

Finance Committee Meeting

April 10, 2019 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
Joyce Boiardi
Jim Borgman
Peter Jurmain
Shawn Power
Craig Schultze
Mike Guzinski, Town Administrator
Carol Johnston, Finance Director
Chief Soffayer, Police Department
James McKay, Department of Public Works

Jodie Garzon called the meeting to order at 7:31 PM.

Police Department FY20 Revised Budget Review and Discussion:

Chief Soffayer provided the committee with an updated FY20 budget including the addition of two officers. The request for the revised budget was made knowing the department will be short staffed in FY20 due to:

- One officer enlisted in the US Air Force Reserves in February 2019 and will not return until August 2019.
- Another officer is in the Marine's Reserves and will be deployed to Korea for one year starting in July 2019.
- Typically, the department is short at least one officer due to injury, illness or unforeseen circumstances.

Knowing the above, the Chief had requested an FY20 Overtime Budget of \$260,000.00. The addition of two officers would not affect the FY20 Wages Budget due to the timing of the Police Academy's programs; typically begin in January or in late Spring or Fall. The recruit pays for the cost of the academy and the town would begin paying the recruit's salary once the academy begins. As a result, the department's overtime will not necessarily be reduced in FY20. The FY21 Projected Wages Budget with two additional officers is \$1,209,224.96 and the Overtime Budget is \$150,000.00.

The Finance Director and Town Administrator's FY20 Proposed Overtime Budget for the department is \$180,000.00; \$80,000.00 less than the Chief's request. Mike Guzinski explained that their reasoning for decreasing the requested overtime is that the Police Union and the Town are currently in contract negotiations and are hoping to come to an agreement on overtime. The FY19 overtime deficit will be offset by left over funds in other department's budgets. If an additional \$80,000.00 were appropriated to fund the FY20 Police Overtime layoffs in other departments would have to be made.

The committee voiced their concern with knowing the department will be understaffed in FY20 and not funding the requested overtime. It was also noted that Reserve Fund Transfers are for unforeseen budget shortfalls; the overtime deficit in FY20 is foreseen. Police Details are not part of the budgeted overtime; they are paid out of a separate account. The Town Administrator acknowledged the budget is conservative and does not see the need for a Reserve Fund

Transfer in FY20 for Police Overtime but cannot guarantee it. The Town Administrator's Proposed FY20 Budget does include some requested increases in Public Safety; Police, Fire and DPW.

The Chief reiterated that the department's staff levels are lean in comparison to surrounding towns. The equipment Police departments use today require three officers per shift. The safety of the residents and the officers themselves are their number one priority.

The Chief provided the committee with the requested breakdown of incidents the department responded to in 2018. Jodie Garzon recognized the Chief's concerns and thanked him for providing the additional information. The department would not require additional equipment with the addition of two officers; the equipment was purchased through a grant as well as asset forfeiture. Joyce Boiardi thanked the Chief for his hard work obtaining grants for the department.

DPW Building Renovation Project Review and Discussion:

James McKay provided a Cost Summary for the project. The concerns with regards to the woman's restrooms has been addressed by increasing the number of toilets to two. The Cost Summary was approved by the Permanent Building Committee and the total project cost is estimated at \$3.9 million; split 1/3 General Fund, 1/3 Water Enterprise Fund and 1/3 Sewer Enterprise Fund. The Construction Contingency Cost, approximately 35%, allows room for unforeseen site work costs. The Design Contingency of \$357,330.00 allows for any necessary Stormwater Management needs if the existing retention pond is not sufficient for additional storm runoff. The staff wing will be built out of state, however prevailing wage will be included in the construction costs of the bays.

If the project is not passed at the May Town Meeting, temporary staff wings will be rented for approximately \$3,700.00 + per month. The current facility does not have an adequate ventilation system or space to meet OSHA guidelines. The School Busses will be moved to a different location on the site to allow for the temporary or permanent staff wing. A State Agency can and will fine the town if the OSHA guidelines are not met. A project handout will be available to Town Meeting attendees.

Warrant Article Discussion:

Mike Guzinski provided the committee with the finalized Warrant the Board of Selectmen signed on Monday, April 8, 2019 and a memo outlining the changes to the Warrant.

Article #1 Unpaid Bills total of \$2,138.10.

Article #11 Board of Health Acceptance of MGL Chapter 40U was removed; the Board of Health is not ready to present the article to Town Meeting. A ByLaw would have to be established to implement the law.

Article #12 Capital Items:

• Council on Aging	Facilities Audit/Feasibility Study	\$ 35,000.00
• Council on Aging	Senior Center Facility Improvements	\$ 3,000.00
• Board of Selectmen	Facilities Audit-Lansing Millis Building	\$ 30,000.00
• Board of Selectmen	Veterans Memorial Building Window Shades	\$ 14,000.00
• IS/IT Department	IS/IT/MUNIS Upgrades	\$ 30,000.00
• Fire Department	Turnout Gear	\$ 23,680.00
• DPW	Six Wheel Dump Truck with Sander/Plow	\$173,370.00
• School	Middle/High School Locker Replacement	<u>\$ 20,000.00</u>
	Total:	<u>\$329,050.00</u>

The Veterans Memorial Building Shades, in the amount of \$14,000.00, includes installation. The project's cost is high due to the number of windows in the building and the desire to replace all the shades at the same time. The new shades will be better quality and will include insulation and

light blocking. The exact number of shades will be provided next week. The project will require three quotes prior to purchase.

Motions for the May Town Meeting will be provided on April 17, 2019 with the funding sources for all articles. The DPW Truck will be funded from the Water Enterprise Fund 50% and the General Fund 50%.

Article #13 DPW Project: Town Bond Counsel added language to the article. The article will be funded by 33.4% General Fund, 33.3% Water Enterprise Fund and 33.3% Sewer Enterprise Fund. Each Enterprise Fund has \$700,000.00 earmarked for this project included in their rates.

Article #14 DPW Temporary Offices: This article was added as a temporary solution if Article #13 does not pass at Town Meeting. The current facility does not meet OSHA regulations.

Article #19 Schools - New and Previously Approved Computer Lease: A change in language to include "new" for the teacher's new laptop lease.

Article #25 Zoning ByLaw – Municipal Facilities and Uses: Town Counsel changed some language. The ByLaw creates an Overlay District for the DPW site, including the Transfer Station, Wells and Treatment Facilities, to allow municipal buildings to be located there. The current facility was grandfathered however the expansion requires a zoning change.

Article #26 Board of Selectmen Report – Unfunded Capital Requests: The Capital Planning Committee's Report included as an addendum to the Finance Committee's Report eliminates the need for this article.

FY20 Operating Budget Recommendations:

Mike Guzinski provided a memo outlining the method at arriving at a Balanced Draft FY20 Budget. The budget is Level Service Funded with one exception: The elevation of the Assistant Town Accountant to Town Accountant. After discussions with School Administration it was decided the additional salary for this request would be exempt from the 65/35 Revenue Split due to it being part of the broader financial team project. This elevation would free up time for the Finance Director to assist in Strategic Planning and Budget/Revenue Forecasting.

The budget does not include funding for an Economic Development Director/Planner position although interviews for the position are taking place. This position would be included in the Town Administrator/Board of Selectmen Budget. The Board of Selectmen will be discussing funding this position at their next meeting.

The budget also does not include the initial request for a 10 hour per week IT position. The funds for that position have been moved into IT Expenses to absorb the cost of moving the system onto the Cloud.

Due to limited new revenues, budgetary increases for Police, Fire and DPW were not possible. Any overtime overages for FY20 will be covered through transfers from other departments during the last two months of the fiscal year.

Contract negotiations are taking place for the Police, DPW, SEIU and Dispatch; Article #3 will earmark funds for any increases for FY20 to those contracts.

An outside firm is conducting a review of the Town Clerk's office and will have the results in late May or June.

A complete FY20 Operating Budget will be presented to the Board of Selectmen on Monday, April 22, 2019 for their review and recommendations. The Town Administrator hopes there is little to no change to his recommendations. Jodie Garzon is concerned with the timing; the committee would not receive the Board of Selectmen's recommendations for the budget until the Finance Committee's last night to make recommendations before going to print on April 29, 2019. The committee conveyed to the Town Administrator and Finance Director that this timeline is

inappropriate and unfair due to the seriousness of going to Town Meeting without thorough review and consideration of the Operating Budget and the consequence of making recommendations under a limited timeframe. The Town Administrator will express their concerns to the Board of Selectmen.

Revenue Forecast Review:

A host agreement was signed at the Board of Selectmen's meeting on Monday, April 8, 2019 with 617 THC Group. Upon execution of the agreement \$25,000.00 was received and will go into the General Fund. The next payment of \$15,000.00 will be received when the facility opens; most likely January 2020. The majority of revenue from this business will be received starting FY21. Therefore, there has been no change to the FY20 Revenue Forecast which does not include any revenue from marijuana sales. Any sales from both marijuana facilities in town will be included in the 65/35 revenue split. The town will implement a plan to identify costs having these facilities located in town: Police staffing, traffic, impact on schools, etc.

Capital Planning Committee Report:

Mike Guzinski noted that he added the MGL Chapter 90 Grant Funds of \$200,000.00 - \$300,000.00 under comments for the Road Repairs Project; this is the average amount of monies received annually for road repairs. The DPW's request is for an additional \$500,000.00.

Jodie Garzon commended the Capital Planning Committee on the amount of work it took to get this report in a prioritized form. Their time and efforts are greatly appreciated. The report will be included in the Finance Committee's Report as an addendum. The committee will review and discuss the Capital Planning Committee's Report at their next meeting on Wednesday, April 17, 2019.

Warrant Article Assignments:

Jim Borgman: #1, 2 & 3
Jodie Garzon: #4, 5, 6 & 7
Shawn Power: #8, 9, & 10
Jim Bullion: #11
Peter Berube: #12
Craig Schultze: #15, 16 & 17
Pete Jurmain: #18, 19, 20 & 21
Joyce Boiardi: #22, 23 & 24

Jodie Garzon asked the committee members to begin their 2 – 3 sentence writeups of each article, the deadline to submit them is Friday, April 26, 2019.

Meeting Minutes Approval:

Pete Jurmain made a motion to recommend approval of the April 3, 2019 Meeting Minutes as written; Peter Berube seconded. Vote: 8/0 abstained motion carries unanimously.

Bills Payable Approval:

Peter Berube made a motion to recommend approval of payment to Postmaster in the amount of \$639.91 for postage for the May 2019 Finance Committee Report; Craig Schultze seconded. Vote: 8/0 motion carries unanimously.

Adjourn:

Pete Jurmain made a motion to adjourn the meeting at 9:16 PM; Craig Schultze seconded. Vote 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore