

Finance Committee

Meeting minutes – April 1, 2010

Present: **Committee Members:** Chris DeSimone (Chair), Chris Johnson (Vice Chair), Alan Leao Jr., Holly Seiferth, Melissa Tzanoudakis, George Zacharakis

Absent: Michael Landino

Guests: Joseph Hallisey (Board of Selectmen member), Bob Lee (Director DPW, Town Engineer, Water/Sewer Superintendent) Peter Shattuck (Deputy Chief of Fire Department, Highway Superintendent, Tree Warden), Toby Tyler (Chief of Fire Department),

Chris DeSimone called the meeting to order at 7:12 pm.

Business: Chris DeSimone started the meeting with discussing the Fire Department budget cut of 1%. Toby Tyler spoke of his concerns of the 1% reduction because he was afraid that this was going to lead to their having to come back at the end of the fiscal year because this line item or that line item was too short. Toby Tyler noted that for example in the current year's budget the diesel fuel line item it appeared they were going to be approximately \$400.00 short. Peter Shattuck added that there was still 90 days in the current year's budget and they were running very close to this year's actual, noting that it felt like they were being set up to fail for the next year. Peter Shattuck noted that in the previous year they had to come back twice at the end of the year to cover expenses and they were going to need one this year already that they were aware of; a reduction of \$22,400.00 in the next year budget would mean they would be even short in the next year's budget. Peter Shattuck commented that they had concerns about the stations since they had already cut there. They had expenses just for supplies and volunteers were doing the work.

Chris DeSimone commented that the reduction was not done to show all departments that all departments were getting cuts. This reduction was done because the Finance Committee was simply trying to find money. Peter Shattuck commented that they had already reduced staff. Toby Tyler added that their per diems are cut off. Toby Tyler also noted that they have more burning permits this year than they did last year, which is an increase in revenue for the town. In the previous year they had 720 permits and this year they are going to have over 1200.

On a motion from George Zacharakis, seconded by Chris Johnson, to reconsider the Fire Department budget (100-22100) was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 5(Aye)-5(No) and 0 abstained.

Toby Tyler reviewed a list of possible reductions he had come up with: \$100.00 Overtime (100-22100-51130); \$200.00 R&M-Building & Grounds (100-22100-52241); \$200.00 R&M-Vehicles (100-22100-52242); \$100.00 Hardware (100-22100-54431); \$300.00 Parts & Accessories (100-22100-54485); \$100.00 Firefighting Supplies (100-22100-54581); \$200.00 Repl Equip-Departmental (100-22100-58872). Chris Johnson commented that he was not at the original meeting when the budget reduction was discussed and voted, but these reductions make sense to him now. Chris DeSimone noted that the Finance Committee had originally just made a 1% reduction off the top of the budget after a lengthy meeting going through many questions about the entire department's budget. On a motion from Chris DeSimone, seconded by Holly Seiferth, to reduce the Fire Department budget as follows, \$100.00 Overtime (100-22100-51130), \$200.00 R&M-Building & Grounds (100-22100-52241), \$200.00 R&M-Vehicles (100-22100-52242), \$100.00 Hardware (100-22100-54431), \$300.00 Parts & Accessories (100-22100-54485), \$100.00 Firefighting Supplies (100-22100-54581), \$200.00 Repl Equip-Departmental (100-22100-58872), for a total of \$1,300.00 was put into motion to be recommended to be discussed and voted on. There was additional discussion.

Alan Leao Jr. commented that the 1% reduction was not huge since the town was looking at the School budgets. Toby Tyler acknowledged that the previous year had big reductions for many departments including the Fire Department and hopefully better times were coming for the town.

Chris DeSimone questioned why there was only \$1,000.00 in the current Supplies line item. Peter Shattuck corrected that there had been \$3,300.00. Chris Johnson asked if the department had used all of the budgeted money in the R&M-Vehicles line item this year. Peter Shattuck replied that this is the line item that they use to buy all of their parts. He was not sure off hand if that line item was emptied out yet, but they did have a lot of vehicles. Peter Shattuck noted that it was hard to run a department with the R&M-Vehicles budget at what it is at now. Alan Leao Jr. asked if there were safety issues at all. Peter Shattuck replied that there could be. There was currently a truck that needed new tires which the repairman said it should really be parked. They needed to buy all matching tires for the truck, but there was not enough money to get tires. This had to wait until after June 29th to come out of the next fiscal year's budget. Alan Leao Jr. noted this was certainly a compelling argument for safety.

Melissa Tzanoudakis arrived at the meeting at 7:28 pm.

It was noted that the budget is less than \$1,740.00 from the previous year and an additional \$1,300.00 is a compromise.

There was no additional discussion and it was approved by a vote 5(Aye)-5(No) and 1 abstained.

Chris DeSimone moved the meeting to discuss the Memorial Day budget. Chris DeSimone noted that it was level funded at zero because that was what it was in the current year. Typically it had a budget of \$3,000.00. On a motion from George Zacharakis, seconded by Alan Leao Jr., to fund the Memorial Day budget (100-69200-52388) by \$3,000.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 6(Aye)-0(No) and 0 abstained.

Joseph Hallisey questioned what the Memorial Day budget typically covers. Chris DeSimone replied that it covers some marching bands, refreshments, and the sound system.

Chris DeSimone moved the meeting to discuss the revised Town Clerk budget. Chris DeSimone commented that the revisions were a reduction of \$40.00 in Meetings (100-16100-57712), an increase of \$239.00 in Conferences (100-16100-57713), and an increase of \$50.00 in Conf Registration (100-16100-57714). These numbers were based on actual information that had been corrected by Lois Libby (Town Clerk). George Zacharakis questioned if these meetings and conferences were for the new Town Clerk to attend. Chris DeSimone replied they were and they were invaluable meetings and conferences for a new Town Clerk. On a motion from Chris Johnson, seconded by George Zacharakis, to reduce \$40.00 in Meetings (100-16100-57712), increase \$239.00 in Conferences (100-16100-57713), and increase \$50.00 in Conf Registration (100-16100-57714) for a total of \$249.00 (Town Clerk budget) was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 6(Aye)-0(No) and 0 abstained.

Chris DeSimone moved the meeting to discuss the Emergency Management budget question. The Town Administrator had sent a letter to the Board of Health and Finance Committee regarding the Board of Health's right to hire personnel with the approved appropriations for their department. Chris DeSimone noted that the bottom line should be the same if the Board of Health uses all of their line items to pay salary, but unfortunately a higher salary would mean an increase in benefits which would not be the same bottom line. Holly Seiferth questioned if the hours could be increase to an amount that would not include benefits. Chris DeSimone commented that 19 ½ hours would not include benefits. Alan Leao Jr. questioned that the selectmen were saying it legally can happen but do they agree with it. George Zacharakis commented that 15 hours do not work. Holly Seiferth noted that the Board of Health says the 15 hours do work. Chris DeSimone noted that they had two budgets to look at: one with 15 hours and many line items; and one with 22 hours and very few other line items which increased the town budget by \$8,000.00. Joseph Hallisey agreed that it was not known if the 15 hour work week would work. Melissa Tzanoudakis pointed out that the town had voted for 15 hours at a Town Meeting.

On a motion from Melissa Tzanoudakis, seconded by George Zacharakis, to reconsider the Board of Health budget (100-51100) was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was not approved by a vote 0(Aye)-5(No) and 1 abstained.

Holly Seiferth questioned if the Board of Health budget was reduced by 10%, to which the unanimous answer was affirmative.

Chris DeSimone moved the meeting to the Library department. Chris DeSimone noted that the Library department was intending on making a motion at the Town Meeting to increase their budget. There was a brief discussion about how that would work.

Chris DeSimone moved the meeting to the warrant articles for the Annual Town Meeting.

On a motion from Chris Johnson, seconded by Melissa Tzanoudakis, Article 1 Town Officers and Committees of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

On a motion from Chris Johnson, seconded by Holly Seiferth, Article 2 Elected Officials Compensation of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was noted that the Treasurer budget was level funded and the Town Clerk budget was reduced. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

On a motion from Chris Johnson, seconded by Alan Leao Jr., Article 4 North Middlesex Regional School District Assessment of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

On a motion from Chris Johnson, seconded by Holly Seiferth, Article 5 Nashoba Valley Technical High School Assessment of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

Chris DeSimone brought up Article 12 New Mower – Parks Division for discussion. Bob Lee noted that they traded vehicles in every year and this was the optimum time to trade in this vehicle. They would be able to get a \$13,000.00 vehicle since the older vehicle that they were trading in was still in good retail shape. Melissa Tzanoudakis questioned if they waited a year, what the cost of depreciation would be on the vehicle. Bob Lee replied it would probably be \$6,500.00-\$7,000.00 as an estimate. George Zacharakis asked how many mowers they had in the Department of Public Works. Bob Lee replied that they had two smaller ones, a big one in the Parks department, the Cemetery department has one and also a massive sized one that the school had funded and another one that the school uses. On a motion from Chris Johnson, seconded by Melissa Tzanoudakis, Article 12 New Mower – Parks Division of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 5(Aye)-1(No) and 0 abstained.

Chris DeSimone brought up Article 13 Personnel By-Law Amendment for discussion. Joseph Hallisey explained that new employees that come on typically are not eligible for holidays. Melissa Tzanoudakis questioned that this article would mean there would be no probation period then basically. Joseph Hallisey confirmed that would be correct for holidays. Holly Seiferth questioned the cost to the town. Joseph Hallisey noted that since there was a hiring freeze, the cost would be minimal. On a motion from Chris Johnson, seconded by Holly Seiferth, Article 13 Personnel By-Law Amendment of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 5(Aye)-1(No) and 0 abstained.

Chris DeSimone brought up Article 15 Personnel By-Law Amendment for discussion. Holly Seiferth noted that this article is adding two new classifications to the Fire Department. Chris DeSimone questioned if there was any cost to the town. Holly Seiferth replied there was not. On a motion from Melissa Tzanoudakis, seconded by Chris Johnson, Article

15 Personnel By-Law Amendment of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 5(Aye)-1(No) and 0 abstained.

Chris DeSimone brought up Article 25 Sewer Extension Project for discussion noting that they were looking to bond \$2,100,000.00. Bob Lee commented that yes they were looking to bond that much and this was the last section to be done. This project covered multiple areas. It was going to bid on April 22nd and after that they would have an actual estimate. This project had a pump station and would cost approximately \$15,000/3 bedroom house. Melissa Tzanoudakis questioned if this cost would be a strain on the townspeople due to the economy. Bob Lee noted that the marketplace is hungry and this is the time to get good prices. They currently had 22 bids. Each homeowner could get it financed for up to 20 years. The cost would be based on the number of bedrooms in the house. Alan Leao Jr. questioned if a homeowner would have to hook up. Bob Lee replied that they did not, but they would have to pay the betterment. George Zacharakis asked what the cost to hook up would be. Bob Lee answered that would be an additional \$5,000.00 approximately. On a motion from Chris Johnson, seconded by Melissa Tzanoudakis, Article 25 Sewer Extension Project of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was not approved by a vote 3(Aye)-3(No) and 0 abstained.

Chris DeSimone brought up Article 26 Nashua Road Municipal Well for discussion. Bob Lee explained that the water well started in 1999 when the DPW took over. There had been a bid through the state to put a well. If the town is working on it, the bid will stay open; otherwise the town will lose the bid. The well will serve the whole town and would give a good water supply through 2028. It could kick up the water rates up to 10% which would be about \$23.00/year. Chris DeSimone questioned if the well is needed. Bob Lee replied that it is and it would be paid for by the taxpayers. On a motion from George Zacharakis, seconded by Holly Seiferth, Article 26 Nashua Road Municipal Well of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 5(Aye)-1(No) and 0 abstained.

Chris brought up Article 27 Acceptance of Easements for discussion. Bob Lee explained this was for the replacement of the Mill Street bridge project. The town had to accept these easements. There was no cost to the town. On a motion from Chris Johnson, seconded by Holly Seiferth, Article 27 Acceptance of Easements of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

Chris DeSimone brought up Article 28 Acceptance of Layout: Julia Lane and Article 29: Acceptance of Layout: Beaver Creek Circle for discussion. Chris DeSimone explained that miscellaneous things had been paid for out of the original bond because the developer went out of business. The bond had been paying for some minor expenses such as the utilities and plowing that had been done by Babin for \$6,000.00. Bob Lee explained that the original bond had been \$31,000.00. The Department of Public Works costs were \$19,000.00 and the plowing costs were \$6,000.00. Bob Lee noted that the \$6,000.00 which was left from the bond that was available to return could be used to fix the highway retention basins which needed to be fixed.

On a motion from Chris Johnson, seconded by Melissa Tzanoudakis, Article 28 Acceptance of Layout: Julia Lane of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 4(Aye)-2(No) and 0 abstained.

On a motion from Chris Johnson, seconded by Holly Seiferth, Article 29 Acceptance of Layout: Beaver Creek Circle of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 5(Aye)-1(No) and 0 abstained.

Chris DeSimone brought up Article 30 Acceptance of Layout: Parker Hill Way for discussion. Bob Lee explained that this was an old way dating back to the late 1800's. The last couple hundred feet was never accepted and there were some houses on it. Chris DeSimone noted that this was a bookkeeping item. On a motion from Chris Johnson, seconded by Alan

Leao Jr., Article 30 Acceptance of Layout: Parker Hill Way of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

Chris DeSimone brought up Article 31 Acceptance of Land for discussion. Bob Lee explained that this was land to be used for the pump station. The land was limited due to wetlands and they had a willing land owner. This would not cost any money but instead the landowners' betterments would be reduced so that they would have no betterment for another house he owned. This second house is a 2 bedroom home. It is approximately \$5,000/bedroom. On a motion from Chris Johnson, seconded by Holly Seiferth, Article 31 Acceptance of Land of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was not approved by a vote 3(Aye)-3(No) and 0 abstained.

Chris DeSimone brought up Article 32 Grant of Easement for discussion. Bob Lee explained that this article was originally about the need for an easement needed for National Grid, who is impossible to deal with. This easement was for work to be done in Emerson Circle, which is already done. This article would not be on the warrant.

Chris DeSimone brought up Article 35 Water Line Upgrade – Mill Street Bridge Project for discussion. Bob Lee explained that Mass Highway would be doing the Mill Street project. Under the Mill Street Bridge is a water line which needs to have the pipe size increased for volume pressure issues for Lomar Park. The 6" and 8" pipes need to be increased to 16". During the 2008 Sewer project (Nashua Street to Hadley Street) all of the piping sizes had been increased. This is the remainder of that work. This would be paid by the Enterprise Accounts, which would then be paid by the rate payers. Bob Lee then explained that \$50,000.00 was for the piping and \$75,000.00 was for the roadwork, adding that Mass Highway would be doing the piping and the town would be doing the roadwork. Melissa Tzanoudakis asked if there was anything available to help reduce costs for the ratepayers. Bob Lee replied that he had tried but was denied. On a motion from Chris Johnson, seconded by Melissa Tzanoudakis, 35 Water Line Upgrade – Mill Street Bridge Project of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

Chris DeSimone brought up Article 36 Chapter 90 Funding (resurfacing and road expenses) for discussion. Bob Lee explained that this was \$324,952.00 in Chapter 90 money based on a letter received from the Governor today. This money is a reimbursement, not a grant. Chris DeSimone questioned if the money was reimbursed in the same fiscal year as the expense. Bob Lee replied that it did, and it usually occurred in the same month. George Zacharakis questioned what the \$324,952.00 covered. Bob Lee replied that it did not cover a lot since costs were high. Melissa Tzanoudakis was concerned if the money could be rescinded by the state. Bob Lee did not know for a fact that it could not be rescinded but felt it was pretty safe since there was a letter. On a motion from Chris Johnson, seconded by Melissa Tzanoudakis, Article 36 Chapter 90 Funding of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

Chris DeSimone moved the meeting to the warrant articles for the Special Town Meeting.

Chris DeSimone brought up Article 2 Prior Year Bill for discussion. Bob Lee explained that this bill was for April 2008 when a pole by Dunkin Donuts was hit and damaged. The pole was fixed the next day. The insurance company would not pay for the repairs due to various reasons. The whole situation was now in legal discussions. The repairman who came out immediately to fix the pole should be paid. On a motion from Melissa Tzanoudakis, seconded by Alan Leao Jr., Article 2 Prior Year Bill of the Warrant list was put into motion as it is written in the article to be recommended to be discussed and voted on. It was approved by a vote 6(Aye)-0(No) and 0 abstained.

Chris DeSimone brought up Article 4 Supplemental Appropriation for discussion. Bob Lee noted that when Jersey II Well was built, the wires were on someone else's land. The landowner gave the easement. Now they had to deal with National Grid and getting the cost for 6 poles. At one point the cost per pole was \$1,500.00-\$2,000.00 but the cost keeps going up. They did not know the cost yet; they were waiting for National Grid.

Joseph Hallisey noted that at the next Selectmen meeting would be a discussion about the Library budget and the town budget as a whole.

Chris DeSimone noted that at the next Finance Committee meeting they would review the last budget item and the warrant articles.

Chris Johnson questions if they were going to have the department heads do a quarterly look back at their budgets. Chris DeSimone commented that they had missed doing that, and that could get added in. Holly Seiferth noted that it might be helpful to review the revenue projections at some point. Chris DeSimone noted that the Town Treasurer, Town Assessor, and Town Accountant make routine projections which become part of the town budget. Holly Seiferth questioned what the percentages were and how they get to them. Chris DeSimone noted that for 2011 they just adjusted upward. It had been 4% each year as an estimate but that was underestimating. They were now using 7-10%. Holly Seiferth noted that the actual for 2006-9 was 4%. Chris DeSimone noted that they would need to get that information from Thomas Wilson, Town Accountant.

Acceptance of Minutes: On a motion from Holly Seiferth, seconded by George Zacharakis, the minutes from the March 2, 2010 meeting were approved, by a vote 6(Aye) - 0(No), 0 abstained.

Upcoming Meetings: Tuesday, April 8, 7:00pm
Thursday, April 15, 7:00pm
Thursday, April 22, 7:00pm

Adjournment: On a motion from Melissa Tzanoudakis, seconded by Chris Johnson, the meeting was adjourned at 9:02 pm and it was approved by a vote 6(Aye)-0(No) and 0 abstained.

Respectfully submitted,
Lynne Henderson