

MAY 24 2010

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Finance Committee Meeting
March 29, 2010
7:30 PM

Municipal Center – Selectmen's Conference Room

Present: Chairman, Wayne Graf; Vice-Chairman, Thomas DeLuca; Pasquale Barletta; Robert Bouchard; Michael Flaherty; Paul Helmreich; Michael Thomas; Lee Tarantino; Town Manager, James Purcell.

Absent: Jackie Desrochers; Cheryl McFaun; Philip Zawasky.

Call to Order

Meeting was called to order at 7:30 pm.

I. Approval of Minutes

Motion was made by Mr. Thomas to approve the March 24, 2010 Finance Committee minutes as written, with Mr. Flaherty abstaining. Seconded by Mr. Bouchard. Vote: All in favor. **Motion carries.**

II. New Business

Health Care Budget –

Mr. Jack Sharry, of Group Benefits Strategies (GBS), addressed the FinCom regarding the health care budget. He said that FY11 costs are down because of cost shifting. Mr. Sharry said that Group Benefits Strategies is a large enough company to take on some of the risk, and as of July 1, 2010 GBS will become self-funded. Mr. Sharry said that this would provide for better claims data and plan flexibility.

Mr. Sharry said that the group is conducting a dependent audit. One goal of this audit is to get members to change from their current PPO to an HMO. He said that this would save money for the employees as well as the town. Mr. Helmreich noted that there is still a need for PPOs for retirees who have moved out of state. Mr. Sharry said that PPOs would not be done away with and would continue to be an option. Mr. Sharry explained that another goal of the audit is to make sure that people who are on the plans are on them legitimately. He said that non-spouses and ex-spouses have been found to be incorrectly listed as dependants, as the plans do not cover them.

Mr. Sharry also said that his group is conducting a subscriber audit. He said that in doing this they will be making sure that people who are no longer employees are not still being covered, nor their dependants.

Mr. Helmreich inquired whether gay and lesbian spouses were covered under the health plan, noting that gay and lesbian marriages are recognized in Massachusetts. Mr. Sharry said that the definition of dependant does not include gay and lesbian partners/spouses, but individual towns can vote to accept an ordinance to include gay and lesbian partnerships. Mr. Purcell said that he doesn't believe that the voting of such an ordinance requires a town meeting vote, but will find out more information as to who's decision it is.

Mr. Helmreich noted that the members of the SE Mass Health Group dropped from 17 communities in FY10 to 13 for FY11, and questioned why. Mr. Sharry said that 1 of the 4 groups dissolved and the other 3 communities went to another plan – the MIIA plan through the Massachusetts Municipal Association. Mr. Purcell pointed out that under the SE Mass Health Group plan if a claim is made the risk is spread throughout the group, but with the MIIA plan only half goes to the group and the other half the municipality is responsible for.

Norton Water and Sewer Warrant Articles –

Mr. Duane Knapp, Water/Sewer Superintendent, Ms. Diane McElligott, member of the Water/Sewer Commission, Mr. Fran Yanesceovich of Western and Sampson, and Attorney Joseph Cove addressed the FinCom regarding the Water and Sewer articles on the Town Warrant as follows:

Sewer Stabilization Account – Atty. Cove said that Norton Glen is currently under a DEP order because the current wastewater disposal system is not working. The owners of the Norton Glen asked the Water Commissioners to sell them sewer availability for approximately \$660K, payable to the water commission. Atty. Cove said that the Norton Glen owners would pay for a high pressure line to be put in to go from the housing complex to the Newland and East Main Street intersection, then it would drop into a forced main and go into

the Red Mill Village lines. The owners of Norton Glen would pay for the construction costs, and the town would receive the \$660K when the construction was complete.

Atty. Cove explained that the purpose of the article is to segregate the \$660K to create a capital reserve for future capital sewer use, as well as stabilization needs.

Mr. DeLuca questioned whether there is a cost to acquire the Red Mill forced main. Atty. Cove said that Red Mill Village is willing to turn the main over to the town if the town will take over the Red Mill Village pumping station. He said there might be a limited cost involved.

Discussion took place on what the incoming funds could be spent on. Mr. Purcell said that it might be best if the account was left open as a stabilization account so that it could be spent on anything that may be needed. He also noted that Stabilization funds could only be spent per Town Meeting vote.

Mr. Knapp explained that the town is at least 2 years from establishing a Sewer Enterprise account.

Water/Sewer Superintendent's contract/bylaw – Atty. Cove pointed out that presently compensation of the Water/Sewer Superintendent's position is limited by the current bylaw. He said that if the town had to fill this position in the future, that this salary limitation would hinder the process of finding someone. He also noted that the Personnel Bylaw Committee has dissolved, so there is no way for anyone to file a grievance. Atty. Cove said that if the bylaw was eliminated then the Water/Sewer Department would have sole authority to set the Superintendent's salary. Mr. Thomas pointed out that the Water/Sewer Supt. salary comes from both Water and Sewer, and that the Sewer portion would be based on the tax levy.

Mr. Helmreich said that he feels that the broader issue is the inconsistency that some town employees are on the salary plan and some are not. He also questioned whether the salary plan is outdated.

Mr. Tarantino said that he feels that the salary plan did what it is supposed to do – keep a cap on salaries. He said that in this tough economy he would like to see more employees under the bylaw. He stated that he is strongly against getting rid of a salary range.

KOK and Riley Eminent Domain article – Atty. Cove explained that the sewer treatment plant will require expansion for underground wastewater disposal. There are 2 parcels of land in Norton that have been identified as appropriate locations for expansion. This article would give the Water/Sewer Commission the authority to acquire these parcels. Atty. Cove noted that the acquisition of these parcels would give Norton strategic authority in negotiating with the other 2 towns involved in the tri-town sewer agreement.

Mr. Thomas asked why the parcels would need to be taken and not bought. He said he feels uncomfortable with giving permission for the taking of land by eminent domain and that he would rather it be a "friendly take". Ms. McElligott said that the commission has talked with both parties involved with the 2 parcels, and one has told them that he is interested in either selling or gifting the parcel to the town, the other party hasn't given the town a decision yet.

Mr. DeLuca asked what the cost would be if the town had to buy the parcels. Ms. McElligott said that the two parcels together have been appraised at about \$1.5M.

Next Meeting

The next meeting is scheduled for March 31, 2010 at 7:30pm.

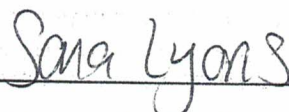
Mr. John Freeman, resident, will be in attendance to discuss his warrant article.

Adjournment

Motion was made by Mr. Bouchard to adjourn at 9:35 pm. Seconded by Mr. Thomas. Vote: Unanimous.

Motion carries.

Respectfully Submitted by:



Sara Lyons, Finance Committee Secretary