

**Finance Committee Meeting
September 28, 2011
7:30 PM
Municipal Center – Selectmen’s Conference Room**

Present: Chair, Paul Helmreich; Robert Camp; Thomas DeLuca; Michael Flaherty; Michael Thomas; Wayne Graf.

Also present: Town Manager, Michael Yunits.

Absent: Lee Tarantino; Jackie Desrochers; William Rotondi.

Call to Order

Meeting was called to order at 7:30 pm.

I. Approval of Minutes

Motion was made by Mr. Graf to approve the September 19, 2011 Finance Committee minutes as written. Seconded by Mr. Camp. Vote: All in favor. **Motion carries.**

Motion was made by Mr. Flaherty to approve the September 26, 2011 Finance Committee minutes as written. Seconded by Mr. Camp. Vote: All in favor, with Mr. Thomas and Mr. Graf abstaining. **Motion carries.**

II. New Business

III. Old Business

Library Funding –

Ms. Lee Parker, Head Librarian, and Mr. Brian Stalters, President of the Library Board, re-addressed the FinCom regarding the requested budget supplement for the library. They provided the FinCom members with handouts outlining their revised request. This request includes an additional \$10K than previous, for a total budget of \$337,413. The supplement amount for FY12 being requested would be \$26,413. Ms. Parker explained that the reason for this increase in the requested amount is to fund the 2 salaries that will be funded for one position because a person is retiring and is taking the last month of their employment as vacation time. She also noted that SAILS dues have increased as well the cost for downloadable books. Mr. Helmreich suggested not hiring someone to cover that vacation month but instead have the new employee start the following month. Mr. Tarantino pointed out that the Circulation Supervisor position was decreased to part-time, therefore eliminating benefits funding needed for that position.

Water/Sewer Commissioners –

Mr. Duane Knapp, Water Superintendent, Ms. Diane McElligott, Chair of the W/S Commission, and Mr. Mark Abrahams, consultant, addressed the FinCom regarding the five W/S articles on the warrant as follows:

Article 6 – Water Enterprise Fund – Ms. McElligott noted that having an enterprise fund would give a better accounting of expenses and revenue of the Water Department.

Mr. Abrahams provided a handout showing what FY12 would look like if there was a Water enterprise fund in place. He explained that if there were to be an enterprise fund the W/S commission would submit budgets with revenues and expenditures outlined. Mr. Helmreich noted that the example provided is not very detailed and questioned whether the FinCom could get more information if needed. Mr. Abrahams said that the detailed breakdown would be provided as well, as it has been in the past.

Ms. McElligott noted that the Water bills are the department’s primary source of income. She also pointed out that there are some indirect expenses such as paying the town clerk for office use, \$10K to the town manager’s salary, as well as usage of other town services.

Mr. DeLuca asked what the benefit to the town water user would be. Ms. McElligott said that there would be more transparency of revenues. Mr. DeLuca said that he still doesn't feel there is a benefit to the townspeople for switching to an enterprise fund.

Mr. Knapp said that if water were to become an enterprise account it would put both water and sewer on the 'same page'.

Mr. Abrahams said that the motion should include the words "and the water stabilization monies be transferred to the water fund", and the same with the sewer fund.

Ms. McElligott said that town meeting will NOT have to authorize these accounts each year, though the enterprise account budgets still need to be approved.

Article 8 – Sewer Stabilization Account Funding – The total amount of Free Cash to be transferred to the Sewer Stabilization Account would be \$124,600. It would include funding for the SCADA system, a truck, and a grinder.

Article 9 – Kimball Property – It was explained that there is a signed agreement from the Kimball family. The \$14K would come from the Water Reserve Account.

Article 11 – Inter-municipal Agreement – There is no agreement signed yet and discussion is on-going. It was stated that the W/S department would withdraw this article.

Article 14 – Capital Plan Amendments – Mr. Knapp questioned why the W/S \$35K request for a truck was not approved by the Capital Improvements Committee. He said that in the past the funding for something like this would come from the Water Capital budget. Mr. Flaherty, who is a member of the Capital Improvements Committee, said he would talk to the committee and get an answer.

Article 21 – Charter Change – Ms. McElligott said that she feels that the proposed change to the W/S Commission (making it an appointed board as opposed to elected) limits the powers of the commission. She said she feels that the change would make the board more advisory and would give up a lot of the power of the board. She expressed concerns of the the effectiveness of the board going forward. Mr. Knapp agreed with her.

Warrant Articles and Votes –

Article 2 – Collective Bargaining – Mr. Yunits stated that the SENA-A union administrators agreement has been negotiated for a one-year, 0% increase with the addition of 1 personal day that would need to be used by the end of FY12. He noted that there is no funding attached to this agreement. Mr. Helmreich questioned whether there was a need for town meeting approval if there is no funding needed. Mr. Yunits said that he would ask town counsel.

Motion was made by Mr. DeLuca to recommend No Action, pending further information. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 3 – GASB #45 – Motion was made by Mr. Thomas to reconsider Article 3. Seconded by Mr. DeLuca. Vote: All in favor. **Motion carries.**

Motion was made by Mr. DeLuca to change the source of funding from Free Cash to Raise and Appropriate. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 4 – Separation Expenses – Mr. Yunits stated that the total request is for \$225K. This includes a definite expense of \$173, 443.91 for the Fire Department, and that there are 2 additional retirements anticipated so there is an additional \$50K included in the total amount. Mr. Helmreich said that he feels uneasy

about authorizing funding for something that is not definitely going to happen. Mr. Yunits said that the library retirement amount is \$14,421.75, making the total amount of the 2 retirements \$187,865.66.

Motion was made by Mr. DeLuca to recommend article 4, moving \$187,865.66 from the Free Cash to fund separation expenses from 2 Fire Department and 1 Library retirements. Seconded by Mr. Thomas. Vote: Six members in favor, with Mr. Camp abstaining. **Motion carries.**

Article 5 – Yelle School Gym Repair – It was explained that the repair is for damage to a floor due to a pipe leak. There is no amount currently available but may be in time for town meeting.

Motion was made by Mr. DeLuca to recommend No Action for Article 5, pending further information. Seconded by Mr. Flaherty. Vote: All in favor. **Motion carries.**

Article 6 – Water Enterprise Fund – **Motion** was made by Mr. DeLuca to recommend Article 6. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 7 – Sewer Enterprise Fund – **Motion** was made by Mr. DeLuca to recommend Article 7. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 8 – Sewer Stabilization Account – **Motion** was made by Mr. DeLuca to recommend the transfer of \$124,600 from Free Cash to the Sewer Stabilization Account. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 9 – Kimball Property/Eminent Domain – **Motion** was made by Mr. DeLuca to recommend the transfer of \$14,000 from the Water Surplus Account to fund agreement made. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 12 – Operating Budget Supplements – Mr. Yunits reviewed operating budget supplements to include GASB #45, Separation Expenses, Hazardous Waste Day, and a street acceptance.

Motion was made by Mr. DeLuca to recommend operating budget supplements as follows:

\$57,232 - Raise and Appropriate

\$ 862 - Free Cash

\$ 7,000 - \$2K from the Dog Fund and \$5K from Veteran's Services

A total of \$65,094.

Seconded by Mr. Thomas. Vote: Six in favor, with Mr. Camp opposed. **Motion carries.**

Article 14 – FY12 Capital Plan Amendments –

Motion was made by Mr. Thomas to reconsider Article 14. Seconded by Mr. DeLuca. Vote: All in favor. **Motion carries.**

It was noted that the new dam repair amount is \$54,332.55.

Motion was made by Mr. DeLuca to recommend Article 14 in the amount of \$461,405.59, appropriating as follows: \$324,073.04 - Capital Improvements, \$83,000 - Ambulance, and \$54,332.55 - dam repair. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 15 – Stabilization Account – It was noted that the present balance in the Stabilization Account is \$920,260. Mr. Yunits said that he would like to wait until the night of town meeting with hopes of being able to put funds into this account.

Motion was made by Mr. DeLuca to recommend No Action, pending further information. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Article 16 – Street Acceptance – Johnson Drive - Motion was made by Mr. DeLuca to recommend No Action, pending further information. Seconded by Mr. Thomas. Vote: All in favor. **Motion carries.**

Next Meeting

The next meeting is scheduled for October 12, 2011 at 6:00pm, prior to town meeting at the Middle School.

Adjournment

Motion was made by Mr. DeLuca to adjourn at 9:30 pm. Seconded by Mr. Thomas. Vote: Unanimous.
Motion carries.

Documents Referenced: Minutes of September 19, 2011
Minutes of September 26, 2011
Supplemental Library materials
Town Meeting warrant

Respectfully Submitted by:

Paul Helmreich, Finance Committee Chair

Sara Lyons, Finance Committee Secretary