

Finance Committee Meeting

February 9, 2011 7:30 PM
Veterans Memorial Building, Room 229
900 Main Street
Millis, MA 02054

In Attendance:

Chris Smith, Chairman
Craig Schultze, Vice Chair
Peter Jurmain
Rick Manburg
Rich Molloy
Susan Vecchi
Charles Aspinwall, Town Administrator
Charles Vecchi, Board of Selectmen
Kathy LaPlant, Town Accountant

Chris Smith called the meeting to order at 7:33 PM

Budget Review: Accounting:

Kathy LaPlant:

Salaries request includes staff step increases; the director's salary is level funded. The expenses request is increased by \$350.00 due to the rise in overall costs.

Salaries: \$174,324.00
Expenses: \$ 3,188.00
Total budget: \$177,512.00

Budget Review: Data Processing:

Kathy LaPlant:

Salaries request is level funded. The operating budget is a work in progress. The annual software maintenance line item has increase to \$73,914.00 which is \$5,400.00 more than FY11. Staff is working with Peter Jurmain to upgrade the system. The software maintenance amount will remain the same cost with an upgrade to the system. The capital article would include the replacement of the server and would include all town buildings except the schools.

Salaries: \$13,744.00
Expenses: \$85,294.00
Total budget: \$99,038.00

Budget Review: Employee Benefits:

Charles Aspinwall:

- (1) Disability Insurance: is level funded for contractual employees
- (2) Health Insurance: There has been a 12% increase in costs. The Town has 301 subscribers; it's a GIC program offering many different plans. The Town/employee premium split is different for unions and employees under the personnel plan. The bulk of the subscribers have chosen the Harvard Pilgrim PPO. The cost for a family plan in a 70/30 split is \$13,902.72 for the Town and \$5,958.24 for the employee. The cost for an individual plan in a 70/30 split is \$5,691.72 for the Town and \$2,439.36 for the employee. Had the Town not joined the GIC the current premiums would be double.
- (3) Life Insurance: The monthly premium based on a \$10,000.00 policy is \$3.35 per month. Split 50/50 Town/Employee.
- (4) Medicare: Effective 1987 new employees and the Town must contribute to Medicare to establish eligibility, 1.45% of payroll for both employees and the Town.
- (5) Retirement: The Town is part of the Norfolk County Pension System. New employees contribute 9% of their salary plus 2% on the amount earned over \$30,000.00. The employee's deductions pay for the first 8-12 years of retirement. An employee's highest base 3 year salary is used to determine their retirement amount. Employees hired after 1987 may not double dip with social security benefits. The plan covers all Town employees working over 20 hours per week and all non-teacher school employees working over 20 hours per week. There is a potential 2% savings if the Town elects one payment at the beginning of the year.
- (6) Medicare Surcharge: Payment of Medicare \$115.40 per month for two Medicare subscribers who enrolled late in Part B.
- (7) Section 125 Costs: Payment for servicer for flexible medical spending plan administration.
- (8) Medicare B Reimbursements: Payment of half of Medicare B costs for retirees forced onto Medicare B Supplement plan when we joined GIC. Payments range half of \$400.00 - \$1,600.00.

The Town offers open enrollment and a health fair annually to explain plans, etc and information on the benefits plans can be found in the Treasurer's office. Employees are vested in the retirement program after ten years.

Budget Review: Town Reports:

Charles Aspinwall:

The total budget is level funded at \$1,200.00. 537 books are printed and are available to the residents.

Budget Review: Town Counsel:

Charles Aspinwall:

The \$100,000.00 FY12 request is level funded. Town counsel's hourly rate is \$175.00. The library project is costing approximately \$17,000.00 in legal fees. This includes eminent domain, deed research, owner negotiations and title rundowns. Some of the projects the legal team is working on will come off the list in FY12 including:

Crestview Drive/Klifford Circle
Southend Farm vs. Conservation Commission
Wright, Trustee vs. Planning Board

Snow & Ice Budget Update:

Charles Aspinwall:

The total FY11 budget is \$159,242.00; the costs to date are \$296,611.76 leaving a \$137,369.76 deficit. The Town Hall was evacuated and closed due to noises heard on the roof which was due to the 2-4 feet of snow on the roof. Ten workers worked 2 ½ days to remove the snow from the roof. The total cost is \$7,560.00. The Town has filed a claim with the insurance company. The Police, Library and DPW buildings had snow removed from the roof; the costs are not in yet. The deficit from Snow & Ice will be funded at the May Town meeting from Free Cash or the Stabilization Fund.

Authorization to spend in excess of appropriation for snow & ice removal:

Charles Aspinwall:

The Committee must vote to allow the DPW to spend in excess of the appropriated funds.

Craig Schultze made a motion to approve spending in excess of the snow & ice budget, Susan Vecchi seconded. Vote: 6/0 motion carries.

Strategic Budget Planning Committee Update:

Chris Smith:

There is a \$755,000.00 structural deficit for FY12. The committee will generate a report by February 14, 2011 in draft form which will look at the operating budgets for the next five years. The Board of Selectmen will ultimately decide what override amount will go on the ballot.

Old Business/New Business:

Charles Aspinwall:

Held a meeting with Rep. Linsky and will use the Governor's numbers as a "floor" for FY12.

An estimate on damage to the roads from the snow storms is not yet available. The Town will receive \$279,000.00 in Chapter 90 money for FY12 which is more than FY11. The Myrtle Street drainage project came in lower than expected and it will be paved with Chapter 90 money in the spring. During the Strategic Budget Planning Committee meetings appropriating funds for annual road repair was discussed. Ideally, \$100,000.00 - \$150,000.00 should be appropriated to address and repair local roads. An override is the only way to address road repair. The Village Street reconstruction project would cost \$9 – 11 million and include new drainage, sidewalks, etc. The Town needs the money to conduct a study for the design before this project could be considered.

Review Budget Presentation Schedule:

The following departments will present their FY12 Operating Budget at the February 16th meeting:

Kris Fogarty: Recreation Department
John Wypyszinski: Veterans
Mike Giampietro: Building Department
Chief Champagne: Fire/Rescue Department
Scott Moles: Health Department

A decision will be made to hold or cancel the February 23rd meeting at next week's meeting.

Upcoming Meeting Schedule

February 16, 2011 7:30 PM
Veterans Memorial Building, Room 229

February 23, 2011 7:30 PM
Veterans Memorial Building, Room 229

March 2, 2011 7:30 PM
Veterans Memorial Building, Room 229

March 9, 2011 7:30 PM
Veterans Memorial Building, Room 229

March 16, 2011 7:30 PM
Veterans Memorial Building, Room 229

March 23, 2011 7:30 PM
Veterans Memorial Building, Room 229

March 30, 2011 7:30 PM
Veterans Memorial Building, Room 229

Minutes Approval:

Craig Schultze made a motion to accept the January 19, 2011 meeting minutes as written, Susan Vecchi seconded. Vote: 5/0 motion carries

Adjourn:

Craig Schultze made a motion to adjourn the meeting at 8:32pm; Rich Molloy seconded, Vote 6/0.

Respectfully submitted,
Deirdre Gilmore