

Finance Committee – January 30, 2020

Present: Steve Klein, Barbara Marchione, Robert Miller, John Pshenishny, Michele Shalaby and Sandra Fusco-Walker.

Chairman Klein opened the meeting at 6:00PM. The Committee reviewed and approved the minutes of January 16, 2020.

BUDGET CALENDAR, FORMS AND DISTRIBUTION

Mr. Klein stated forms will be issued to departments tomorrow so they may complete their budget requests over the next two weeks. He also restated salary compensation will be dealt with separately as the HR consultant is expected to submit their report next week.

Town Administrator, Mari Enoch, asked if the Finance Committee wanted to see the actual amounts expended for past years included on the budget forms and was advised the Committee would appreciate it if the forms included three years' approved budget amounts along with what was actually spent each year. Ms. Enoch noted the forms will also include what was budgeted for this fiscal year and the amount spent during the first six months.

Ms. Enoch then asked whether the two charitable contributions who have been listed on the Town Warrant each year should be automatically sent a budget request. She wondered if we should wait until they submit a request for funding as we have placed them on the Warrant automatically and then funded them in the past and never received invoices and in one case, the check issued two years ago has not even been cashed. Ms. Shalaby suggested we don't send budget request forms to non town departments and the Committee agreed budget requests should only be sent to town departments. Mr. Klein stated he would email the nonprofits and notify them if they would like to request a donation, they would need to make a formal request.

Assessor's Report to Committee

Marsha Pshenishny, Town Assessor and Chair of the Board of Assessors notified the Committee that Assessor Paul Kapinos has agreed to meet with the Finance Committee and Board of Selectman on Tuesday, February 11, 2020 at 6:00PM. Ms. Pshenishny stated her Board would also be able to attend at that time. Mr. Klein will be out of Town, but will call into the meeting.

UPDATES FROM MEMBERS ON DEPARTMENT MEETINGS

Barbara Marchione stated she'd had some informal conversations with Chief Frank about the new cruiser that is scheduled to be purchased on this year's capital budget list and his need for a computer that is current. She will have more information at the next meeting after their scheduled meeting.

Sandra Walker met with the Fire Department and the Emergency Rescue Department to discuss the upcoming budget requests. Chief Loring of the Fire Department indicated he would like to an increase in compensation for fire fighters and rescue personnel and to also increase stipends

for training. As the Finance Committee is awaiting the HR consultants report on salaries, etc., compensation will be addressed separately.

Chief Loring explained there is a new required procedure to test all fire hoses and ladders to be sure they meet NFBA standards. This requirement costs \$3000.00 per year and annual testing is also recommended for masks worn by firefighters which costs \$1000.00 per year. This \$4,000.00 request will be added in the budget.

The recent testing of the hoses determined that 1500 feet of hose must be replaced and the estimate cost is \$7000.00. Chief Loring stated there is about 8600 feet of hose and replacement averages about \$6.00 a foot. The hoses have an expected life of 20 years. Another increase is due to the maintenance on the trucks which increases as the trucks get older, averaging a 10%-20% increase annually.

Chief Loring also had a question about the diesel account at the Highway Department where the Fire and Rescue vehicles obtain their fuel. He asked whether the Finance Committee thinks it would be better for the different departments to have their own diesel account and an electronic fob that would register the different departments using the fuel to have a better accounting of which departments are using how much fuel per year. Right now, the diesel account usage is all under the Highway Department. The Committee stated this would need further investigation.

Mr. Klein then asked whether there was any information regarding the Fire Department finances and how costs are broken down. The discussion concluded with Ms. Walker offering to look up annual reports on GuideStar to see if there was information the Committee could review.

Ms. Walker then went through the budget request for the Rescue Department after meeting with Maureen Krejci. This budget will increase by approximately \$5,000.00.

Again requests for increase in salary will be addressed after the HR consultant's report is submitted. The department is using a new software this year that has increased the annual cost by \$1400.00 and the department is requesting an increase in hours for clerical work due to a new Medicare requirement that has increased reporting significantly. Ms. Enoch advised Medicare is testing out some new kind of reporting program and New Marlborough has been one of the towns selected to test it out and it will increase the hours in order to comply with the requirements.

Ms. Krejci also wanted the Committee to be aware that the ambulance is 10 years old with 23K miles and will need to be replaced in 2023. Estimated costs for a replacement ambulance will be \$180,000.00 with a potential of \$20,000 for trading in the old ambulance.

Ms. Krejci also stated that the ambulance crew could really use an Auto Load Cot which runs about \$17,500.00 but thought it might be best to wait and buy it for the new ambulance as she

is not sure if it was purchased for the present vehicle it would easily transferred to the newer one when it's purchased.

Ms. Krejci also asked the Committee to consider the issue of refusals and assists. Refusals can happen when the Rescue Squad is called, for example, to a restaurant and the person is checked but refuses transportation to the hospital. Assists happen when there is a fire in town like the Southfield fire last year when rescue personnel are 'on hand' to assist fire and police in case they are needed. Rescue personnel are not compensated for this work and Ms. Krejci would like to see something worked out so their time is compensated. The Committee was unaware of this issue and stated they would look into it.

Last Chief Loring requested the Town purchase a repeater for the antenna which would allow for better communication between fire, rescue and police in town. The estimated cost for this item would be \$4000.00.

Ms. Walker reminded the Committee that much of this budget is reimbursed through COMSTAR, not through the Town.

Ms. Shalaby reported on her meeting with the Highway Department. She stated the mowing contract company is expensive and expected it will go up again next year. She reminded the Committee it had approved \$10,000.00 from the Reserve Fund in 2019 for gravel and the Highway Department also used \$20,000.00 out of Chap 90 funds for gravel in 2019. She stated there will be a request for \$30,000.00 for gravel roads in the upcoming budget. Winter roads are expected to be about the same as in past years. Ms. Shalaby stated there is concern about the buried fuel tanks at the Highway Department and Mr. Loring suggests they be removed and replaced with an above ground tank. Ms. Shalaby continued this would be an opportunity to install a monitoring system that would keep track which department is using how much fuel.

Ms. Shalaby stated the Highway Department has applied for a grant to study the effect of climate control on our gravel roads.

The Committee then discussed the possibility of an extended warranty on the truck that will come out of warranty this year as a replacement, if approved at this year's Town Meeting, wouldn't arrive until 2021 and the vehicle has to make it until the new one is delivered.

Ms. Shalaby noted the roller electrical issues and is unreliable. The Highway Department rented one. A new roller is estimated at \$225,000.00 and \$60,000.00 for a used one. She continued that the chipper which is on the capital purchase list could be moved out.

The Committee discussed tree work being added to the Highway Budget and possibly contracting out culvert cleaning. Last, Ms. Shalaby noted that many guardrails have been replaced or added in Town and noted there has been a 57% increase in the cost of guardrails.

Mr. Klein stated he informally spoke with Freddy Friedman about the Transfer Station budget. He stated it is presently bidding time and new contracts were being addressed and he will be meeting with him formally soon. Ms. Enoch stated the Selectman had just voted to join MERF with a 5 year contract and Valley with a three year contract so that information will now be available.

DISCUSSIONS REGARDING STABILIZATION AND FREE CASH

The Committee discussed its prior year's approach to building excess capacity and the upcoming broadband expense of \$69,000.00. Mr. Klein stated that looking forward, there will be a solar pilot payment of \$49,000.00 which will offset some of the broadband expense and there was a possibility of a second solar pilot. He also stated we are trying to get a better sense of property growth in time and what kind of revenue stream will be coming from new growth.

Committee agreed capital items need to be planned and debated whether reserves be put aside for those known future expenditures. The Committee discussed spreading out long term capital items by borrowing and letting the residents benefitting from the capital item pay for the item over time.

Mr. Klein stated another goal for the Committee should be to build the stabilization fund and free cash balances in excess of the state's minimum requirements.

Mr. Klein announced that the Assessor, Paul Kapinos would meet with the Committee and the Board of Selectman on February 11, 2020 at 6:00PM and that starting February 20, 2020, the Finance Committee would meet every Thursday night through the budget season.

Ms. Walker requested that the Committee add review of the recent Scanlon report and financial management recommendations at the next meeting.

Meeting was adjourned at 7:36PM.

Respectfully submitted,

Sandra J. Fusco-Walker