

Finance Committee Meeting

February 21, 2018 7:30 PM EST
Veterans Memorial Building, Room 229
900 Main Street
Millis, MA 02054

In Attendance:

Craig Schultze, Chairman
Jodie Garzon, Vice Chairman
Peter Berube, Clerk
Tayana Antin
Peter Jurmain
Jerry Nunnaley
Doug Riley
James McKay, Deputy Director Department of Public Works

Craig Schultze called the meeting to order at 7:31 PM

Vote to Spend In Excess of the Snow and Ice Budget:

James McKay:

The Board of Selectmen have voted in favor of spending in excess of the FY18 Snow and Ice Budget. The budget versus actual expenses to date are as follows:

Budgeted Expenses:	\$170,727.00
Expenses Expended:	\$247,999.02
Deficit:	(\$77,272.02)
Budgeted Salaries:	\$48,000.00
Salaries Expended:	\$71,091.60
Deficit:	(\$23,091.60)
Total Deficit:	(\$100,363.62)

Mr. McKay informed the committee that the December 16, 2017 invoice for salt totaling \$21,347.66 refilled the salt shed from the previous fiscal year. The budget also incurred an expense of \$7,140.00 to repair the snow blower from damages incurred the prior fiscal year. Since January, the salt that is ordered is not treated therefore the price per ton has been reduced from \$62.20 to \$45.20. This year the Department of Public Works is fully staffed, as a result seven pieces of outside contractor's equipment previously used for snow removal are no longer needed. Changes to contractual obligations have contributed to the overages in salaries.

The committee is interested in a comparison of surrounding town's expenses for snow removal to Millis' as well as the amount of salt other towns have purchased this year; to date Millis has purchased 2,977 tons of salt. Mr. McKay will provide this information at a later date.

Jodie Garzon made a motion to approve authorization to spend in excess of the Snow and Ice appropriations for FY18; Jerry Nunnaley seconded. Vote: 7/0 motion carries unanimously.

FY19 Budget Review and Schedule:

The Board of Selectmen in conjunction with the Town Administrator and CPA Hannah York are working on a comprehensive FY19 Budget Book from the department heads' budget presentations on February 10, 2018. The book will be presented to the Finance Committee on March 13, 2018, this allows time for the Town Administrator and Board of Selectmen to determine their recommendations. The Finance Committee's final recommendations deadline is April 25, 2018. Peter Jurmain attended some of the presentations on February 10th and encouraged the committee to view the presentations on Millis Community Cable.

Revenue Review:

Craig Schultze:

The spreadsheet outlining the FY19 Funds Available for Budgets, Allocation and Warrant Articles has been updated but is still in draft form.

Sources:

Total Available Funds:

Recurring Revenue:	
State Aid – Education:	\$ 5,234,328.00
State Aid – General Government:	\$ 1,141,933.00
Local Receipts:	\$ 143,110.00
Other Available Funds:	\$ 300,332.00
Tax Levy:	\$20,467,534.00
Total:	\$29,287,237.00

The total is 3.39% more than FY18. It was noted that in FY18 a Bond Premium of \$238,818.00 was included in the Recurring Revenue, this practice can no longer be used.

Charge Backs from the Cherry Sheet:

County Assessments:	\$ 53,944.00
State Assessments:	\$ 49,664.00
MBT Assessments:	\$ 19,155.00
SPED Charges against Receipts:	\$ 2,319.00
Tuition Assessments:	\$ 223,736.00
School Choice:	\$ 443,960.00
Library:	\$ 12,635.00
Total:	\$ 805,413.00
Net Recurring:	\$28,481,824.00

Shared and Must Fund Items:

General Insurance:	\$ 421,067.00
Employee Benefits:	\$ 4,998,859.00
Tri-County Schools:	\$ 618,089.00
Net Debt Service (Total Debt less Debt Exclusion Revenue):	\$ 655,898.00
Total:	\$ 6,693,913.00
Total Available Funds:	\$21,787,911.00

The Total Available Funds for FY18 was \$21,404,060.00. The difference between FY18 and FY19 equals \$383,851.00.

Uses:

Must Fund Warrant Articles:

Repay Stabilization Fund	
November 2017 Town Meeting + \$50,000.00	\$ 233,013.00
Unpaid Bills:	\$ 135.00
Audit:	\$ 36,000.00
ClearGov:	\$ 7,500.00
Committed Computer Leases:	\$ 50,000.00
Renewal of Bus Lease:	\$ 86,249.00
Committed Police Cruiser Lease:	\$ 50,302.00
Medicare Billing:	\$ 5,000.00
Total:	\$ 468,199.00
Less Free Cash:	\$ 344,000.00
Net:	(\$ 124,199.00)
Increase in FY19 Total Available Funds:	\$ 383,851.00
Less Net of Must Fund Warrant Article and Free Cash:	\$ 124,199.00
Total Funds Available for FY19 Budgets:	\$ 259,652.00

The following items were funded by Free Cash in FY18:

Resource Officer:	\$	21,480.00
Firefighter:	\$	29,730.00
Snow and Ice:	\$	55,482.00
Reserve Fund:	\$	25,000.00
Police Computer:	\$	11,000.00
Funds to Maintain Level Service:	\$	8,795.00
Total:	\$	151,487.00

The above listed items were removed from the FY18 Municipal Operating Budget to create an FY19 base budget.

	<u>Base Budget</u>	<u>Allocation</u>	<u>Funds Available</u>	<u>FY19 Budget</u>
Municipal:	\$ 6,994,274.00	35%	\$ 90,878.00	\$ 7,085,152.00
School:	\$14,800,273.00	65%	\$168,774.00	\$ 14,969,047.00

The above does not include High Priority Warrant Article such as:

Town Gas and Diesel Pump Replacement:	\$	50,000.00
Fire Equipment:	\$	98,000.00
DPW Excavator:	\$	52,000.00

The School Department's Operating Budget will be short by approximately \$350,000.00 in contractual obligations. The Municipal's Operating Budget will be short by \$60,609.00 before contractual obligations are factored in.

The DPW Building will be undergoing renovations in the near future, the committee discussed the possibility of rolling the replacement of the gas and diesel system into the borrowing of the renovation project. It is also possible to borrow for the Fire Equipment and the DPW Excavator. The committee could recommend funding the FY19 Reserve Fund for the typical \$75,000.00 rather than the \$100,000.00 funded in FY18. A review of the town's Stabilization Fund policy may make available \$50,000.00.

The above information will be shared with the Board of Selectmen who will prioritize the May 2018 Town Meeting Warrant Articles. The committee feels a Tri-Board Meeting should be scheduled prior to March 13, 2018.

Old Business/New Business:

The next scheduled Finance Committee Meeting on February 28, 2018 has been cancelled.

The Recreation Department is requesting a change to the funding of approximately \$30,000.00 of the Director's salary. Currently the \$30,000.00 is funded by User Fees through a Revolving Fund. The request is to change the source of funding by creating a Special Use Fund. The change would require the salary to be fully funded by the Operating Budget and then at the end of the fiscal year any leftover money would be turned back to the General Fund. Discussion of this request will be held in the future.

Craig Schultze encouraged the committee to attend the Violent Intruder Training on Tuesday, February 27, 2018 at 7:00 PM in Room #229 of the Veterans Memorial Building. The Chief of Police is conducting the training for all board and committee members.

Minutes Approval:

Jodie Garzon made a motion to recommend approval of the February 5, 2018 Tri Board Meeting Minutes as written; Peter Jurmain seconded. Vote: 6/0 1 abstained, motion carries.

Adjourn:

Peter Jurmain made a motion to adjourn the meeting at 8:11 PM; Jodie Garzon seconded. Vote 7/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore