

## FINANCE COMMITTEE

## Minutes

Zoom Meeting ID 432-187-707

2020 MAY 29 AM 9:36

Time: 6:30 p.m.

Date: March 30, 2020

Present: Cofske, Kuphal, Cooney, Kupcinkas, O'Connell

Absent: Kennedy, Noonan

Meeting held through Zoom

Meeting called to order at 6:40 p.m.

James Kelley, Acting Town Manager, Andrew Vanni, Finance Director, Gary Nelson, Sewer Commissioner and Keith Caruso, Acting DPW Director were present for the Zoom meeting.

Jen O'Connell: What is the appetite of the Board of Selectmen about moving the Town Meeting?

James Kelley: The Board of Selectmen, Moderator, Town Clerk and Town Council are meeting on Wednesday. That will be the topic of discussion. The Moderator would have the authorization of 2-3 30 day recesses or rescheduling the Town Meeting.

Jen O'Connell: What do you think will happen for the Town of Millbury as far as the Town Meeting?

James Kelley: The Governor has stopped everything until May 4<sup>th</sup>. I would expect that this will go further than May 4<sup>th</sup>.

Jen O'Connell: This gives us a little more time. Does this, from a Charter perspective, move everything forward from May 5<sup>th</sup> to June 5<sup>th</sup>? Do we have the same deadline for getting the book ready and everything else ready?

James Kelley: Right now, Brian and I are working on the Warrant as far as the language goes for the various articles, to make sure they are legal. My plan is to get the Warrant out at the same time as planned.

Jen O'Connell: We have all of our meetings scheduled. We could still get everything out on time. You are not changing the deadlines on when people can submit things?

James Kelley: We are planning on closing the Warrant on the 7<sup>th</sup>.

Jen O'Connell: I think I will do a roll call to see who is on and if we vote on anything.

James Kelley: I think you have to do a roll call on anything voted on.

Jen O'Connell: I don't think we will vote on anything tonight. We are meeting with Gary Nelson to discuss the Enterprise Fund, which we never get to do. I wanted to give him time, where we don't have anyone else scheduled.

James Kelley: I would suggest speaking to them first.

Jen O'Connell: We cannot vote on the minutes tonight because we cannot sign them.

James Kelley: You could vote them then send them out to have them signed. We have been sending things out to sign.

Sewer Enterprise Fund

Gary Nelson: I am here to answer any questions that you may have.

Jen O'Connell: We talk about the Sewer Enterprise Fund every year. I don't think anyone in Town understands what feeds the account and what you use the money for.

Gary Nelson: Years ago all of the taxpayers paid for the Sewer budget. It was determined that we should become an Enterprise Fund. Now our budget is paid for by the sewer users. This budget does not affect the tax rate.

Jen O'Connell: The taxpayers feel that it is not a burden on the whole Town. Are there any other areas that will be going on the sewer system or is it just the new developments?

Gary Nelson: The only area left is West Millbury.

Jen O'Connell: When we look at your forecasted revenue for next year, it looks like General Expenses are going up. What is behind that number?

Gary Nelson: The MS4 impacts most of the increase. This is an unfunded mandate.

Keith Caruso: This will show a lot of infiltration. Residents do not pay for this because it does not go through the meter. This would be water from sump pumps, rain, etc. The MS4 is not a bad thing.

Gary Nelson: This is a 14 year program.

James Kelley: We are also exploring the idea of having the Sewer Enterprise use the same loan system as the Town.

Jen O'Connell: How much is in the Enterprise Fund?

Gary Nelson: The Retained Earnings is at \$901,000 and the Stabilization Fund is at \$3.1Million. We will be using some of the Stabilization to upgrade our pump stations. Each pump station costs about \$1.5-2 Million to upgrade. A lot of what is coming up will have to go into our budget, which means that the rates will go up. The Upper Blackstone Assessment hurts us too. It is about 30% of our budget.

Jen O'Connell: What is behind the Capital Outlay?

Gary Nelson: We have \$200,000 in there to replace the sewer pipes in the center of Town.

Jen O'Connell: How many illegal connections do we have?

Gary Nelson: We have a few.

Keith Caruso: The MS4 will help find these problems.

Gary Nelson: We will also do a smoke test through the system to find some of the illegal hookups. We have 16 pump stations and 25 miles of sewer pipe. We will be taking over the Autumn Gates pump station soon. We also have a rate study coming up. We are targeted for 2022 for quarterly billing. We are trying to keep the rate stable. It will not be easy to do that in the future.

Jen O'Connell: Are all the employees in the department part of the union?

Gary Nelson: Yes, they are.

Keith Caruso: I want to thank Gary and the rest of the board for the time and effort that they put into this department. They make my work easier.

Jen O'Connell: Are there any questions on the proforma?

Dave Cofske: There is nothing jumping out at me as of yet.

James Kelley: We changed the New Growth. It went up \$68,000. The Principal Assessor found some pre-2019 new growth that was never recorded. This is a one-time fix.

Jen O'Connell: Have you had to furlough anyone?

James Kelley: No, we have some work in the Town Hall and some remotely. The DPW and the Sewer Department are on a rotating schedule. The Police Chief has instructed his officers to keep their distance. Committees are doing Zoom meetings. I am here three days a week and someone else in my office does the other two days. All phone messages and emails are being answered.

Jen O'Connell: I would like to talk about the insurances and leave the rest to next week when Steve and Chris can join us. We talked about being conservative for the Health Insurance.

James Kelley: There is a 3.74% increase overall. The numbers are less because we factored in the savings of when we convert the non-eligible post 65 retirees to the Medicare wraparound. Next year we are going to see a large increase. We are 105% of our ratio for claims to our premiums. We should be about 80-90%.

Jen O'Connell: Is that driven more by the School or the Town?

James Kelley: I do not know. Because of HIIPA, that information is not available. The School is a larger number.

#### Board of Assessors

Jen O'Connell: What is driving the Salary increase?

James Kelley: We hired a new Assessor.

Dave Cofske: It had been many years since the Assessors were given an increase. That is why we gave them one last year.

James Kelley: He re-negotiated two of the PILOT contracts. He has found a lot of unreported new growth. One community tried to get him to come back to work for them.

Jen O'Connell: Is the increase all of his salary?

James Kelley: We are looking at \$7,000 for his increase. It is the market rate.

Nicole Cooney: The Head Clerk went up too.

James Kelley: That is a union contract increase.

#### Town Council

Jen O'Connell: Why does our Town Council keep going up? We were sold on once we brought in an HR person, that a lot of the legal issues could be handled by the HR person. Why is it still going up?

James Kelley: Hourly rates have gone up. There was a personnel matter that was not brought to HR. The expense was kept with the Board of Selectmen. This budget is an estimate. Some years you don't spend all of it and other years you do.

Dave Cofske: Looking at the expenditure report, \$71,000 has been spent so far and we have just under \$100,000 left. There is no increase going into FY21.

James Kelley: The legal contract always has money in there for settlements. What isn't used goes into Free Cash.

#### Town Clerk

James Kelley: We didn't have an assistant Town Clerk for a while. That is why there is an increase. There was a request for a new position of Head Clerk, which I took out.

Nicole Cooney: Did we give her a clerk last year?

Dave Cofske: Yes, we did.

#### Elections and Registrars

James Kelley: Voting machines need to be replaced this year. I took this out of the budget and put it into an article. This budget is up because we have more elections this year. We have also had to pay people to work the early voting times.

Nicole Cooney: Did the overtime go up because of the early voting?

James Kelley: Yes, it did, plus we needed to prep for it. Training needs to be done per the State. The new election officials need to know what to do.

Nicole Cooney: Do they need training every year?

James Kelley: We had to plan for it this year.

#### Tree Warden

Jen O'Connell: This went up, which we expected it to.

James Kelley: We had added \$36,000 in the fall, so it is really level funded.

Bert Kupcinkas: The Tree Warden saved us a lot of money with National Grid cut all of the trees on McCracken Road.

James Kelley: This is one of your better bangs for your buck. He is very convincing with National Grid. If he had to do all of the work, this budget would be double.

#### Council on Aging

James Kelley: I reorganized the Council on Aging. It formally had a Director, Part Time Head Clerk and two Jr. Clerks. Last year you added a program administrator for ½ a year. I recommend two part time General Clerks and 2 Jr. Clerks. It made more sense to me to work it that way.

Jen O'Connell: I have always been concerned with succession here.

Dave Cofske: That is why we gave them the ½ year position to help with the transition. We discussed this structure last year.

James Kelley: We have gone from 50-70 meals on wheels to 95-115 meals on wheels during this crisis.

The building may be closed, but the staff come in and prepare the meals. The staff and volunteers deliver the meals. The Director is fabulous. She has worked miracles. When we are finished with this crisis and we do a recap on it, we should let the public know what a great service they have done. Judy is one of those people.

#### Library

James Kelley: We have a new director and Assistant Director/Children's Librarian. I reconfigured the staff here too. We didn't add any positions. I added a couple of dollars to the lower positions. I added hours to the 3 benefited positions. They are open 6 days a week. With the census coming up, if the Town's population increases, we would have to be open the 6 days a week to keep our certification. Capital Outlay is not the typical Capital Outlay. This is for their books and software. This is a mandated expenditure.

Dave Cofske: You said that you did some market adjustments to the salaries. We have eliminated stipends from several budgets, why not this budget

James Kelley: That is pending. We were preparing to sign the contract when this corona virus interrupted it. We are now waiting for the ratification meeting.

#### Debt Service

James Kelley: We borrowed more, so that is why the Debt Service is up. Next year will be an extreme borrowing year because we will be borrowing for the projects. What we are borrowing with the BANS now won't be the same next time. The percentage will be a little higher. We need to keep our bond rating. They want between 5-10% in unrestricted borrowing. I think we are going in the right direction.  
Jen O'Connell: We have been under reserve for the longest time.

James Kelley: Employee Benefits, General Insurances and Debt Service are about 24-25% of the operating budget. The Town side is about 54% of the operating budget. It is 2/3 of the budget when you add in the joint accounts. I am happy that we kept the insurance at what they should be. Retirement is a budget buster, but that should go down once we get rid of the surcharges.

Jen O'Connell: Our next meeting is scheduled for Monday night. Can we get a copy of the Warrant? I know the Selectmen aren't discussing it until Tuesday.

James Kelley: They are closing the Warrant on Tuesday. I can give you an excel sheet on what I expect on the Warrant. I have 3 or 4 for ASA Waters. There are 4 articles concerning changing tax exemptions, two of which won't go forward. There are several articles to reauthorize prior year articles. All the money hasn't been spent, but we can use it for projects. I will discuss with the Moderator on whether we can list it all in one article, just like the Capital Projects. We are not appropriating money, just extending it beyond the 2 year limit to complete the projects that they were intended for. There is \$100,000 for upgrades to the Transfer Station. We could use this to purchase the compactors and do the electrical upgrade. I am putting \$750,000 into several Stabilization Funds. The good news is that we received our first real cannabis payment of \$54,000 for 3 months, and then they had to close because of this crisis.

James Kelley: If you have any questions for the next meeting, let me know so I have to research the answers.

Motioned by Kupcinkas, seconded by Cofske to adjourn at 7:50 p.m. Cooney, Kuphal, O'Connell, Kupcinkas and Cofske for.

James O'Connell  
Albert P. Kupcinkas  
David Cofske  
Michael L. Cooney  
Stephen Kuphal