

## Finance Committee Meeting

April 12, 2023, 7:00 PM EST  
Veterans Memorial Building – Room #229  
900 Main Street Millis, MA 02054  
Participation Via Zoom Remote Platform

### Committee Members In Attendance:

Pete Berube, Chair  
Jodie Garzon, Vice Chair  
Peter Underhill, Clerk  
Joyce Boiardi  
Michael Krone  
Jonathan Loer  
Cathy MacInnes  
Sara Reyes  
John Steadman

### Invited Guest:

Michael Guzinski, Town Administrator  
Carol Johnston, Finance Director  
Chris Soffayer, Police Chief  
James McKay, DPW Director  
Marc Conroy, School Committee Member  
Lisa Hardin, Town Clerk  
James Duffy, Millis Resident

Pete Berube called the Finance Committee Meeting to order at 7:03 PM.

### Spring 2023 Town Meeting Warrant Article Discussion and Recommendations:

#### Article #2 FY23 Additional Wages and Expenses

This is a standard article which balances the current fiscal year budget through transfers totaling \$135,858.64:

- Transfer from:
  - Town General Government \$42,000.00
  - Health and Human Services \$43,858.64
  - Free Cash \$50,000.00
- Transfer to:
  - General Insurance \$22,508.00
  - Public Safety \$61,271.10
  - Public Works \$11,079.54
  - Culture and Recreation \$41,000.00

Jon Loer made a motion to recommend approval of Article #2; John Steadman seconded. Vote: 9/0 motion carries unanimously.

#### Article #3 FY24 Operating Budget

The \$41,855,721.00 budget is funded by the following:

- Taxation \$39,840,187.00
- Ambulance Fund \$ 616,356.00
- Cemetery Perpetual Care Interest \$ 332.00
- Cemetery Sale of Lots \$ 7,285.00
- Cell Tower Revenue \$ 55,776.00
- Bond Premium Release \$ 102,515.00
- Marijuana Impact Fees (Free Cash) \$ 271,314.00
- Free Cash \$ 233,453.00
- Sewer Indirect Costs \$ 253,439.00
- Water Indirect Costs \$ 309,759.00
- Stormwater Indirect Costs \$ 165,305.00

The Select Board voted to increase funding to the Council on Aging. The additional funding, \$18,085.82, will be used for an Operations Manager which is an Above Level Service Request. The DPW General Fund Overtime Budget was reduced by \$15,000.00 to facilitate funding the position. In addition, the Select Board voted to increase the hours of the IT Director currently shared with the Town of Norfolk. The hourly increase is from 20 to 35 per week.

Indirect Costs from the Town's Enterprise Funds: Water, Sewer and Stormwater were established in 2011. Basically, it transfers funds from the Enterprise Funds to the General Fund. The funds transferred are based on a methodology. For FY24 it is a 2.5% increase totaling \$728,503.00. In 2019, the town hired Community Paradigm Associates, LLC to review the town's Indirect Costs. Indirect Costs consists of a percentage from the following department's overall budgets:

- Town Administrator/Select Board 10.0%
- Legal 10.0%
- Accounting 10.0%
- Treasurer/Collector 20.0%
- Assessor 5.0%
- IT Administration 5.0%
- Health Insurance 3.1%
- Pension 12.3%
- Worker's Compensation 3.10%

The breakdown of costs is available:

[https://www.millisma.gov/sites/g/files/vyhlif901f/uploads/enterprise\\_indirect\\_allocation\\_fy24.pdf](https://www.millisma.gov/sites/g/files/vyhlif901f/uploads/enterprise_indirect_allocation_fy24.pdf)

In 2017, an analysis of the DPW workload hours for Water, Sewer, Stormwater and General duties reflected an imbalance which prompted the hiring of Community Paradigm Associates, LLC to revisit the methodology and overall staffing of the DPW. The recommendation was to add 2-4 DPW Staff Members funded by General Funds. In FY21, the imbalance was partially corrected by funding the Transfer Station Staff 100% from General Funds; previously paid 50% from Water Enterprise Funds. In FY24, DPW Managerial Staff's allocations will be corrected by approximately \$47,000.00. Implementing the 2.5% increase in Indirect Costs in FY24 reduces the above percentage by approximately \$99,000.00.

Mike Guzinski noted one of the Select Board's priorities is to correct the imbalance in funding DPW Staff and acknowledged the department is spread thin. The Select Board's highest priority is making progress with the Council on Aging and bringing the DPW Staff Levels to where they should be. It was noted Community Paradigm Associates, LLC advised the town to use a three-year average to amend the imbalance.

The Municipal and School Department FY24 Budgets reflect a 6% growth; typically, it's 4%. The additional 2% for the Municipal Budget, \$180,000.00, is being used to correct the imbalance in Enterprise Fund Staffing Costs, fund Collective Bargaining Agreements as well as absorb the increase in overall costs due to the current economy. The Select Board hope to further adjust the imbalance of the Enterprise Funds in FY25 by adding additional General Fund Staff to the DPW.

The FY24 Sewer Enterprise Fund Costs have increased approximately 12% due to the assessment by the CRPCD (Charles River Pollution Control District). Water Enterprise Fund borrowing will increase for the design for a PFAS Facility at Well #3. ARPA (American Rescue Plan Act), \$2.4 million, helped to offset the cost of the PFAS Treatment Facility at Wells #1 & 2. Stormwater Enterprise Fund borrowing will be used to redesign Birch Street. Stormwater requirements have increased significantly however the rates based on impervious square footage have not.

The Select Board has appointed an Enterprise Fund Advisory Committee to assess how the Enterprise Funds are being utilized. Water, Sewer and Stormwater rates are set annually at a Public Hearing held by the Select Board. A request for the rate increases over the past ten years was made by Jodie Garzon. Cathy MacInnes noted the Water, Sewer and Stormwater rate payors partially fund the Snow and Ice Removal Costs through licensing fees charged back to the Enterprise Funds.

Clear Gov software is budgeted within the Finance Committee Budget and has been updated with Municipal Information through February 2023; the School Department Information has not been updated since 2019.

Chief Soffayer gave an overview of the Department's Vehicle Replacement Program:

- In 2016 (4) Police Cruisers were replaced to support the operations of the department. Since then, the department has replaced (2) cruisers per year in order to keep the fleet up to date; typical life expectancy of a Police Cruiser is seven years. After seven years, the cost to maintain the vehicle is approximately \$7,000.00 per year.
- The Police Department's FY24 Operating Budget includes funding for one replacement.
- Lead time for replacement is approximately 4 – 8 months.

It was clarified that Article #13 and 14 do not appropriate funding but simply authorize the lease/borrowing for Police and School vehicles; funding is included in the Operating Budget.

Marc Conroy addressed the inquiry of whether or not the School Bus Lease borrowing in Article #13 could be deferred; it simply cannot. Mr. Wiggins, Director of Finance and Human Resources, estimated \$122,000.00 for FY23 School Bus Leases but unfortunately that will only fund (4) buses; (6) are needed. Historically, the 5-year lease would allow for a one-dollar buyout at the end of the lease for (2) busses. In future years, the cost to lease School Busses will increase. The FY24 School Department Operating Budget includes a \$210,000.00 line item for School Bus Leases. The School Department operates nine busses. It was noted, the Teacher's CBA includes a \$5,000.00 annual stipend for three years prior to retirement; the Municipal CBAs do not.

Jodie Garzon made a motion to recommend approval of Article #3 funding referenced above; Peter Underhill seconded. Vote: 8/1 motion carries.

Mike Krone made a motion to recommend approval of Article #4, Supplemental School FY24 Budget in the amount of \$538,697.00 from Free Cash; John Steadman seconded. Vote: 8/1 motion carries.

Peter Underhill made a motion to recommend approval of Article #5, Supplemental School FY24 Budget in the amount of \$400,00.00 from the Stabilization Fund for Special Education Services; John Steadman seconded.

Pete Berube noted the Town's Stabilization Policy requires repayment of funds within three years. Jodie Garzon noted this is a difficult decision, depleting the Stabilization Fund has an impact on the town's bond rating. The School Department faces many challenges and aid from the Commonwealth is not likely. SPED costs will increase in 2024 and while it is a difficult decision, cuts will need to be made at the School Department. Mike Krone agreed; this approach is not sustainably for the future. The School Department will need to take a hard look at their overall budget and determine where adjustments can be made. Pete Berube noted that with approval of this article at Town Meeting, minimum cuts will be made at the Schools; without it, detrimental cuts will be made. Amending the Commonwealth's SPED and Circuit Breaker Models is needed. If amendments aren't made, further cuts to School Department Staff will be needed in FY25 or an Operational Override will be proposed. An Operational Override will burden taxpayers with higher Real Estate Taxes. John Steadman noted that supporting the Millis Schools is paramount to the overall community however grapples with the need to fund six new School Busses. The town is facing very difficult choices.

Vote: 7/2 motion carries.

Cathy MacInnes made a motion to recommend approval of Article #7, Sewer Enterprise Fund, in the amount of \$1,637,826.00 from Sewer Department Receipts; Mike Krone seconded. Vote: 9/0 motion carries unanimously.

Cathy MacInnes made a motion to recommend approval of Article #8, Water Enterprise Fund, in the amount of \$2,009,736.00 from Water Department Receipts; Sara Reyes seconded. Vote: 9/0 motion carries unanimously.

Cathy MacInnes made a motion to recommend approval of Article #9, Stormwater Enterprise Fund, in the amount of \$726,733.00 from Stormwater Department Receipts; Sara Reyes seconded. Vote: 9/0 motion carries unanimously.

Sara Reyes made a motion to recommend approval to authorize borrowing for Article #13, New 5-year School Bus Lease, in the amount of \$614,605.00. It was noted funding for the annual lease is included in Article #3 Operating Budget; Joyce Boiardi seconded. Vote: 8/1 motion carries.

Sara Reyes made a motion to recommend approval to authorize borrowing for Article #14, New 3-year Police Cruiser Lease, in the amount of \$66,911.00; Jodie Garzon seconded. Vote: 9/0 motion carries unanimously.

#### Finance Committee Report Inputs:

The report includes an introduction from the Chair which includes a narrative supporting the recommendations of the committee. The narrative will include justification of Above Level Service Salaries, use of Marijuana Impact Fees, CBA increases to the Operating Budget, School Department SPED Deficit, balancing the Enterprise Fund Indirect Costs, appropriations of Free Cash, Capital Items and future needs of the town. Implications of not approving Articles #3, 4 & 5 will be outlined as well.

Mike Krone suggested the Finance Committee's synopses and recommendations be inserted under each Warrant Article in the report. Mike Guzinski will check with Town Counsel; the Warrant is posted by the Select Board the Finance Committee's Report is a separate document. Jodie Garzon will update the Municipal Terms and Glossary which will be included in the report.

#### Board and Committee Liaison Updates:

The MBTA 3A Advisory Committee, which Jodie Garzon is the Chair, is working with Millis Community Media to provide a video for residents to understand the responsibility of the committee and the potential impacts to the town.

Pete Berube thanked the committee members for attending other board and committee meetings.

Finance Committee Meeting Minutes Approval:

Jodie Garzon made a motion to approve the April 5, 2023 Finance Committee Meeting Minutes with a slight amendment; Peter Underhill seconded. Vote: 9/0 motion carries unanimously.

Town Meeting Procedure Discussion:

Mike Krone suggested the reading of the Warrant Article be waived by Town Meeting Attendees. In doing so, the process is expedited. However, it is at the Elected Town Moderator's, Brutus Cantoreggi, discretion. In the past, the reading of the Warrant Article has been waived. The Finance Committee reads the Warrant Article Motion and summarizes the article and the committee's recommendation.

Adjourn Meeting:

Jodie Garzon made a motion to adjourn the Finance Committee Meeting at 9:10 PM; Joyce Boiardi seconded. Vote: 9/0 motion carries unanimously.

Respectfully submitted,  
Deirdre Gilmore