

**Finance Committee Meeting****June 1, 2009****7:30 PM**

SEP 25 2009

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**Municipal Center – Selectmen's Conference Room**

**Present:** Chairman, Michael Thomas; Vice-Chair, Wayne Graf; Pasquale Barletta; Thomas DeLuca; Paul Helmreich; Cheryl McFaun; Lee Tarantino; Town Manager, James Purcell.

**Absent:** Robert Bouchard; Jackie Desrochers; Lynn Regan; Philip Zawasky.

**Call to Order**

Meeting was called to order at 7:35 pm.

**I. Approval of Minutes**

**Motion** was made by Mr. Barletta to approve the May 27, 2009 Finance Committee minutes as amended. Seconded by Mr. Helmreich. Vote: Unanimous. **Motion carries.**

**II. New Business**

**A.** Mr. Purcell provided the FinCom with **budget summary sheets** reflecting changes made to the appropriated amounts for FY09. These sheets will be provided to the townspeople at the Annual Town Meeting. There was discussion about the set up of the budget sheets, with various FinCom members feeling that there needed to be a column or line that reflects Reserve Fund transfers. It was decided that the Reserve Fund (132) budget lines would read Budgeted, Transfers, and Totals. It was also decided that if an account received a Reserve Fund transfer there would be a separate line reflecting the transfer within that budget category.

Mr. Purcell reviewed the changes to the budget sheets with the FinCom members, reflecting the \$15,500 Reserve Fund transfers, as follows:

- Town Clerk (161) personal service line changed from \$82,200 to \$82,340, yielding a total budget of \$84,690.
- Con. Comm. (171) personal service line changed from \$90,515 to \$90,665, yielding a total budget of \$101,830.
- Police Dept. (210) personal service line changed from \$2,050,808 to \$2,106,234, yielding a total budget of \$2,280,648.
- School Dept. (300) personal services line changed from \$17,683,283.96 to \$17,711,981, and the charges and expenditures line changed from \$4,884,036.04 to \$5,601,882, yielding a total budget of \$23,313,863.
- SoEast. Reg. Voc (306) assessment changed from \$935,663 to \$934,439, yielding a total budget of \$934,439.
- Reg. Agr. School (308) assessment changed from \$12,180 to \$20,106, yielding a total budget of \$20,106.
- Snow Removal (423) charges and expenditures changed from \$80,000 to \$202,000, yielding a total budget of \$202,000.
- Sanitary Landfill (438) charges and expenditures changed from \$3,956 to \$6,456, yielding a total budget of \$6,456.
- Sewer Division (440) personal service changed from \$113,715 to \$124,715, yielding a total budget of \$780,296.
- Council on Aging (541) personal service changed from \$1,000 to \$1,500, yielding a total budget of \$8,290.
- Veteran's Agent (543) personal service changed from \$48,788 to \$49,288, yielding a total budget of \$271,163.

The grand total went from \$45,172,657 to \$45,357,075.

**B.** Mr. Purcell noted some changes to the **Estimated Operating Revenues and Expenditures** handout he provided to the FinCom. He noted the Local Aid amount of \$15,500,000 that was agreed upon by the FinCom members for use of budgeting for FY10, in the absence of an actual specific amount given by the state. He said that this will, of course, change once the state provides the town with an actual number.

**C. Mr. Duane Knapp, of the Water Department,** addressed the FinCom regarding the Water Dept.'s FY10 budget. He said that the Water Dept. will run on a deficit of between \$400-\$500K for FY10, but believes that the Water dept. can cover this without instating a rate increase. Mr. Purcell said that the Water Department has \$1.4M in Water Surplus, so if the department runs a deficit in FY10 they will have sufficient reserve capacity and would not need to raise rates.

Mr. Knapp said that the department's unions have settled their contracts agreeing to a 2%, 2%, 2% salary increase, and increased benefits responsibility. Mr. Knapp said that it was voted for him to receive a 5% raise but that he is unable to receive it because of the salary cap by-law.



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Mr. Tarantino asked if the 5% included the cost of living amount that Mr. Knapp also receives. Mr. Knapp said no, that the cost of living amount was not figured into the 5% and that it would be additional.

Mr. DeLuca said that he feels that the 5% is very objectionable and that he would not be able to vote in favor of supporting this Water budget if the 5% salary increase for the Water Superintendent was included.

Mr. Helmreich pointed out that regardless of whether or not the Water budget is voted for in the amount presented, Mr. Knapp could not receive an increase in pay unless the salary cap was changed to include this higher amount. He said the by-law could possibly be changed at the October Town Meeting.

Mr. Tarantino said that this issue is not personal and he feels that the Water Commissioners, who voted the 5% pay increase, are the ones that should be presenting and defending it, not Mr. Knapp. Mr. DeLuca agreed. Mr. Tarantino also said that he would not vote for the Water or Sewer budget until he hears more information on it.

It was discussed that when Mr. Knapp's proposed FY10 salaries from the Water department and Sewer department are combined, it goes beyond the salary cap. It was decided to level-fund Mr. Knapp's salary until the salary range issue is decided upon.

**Motion** was made by Mr. Helmreich to recommend \$636,251 for Water Division salaries. Seconded by Mr. Graf. Vote: 6 members in favor, with Mr. Tarantino opposed. **Motion carries.**

**Motion** was made by Mr. Helmreich to recommend \$995,100 for Water Division expenses. Seconded by Mr. Graf. Vote: All in favor. **Motion carries.**

**Motion** was made by Mr. Helmreich to recommend \$218,000 for Water Division Inter. Transfers. Seconded by Mr. Graf. Vote: All in favor. **Motion carries.**

**Motion** was made by Mr. Helmreich to recommend \$1,315,519 for Water Division Outstanding Debt. Seconded by Mr. Graf. Vote: All in favor. **Motion carries.**

This yields a total of \$3,164,870.

#### **D. FY09 Salary Retro – 2%**

As a result of union contracts recently being settled at 2% salary increases, employees will receive retro pay. Mr. Purcell said that most departmental budgets are able to absorb this pay. At Town Meeting, through Article Two, a yes vote will allow the re-appropriation of health benefits funds to be put back into the wages portion of the budget, about a \$400K surplus.

Mr. Purcell also said that for FY10 the health benefits savings would be over \$600K because of the increased responsibility on the employee for their health benefits. Over the 3 years of the contract, the town/employee split of health care responsibilities will go from 90/10 to 75/25, saving the town \$1.7M. Mr. Purcell said that the increase in wages for this time period is a little over \$1M (for both town and school), therefore saving the town about \$700K. Mr. Purcell said that he feels this is a money saving, as well as a job saving strategy.

#### **III. Other Business**

Mr. Purcell discussed the announcement General Motors made regarding the closing of many of their facilities around the country. He said that the facility in the Norton Commerce Park will be closed by the end of 2009. He said that under their TIF agreement there is a 6-month notification requirement. Mr. Purcell said that, in tax terms, it does not seem there will be a negative impact.

Mr. Helmreich informed the FinCom of the passing of Algerina Fernandes, a life-long Norton resident who served the town in various capacities, including Assistant Town Accountant. Mr. Helmreich wanted to acknowledge Mrs. Fernandes for her service to the town, including the Finance Committee.

#### **Next Meeting**

The next meeting is scheduled for June 3, 2009 at 7:30pm.

#### **Adjournment**

**Motion** was made by Mr. Barletta to adjourn at 9:30 pm. Seconded by Mr. Graf. Vote: Unanimous. **Motion carries.**

Respectfully Submitted by:

  
Sara Lyons, Finance Committee Secretary