

Finance Committee Meeting

October 17, 2018 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
Peter Jurmain
Craig Schultze
Mike Guzinski, Town Administrator
Carol Johnston, Finance Director
Erin Underhill, Town Moderator

Jodie Garzon called the meeting to order at 7:30 PM

Mike Guzinski introduced Carol Johnston, Finance Director, to the committee.

November Town Meeting Warrant Article Review, Discussion and Funding Sources:

Mike Guzinski:

Some minor changes were made to the Warrant:

Article #1 Unpaid Bills: An invoice in the amount of \$5,566.30 payable to Bartlett & Brillon was added and will be funded from the Water Enterprise Reserve.

Article #9 Capital Items: \$50,000.00 was added for IT Hardware & Software.

Article #3 Sanitary Landfill Monitoring Services: Original request was for \$40,000.00, it has been reduced to \$10,000.00. After discussions with the DPW Director and Interim Finance Director it was agreed the cost of this service will be included in the DPW Operating Budget starting in FY20.

Article #13 Retail Marijuana (1) Licensing Limitations/Zoning: The name was changed to show that this is a Zoning ByLaw Article

A memo outlining funding sources and current balances was presented to the committee:

Current Balances:

General Fund Free Cash:	\$1,461,322.00
Available New Growth Estimate:	\$ 125,000.00
Water Enterprise Reserve:	\$ 591,574.00
Sewer Enterprise Reserve:	\$ 578,226.00

Article Funding:

Article #1 Unpaid Bills	\$ 13,938.82	New Growth
	\$ 5,566.30	Water Enterprise Reserve
Article #2 Unemployment Account	\$ 16,500.00	New Growth
Article #3 Landfill Monitoring	\$ 10,000.00	Free Cash
Article #4 Snow & Ice Deficit	\$ 197,591.50	Free Cash
Article #5 BOS Consulting	\$ 42,500.00	New Growth
Article #9 Capital Items	\$ 464,937.34	Free Cash
	\$ 183,691.33	Sewer Enterprise Reserve

	\$ 14,389.33	Water Enterprise Reserve
Article #10 Cruiser Lease Payment	\$ 50,302.31	New Growth
Article #11 OPEB	\$ 50,000.00	Free Cash
Article #12 Stabilization Fund	\$ 100,000.00	Free Cash

Remaining Balances:

General Fund Free Cash:	\$ 638,793.16
New Growth:	\$ 1,758.87
Water Enterprise Reserve:	\$ 571,618.37
Sewer Enterprise Reserve:	\$ 394,534.67

The Free Cash Balance is available until June 30, 2019 then it is rolled into FY20 after it's been certified by the state in the Fall. The Free Cash amount is especially high due to the release of a bond in the amount of \$600,000.00. The current Stabilization Fund Balance is approximately 5% of the Operating Budget. The intention of leaving \$638,793.16 in Free Cash is to fund any Snow & Ice Deficit, Capital Items (approximately \$300,000.00 - \$400,000.00) and any unforeseen emergencies at the May Town Meeting.

The committee voiced concern with leaving over \$600,000.00 in Free Cash. They reviewed the town's Stabilization Fund Policy which states that if funds are taken out of the Stabilization Fund they must be repaid within a certain time frame. The committee discussed paying down Short-Term Debt to free up funds for the FY20 Operating Budget. The Capital Planning Committee will provide recommendations in the spring before the May Town Meeting outlining the town's capital needs. The committee agreed to replenish the Stabilization Fund by \$300,000.00 bringing it close to 6% of the Operating Budget.

Article #13 Retail Marijuana (1) Licensing Limitations/Zoning and Article #14, Retail Marijuana (2) Special Permit/Zoning are both Zoning ByLaw articles and require a 2/3 vote.

Article #15, Retail Marijuana (3) Board of Selectmen as Licensing Authority and Article #16, Retail Marijuana (4) Public Consumption require a simple majority vote.

The Board of Selectmen and Board of Health are working together to establish licensing and nuisance regulations. A Public Hearing will be held to discuss these regulations.

November Town Meeting Warrant Article Funding and Recommendations:

Craig Schultze made a motion to recommend approval of Article #1, Unpaid Bills, in the amount of \$19,505.12 of which \$13,938.82 is funded by New Growth and \$5,566.30 is funded by the Water Enterprise Reserve; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #2, Unemployment Account, in the amount of \$16,500.00 funded by New Growth; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #3, Sanitary Landfill Monitoring Services, in the amount of \$10,000.00 funded by Free Cash; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #4, FY18 Snow & Ice Deficit, in the amount of \$197,591.50 funded by Free Cash; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Peter Berube made a motion to recommend approval of Article #5 FY19 Financial & Economic Development Director/Planning Consulting, in the amount of \$42,500.00 funded by New Growth; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #6, Increase Spending Authorization on Recreation Revolving Fund to \$200,000.00; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #7, Rescind Balance of Unneeded Borrowing Authorizations for:

Article #8 November 2009 Town Meeting	\$30,000.00
Article #20 November 2012 Town Meeting	\$16,400.00
Article #29 May 2013 Town Meeting	\$96,000.00
Article #49 May 2014 Town Meeting	\$25,000.00

; Peter Berube seconded. Vote: 5/0 motion carries unanimously.

Pete Jurmain made a motion to recommend approval of Article #8, Purchase Used School Bus, in the amount of \$45,000.00 from the School Bus Stabilization Fund; Craig Schultze seconded. Vote: 5/0 motion carries unanimously.

The committee asked the Town Administrator to confirm the \$45,000.00 is available in the School Bus Stabilization Fund.

Craig Schultze made a motion to recommend approval of Article #9, Capital Items:

Elections	Purchase of Poll Pads & Voting Booths	\$ 20,000.00
IT	Purchase of Hardware & Software	\$ 50,000.00
Buildings/COA	Replace Flooring in Room #21 in VMB	\$ 10,000.00
Police	New Police Cruiser	\$ 41,143.00
DPW	Sewer I/I Phase V	\$169,302.00
DPW	4x4 Pickup Truck & Related Equipment	\$ 43,168.00
DPW	Pavement Management Plan	\$ 39,800.00
School	MS/HS Intercom/Phone/PA System	\$100,000.00
School	MS/HS Library Floor Replacement	\$ 45,000.00
School	MS/HS Auditorium Repair	\$104,605.00
School	MS/HS Locker Replacement	\$ 20,000.00
School	MS/HS Furniture Replacement	\$ 20,000.00

Total: \$663,018.00

; Pete Jurmain seconded. Further Discussion: The committee discussed whether the town should adopt a leasing program for Police Cruisers since (4) were approved for a three-year lease at the May Town Meeting. They agreed leasing allows for a more stable cash flow over time. If the committee decided to recommend leasing the Police Cruiser in this article a 2/3 vote would be required at Town meeting instead of a majority vote. The Board of Selectmen recommended the purchase of the cruiser but did not have a detailed discussion about the option of leasing. The Town Administrator will check with Town Counsel to see if the article can be made in two separate motions if the committee decides to recommend leasing the cruiser. Although the committee supports this article not all members support every item on the list. Vote: 5/0 motion carries unanimously. Funding Sources will be voted next week.

Craig Schultze made a motion to recommend approval of Article #10, Police Cruiser Lease Payment, in the amount of \$50,302.31 from New Growth; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #11, OPEB (Other Post-Employment Benefits), through a transfer of \$50,000.00 from Free Cash; Doug Riley seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #12, Stabilization Fund, through a transfer of \$300,000.00 from Free Cash; Doug Riley seconded. Vote: 5/0 motion carries unanimously.

Peter Berube made a motion to recommend approval of Article #13 Retail Marijuana (1) Licensing Limitations/Zoning; Pete Jurmain seconded. Vote: 4/0 Doug Riley abstained. Motion carries.

The committee noted that the town's Marijuana Moratorium expires on December 31, 2018. If this article fails at Town Meeting marijuana establishments can be located anywhere in town.

Peter Berube made a motion to recommend approval of Article #14, Retail Marijuana (2) Special Permit/Zoning; Pete Jurmain seconded. Vote: 4/0 Doug Riley abstained. Motion carries.

The committee noted that the Planning Board, Board of Selectmen and Retail Marijuana Committee approve this article.

Craig Schultze made a motion to recommend approval of Article #15, Retail Marijuana (3) Board of Selectmen as Licensing Authority; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #16, Retail Marijuana (4) Public Consumption; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Peter Berube made a motion to recommend approval of Article #17, Cell Tower Lease Authorization, subject to DEP (Department of Environmental Protection) approval; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Meeting Minutes Approval:

Pete Jurmain made a motion to recommend approval of the October 3, 2018 Meeting Minutes as written; Peter Berube seconded. Vote: 5/0 motion carries unanimously.

Approve Bills Payable:

Craig Schultze made a motion to recommend approval of payment to the Postmaster for postage for the Finance Committee Report mailing in the amount of \$640.98; Pete Jurmain seconded. Vote: 5/0 motion carries unanimously.

Adjourn:

Craig Schultze made a motion to adjourn the meeting at 8:39 PM; Pete Jurmain seconded. Vote 5/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore