

Finance Committee Meeting

February 26, 2020 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
Cathy MacInnes
Shawn Power
Craig Schultze
Katie Tieu
Michael Guzinski, Town Administrator
Marc Conroy, School Committee Chairman (at 7:59 PM)

Jodie Garzon called the Finance Committee Meeting to order at 7:31 PM.

Draft May 2020 Town Meeting Warrant Article Review:

Mike Guzinski provided the committee with a list of Warrant Articles for the May 11, 2020 Town Meeting and gave a brief overview of each:

Article #1 Unpaid Bills – this is a semi-annual article to approve payment of invoices billed to the town for prior fiscal years.

Article #2 FY20 Additional Wages and Expenses – this article covers any overages in Operating Budgets such as overtime costs, etc. Snow and Ice Expenses are not expected to exceed their budgeted amount for FY20. Similar to other department's budgeted line items, any leftover funds for Snow and Ice will float back into Free Cash for FY21 or be used for FY20 Inter-Function Transfers.

Article #3 AFSCME Council 93 Contract Ratification – this article covers the DPW Collective Bargaining Unit; negotiations are still underway at this time.

Article #4 FY21 Operating Budget – this article includes the recommended Municipal and School Operating Budgets beginning July 1, 2020 through June 30, 2021.

Article #5 Sewer Enterprise Fund – appropriates funds for Sewer Salaries and Expenses.

Article #6 Water Enterprise Fund – appropriates funds for Water Salaries and Expenses.

Article #7 Stormwater Enterprise Fund – appropriates funds for Stormwater Salaries and Expenses.

Article #8 Host Community Agreement (HCA) Fund – This article will establish a fund for tracking the revenues from HCAs received from the Marijuana Facilities in town as well as impact funds used by each department. An HCA Impact Form was provided to all departments with their FY21 Budget Request Packets. The fund will help separate these expenses from typical Operating Budget expenses. The Finance Director is consulting with the Department of Revenue on timing, tracking and use guidelines. More information will be available next week.

Article #9 Amendments to the Personnel Plan – this covers annual cost of living increases and any amendments made to the Personnel Plan for FY21.

Article #10 Board of Health Appointing Authority – this is a standard article that requires a Town Meeting vote.

Article #11 Revolving Funds – This is a standard article that requires a Town Meeting vote.

Article #12 Capital Items – The Capital Planning Committee will be meeting soon and will make their recommendations for this article. Free Cash is very limited for Capital Items and will primarily be used to fund “must fund items” such as Previously Approved Leases, Annual Audit, etc.

Article #13 Community Preservation Fund – This is an annual article appropriating the 1% of taxes collected by the town to fund Administrative Expenses as well as Long Term Debt Principal and Interest for the CPA.

Article #14 Community Preservation Reserve Fund – This is an annual article which estimates the FY21 CPA revenues for Historic, Community Housing, Open Space and Budgeted Reserves.

Article #15 FY21 Personal Property Interim Year Inspections – This article was submitted by the Board of Assessors for revaluation of personal property.

Article #16 Supplemental Real Estate Billing – This article would allow the Assistant Assessor to capture mid-year new construction Real Estate Taxes. Doing so requires a Town Meeting vote. It would eliminate a six-month gap in Real Estate Billing. Craig Schultze recollected the article was approved at a prior Town Meeting. Mike Guzinski noted the practice had not been used in recent years.

Article #17 Senior Exemption Changes – The newly appointed Assistant Assessor is researching if the town is fully utilizing all exemptions allowed for Senior Citizens. The Select Board would like the town to maximize all exceptions allowable to the Senior population.

Article #18 New School Bus Lease – This article is a cyclical article providing School Buses to the School Department’s students.

Article #19 Previously Approved Computer Lease – This article is for the town’s obligation to remain in good standing with the Lease Agreement entered into at a previous Town Meeting.

Article #20 Previously Approved Police Cruiser Lease – This article is for the town’s obligation to remain in good standing with the Lease Agreement entered into at a previous Town Meeting.

Article #21 Previously Approved Replacement of MHS Lockers (Year 3 of 5) – This article is a Capital Items Request and is being reviewed by the Capital Planning Committee.

Article #22 Previously Approved Replacement of Student Desks and Chairs (Year 3 of 5) – This article too is a Capital Item Request and is being reviewed by the Capital Planning Committee.

Article #23 Independent Annual Audit – This is a standard article appropriating funds to conduct an Annual Audit of all Town Finances.

Article #24 Medicare/Medicaid Reimbursement Services – This too is a standard article voted on annually at the Spring Town Meeting.

Article #25 Unemployment Insurance Fund – This article will ensure there is enough funding to meet the town’s unemployment obligations.

Article #26 OPEB (Other Post-Employment Benefits) – This article is included in the Town Meeting Warrant in the event there are available funds for the town to contribute to their obligation which is met annually however it is recommended the contributions are made to the fund for future obligations.

Article #27 Stabilization Fund – This article is included in the Town Meeting Warrant so that if funds are available the town can appropriate funds to their “rainy day fund”.

The Select Board has received a request to add an additional article to adopt a policy for Municipal Employees to be compensated while serving in the Military. They are weighing the cost and consulting with surrounding towns on their policy. Currently, the Police Department's Collective Bargaining Agreement provides compensation for Active Military. However, otherwise it is considered a leave of absence for all other departments.

The Select Board is reviewing the town's Sewer Capacity and the allowable Gallons Per Day (GPD) permitted by the Charles River Pollution Control District (CRPCD). This may result in a By-law Article added to the May Town Meeting Warrant. On paper, the town is at its full capacity, 110 GPD per bedroom which the Department of Environment Protection (DEP) requires. However, the actual GPD is somewhat lower. The town does not have a policy in place requiring homeowners with sewer connection ability to connect to the town's sewer system within a certain time frame. This puts a burden on sewer rate payers; the town is paying approximately 11% for the "standby" GPD for residences able to tie into the sewer system but have not done so. Changing the town's Sewer Permit with the DEP would be difficult to accomplish and would most likely not come to fruition. The CRPCD cannot offer the town more capacity; the town would have to purchase capacity from another town utilizing the CRPCD. One option would be for the town to build an expensive Wastewater Treatment Facility, otherwise new developments could be denied access to the town's sewer system. The Select Board will discuss this at their Monday, March 2, 2020 Meeting with Town Counsel. Obviously, the lack of sewer capacity could have a negative impact on future New Growth.

The deadline for submitting a Petitioned Article was February 24, 2020. However, the Select Board does have the option of opening the Warrant for article consideration until the Warrant is posted to the public by the Town Clerk's office. The committee voiced their concerns with being presented with a limited list of Capital Items for consideration at Town Meeting.

FY21 Budget Request Highlights:

Mike Guzinski reviewed the Above Level Service Requests which include:

- Additional hours at the Library.
- Expanding afternoon hours at the Council on Aging.
- DPW contract negotiations.
- Fire and Rescue Department's request to add up to (4) additional Fire Fighters - the cost will be offset by 75% the first year with a Federal Grant. The remaining cost would be phased into the Town's Operating Budget over a few years.
- Human Resources Director – Personnel Management Laws are changing frequently, currently the Municipal Executive Office and the School's Superintendent and Business Manager handle all aspects of Human Resources. Funding this position could be shared between the Municipal and School Operating Budgets.

It was noted that this is the first-year salaries for a Part-Time IT Director for Municipal Departments and two additional Police Officers will be included in the Operating Budget; both were approved at the November 2019 Town Meeting. Revenues from the Regency at Glen Ellen have been delayed and research is being done to clarify the guidelines for when the 3% Sales Tax and Host Community Agreement Marijuana Revenues can be utilized.

The Tri-County Regional Vocational Technical School District FY21 Budget was provided to the committee. With an additional (10) students from Millis attending, for a total of 70 as of September 1, 2019, the town's preliminary assessment for FY21 is \$1,049,674.00; a \$241,717.00 increase over FY20. Factoring in that substantial increase, the town would still be allowed a 4% Growth Rate for Municipal and School FY21 Operating Budgets however, less funds would be available for Capital Needs. The committee acknowledged the need for the "trades" but also realizes the impact it has on available funding.

Marc Conroy noted that the Tri-County budget can grow at any given percentage in any fiscal year. Not all towns are growing at the enrollment rate as Millis; some towns' assessment

decreased for FY21. The Commonwealth of Massachusetts has implemented this system for Vocational Schools and there really is no way to mitigate the impact it has on the town's Operating Budget or available funds. Jane Hardin is Millis' representative to the Tri-County Regional Vocational Technical School District.

Municipal and School Departments FY21 Revenue Split Policy Discussion:

Mike Guzinski made the committee aware of the Select Board's decision at their Monday, February 24, 2020 Meeting to proceed with the historical 65% School and 35% Municipal Revenue Split for FY21. The Select Board's position is they would prefer not to move forward with a radical change for FY21 and would like to continue the discussion some time during the summer months; they were uncomfortable with the short timeframe between now and presenting the FY21 Operating Budget at the May Town Meeting.

Craig Schultze voiced his dissatisfaction that the Select Board is not present at this evening's meeting to represent and discuss their decision with the Finance and School Committees. The Finance Committee's responsibility is to present their recommendation for the upcoming fiscal year's Operating Budget to the residents at Town Meeting. If the Select Board's suggested Operating Budget exceeds the Finance Committee's recommended 4% Growth Rate for Operating Budgets in FY21, it is their responsibility to make adjustments accordingly.

Marc Conroy, Chairman for the School Committee, personally and on behalf of the committee strongly supports the proposed FY21 Revenue Split. The School Committee agreed the 4% Growth Rate is reasonable. The School Committee reviewed the proposal at their meeting last night, February 25, 2020 and agreed while the School Department's Growth Rate averages between 3.5% - 4% annually they recognize the need for Capital Improvements throughout town. The School Committee agreed the proposal avoids future cuts to departments and offers an opportunity for the town to capitalize on recent revenue growth. He expressed his surprise the Select Board did not share the School Committee's appetite in supporting the reasonable proposal; it's a strategic approach to address the town's needs while maintaining proportionate growth. He asked the Finance Committee to continue with the proposed plan and the School Department will present their FY21 Operating Budget inline with the proposal. The School Committee recognizes appropriating all New Growth Revenues to Operating Budgets is unsustainable and a disservice to the community requiring a future override. The core principles of the policy sustain level service to the community and provide for additional needs; a shared Human Resources Director.

Peter Berube expressed his tempered dismay at the absence of the Select Board at tonight's meeting. At the last Tri-Board Meeting, February 6, 2020, moving forward with this topic was discussed and since that meeting the Finance Committee has met to deliberate the options and look at the proposals completely and come to a unanimous vote to move forward. This evening's meeting, agreed to at the Tri-Board Meeting, was scheduled to discuss their proposal. The committee as a whole expressed their disappointment that at least one Select Board member was not present. This is a collaborative effort and should be recognized as such.

Mike Guzinski stated two of the three Select Board members had previous commitments this evening. The Select Board appreciates the work put forth by the Finance Committee in their proposing a policy moving forward however feel further discussion is needed; they are not opposed to the 4% Growth Cap but feel the timeframe in implementing it for FY21 is not ideal.

The Finance Committee's primary role is to make recommendations to residents at Town Meeting for the best course of action for the town. Limiting their ability to do so negates their role.

Bills Payable Approval:

Peter Berube made a motion to recommend approval of payment to W.B. Mason in the amount of \$14.69 for Cathy MacInnes's nameplate; Doug Riley seconded. Vote: 9/0 motion carries unanimously.

Meeting Minutes Approval:

Peter Berube made a motion to recommend approval of the February 20, 2020 Finance Committee Meeting Minutes; Doug Riley seconded. Vote: 9/0 motion carries unanimously. Jodie Garzon asked that the record reflect the committee's appreciation of their secretary's Meeting Minutes.

Old Business/New Business:

The Chief of Police and the Director of Recreation will present their FY21 Budget Requests to the committee at next week's meeting, March 4, 2020.

Adjourn:

Craig Schultze made a motion to adjourn the Finance Committee Meeting at 8:39 PM; Peter Berube seconded. Vote: 9/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore