

Finance Committee

Meeting minutes – June 18, 2009

Present: **Committee Members:** Diane Gaspar (Chair), Burke Bero (Vice Chair), Stephanie Cronin, Chris DeSimone, Chris Johnson, Jeanne LeBlanc, George Zacharakis

Guests: Peter Shattuck (Deputy Fire Chief), Jonathan Kinney (Deputy Fire Chief), Mike Hartnett (Treasurer/Collector), Bob Hanson (Town Administrator)

Also present: Town Accountant Theresa Walsh

Ms. Gaspar called the meeting to order at 7:00 pm.

New Business: Diane Gaspar opened the meeting to Reserve Fund Transfers.

The Fire Department Wages Hourly request (\$12,000) was due to firefighter payroll ending June 30th and it was impossible to predict the number of calls for the fiscal year. Diane Gaspar questioned the call volume. Peter Shattuck noted that it was busier than last year. He did not have the exact percentage. Peter Shattuck noted that their budget is negative by \$8246. Theresa Walsh pointed out that the Fire Department is paid only twice a year. Their current balance is -27415.46. Peter Shattuck noted that they could probably get by with \$10,000, but having \$12,000 would give them a cushion.

Theresa Walsh noted that they already used \$14,000, but they would be getting money from FEMA finally. The FEMA money came in the first of June. There would be some FEMA balance, approximately \$60,000 that could be put into free cash. When asked what came in from FEMA, Theresa Walsh thought it was around \$110,000. Peter Shattuck thought the number would be higher from FEMA, more like \$170,000 because of the money from equipment that was coming in too. They were able to charge for personal only overtime expenses. Jeanne Leblanc questioned if the full cost of the storm to the town was offset from FEMA. Theresa Walsh was not sure how much off hand. Peter Shattuck felt that for the three days, that the town was doing very well, not all of it, but very well.

Stephanie Cronin asked why there was such a high expense for the fire department payroll. Peter Shattuck explained that it was mostly due to the call volume which is unpredictable. He said there was also state mandatory training (CPR) of \$2199, which the call volume affected. This training occurs once every three years.

Theresa Walsh noted that the reserve fund balance was \$69,740.25.

On a motion from Chris DeSimone, seconded by Jeanne Leblanc, the Reserve Fund Transfer for \$12,000 (100-22100-51113) as written on 6/18/2009 was put into motion to be recommended to be discussed and voted.

Jeanne Leblanc pointed out that if there is any way to work these end of the year requests back into the budget would be ideal. Theresa Walsh noted that if call volume was found to be high during the year and budget needed to be changed, that could be done with a special town meeting agenda.

When asked about how much money per call, Peter Shattuck explained that for 47 people there are expenses of \$8/hour for Class A and \$6.50/hour for Class B. Chris Johnson suggested a quarterly review to see where the expenses/calls are at. Peter Shattuck noted that they do have a monthly tracking. He noted that they even do things to minimize costs such as not sending out entire units for calls if possible.

There was no additional discussion on this article and it was approved by a vote 7-0.

The Health Insurance Account request (\$25,000) was due active employees spouses getting laid off being added to the health insurance. Mike Hartnett noted that so far for 2010 there was no COBRA issue. Theresa Walsh noted that there was one potential issue. She explained that in that case the town paid 65% but would get reimbursed the 65% as part of the federal stimulus plan.

Jeanne Leblanc asked when open enrollment was. Mike Hartnett answered that it was in April.

Stephanie Cronin asked if there was any incentive for employees to opt out. Mike Hartnett answered that at one time it was offered, but no one took it. Bob Hanson added that an opt out incentive is built into the police contract. Theresa Walsh said that it was paid out at the end of the year. Bob Hanson noted that the problem with opt out options is that the people who do not take the option argue that they do not get the benefit. Diane Gaspar questioned increasing premiums. Bob Hanson noted that premiums could not be automatically increased due to unions or contracts. The change would have to be negotiated.

On a motion from Chris DeSimone, seconded by Jeanne Leblanc, the Reserve Fund Transfer for \$25,000 (100-91400-51178) was put into motion to be recommended to be discussed and voted. There was no additional discussion on this article and it was approved by a vote 7-0.

The Street Lighting Account request (\$5,500) was due to the remaining street light bills for May and June and that the street lighting costs were higher than expected. Diane Gaspar questioned why the bills were higher. Bob Hanson explained that there were multiple rates involved. Diane Gaspar asked if the usage was the same. Bob Hanson explained the winter is longer, the lights are on sensors and the town has to monitor them to make sure they are on when they should be and off when they should be off. He explained that there is a surcharge fee also.

Theresa Walsh noted that the April bill was approximately \$4200 and the May bill was approximately \$3400. When Jeanne Leblanc asked if there was any action to shut some of the lights off, Bob Hanson noted that there should be a committee to investigate.

Diane Gaspar asked Bob Hanson if in light of the low balance of the free cash balance and the fact that the May bill was less than \$4000 and the April bill was just over \$4000 and that his balance was just under \$400, did he think he could get away safely with \$4000 instead of \$5000. After some consideration, Bob Hanson felt that was reasonable.

On a motion from Chris DeSimone, seconded by Jeanne Leblanc, the Reserve Fund Transfer for \$4,000 (100-42400-52213) was put into motion to be recommended to be discussed and voted. There was no additional discussion on this article and it was approved by a vote 7-0.

Theresa Walsh noted that the free cash balance was \$28,740.25.

The Nursing budget request (\$6,234) was due to nursing budget eliminated per Town Meeting action. These funds would pay for accrued vacation for the retiring Town Nurse.

On a motion from Chris DeSimone, seconded by Jeanne Leblanc, the Board of Health to Nursing Services Salaries transfer for \$3,018 (100-51100-51113) from various line item accounts was put into motion to be recommended to be discussed and voted. There was no additional discussion on this article and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jeanne Leblanc, the Reserve Fund Transfer for \$3,216 (100-52200-51112) was put into motion to be recommended to be discussed and voted. There was no additional discussion on this article and it was approved by a vote 7-0.

Business: Diane Gaspar opened a discussion about having a Finance Committee representative at Varnum Brook on June 29th for the ballot override vote. Chris DeSimone felt that people knew how they were going to vote already and was worried that having too much of a presence could have a negative impact. Burke Bero felt that some people might have a negative feeling. He also felt that FinCom should be non-partisan, but informative. He felt that is what some people needed. Some people just wanted the information without the propaganda. Diane Gaspar had put together a schedule for the Finance Committee to be present at Varnum Brook. Stephanie Cronin thought that some people did not know or did not understand. Chris Johnson felt it was important to motivate people to vote.

Acceptance of Minutes: On a motion from Chris DeSimone, seconded by Jeanne Leblanc, the minutes from May 11 meeting, with amendments, was approved by a vote 6-0, 1 abstained. On a motion from Stephanie Cronin, seconded by Jeanne Leblanc, the minutes from June 6 meeting was approved by a vote 5-0, 2 abstained.

Upcoming Meetings: None scheduled at this time

Adjournment: The meeting was adjourned at 8:15 pm.

Respectfully submitted,
Lynne Henderson