

## Finance Committee Meeting

March 14, 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  
Tayana Antin  
Peter Jurmain  
Jerry Nunnaley  
Doug Riley  
Mike Guzinski, Town Administrator

Craig Schultze called the meeting to order at 7:30 PM

### FY19 Operating Budget Review and Discussion:

Mike Guzinski provided an updated Proposed Budget Summary and suggested the committee invite department heads to provide budget details. Hannah York, CPA will be available March 28, 2018 to attend the committee's meeting and will answer any questions or concerns the committee has.

It was noted that there are significant increases to Health Insurance and Pension costs as well as a 34% increase in the Tri-County School Assessment. New Revenue for FY19 is \$443,518.00. The Municipal side of the Proposed Budget is short \$27,577.00; Hannah York and Mike Guzinski are working to eliminate the deficit.

Overall, most budgets are a reduced or level service budget with the following exceptions:

- Fire & Rescue: Fund an additional Paramedic in order to provide Advanced Life Support (ALS) services to the town. The cost is \$72,951.00; charging ALS fees will eventually offset this cost. The Town Administrator will have an estimate of the increased fees revenues in a couple of weeks.
- Council on Aging: Fund 2.5 hours per week for three staff members. This will allow the department to be open until 4:30 PM on Wednesday afternoons. The cost is \$10,244.00.
- Library: Fund additional hours to a current staff member who will provide Tech Support on the department's publicly used computers. The Tech Coordinator cost is \$7,691.00.
- Building/Inspection: Fund additional clerical hours in the amount of \$11,309.00. This would bring the hours from 24 per week to 36 per week. There is also a proposal to change the payment system of the inspectors to bring the department in line with other municipalities.

At the November 2017 Town Meeting, it was voted to establish a Stormwater Management Enterprise Fund to offset the cost of adhering to MS4 regulations. Stormwater billing is expected to be billed in the fall of 2018. The proposed budget does not include the Town and School share of the Stormwater Utility cost which is estimated between \$30,000.00 and \$40,000.00. The Town Administrator's recommendation is to fund that portion at the November 2018 Town Meeting. The cost per unit of impervious surface is between \$2.75 and \$3.50 and approximately 60% of the residents' annual bill will be less than \$100.00.

There is a recommendation to fund \$585,523.00 of much needed capital items for various departments through borrowing.

A review of the Revenue Summary highlighted the increase in Local Taxes with the typical Prop 2 ½% annual increase of \$1,366,620.00 as well as the increase to State Aid of approximately \$92,000.00. Under the Municipal Modernization Act, Bond Premiums can no longer be included in Available Funds which reflected a \$284,678.00 decrease from FY18 to FY19. The summary included (2) new line items: (1) Ambulance Increase which will be used to offset ALS certification and (2) Permits Adjustment for the proposed reorganization of the Building/Inspections Department. The New Revenue split is: Municipal \$155,231.00 and School \$288,286.00.

A detail of the anticipated Building/Inspection fees was provided, they include the following projects:

Toll Brothers/Glen Ellen Over 55 Development:	\$ 163,000.00
Dover Road Assisted Living Facility:	\$ 636,200.00
Van Kleeck 40B Development:	\$ 35,040.00
Acorn of Millis Development:	\$ 41,520.00
Dover Road – Sullivan Construction:	\$ 13,840.00
Southend Farms Development:	\$ 75,240.00
Main Street - McDonalds Renovation:	\$ 63,620.00
Average Annual Permits:	<u>\$ 205,000.00</u>
Total:	<u>\$1,233,460.00</u>

The Town Administrator feels this a conservative estimate and the totals are reasonable. The anticipated revenue from the above new growth makes it more acceptable to borrow for Capital Items.

The Revenue Summary included a list of Must Fund Warrant Articles:

Repay Stabilization:	\$233,013.00
Unpaid Bills:	\$ 135.00
Annual Audit:	\$ 36,000.00
Property Revaluation:	\$ 5,000.00
Computer Leases:	\$ 69,900.00
School Bus Lease:	\$ 87,000.00
Police Cruisers:	\$ 50,302.00
Medicare Billing:	<u>\$ 5,000.00</u>
Total:	<u>\$486,350.00</u>

The School Bus Lease may be slightly higher than the amount listed above.

The Available Funds included the following transfers:

General Spec:	\$ 60,000.00
Ambulance Fund:	\$ 255,000.00
Trust Fund:	\$ 332.00
Sewer Enterprise Fund:	\$ 198,077.00
Water Enterprise Fund:	\$ 242,094.00
Stormwater Management Enterprise Fund:	\$ 129,536.00
Free Cash:	<u>\$ 344,176.00</u>
Total:	<u>\$1,229,215.00</u>

The transfers from the Enterprise Funds are for Indirect Costs.

The Town Administrator and the committee reviewed the department budgets. It was noted there was an increase to the Elections Budget due to the increase in elections in FY19. There is a decrease in the Reserve Fund from \$100,000.00 in FY18 to \$50,000.00 in FY19. The Town Administrator's recommendation to reduce the Reserve Fund going forward is due in part by the restructuring of the Building/Inspections department's fee structure and expects less pressure on the fund when the Operating Budget is voted by line item number and total at Town Meeting. This will allow the committee to move funds between each department within the line item of the budget. The School Department's budget is voted similarly and allows funds to be moved between Salaries and Expenses throughout the Fiscal Year. It was noted that the Police Department's Overtime Budget is decreased due to a fully staffed department and the Chief's effort to keep overtime within budget. The Police Department's Salaries are contractual. An additional Sergeant was appointed with a cost of \$5,000.00 per year; there are (5) Police Sergeants on staff. The Wages – Training amount has doubled for FY19 as well as the Electricity line item. The Town has considered the use of solar panels on all town buildings. The only viable building for solar panels is the Library; solar panels will be installed within the next six months. The new Clyde F. Brown Elementary School is designed for solar panels. At this point in time grants for solar panel projects are not available. The Fire Department's Salaries have increased dramatically due to the addition of ALS staff. The committee asked for an explanation of the different salary line items in the Fire Department's budget such as: Shift Coverage, On-Call, Overtime and Stipends. The \$10,000.00 line item for Contract Services in the Fire Department's Budget is a fee to one hospital as part of the ALS program. The Fire Department and SEIU 888 union contracts are in negotiations. The Building/Inspections Budget includes an increase of 12 hour per week for clerical hours totaling \$11,309.00 as well as an additional \$39,000.00 for an Assistant Inspector and \$30,000.00 in Inspector Compensation. The Department of Public Works' Highway Budget has a decrease in Salaries and Catch Basin Cleaning due to a shift to the Stormwater Management Enterprise Fund Budget.

The indirect allocations to the Stormwater Enterprise Fund Budget are:

Town Administrator/Board of Selectmen:	\$ 13,160.00
Legal:	\$ 2,970.00
Accounting:	\$ 7,248.00
Treasurer/Collector:	\$ 15,915.00
Assessor:	\$ 2,400.00
Data Processing:	\$ 2,573.00
Contract Negotiation:	\$ 576.00
Health Insurance:	\$ 24,498.00
Pension:	\$ 59,180.00
Worker's Compensation:	\$ 1,016.00
Total:	<u>\$129,536.00</u>

The Stormwater Budget for FY19 totals \$600,000.00 of which \$158,000.00 is for Capital Projects. The Street Lighting Budget is decreased due to the conversion to LED lights and includes funds to install flashing stop signs at dangerous intersections throughout town. The Council on Aging Budget includes an increase in hours for each of the three members by 2.5 per week. This will allow the center to be open later on Wednesdays. The Library Budget includes an increase of seven hours for a Tech Coordinator. The additional \$7,691.00 funds seven hours for a current staff member who has computer knowledge and will maintain the publicly used computers. The Wages – Pages line item funds entry level personnel to stack the book shelves and other basic duties. The Recreation Department's Salaries Fund will be a Warrant Article changing it to the appropriate Special Revenue Account. The Board of Selectmen will meet on Monday, March 26, 2018 to make recommendations on the FY19 Operating Budget.

The following capital items will be part of one Warrant Article funded by borrowing:

HVAC – Veterans Memorial Building Gym:	\$107,000.00
Fire – ALS Equipment:	\$ 40,537.00
Fire – ALS Medications and Equipment:	\$ 14,761.00
Fire – Vehicle Replacement:	\$ 51,872.00
School – Leased School Bus Purchase:	\$ 45,000.00
School – Auditorium Repairs:	\$150,000.00
School – Upgrade MS/HS Restrooms:	\$ 40,000.00
Town – Fuel Dispense System:	\$ 50,000.00
DPW – Excavator:	\$ 56,253.00
Council on Aging – Community Room Repairs:	\$ 15,100.00
Council on Aging – Van	\$ 15,000.00
Total:	<u>\$585,523.00</u>

The Council on Aging Van's total cost is \$39,000.00; \$24,000.00 will be funded by their Revolving Fund and other donations. The article would impact Debt Service by \$135,000.00.

Old Business/New Business:

The committee asked for both the Police and Fire Chiefs to attend their next meeting to answer some of the committee's questions. The Town Administrator and the town's CPA will be available to attend the March 28, 2018 meeting. The School Committee will be scheduled for either March 28, 2018 or April 4, 2018. The committee would also like to invite the DPW, COA and Building/Inspections department heads to further explain their FY19 requests.

Minutes Approval:

Peter Jurmain made a motion to recommend approval of the February 21, 2018 Meeting Minutes as written; Tayana Antin seconded. Vote: 6/0, motion carries unanimously.

Adjourn:

Peter Jurmain made a motion to adjourn the meeting at 9:05 PM; Jodie Garzon seconded. Vote 6/0 motion carries unanimously.

Respectfully submitted,  
Deirdre Gilmore