

Finance Committee Meeting

May 8, 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
Jim Bullion
Shawn Power
Craig Schultze
Mike Guzinski, Town Administrator
Carol Johnston, Finance Director
Jim McCaffrey, Board of Selectmen
Pete Jurmain, Board of Selectmen
Erin Underhill, Town Moderator
Lisa Hardin, Town Clerk
James McKay, Director – DPW
Eric Earl, DPW Water Department

Jodie Garzon called the meeting to order at 7:33 PM.

Jodie Garzon congratulated Pete Jurmain on his election to the Board of Selectmen.

Pre-Town Meeting:

Jodie Garzon opened Pre-Town Meeting at 7:34 PM.

The proposed FY20 budget is \$34,709,679, which is about \$4 million or 12% more than FY19. The increase is in part due to the Debt Service line item as a result of borrowing for the Clyde Brown Elementary School Project. Other increases include 5% for General Government costs, which includes the addition of a part-time Economic Director position, 4% increased benefits costs, 5% increased costs for Public Safety, 31% higher Tri-County School assessments, over which the town has limited control and 10% higher costs for Public Works for road repair materials. Revenues have increased from the Debt Exclusions for the Police Station, Fire Station, Library and Clyde Brown Elementary School Project. Revenues are also recognized for ALS (Advanced Life Support) Ambulance Service and Building Permits.

Article #1 Unpaid Bills

This article in the amount of \$2,138.10 is for unpaid bills from prior fiscal years. The Finance Committee recommends approval of this article.

Article #2 FY19 Additional Wages and Expenses

This article in the amount of \$291,400.00 will cover FY19 deficits in Public Safety, Public Works and General Insurance. The Finance Committee recommends approval of this article.

Article #3 SEIU 888, MassCOP, Dispatch Associations and AFSCME

This article will fund the estimated first year of the Collective Bargaining Agreements. The Finance Committee recommends approval of this article.

Article #4 FY20 Operating Budget

This article appropriates \$34,709,679.00 for Salaries and Expenses for the town from the following revenue sources:

Taxation	\$33,782,261.00
Ambulance Fund	\$ 283,602.00
Perpetual Care Interest	\$ 332.00
Sale of Cemetery Lots	\$ 7,000.00
Cell Tower Revenue	\$ 53,600.00
Transfer from Sewer Enterprise Fund	\$ 202,778.00
Transfer from Water Enterprise Fund	\$ 247,840.00
Transfer from Stormwater Enterprise Fund	\$ 132,266.00

The Finance Committee recommends approval of this article.

Article #5 Sewer Enterprise Fund

This article funds the Sewer Enterprise Fund's Salaries, \$243,644.00 and Expenses, \$1,173,489.00 for a total of \$1,417,133.00. The Finance Committee recommends approval of this article.

Article #6 Water Enterprise Fund

This article funds the Water Enterprise Fund's Salaries, \$344,535.00 and Expenses, \$1,241,479.00 for a total of \$1,586,014.00. The Finance Committee recommends approval of this article.

Article #7 Stormwater Enterprise Fund

This article funds the Stormwater Enterprise Fund's Salaries, \$168,224.00 and Expenses, \$314,957.00 for a total of \$483,181.00. The Finance Committee recommends approval of this article.

Article #8 Amendments to Personnel Plan

This article amends the Personnel Plan based on the Town Administrator's recommendation and Board of Selectmen approval. It includes a 2.5% wage increase overall with the exception of additional hours for the Council of Aging Director and minimum wage employees. The Finance Committee recommends approval of this article.

Article #9 Independent Audit

This article funds the annual audit of all town accounts, including the schools. The Finance Committee recommends approval of this article.

Article #10 Board of Health Appointing Authority

This article authorizes the Board of Health to appoint any of its members to another town office or position for which it has appointing authority.

Article #11 Revolving Fund

This article sets spending limits for which funds were raised outside the Operating Budget. The Stormwater Revolving Fund was removed due to the implementation of the Stormwater Enterprise Fund and the Continuing Education Fund was removed; it was not used in over ten years. The Recreation Fund was increased from the Warrant amount due to an oversight.

Oak Grove Farm Maintenance Fund	\$ 35,000.00
Animal Control Shelter Fund	\$ 3,000.00

Fire Alarm Fund	\$ 10,000.00
Historical Commission Fund	\$ 12,000.00
Ambulance Department Fund	\$ 20,000.00
Council on Aging Transportation Fund	\$ 5,000.00
VMB Custodial/Maintenance Fund	\$ 6,000.00
Food Service Fund	\$ 4,500.00
BOH Medical Services/Vaccination Fund	\$ 8,500.00
BOH Rabies Clinic/Program Fund	\$ 2,500.00
School Athletic Fields Fund	\$ 35,000.00
School Extracurricular Fund	\$ 8,000.00
Library Special Use Fund	\$ 10,000.00
Recreation Fund	\$200,000.00
Tobacco Control Fund	\$ 1,000.00

The Finance Committee recommends approval of this article.

Article #12 Capital Items

This article funds eight 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 above will be funded by:

• Free Cash	\$120,936.00
• Transfer from Water Enterprise Fund	\$ 86,685.00
• Transfer from Overlay Reserve Account	\$ 37,098.00
• Transfer of remaining funds from the following Previously Approved Articles:	
Reconstruct Acorn Street	\$ 18,528.00
Causeway Street Culvert Improvements	\$ 8,947.00
Flood Proof Dover Road Pump Station	\$ 48,666.00
Replace VMB Boiler	\$ 5,235.00
DPW Vehicles/Equipment	\$ 2,955.00

The Finance Committee recommend approval of this article.

Article #13 DPW Building Project:

This article is a \$3.9 million project to build two new buildings at the Department of Pubic Works. The first building is a Prefab Staff Wing and the second building will house a Mechanic Bay and Wash Bay. The project also funds the pouring of footings for a Mechanic Bay for the School Department vehicles. The School Department will determine over the next few years if they can fund a mechanic and the cost to construct the bay. The existing garage would be stripped out of the offices, restrooms, etc. and be used strictly as a storage facility for vehicles and equipment.

The current facility is old, has a leaky roof, saturated insulation, black mold and is not in compliance with OSHA regulations. The Finance Committee has had two long discussions about the employees' health and safety before making its recommendation. Over \$300,000.00 in Town Meeting Articles appropriated funds to repair the facility in the last ten years. The Permanent Building Committee has been reviewing this project since 2016 and has determined that further repairs to the facility do not make sense.

The project could possibly come in lower than \$3.9 million; substantial contingencies are included for sitework. The funding for this article is: 1/3 General Fund Borrowing, 1/3 Water Enterprise Fund Borrowing and 1/3 Sewer Enterprise Fund Borrowing. The sewer rates will not be raised due to this project although the water rates will increase 5%.

Eric Earl who drafted one of the two letters the committee reviewed last week clarified the missing sheets were the fax cover page and a signature page for the DPW crew. He expressed that the consensus of the DPW employees was to use the funds earmarked for Article #14 towards this project. He also stated that the condition of the current facility will not have an impact on negotiating their upcoming Collective Bargaining Agreement.

Craig Schultze stated that the town cannot raise taxes beyond Proposition 2 ½ without a Debt Exclusion. Mike Guzinski assured the committee that items coming off the Debt Schedule will cover the General Fund portion for this article; there will be no increase in taxes. The first payment for this article is not due until FY21. The Finance Committee recommends approval of this article.

Article #14 DPW Temporary Offices

This article, in the amount of \$134,415.25, leases trailers to be used by DPW employees and School Transportation personnel. The trailers would provide a breakroom, lockers, men's and women's restrooms, and office space. The funding for this article is from previously approved articles for DPW facility repairs:

Article #9 2012 Fall Town Meeting – HVAC Repair	\$ 6,943.85
Article #24 2015 Fall Town Meeting – Roof Repair Design	\$ 6,471.40
Article #30 2016 Spring Town Meeting	<u>\$121,000.00</u>
Total:	<u>\$134,415.25</u>

If Article #13 passes at Town Meeting, the Finance Committee will recommend dismissal of this article. If Article #13 fails at Town Meeting, the Finance Committee will recommend approval of this article.

Article #15 Community Preservation Fund

CPA funds are received from a surcharge on property taxes and a small portion is matched by the state. The funds are assigned as follows:

• Administrative Expenses:	\$ 9,165.00
• Long Term Debt Principal	\$25,000.00
• Long Term Debt Interest	\$12,200.00
• Historic Resources Reserve:	\$18,330.00
• Community Housing Reserve:	\$18,330.00
• Open Space Reserve:	\$18,330.00
• Budgeted Reserves:	\$80,000.00

The Finance Committee recommends approval of this article.

Article #16 Community Preservation Historic Resource Reserve Fund

This article funds the final phase of the Niagara Hall Firehouse restoration in the amount of \$20,000.00. The Finance Committee recommends approval of this article.

Article #17 Board of Assessors – FY20 Personal Property Interim Year Inspections

This article funds inspections of personal property in the amount of \$15,560.00. The Finance Committee recommends approval of this article.

Article #18 Previously Approved School Bus Lease

This article pays the lease payment, \$89,999.00, for school busses; the lease itself was previously approved at Town Meeting. The Finance Committee recommends approval of this article.

Article #19 Previously Approved Computer Lease

This article pays the lease payment, \$69,900.00, for computers for student and school staff; the lease itself was previously approved at Town Meeting. The Finance Committee recommends approval of this article.

Article #20 Previously Approved Police Cruiser Lease

This article pays the lease payment, \$65,172.96, for five Police Cruisers; the lease itself was previously approved at Town Meeting. The lease does have an option to purchase the vehicles at the end of the lease term. The Finance Committee recommends approval of this article.

Article #21 Medicare/Medicaid Reimbursement Services

This article, in the amount of \$5,000.00, pays a service company to file the town's Medicare/Medicaid Reimbursement of approximately \$30,000.00 - \$40,000.00 per year. The Finance Committee recommends approval of this article.

Article #22 Unemployment Insurance Fund

This article funds the town's unemployment claims. The fund currently has a deficit of approximately \$95,000.00. The Finance Committee recommends approval of this article in the amount of \$150,000.00 to cover the FY19 deficit and FY20 anticipated claims.

Article #23 OPEB (Other Post-Employment Benefits)

The fund is designed to cover healthcare costs for Town of Millis retirees. As of June 30, 2018, the town's obligation is \$32 million. The town currently covers the costs in the Benefits Line Item of the Operating Budget. In general, it is a pay as you go cost to the town. Mike Guzinski explained that the town is required to list OPEB as a liability. Only one town in the Commonwealth has fully funded their OPEB obligation and did so with an Override. The Board of Selectmen are reaching out to surrounding towns to inquire how they are handling their OPEB obligation and getting ideas for revenue streams. A portion of one town's Meals Tax annually funds their OPEB. The Finance Committee recommends dismissal of this article.

Article #24 Stabilization Fund

The Stabilization Fund is used for emergency circumstances and is considered the town's rainy-day fund. The town's policy for this fund is to maintain a balance of 5% of the General Operating Budget. The current balance is over the 5%. The Finance Committee recommends dismissal of this article.

Article #25 Zoning ByLaw – Municipal Facilities and Uses

This article will amend the Zoning ByLaw by adding a new Section XXII - Municipal Overlay. It specifically relates to the location of the Department of Public Works' facilities located at 7 Water Street. Including the current facility, Transfer Station, Landfills, Wells, Treatment Facilities: Assessor's Map 52, Lots 9, 10, 11, 12, 14, 15, 17 and 19 and Assessor's Map 17, Lot 6. Jim McKay will provide a handout at Town Meeting demonstrating the affected areas. The Finance Committee recommend approval of this article.

Lisa Hardin asked the committee members to send their Town Meeting Article comments to her to assist in drafting the Town Meeting Minutes.

Jodie Garzon closed Pre-Town Meeting at 8:40 PM.

Bills Payable Approval:

Peter Berube made a motion to recommend approval of payment to Our Town Publishing in the amount of \$4,686.00 for printing of the Finance Committee Report; Craig Schultze seconded. Vote: 8/0 motion carries unanimously.

Meeting Minutes Approval:

Craig Schultze made a motion to recommend approval of the May 1, 2019 Meeting Minutes; Doug Riley seconded. Vote: 8/0 motion carries unanimously.

Reassign Articles:

Jim Bullion: #18, 19 & 20

Joyce Boiardi: #21

Old Business/New Business:

Doug Riley made a motion to nominate Peter Berube as Finance Committee Liaison to the Capital Planning Committee; Jim Borgman seconded. Vote: 8/0 motion carries unanimously.

The Finance Committee will meet in Room #104 at the MS/HS Monday, May 13, 2019 at 6:30 PM prior to Town Meeting.

A Tri-Board Meeting is scheduled for Tuesday, June 4, 2019 in Room #130 of the Veterans Memorial Building. The town's Financial Advisor will be in attendance.

Jodie Garzon thanked Mike Guzinski and Carol Johnston for their hard work in preparing the town's Budget Document and providing each committee member with a copy.

Adjourn:

Peter Berube made a motion to adjourn the meeting at 8:49 PM; Craig Schultze seconded. Vote 8/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore