

## FINANCE COMMITTEE MEETING – NOVEMBER 30, 2010

A regular meeting convened at 7:30 pm in Town Hall.

Members in attendance: Bothwick, Creighton, Ervin, Kenney, Martin, Pick, and Putnam

Members absent: croft and Sullivan

Other present: Town Accountant, Town Administrator, members of the BOS, and one citizen

Mr. Bothwick presided.

**BUDGET OVERVIEW** – The Town Administrator led the discussion and identified that a \$1.3 million deficit is projected. He is confident that the difference can be made up in health insurance costs. Further health insurance savings may offset any payroll issues. Other points of discussion include:

- Traditional revenue is down and new growth has slowed and is projected conservatively.
- A decline of 40% is projected in state aid and the amount projected for free cash is an indicator of budget cuts or an override.
- The Town side is requested at a 3.8% increase, consisting mostly of fringe benefits and debt.
- The Town Administrator reduced the requested budgets for the library and fire department, and increased snow removal. When asked if it was necessary to clear sidewalks on both sides of school area roads, the Town Administrator indicated that the school supported this practice. The Town Administrator is willing to direct the DPW to clear one side and needs the directive from the BOS to do so. The Town Administrator is also willing to cut back on plowing snow less than six inches.
- Health insurance is budgeted at an increase of \$197,000. The sense is that this figure will be reduced.
- The Essex County Retirement Board projected contribution increases of 8% per year over the next 8-10 years. The unfunded pension liability will have a steady increase but cannot reduce the plateau.
- 2012 is a leap year which results in additional salary in the fire and police budgets.
- Electric rates have increased.
- The intent of the Town Administrator and the Town Accountant to retire has raised a proposal to have the current Treasurer become the Finance Director at a greater salary. This position would supervise the Town Accountant, Town Treasurer, and Town Assessor.
- Sanitation costs include an increase from contractor Hiltz.
- Tree costs in the DPW budget are increased.
- Responsibility for Tuck's Point is shifting from Recreation to DPW to reduce trash pickup costs and to add grounds maintenance.
- July 4 is increased \$1,000 honoring a phased agreement. One Committee member suggests eliminating this budget moving to total fund raising. Another member suggests this is a good item for the override.

Vice Chairman Putnam requested the opportunity to attend a department chair meeting before Christmas to request department heads to submit budgets reflecting a 5 and 10% reduction. Members of the FinCom agree that all options should be on the table, that everyone should hear the same message and have the opportunity to respond to it. The Town Administrator responded that there will be shifts in positions and responsibilities and that the BOS need to direct him when to make these changes.

**COLLECTIVE BARGAINING** – Negotiations have centered around health insurance. When asked, the Town Administrator indicated that no one has prepared any analysis of the different strategies, or options; rather are looking at estimates. The annual premium for a family plan is \$22,000. The FinCom requested the Town Administrator to schedule a meeting with the BOS and possibly Labor Counsel to discuss in executive session insurance premiums and options.

Members of the FinCom agree that a consistent stance should be taken across the population for salary increases. The Town Administrator indicated that this needs to be a directive from the BOS, and if a change to the wage strategy is desired it needs to take place soon. The Town Administrator suggested that perhaps Labor Counsel should join him at the bargaining table. The Town Accountant recommends a 0% increase this year.

Members of the FinCom agree that a procedure should be put in place discuss the collective bargaining information at various stages to so the FinCom can make meaningful recommendations to Town Meeting.

### **REQUESTS FOR TRANSFER**

**Audit** – Mr. Putnam MOVED “to recommend approval of a \$5,000 transfer for the necessary GASB 45 update”. The MOTION WAS UNANIMOUSLY ADOPTED.

**DPW** – A request for \$6,000 of equipment repairs at the Water treatment plant was tabled for additional information from the DPW Director. The FinCom suggested that a third party be brought in to survey the station and ascertain if the generator is the correct one for this facility. The Town Administrator responded that the DPW Director has a grade 4 license.

### **OTHER BUSINESS**

If amounts are budgeted for unfunded liability before a separate fund is established the funds would sit for a year and then return to the General Fund as free cash. If it is decided to establish a separate fund similar arguments could be made regarding other unfunded liabilities of other assets for water and sewer, Town Hall, Memorial School, etc.

**Override** - Pick dates for community forums soon. Put written articles from the FinCom on the website.

**Free Information** – The Town Administrator reported that the Town charges for providing large amounts of public information.

**MINUTES** – The minutes of 11/9 were amended and unanimously approved as amended.

The meeting adjourned at 9:40 pm.

Respectfully submitted,

Judith Sabella  
Clerk