rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Higher ratings usually mean lower interest rates are available to the town when it needs to borrow funds.

### **Capital Assets**

All tangible property used in the operation of government which is not easily converted into cash and has an initial useful life extending beyond a year. Capital assets include land and land improvements, buildings and building improvements, machinery and equipment.

### **CARES Act Funds (FY20 and FY21)**

The federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided federal funding to cities and towns to be directed towards helping alleviate pressure from COVID-19 related costs, including funding for first responders, PPE procurement, social distance learning, field hospitals, food assistance, and other related costs. Eligible Uses were for costs incurred on or after March 1, 2020, up to December 30, 2020.

### **Chapter 70 School Funds**

Chapter 70 refers to the school funding formula created under the Education Reform Act of 1993 by which state aid is distributed to Massachusetts towns through the Cherry Sheet (definition follows).

### **Chapter 90 Highway Funds**

State funds derived from periodic transportation bond authorizations and apportioned to communities for highway projects based on a formula under the provisions of MGL Ch. 90 §34. The Chapter 90 formula comprises three variables: local road mileage as certified by the Massachusetts Highway Department (MHD), local employment level derived the Department of Employment and Training (DET), and population estimates from the US Census Bureau. Local highway projects are approved in advance. Later, on the submission of certified expenditure reports to MHD, communities receive cost reimbursements to the limit of the grant.

### **Cherry Sheet**

Named for the cherry-colored paper on which they were originally printed, the Cherry Sheet is the official notification to cities, towns and regional school districts of the next fiscal year's state aid and assessments.

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### **Collective Bargaining**

The process of negotiating workers' wages, hours, benefits, working conditions, etc., who are represented by a recognized labor union.

### **Consent Agenda**

Articles on the Consent Agenda are exceptions to the general process of Town Meeting. In every Town Meeting warrant the Select Board, in consultation with Town Counsel, the Moderator and the Finance Committee, identify those articles they feel should generate no controversy and can be properly voted without debate. These articles are put on the Consent Agenda to allow motions under these articles to be acted upon as one unit and to be passed without debate. Use of the Consent Agenda process makes the Town Meeting more efficient by speeding up the handling of what are typically non-controversial items.

### **Debt Exclusion**

An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from property taxes above the limits under Prop 2 ½.

### **Debt Service**

The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any outstanding bonds payable by the Town of Millis and its departments.

### **DESE (Massachusetts Dept. of Elementary and Secondary Education)**

Often pronounced as "Desi," this state agency governs strategic policy, professional licensing, Ch. 70 state funding, standardized testing and quality standards for public school education. In a fiscal budget context, DESE's compliance requirements and budgetary decisions greatly impact the Millis School District and decisions brought to Town Meeting by the Millis School Committee.

### **Deficit**

The excess of expenditures over revenues during an accounting period.

### **Enterprise Funds**

A separate accounting and financial mechanism for municipal services for which a fee is charged for goods or services. Enterprise funds allow surpluses to be used to reduce fees for the services or to pay for capital improvements. Millis has three Enterprise Funds: Water, Sewer and Stormwater.

### **Elementary School Building Committee (ESBC)**

The Massachusetts School Building Authority (MSBA) as our State school funding partner, requires all districts in the funding pipeline for a new or renovated school to form a School Building Committee. Millis formed the Elementary School Building Committee (ESBC) on 7/29/14, which includes all member of the Permanent Building Committee (PBC), representatives from the School Committee, Board of Selectmen (or Select Board), Finance Committee, school officials, and one community member with a building construction background.

### **Fiscal Year (FY)**

Since 1974, Massachusetts has operated on a budget cycle that begins July 1 and ends June 30.

### **Fixed Costs**

Costs that are legally or contractually mandated such as retirement, payroll taxes, insurance, and debt service.

### **Foundation Budget**

The local town spending target imposed by the Education Reform Act of 1993 for each school district as the level necessary to provide an adequate education for all students.

### **Free Cash**

Remaining, unrestricted funds from operations of the previous fiscal year. Unpaid property taxes reduce the amount that can be certified as free cash. Free cash must be certified by the State Bureau of Accounts and is not available for

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appropriation (use) until this is complete and communicated to the town. Free cash is offset by property tax receivables and certain deficits, and thus can be a negative number.

### **GAAP (Generally Accepted Accounting Principles)**

These describe financial reporting practices that provide accountability between a government and its citizens, legislative, auditing, creditor and oversight bodies.

### **GASB (Governmental Accounting Standards Board)**

This is independent organization establishes accounting and financial reporting standards that are recognized as authoritative and state and local governments. These standards are intended to provide transparent, useful financial reporting information to taxpayers, public officials and lenders.

### **Level Funded Budget**

A "level funded" fiscal budget appropriates the same amount of money to each municipal department as the prior fiscal year. This is tantamount to a budget cut from the prior year due to increases in mandated annual fixed costs that are subject to inflation or contract negotiations (health insurance, special education, union/executive contracts with increases). A level funded budget usually results in cuts in personnel and services as well as cuts to the general municipal operating budget.

### **Levy**

The amount a municipal government raises through the property tax. The new levy cannot exceed an annual increase of 2.5% in order to comply with "Prop 2 ½" (definition follows).

### **Local Aid**

Revenue allocated by the Commonwealth to cities, towns, and regional school districts.

### **Local Receipts**

Locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise tax, investment income, fees, rentals and charges

### **Minimum Local Contribution**

The minimum that a city or town must appropriate from property taxes for the support of schools.

### **MS4 (Municipal Separate Storm Sewer Systems)**

The U.S. Environmental Protection Agency (EPA) and the Massachusetts Department of Environmental Protection (DEP) regulate how small Municipal Separate Storm Sewer Systems (MS4s) obtain coverage under National Pollutant Discharge Elimination System (NPDES) general permits. The NPDES program controls water pollution by regulating sources that discharge pollutants to surface waters. These rules constitute an unfunded mandate from the federal and state government with which Millis is required to comply to "reduce the discharge of pollutants from the MS4 to the maximum extent practicable, to protect water quality, and to satisfy the appropriate water quality requirements of the Clean Water Act," referred to as the "MS4 permit standard".

### **MSBA (Massachusetts School Building Authority)**

This quasi-independent government authority whose mission is to partner with Massachusetts communities to support the design and construction of public school facilities. The MSBA, which has a dedicated revenue stream of one penny of the State's 6.25-percent sales tax, collaborates with municipalities to equitably invest in finding the right-sized, most fiscally responsible and educationally appropriate solutions to create safe, sound, and sustainable learning environments.

### **MUNIS Software**

Munis is an Enterprise Resource Planning (ERP) software system designed to handle public sector needs. The software is designed to integrate different areas of administrating Town departments and resources and is used by government agencies and schools. The MUNIS system manages financials, procurement, human resources, payroll, and revenues.

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### **Net School Spending**

School budget and municipal budget amounts attributable to education, excluding long-term debt service, student transportation, school lunches and certain other specified school expenditures. A community's net school spending must equal or exceed the requirement established annually by the DOE.

### **Non-Recurring Revenue Source**

A one-time source of money available to a city or town. By its nature, a non-recurring revenue source cannot be relied upon in future years. Therefore, such funds should not be used for operating or other expenses that continue from year-to-year.

### **OPEB (Other Post-Employment Benefits)**

In addition to a salary, many town employees earn benefits over their years of service that will not be received until after their employment with the town ends. The most common type of these post-employment benefits is a pension. Post-employment benefits other than pensions generally take the form of medical insurance and other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. They may also include some type of life insurance. As a group, these are referred to as OPEB. Each public entity must account for and report OPEB in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

### **OPEB Trust Fund**

Massachusetts law allows a city or town to set up a special trust fund, the OPEB (Other Post-Employment Benefits) Liability Trust Fund, to function like a pension fund for town employees. The OPEB Trust Fund in Millis is managed by the town Treasurer and this outstanding liability by the town is reviewed annually. Once money is deposited into the OPEB account, it cannot be withdrawn for any other purpose. Based on analysis by the state and other auditors, the OPEB Trust Fund in Millis is significantly underfunded on the order of over \$30 million. Therefore, we are funding OPEB requirements for retired town workers on an as-you-go basis each year.

### **Overlay**

An account established annually to fund anticipated tax abatements, exemptions and uncollected taxes. The overlay is not established by the normal appropriation process, but rather is raised on the tax recap sheet.

### **Overlay Surplus**

Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue; in other words, it becomes a part of free cash.

### **Override**

A vote by the community at an election to permanently increase the levy limit. In order for the Town to increase the tax levy beyond the allowable limits under Proposition 2 ½, it is necessary for voters to approve an override question, which appears on the ballot at the Town election, and before Town Meeting voters. If a majority of voters vote yes, the override question is approved.

Overrides can be used to allow increases in the operating budget (general or operational override) and to exclude debt service costs (debt exclusion) or capital project costs (capital outlay expenditure exclusion). An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount.

Debt exclusions, capital outlay expenditure exclusions and overrides are all often referred to as "overrides" and enable a community either to permanently increase its levy limit or temporarily levy above its levy limit or levy ceiling. There is a distinction between an override and a debt or capital outlay expenditure exclusion, because there is a significant difference in the impact of each on a community's levy limit. An override enables a community to permanently increase its levy limit, while an exclusion only allows for a temporary increase in taxes over a community's levy limit.



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### **Prop 2½ (Proposition 2 ½, MGL Ch. 59 §21C)**

A state law enacted in 1980, Proposition 2½ limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations when compared to the prior fiscal year.

- The amount raised by property taxes cannot exceed 2½% of the value of all taxable property in the town
- The tax rate cannot be higher than \$25.00 per \$1,000 of valuation
- The property tax levy limit cannot be increase more than the 2½% over the prior year's levy limit, plus new growth and any overrides or exclusions, unless an override is approved by voters.

### **Quorum**

The Millis Town Charter, effectively the constitution of our town, establishes that a quorum, or a percentage of registered resident voters, is required to conduct town business as Town Meeting. These percentages for a Quorum and required voting percentages for approval of Articles are defined in the Town By-Laws.

### **Reserve Fund**

An amount set aside annually to provide a funding source for extraordinary or unforeseen expenditures. The Finance Committee can authorize transfers from the reserve fund.

### **Recurring Revenue**

A source of money used to support town expenses, which can be relied upon, at some level, in future years.

### **Revolving Fund**

This is analogous to having separate savings accounts to collect inbound revenue in order that it be earmarked and/or reinvested by the sponsor committee or department, without the need for formal appropriation proceedings. For departmental revolving funds, MGL Ch. 44 §53E½ stipulates that each fund must be reauthorized each year at annual town meeting. The State establishes balance and spending restrictions.

### **Special Town Meeting**

When an important decision must be brought to the voters, a Special Town Meeting may be called by the Select Board, by a signed petition by two-hundred registered voters, or as otherwise provided by MGL. All prevailing open meeting laws apply for advance notification. According to Millis Town By-Laws, 4% of then legal resident voters shall constitute a quorum for any business at Special Town Meeting, except that a number less than that may adjourn.

### **Special Education Stabilization Fund**

MGL Chapter 40 Section 13E passed on August 9, 2016 provides the legal basis for the establishment of a Special Education Stabilization fund. The law enables towns to establish a reserve fund that can be used in future years for unanticipated or unbudgeted costs of special education, out of district tuition, transportation and recovery high school tuition.

To establish the fund, the law requires a majority vote by both the School Committee and Town Meeting. Once the fund is established, the school committee may include a separate line item in their annual budget request to appropriate monies into the stabilization fund. The balance in the reserve fund cannot exceed two percent (2%) of the annual net school spending of the school district. Funds in the reserve fund can only be expended or transferred out after a majority vote of both the School Committee and Select Board.

### **Stabilization Fund**

A fund designed to accumulate amounts for capital and other future spending purposes, or for unforeseen and emergency purposes, although it may be appropriated for any lawful purpose. Millis' current Stabilization Fund Policy requires having at least 5% of General Fund Budget Expenditures in the Stabilization reserve as of June 30.

- If the Town does not meet the 5% goal, then funds shall be appropriated in subsequent Town Meetings to replenish the Stabilization Reserve to the 5% level. A minimum of \$50,000 per annual Fall town meeting shall be appropriated to the Stabilization Reserve to reach the 5% goal.
- If the 5% goal is met, then a minimum of \$50,000 shall be appropriated to the OPEB Trust Fund. If only a portion of the \$50,000 is needed for the Stabilization Fund, then the balance of the funds will be appropriated to the OPEB Trust fund.

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- If use of the Stabilization Fund drops the fund balance below the 5% goal, then the town shall develop a funding schedule to re-attain the 5% goal within three years or less.

### **Stormwater Utility**

In November 2017, Millis approved the creation of a stormwater utility fee in order to help the town pay for compliance with EPA and MassDEP clean water regulations. Like water and sewer utility fees, the stormwater fee pays into a separate stormwater enterprise fund. The funding in the stormwater enterprise fund may only be used for stormwater programs and administration. The Stormwater Utility Fee rates are assessed by square footage of impervious area on each property in Millis.

### **Surplus Revenue**

The total amount of cash, accounts receivable, and other assets that exceed liabilities and reserves, computed at the end of a fiscal year.

### **Town Meeting**

This is both an event and an entity. As an event, attending "the Town Meeting" is to join a scheduled gathering of our town's eligible registered voters. When assembled, as "Town Meeting," these voters serve as the town's legislative authority to act upon, deliberate and vote on financial and bylaw decisions as the corporate decision stewards of the town. The State offers a downloadable handbook, *The Citizen's Guide to Town Meetings*, via the Secretary of State's web page: [http://www.sec.state.ma.us/cis/cispdf/Guide\\_to\\_Town\\_Meetings.pdf](http://www.sec.state.ma.us/cis/cispdf/Guide_to_Town_Meetings.pdf)

### **Voting**

Open Town Meeting empowers *each* eligible voter to have an *equal* vote for each Warrant Article. These votes occur as directed by the Moderator and as described in *Town Meeting Time: A Handbook of Parliamentary Law*. The majority as renders each decision varies between: a) simple majority (budgeted spending); b) 2/3 majority (bylaws, borrowing, zoning, etc.); and c) 4/5 majority to authorize the payment of any bills unpaid from prior periods.

### **Warrant**

An authorization for an action. A Town Meeting Warrant establishes the matters that may be acted on by that Town Meeting, the legislative branch of the town.

*The Massachusetts Department of Revenue's expanded glossary can be found at*  
[https://www.mass.gov/doc/municipal-finance-glossary/download?\\_ga=2.130041803.592443920.1592231586-1102096423.1557337561](https://www.mass.gov/doc/municipal-finance-glossary/download?_ga=2.130041803.592443920.1592231586-1102096423.1557337561)



Annual Fall Town Meeting

Middle/High School Auditorium

Monday, November 6, 2023 at 7:30 PM

Presort – Standard

U.S. Postage Paid

Millis, MA 02054

Permit Number 20

ECRWSS

Pre-Town Meeting

Wednesday, November 1, 2023 at 7:00 PM

900 Main Street – Room #229 and

Via Zoom: [www.zoom.us](https://www.zoom.us) Meeting ID: 885 6242 6120

Millis Select Board

Craig Schultze, Chair

Ellen Rosenfeld, Vice Chair

Erin Underhill, Clerk

To: Postal Customer  
Millis, MA 02054