

## **FINANCE COMMITTEE – Meeting, February 23, 2021**

A remote Finance Committee meeting was scheduled at 7:00 p.m.

Present: Ms. Mellish, Mr. Weld, Mr. Creighton, Mr. Oldeman, Mr. Twining, Mr. Pratt and Mr. Nahatis

Absent:

Board of Selectmen: Mr. Bodmer-Turner

Staff Present: Town Administrator, Mr. Federspiel, Finance Committee Clerk, Ms. Hunter

Guests:

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Ms. Mellish called the Finance Committee meeting to order at 7:00 p.m.

### **Review FY22 Remaining Operating Budget Sections**

Mr. Creighton asked about the change in custodial services. Mr. Federspiel indicated both Town Hall and the Library are using contracted custodial services and there have been increases in the cost of the services. Additionally, Mr. Desrosiers has been asked to fix clogged toilets and make minor repairs during the day. It is suggested that they, instead, use a part time employee during the day to provide custodial and repair services for both Town Hall and the Library and to save on the current contracted services. Mr. Federspiel stated it is not planned or anticipated that this position will become a full time position.

Mr. Twining asked how the Finance Committee reserve fund had been spent in the past. Mr. Federspiel stated in the past the reserves have been used to cover vehicle repairs at the Fire Department and additional unexpected expenses.

Mr. Twining asked if there was an anticipated increase in the Health Insurance line item. Mr. Federspiel replied Health Insurance may go up 2% but there is enough money in the budget to manage that increase. Mr. Pratt asked Mr. Federspiel to confirm health insurance rates. Mr. Federspiel stated he will not have that information until June nor could he confirm employees enrollment information until later in the year.

Mr. Twining asked about OPEB funding. Mr. Federspiel replied OPEB is part of Essex County Retirement and OPEB is anticipated to be fully funded in early 2030. Mr. Mellish indicated the \$1,461,004 for Pension is State mandated. Mr. Federspiel confirmed it is. The Town's contribution to OPEB picks up current liability and is closing the gap for past liabilities.

Mr. Twining asked about the annual audit. Mr. Federspiel replied every other year the audit included OPEB investment analysis with Dan Sherman and annually a comprehensive annual financial report is prepared by the Town Accountant, Ms. Mainville and reviewed by Powers & Sullivan, LLC.

*Mr. Twining Moved to approve salaries and expenses for the Town Administrator's Office in the amount of \$455,733, Mr. Creighton seconded the motion. The motion passed unanimously.*

*Mr. Creighton moved to approve Town Hall and Common expenses in the amount of \$85,500, Mr. Nahatis seconded the motion. The motion passed unanimously.*

*Mr. Oldeman moved to approve Street Lighting expenses in the amount of \$35,000, Mr. Creighton seconded the motion. The motion passed unanimously.*

The 1-11 F situation remains unresolved. Since it has been dragging the Finance Committee decided to eliminate the funding of the position in the Police Department budget and increased the Finance Committee reserves contemplating that a portion of the year would still need to be funded through the Finance Committee reserve fund.

*Mr. Pratt moved to approve the Finance Committee salaries and expenses line in the amount of \$3,500, to increase the Finance Committee reserve fund by \$30K and to delete \$60K from the Police Department's salary line. Mr. Oldeman seconded the motion. The motion passed unanimously.*

The Committee also discussed the fund balance as related to the budgeting process and the challenges of budgeting accurately to maintain the fund balance at a 10% - 12% level. There were no conclusions reached. Ms. Mellish requested the discussion be tabled to focus on approvals of the FY22 Operating Budget.

*Mr. Twining moved to approve the Accounting Department salaries and expenses in the amount of \$165,363, Mr. Creighton seconded the motion. The motion passed unanimously.*

*Mr. Creighton moved to approve the Assessors Department salaries and expenses in the amount of \$216,088, Mr. Nahatis seconded the motion. The motion passed unanimously.*

Mr. Pratt asked if the role of the Assessor was part art and part science. Mr. Federspiel indicated it was more science. He also noted that the State approves all evaluations and spends weeks in the Assessor's office reviewing the Assessor's process, documentation and decisions.

Ms. Mellish asked about Legal and Professional Services and requested a printout of payees. Additionally, Ms. Mellish would like to see the Human Resource contract included in the Town Administrator's office as a contracted service.

*Mr. Oldeman moved to approve Pensions in the amount of \$1,461,000, Mr. Creighton seconded the motion. The motion passed unanimously.*

*Mr. Twining moved to approve Insurance expenses in the amount of \$1,682,500, Mr. Nahatis seconded the motion. The motion passed unanimously.*

Mr. Federspiel stated the Town has a part time building inspector who is full time in Rockport. Mr. Creighton stated there is a lot of construction going on in Town and there are places without permit signs.

Mr. Federspiel stated the Building Inspector works early in Rockport and spends his afternoons in MBTS and follows up on issues as they arise. He does not spend his time driving around and looking for unpermitted projects. Ms. Mellish asked when an unpermitted project is found. Are there consequences. Mr. Federspiel indicated they are charged double for the fees not applied for. Mr. Creighton suggested unpermitted projects are often captured through the assessment process.

*Mr. Creighton moved to approve the Building Department budget in the amount of \$105,267, Mr. Nahatis seconded the motion. The motion passed unanimously.*

*Mr. Weld moved to approve the snow removal budget in the amount of \$202,000, Mr. Oldeman seconded the motion. The motion passed unanimously.*

*Mr. Oldeman moved to approve the Historic District Commission budget in the amount of \$2,550, Mr. Nahatis seconded the motion. The motion passed unanimously.*

*Mr. Twining moved to approve the Conservation Commission budget in the amount of \$84,202, Mr. Creighton seconded the motion. The motion passed unanimously.*

The following sections of General Government remain to be reviewed and approved:

- Town Clerk's Office finalize as related to Assistant Town Clerk's position also need to approve Elections and Registration and Parking Clerk
- Legal and Professional Services – requested documentation of payees
- Treasurer/Collector – FY20 and FY19 Actuals were missing from the budget sheet
- ZBA – support services underestimated
- Planning Department – review history of Town Planner's salary, provide summary of legal services
- Health Insurance – Mr. Pratt requested follow up with firm estimate for FY22
- Finance Committee – may need to revote to amend reserve fund amount and motion to eliminate a position from the Police Department budget, based on information provided by the Town Accountant.
- Include HR contracted services in Town Administrator's budget

**Discuss FY22 Capital Budget Open Items** – Discussion deferred to another meeting.

**Dispatch Options Additional Thoughts** – Will be fully reviewed on March 3, 2021

**Review Meeting Minutes** – Ms. Mellish will review and decide on accuracy of minutes for 1/21 and 1/28.

**Agenda Items 3/3/21 Meeting** – Dispatch discussion and Capital items

**Other Business for the Finance Committee (discussion only)**

**Adjourn** – *Mr. Oldeman moved to adjourn the meeting, Mr. Creighton seconded the motion. The motion passed unanimously.*