

TOWN OF WINCHENDON
FINANCE COMMITTEE REGULAR AND JOINT MEETING MINUTES
MONDAY March 20, 2017 6:00 P.M.
Town Hall, 2nd Floor Conference Room
109 Front Street, Winchendon, Mass.

Present:

Thomas Kane, Chairman	Debra Dennis, Recording Secretary
Christian Orobello, Vice Chairman	
Dr. Maureen Ward, Member	
James Robichaud, Member	
Tonya Dokulil, Member	
Charles Corts, Member	

Absent: Robert Guenther

List of Documents Presented at Meeting:

- February 13th and February 27, 2017 Meeting Minutes
 - Year To Date Reports
 - Town of Winchendon Town Manager's Recommended Fiscal Year 2018 Budget
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The meeting was called to order by Chairman Kane at 6:00 p.m. with the *Pledge of Allegiance to the Flag of the United States of America*.

Minutes- A motion was made by Dr. Maureen Ward to approve the minutes of February 13, 2017; Tonya Dokulil seconded.

KANE(Y) OROBELLO(Y) WARD(Y) ROBICHAUD(Y) DOKULIL(Y) CORTS (Y)

A motion was made by Dr. Maureen Ward to approve the minutes of February 27, 2017; Tonya Dokulil seconded.

KANE(Y) OROBELLO(Y) WARD(Y) ROBICHAUD(Y) DOKULIL(Y) CORTS (A)

Year to Date Reports-

- Town Report: Chairman Kane noted the Health Insurance is projected lower than budgeted. This is primarily due to the reduction of town employees opting to not take the towns insurance since it was changed to GIC.
- School Report: Chairman Kane said he noticed in the school report under the special education tuition accounts, sped in state had a small deficit in an earlier year to date but it has now increased. Dr. Maureen Ward questioned the deficit for clerical supplies. Chairman Kane said he thinks its clerical staff.

Chairman Kane said there are a lot of sped tuition expenses that haven't been charged against the grant or other funding source. Christian Orobello said he doesn't know why when they present a budget they can't show the total amount and then show a grant budget with details of what the grant is paying for. Some estimate costs are creeping up a bit.

- Enterprise Funds Report: Chairman Kane said all the revenues year to dates start with a negative and then the revenue is charged against it. If there is more revenue than anticipated it becomes a positive number. Christian Orobello said a budget needs to show the whole picture.
- Town Revenues: Chairman Kane said the town is at about 64% which is what you should expect.

Member Comments-Dr. Maureen Ward asked when the budget hearing meeting for the school will be held. Chairman Kane said he spoke to Mr. Haddad and he said we could meet next week but then the School Committee said the school budget shouldn't be presented to the Finance Committee until after they vote on it. Chairman Kane said the budget numbers are consistent with the Town Manager's budget, we could wait until after the School Committee votes. He said he would like the School Committee to accelerate their timeline. Christian said it seems like when in draft form it's more of an open document. Chairman Kane said our role is to understand it and advise.

A motion was made by Dr. Maureen Ward to take a five minutes recess; James Robichaud seconded.
KANE(Y) OROBELLO(Y) WARD(Y) ROBICHAUD(Y) DOKULIL(Y) CORTS (Y)

A recess was taken at 6:26 pm.

A motion to reconvene in a joint meeting with the Board of Selectmen was made by Dr. Maureen Ward; Christian Orobello seconded.
KANE(Y) OROBELLO(Y) WARD(Y) ROBICHAUD(Y) DOKULIL(Y) CORTS (Y)

The Finance Committee reconvened at 6:30 p.m.

Board of Selectmen Present:

Barbara Anderson, Chairwoman
 Audrey LaBrie, Vice Chairwoman
 Michael Barbaro
 Austin Cyganiewicz

Keith Hickey, Town Manager
 Linda Daigle, Executive Assistant

Absent: Amy Salter

The Chairman of the Board of Selectmen called the joint meeting to order at 6:30 p.m.

Mr. Hickey thanked everyone to allow him to present the budget to both the Board of Selectmen and Finance Committee at one time. He said it is similar to last year. There is detailed information of the water and sewer rates, and the transfer station. There is a breakdown of the indirect costs related to the school department.

Mr. Hickey said included in the budget book is budget priorities which are develop structurally balanced budget, maintain reasonable consistency in the tax burden to the Winchendon taxpayers, deliver an adequate level of critical services, continue to decrease reliance of grant funds not yet approved to fund key departmental positions and properly account for indirect costs to enterprise funds and the school department. Indirect costs have decreased since FY17 except for the transfer station which has gone up. This year we have actual numbers for health insurance and retirement costs.

There were more wants then funds available. There was an emphasis on services and priorities, then funding accordingly. Increased transparency for costs of services is critical. Sustainability is also one of the budget priorities.

The future budget goals are maintain structurally balanced budget from year to year, preserve critical services to improve/sustain quality of life for Winchendon residents, forecast revenues conservatively in increase/replenish reserves and to pay down the deficit legislation in accordance with State amortization schedule.

The warrant articles one and two are housekeeping, three through seven are zoning articles. There is a separate warrant article for a lease of a truck. There is a place holder article for acquiring street lights and upgrading them with LED lighting. The proposed cost could be paid by the solar electricity savings.

Mr. Hickey went over the staffing proposals. He said the Converse trust established is coming due with one of the beneficiaries being the town cemetery. James Robichaud asked what the balance is in that account. Mr. Hickey said around \$375,000. Included in the budget is an additional \$101,000 for Snow and Ice Removal and Capital purchases of \$458,059. The \$101,000 for Snow and Ice would be \$36,000 for sand and salt and \$65,000 in a separate Finance Committee reserve account. He discussed replacing the pumper/tanker truck since it needs \$100,000 in repairs and said it is not cost effective to repair. They discussed the Sally Port for the Police Station for around \$675,000 which they would borrow money with the understanding if they don't receive the grant from Robinson Broadhurst then the sally port would be a no go.

Mr. Hickey said the proposed town budget would be \$29,289,632. The funding sources are real and personal property taxes, state aid, local receipts, indirect charges, transfers from other funds and free cash. He noted free cash has to be certified before it can be spent. If free cash isn't then \$300,000 in capital purchases would have to wait until the fall meeting.

Mr. Hickey said if the Finance Committee has any questions for himself or the department heads who were in attendance. He explained the total maximum allowable levy limit for FY16 was \$11,833,188. He said the dollar amount he used for property taxes is around \$78,000 less than the maximum.

He said the debt exclusion amounts for fiscal 2018 equals \$390,581. The debt exclusions are for the police station renovations, fire ladder truck, library access renovations and school generator. The amounts received from the state have increased by only 1.5% since 2009 while the budget has increased over 10%.

Christian Orobello questioned the charter school reimbursements. Mr. Hickey said when a student decides to leave after six months the town would receive six months reimbursement. He said indirect costs for the water department, sewer department have gone down but the indirect costs for the transfer station have gone up.

The proposed budget is for \$29,219,632 which is an increase of \$1,027,200 from last year. He went over the budget. He said there is an increase in the Town Manager's budget line of \$10,000 for cost incurred at the Ingleside Property and \$5,000 for the Fall Festival. Selectwoman LaBrie questioned how moving forward with the Ingleside property would be handled. Mr. Hickey said you might want to separate out Ingleside. The Finance Committee has an increase of \$65,000 for the Snow & Ice, the Assistant Town Clerk position would be full time. In the Police Department budget there is an increase due to moving to a bigger building with more costs associated to it, the Fire Department has an increase for Fire Call Officers. There is also an increase in the Fire Department line due to an employee who will be retiring in FY18. Employees hired before a certain time receive their accrued sick time as a payout. This expense is just over \$21,000. The solar field should be done by the middle of May. An analysis was done and the town wide savings should be \$157,000 annually. He noted he used only three fourths of the savings in the FY18 budget. Some new items in the budget is the storm water permitting which is a requirement in FY18 at a proposed cost of \$30,000. There is also a section of Old Town Road that the town is required to improve to a passible standard. There is an increase to the Public Library line item primarily due to funding an existing part time position from the Operating Fund. The employee benefits have a decrease of \$271,403 which is primarily due to health insurance.

He said the town has to borrow the deficit bond each year. For the first two years the rate was .75%. In FY18 the rate will be 1.25%.

Dr. Maureen Ward questioned why the state assessment for education has gone up. Mr. Hickey said he would have to research it.

Mr. Hickey said there is \$90,000 included in the Water Fund budget for cleaning four dead end lines known as bleeder lines. A small constant flow of water is maintained to maintain the water quality. Over the past year the

Town has lost twenty four million gallons of water from the bleeder lines. There is a proposed increase in the water rates of fifty seven cents. The water department has lost \$25,000 in revenue due to the closing of The Winchendon Golf Course. Christian Orobello questioned why there are water bans with there isn't a lack of rain. Mr. Hickey said it is the decision of the Water Commissioners to put a water ban on. Christian commented when a ban is in effect it decreased the water department revenue. Mr. Hickey said a water loss impacts the amount of water we have but isn't the sole reason for a ban. Selectman Barbaro said we haven't done maintenance in years. We are paying the price for it. Chairwoman Anderson noted the Board voted to raise the rates each year by one half of a percent. Mr. Hickey said he wasn't aware of that. Al Gallant came forward and said the first year the proposed rates increased but it hasn't been done in two years. Christian Orobello questioned whether they could increase water users. Al Gallant said we are at our limit. Al Gallant said the water ban is through the DEP and it is by date May 1st-October 1st.

Mr. Hickey said the sewer department is in much better shape. He proposed replacing a sewer jet that no longer operates. The cost for the sewer jet is \$55,000. The only other change is a second year lease payment of a three year lease at a cost of \$16,041. Chairman Kane questioned the sewer enterprise expenses increase. Mr. Hickey said the sewer disposal has high concentration of copper then what is allowed. He proposed sending cameras down to identify where the copper is coming from. Al Gallant said he would have to rent six cameras at a cost of \$10,000 a camera. He said the town is under court order to fix the copper. The copper is from corrosive material used to keep the pipes clean.

He said he believes in FY17 the transfer station will be in the black. There was a savings going to single stream recycling. He talked about maybe increasing the cost of bags to cover the cost of indirect costs. He said there is a truck not being used which might cover some of the costs. Chairman Kane asked Mr. Hickey if he could recheck the pension costs for the one employee. Mr. Hickey said he would. The public works department collects trash on the side of the road that is sent to the transfer station. There is a cost of disposing it. He proposed money should be appropriated from the Operating Budget to cover cost of road side trash. He said he would have a discussion with the Board. Selectwoman LaBrie said the transfer station is no longer using the containers, could we sell them. Mr. Hickey said some of the containers we purchased but some were provided to the town by the DEP. If they are surplus containers we can sell them if they are the DEP's we can give them back.

Mr. Hickey said this is the end of the presentation of the budget. He said his intentions is to provide the questions given by the Finance Board and the answers provided to the Board of Selectmen and the Finance Committee. The department heads did a tremendous job. They understood the challenges we are facing. Dr. Maureen Ward thanked Mr. Hickey for the budget which was very clear and concise.

A motion was made by Selectman Barbaro to adjourn the meeting; Selectwoman LaBrie seconded. All aye.

Adjournment-A motion was made by Dr. Maureen Ward to adjourn the meeting; Christian Orobello seconded.

KANE(Y) OROBELLO(Y) WARD(Y) ROBICHAUD(Y) DOKULIL(Y) CORTS(Y)

The meeting was adjourned at 8:29 p.m.

Respectfully Submitted;

Debra A. Dennis
Recording Secretary

Minutes Approved_____