

Finance Committee Meeting
 February 6, 2008
 10:00am
 Judge Welsh Meeting Room
 Called to Order: 10:00am

Membership:

P	E	U	Name	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gary Delius, Chair	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Ruth Gilbert, Vice Chair	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Robert Vetrick	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Virginia Ross	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Walt Winnowski	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Edward Gage (joined the meeting at 1:00pm)	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Coen	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	David Bedard	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Alice Foley, Alternate	<input type="checkbox"/> Voting
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle, Alternate	<input checked="" type="checkbox"/> Voting

(Note: **P** = Present **E** = Excused **U** = Unexcused)

Also Present:

Sharon Lynn Town Manager	Austin Knight, Selectman
David Gardner, Asst. Town Mgr.	Mary-Jo Avellar, Selectman
Alex Heleila, Finance Director	Irene Rabinowitz, Moderator

Order of Business:

1. To hear a presentation by the Town Manager on the FY09 Town budget.
2. To review the Budget for Division II, Finance.
3. To review the Budget for Division I, General Government.
4. To review other Division budgets as time permits.
5. To consider minutes of previous meetings.
6. To consider other business which may legally come before the Finance Committee.

Town Manager Budget Presentation:

The Town Manager presented an overview of the FY09 budget. Key points:

- Town expenses continue to rise at a faster rate than the Town’s ability to raise revenue, particularly in the areas of heating and fuel, health insurance, debt service, worker’s compensation and ambulance assessments.
- Department Heads were instructed to be as conservative as possible in putting together their budgets while still providing necessary services to the citizens.
- Raises are being limited to 3% and will merit based, not automatic.
- The budget is roughly \$900,000 out of balance as submitted.
- One cost saving option being considered is to cut Town Hall hours by 5 hours per week which would save roughly \$200,000 in employee costs.

Lengthy discussion ensued about possible ways to raise new revenues, improve operating efficiency, reduce long term debt, etc. No definite conclusions were reached.

There was also discussion about ways to improve communication with the voters leading up to Town Meeting. Selectman Knight mentioned that Board of Selectmen is planning to hold a public State of the Town discussion in March. This idea was heartily endorsed by the Committee as reflected in the following motion.

Motion # 1: To support the Board of Selectmen and the Town Administration in conducting a State of the Town meeting in March, prior to Town Meeting.			
Motion By: Ruth Gilbert		Second By: Thomas Thurston	
For: 8	Against: 0	Abstain: 0	Recuse:

(The Committee was in recess from Noon to 1:00pm)

Budget Reviews

131 Finance Committee

The Finance Committee had previously discussed this budget request at its December 14, 2007 meeting.

Motion # 2: To recommend budget 131 Finance Committee in the amount of \$55,615.			
Motion By: Ruth Gilbert		Second By: Edward Gage	
For: 8	Against: 0	Abstain: 0	Recuse:

135 Town Accountant - Presented by Alix Heleila, Finance Director.

The Committee objected to the use of employee overtime to make ongoing accounting enhancements. The Finance Director agreed to seek an alternative.

Motion # 3: To amend budget 135, Town Accountant, as follows:			
<ul style="list-style-type: none"> • Reduce the A Budget (Personal Services) by \$500 from the 51105 Overtime line; 			
And to recommend the revised total amount of \$201,560.			
Motion By: Ruth Gilbert		Second By: Thomas Thurston	
For: 8	Against: 0	Abstain: 0	Recuse:

136 Information Systems - Presented by Beau Jackett, MIS Director.

The MIS Director explained that two MIS Technicians who are shared with the Schools are now properly accounted for in the A Budget with the offsetting School reimbursement shown under operating revenues.

A lengthy discussion ensued about the 54202 Software & License line item. The issues included the necessity and affordability of some software and the

fact that some other departments are still budgeting software and licenses that should be in the MIS budget.

In the interest of time, the Committee decided to defer the discussion until a later date.

Motion # 4: To table the discussion of budget 136, Information Systems, until a later date.			
Motion By: Ruth Gilbert		Second By: Thomas Thurston	
For: 8	Against: 0	Abstain: 0	Recuse:

141 Assessor - Presented by Paul Gavin, Principal Assessor.

The Principal Assessor pointed out that FY09 is a State mandated revaluation year necessitates significant contracted services.

The Finance Committee requested that Computer Maintenance and Software expenses be centralized in the MIS budget.

Motion # 5: To amend budget 141, Assessor, as follows:			
<ul style="list-style-type: none"> Reduce the B Budget (Expenses) by \$7,342 from the 54202 Computer Maint/Software line 			
And to recommend the revised total amount of \$207,711.			
Motion By: Thomas Thurston		Second By: Thomas Coen	
For: 8	Against: 0	Abstain: 0	Recuse:

145 Treasurer/Collector - Presented by Linda O'Brien, Treasurer.

Members of the Committee questioned whether line item 52100, Contracted Services, was too high based on actual expenditures in the prior year and the year-to-date run rate.

Motion # 6: To amend budget 145, Treasurer/Collector, as follows:			
<ul style="list-style-type: none"> Reduce B Budget (Expenses) by the amount of \$5,000 from the 52100 			

Contracted Services line item; And to recommend the revised total amount of \$186,317			
Motion By: Ruth Gilbert		Second By: Walter Winnowski	
For: 8	Against: 0	Abstain: 0	Recuse:

710 Debt Service - Presented by Linda O'Brien, Treasurer.

The Finance Committee raised the issue that the Town should adopt a formal Debt Management policy approved by the Board of Selectmen.

Motion # 7: To table the decision on budget 710, Debt Service, until the joint meeting with the Board of Selectman.			
Motion By: Thomas Thurston		Second By: Ruth Gilbert	
For: 8	Against: 0	Abstain: 0	Recuse:

820 Tax Title - Presented by Linda O'Brien, Treasurer.

The Finance Committee requested a list of Tax Title properties. There are currently four that the Town now owns outright which could potentially be marketed and sold to raise money for the Town coffers. This item will be placed on a future agenda for discussion with the Board of Selectmen.

Motion # 8: To recommend budget 820, Tax Title, in the amount of \$24,000.			
Motion By: Thomas Thurston		Second By: Edward Gage	
For: 8	Against: 0	Abstain: 0	Recuse:

910 Retirements/Benefits/Insurance - Presented by Linda O'Brien, Treasurer.

This is the third, and last, year that the Town is still providing Worker's Compensation benefits for former Cape End Manor employees under the transition agreement. There will be some relief as these employees roll off in FY10.

Health insurance is one of the fastest growing costs of Town government. Discussion centered on the current 80% contribution that the Town makes toward employee health insurance. The typical Municipal contribution is 70%. Most private corporations are in the 50% range. Can we shift to a lower contribution percentage over time to reduce our costs? This requires further discussion.

Motion # 9: To table the decision on budget 910, Retirements / Benefits / Insurance, until a later date.			
Motion By: Thomas Thurston		Second By: Ruth Gilbert	
For: 8	Against: 0	Abstain: 0	Recuse:

482 Airport Commission – Presented by Michael Leger, Steve Tait & Butch Lisenby

There was discussion about the \$5,000 line item 53120, Airport Security. It was requested to bridge the shortfall between the reduced TSA airport security grant and local police detail costs. Several members of the Committee questioned whether police security for the Airport should be provided as a paid detail at a higher rate versus as part of the normal police schedule.

Motion # 10: To amend budget 482, Airport, as follows:			
<ul style="list-style-type: none"> • Reduce the B budget (Expenses) by \$5,000 from the 53120 Airport Security line item; 			
And to recommend the revised total amount of \$82,850.			
Motion By: Frederic Biddle		Second By: David Bedard	
For: 2	Against: 5	Abstain: 0	Recuse: 1 - T.T.

Motion # 11: To recommend budget 482, Airport, in the amount of \$87,550.			
Motion By: Ruth Gilbert		Second By: Thomas Coen	
For: 5	Against: 2	Abstain: 0	Recuse: 1 – T.T.

Next Meeting:	February 13, 2008
Adjourn:	4:28pm
Minutes by:	Thomas Coen

Approved by _____ on _____, 2008
Gary Delius, Chair