



Finance Committee Meeting Minutes

May 4, 2015 6:30 PM, Community Room

Tyngsborough Town Hall

Tyngsborough, Massachusetts

Members Present: Darryl Wickens, Chair (DW)
Burt Buchman, Secretary (BB)
Paul Morin

Members Absent: Scott Hammer, Vice Chair (SH)
Eric Sondhi (ES)

Attendees: Curt Bellavance, Town Administrator
Robert Jackson, Board of Selectmen
Rick Reault, Board of Selectmen
Karyn Puleo, Board of Selectmen
Corliss Lambert, Board of Selectmen
William Gramer, Board of Selectmen
Nina Nazarian, Assistant Town Administrator
Kerry Colburn-Dion, Finance Coordinator/ Treasurer
Catherine Gabriel, Town Accountant
Therese Gay, Administrative Clerk

BB made a motion to come into session at 6:49 pm, PM seconded. All in favor 4-0-0.

This is a joint meeting on the town budget.

Item 1: Capital Asset Management Committee (CAMC)

Selectwoman Puleo reviewed the draft recommendations, (see below) from the CAMC. There was \$25M in requested projects this year. \$16M of that was for the Sewer Department's Phase 1 and 2. Used \$274K from the Lakeview roof projects to free up the town's debt over the next 5 years. This will free up \$65K of debt each year.

Eric Sondhi arrived at 6:58pm.

<u>Dpt</u>	<u>Tracking #</u>	<u>Description</u>	<u>Total Cost</u>	<u>2016</u>	<u>FY16 Rec for Budget</u>
<u>FIR</u>	22-16-01	Fire Station #2 Replace	\$2,500,000.00	\$2,500,000.00	1
	22-16-01	Replace Pickup Truck	\$35,000.00	\$35,000.00	2
	22-17-01	Ambulance	\$200,000.00		
	22-19-01	Replace Engine 3	\$450,000.00		
		Total Fire	\$3,185,000.00	\$2,535,000.00	
<u>HWY</u>	425-16-01	6-wh Dump Tr w/Plow & Sander (T-4) Replace	\$170,000.00	\$170,000.00	3
	425-16-02	6-wh Dump Tr w/Plow & Sander (T-3) Replace	\$170,000.00	\$170,000.00	4
	425-16-03	Fuel Control System; dispensers/pumps Replace	\$30,000.00	\$30,000.00	5
	425-16-04	3/4 Ton Truck w/Plow Replace	\$50,000.00	\$50,000.00	6
	425-17-01	6-wh Dump Tr w/Plow & Sander (T-15) Replace	\$170,000.00		
	425-17-02	6-wh Dump Tr w/Plow & Sander (T-17) Replace	\$170,000.00		
	425-17-03	1-Ton Truck w/Plow (T-6) Replace	\$50,000.00		
	425-18-01	6-wh Dump Tr w/Plow & Sander (T-8) Replace	\$170,000.00		
	425-18-02	Bobcat (1997) Replace	\$45,000.00		
	425-19-01	Bucket Truck (used) Replace	\$30,000.00		
	425-20-01	Utility Truck w/Plow Replace	\$60,000.00		
		Total Highway	\$1,115,000.00	\$420,000.00	
<u>POL</u>	210-16-01	IT Upgrade	\$10,000.00	\$10,000.00	7
	210-16-02	Digital Fingerprint Scanner	\$23,000.00	\$23,000.00	8
	210-17-01	Building Window Replacement	\$20,000.00		
	210-17-01	Exterior Stair and Railing Repair	\$10,000.00		
	210-17-02	Parking lot repaving	\$35,000.00		
	210-18-01	Central Air Conditioning	\$30,000.00		
	210-18-02	Cell Block Sand/Repaint & Bldg Int. Repaint	\$10,000.00		
	210-20-01	Building Addition/Training Room	\$120,000.00		
		Total Police	\$258,000.00	\$33,000.00	
<u>BOS</u>	122-16-01	Frost Road at Norris Road Traffic Signal Install	\$250,000.00	\$250,000.00	9
	122-16-02	Building Department Software	\$10,000.00	\$10,000.00	10
	122-16-03	Town Office Carpets/Walls/Doors	\$40,000.00	\$40,000.00	11
	122-16-04	Town Offices/Library Security & Repairs	\$10,000.00	\$10,000.00	12
	122-17-01	Dunstable Road Culvert Replacement	\$250,000.00		
	TBD	Street Acceptance Documents	\$175,000.00		
	TBD	Demolition of Vacant Town Buildings	\$20,000.00		
	TBD	Winslow School Carpet Removal & Vent.	\$35,000.00		
		Total Selectmen	\$790,000.00	\$310,000.00	
<u>COL</u>	146-17-01	Tax Collector's Software Conversion	\$35,000.00	\$35,000.00	13
		Total Collector	\$35,000.00	\$0.00	
<u>COA</u>	541-16-01	Senior Center: Equipment	\$10,000.00	\$10,000.00	14
		Total Council on Aging	\$10,000.00	\$10,000.00	
<u>REC</u>	630-16-01	New carpet/flooring Recreation Bldg. Replace	\$6,600.00	\$6,600.00	15

Total Recreation	\$6,600.00	\$6,600.00
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<u>Dpt</u>	<u>Tracking #</u>	<u>Description</u>	<u>Total Cost</u>	<u>2016</u>	<u>FY16 Rec for Budget</u>
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<u>CEM</u>	491-17-01	1-ton Pick-up Truck Replace	\$50,000.00		
	491-18-01	Road at Memorial Cemetery Pave	\$17,500.00		
		Total Cemetery	\$67,500.00	\$0.00	

<u>SEW</u>	600-16-00	Phase I West Construction and Administration	\$7,300,000.00	\$7,300,000.00	16
	600-16-01	Quick Disconnect Switches for Portable Generator	\$15,000.00	\$3,750.00	
	600-16-02	Upgrades to Phalanx Station	\$50,000.00	\$50,000.00	
	600-16-03	Additional Wet Well at Flints - Study	\$10,000.00	\$10,000.00	
	600-16-04	Audrey Avenue Pump Station repairs/upgrades	\$10,000.00	\$10,000.00	
	600-16-05	Replace or Repair 20+ year old pumps at stations	\$20,000.00	\$20,000.00	
	600-16-06	Phase II Design	\$750,000.00	\$750,000.00	
	600-16-07	I & I Repairs	\$100,000.00	\$20,000.00	
	600-16	Phase II Construction and Administration	\$8,820,000.00	\$8,820,000.00	
		Total Sewer	\$17,075,000.00	\$16,983,750.00	

<u>SCH</u>	300-16-01	THS Roof and Boiler Replacement *	\$4,075,000.00	\$4,075,000.00	17
	300-16-02	Modulars Removal or Repairs and upgrades *	\$250,000.00	\$250,000.00	18
	300-16-03	Security Upgrades TPS	\$300,000.00	\$300,000.00	19
	300-16-04	Technology Replacement Cycle	\$250,000.00	\$50,000.00	20
	300-16-05	TPS Furniture Replacement Cycle	\$75,000.00	\$25,000.00	21
	300-16-06	Custodial/maintenance Replacement Cycle	\$140,000.00	\$45,000.00	22
	300-16-07	Paving Plan2	\$250,000.00	\$50,000.00	23
	300-16-08	Asbestos Abatement TMS3	\$440,000.00	\$40,000.00	24
	300-17-01	Windows - TMS4	\$500,000.00		
	300-17-02	Bleachers - TMS4	\$100,000.00		
	300-17-03	Generator - TMS4	\$75,000.00		
	300-17-04	Ceiling Refurbish - TMS4	\$180,000.00		
	300-17-05	Restrooms - TMS4	\$120,000.00		
	300-17-06	TES Phone System Replacement	\$100,000.00		
	300-18-01	THS Renovations	\$1,000,000.00		
	300-18-02	THS Auditorium5	\$1,750,000.00		
	300-18-03	Norris Road Athletic Field Complex5	\$1,400,000.00		
	300-19-01	HVAC - Lakeview4	\$750,000.00		
	300-19-02	Windows/Doors - Lakeview4	\$300,000.00		
	300-19-03	Generator - Lakeview4	\$80,000.00		
		Total School	\$12,135,000.00	\$4,835,000.00	

1 TBD - Pending 300-15-01
 2 Preventative Maintenance Plan
 3 5-Year Plan
 4 Potential MSBA Projects; TMS items are included in comprehensive 2014 MSBA SOI submission (total project budget unknown at this time)
 5 Feasibility Study Completed

Grand Total Cost	\$34,677,100.0 0	\$25,133,350.0 0
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FY16 Recommendations:

The Capital Asset Management Committee (CAMC) reviewed each of the items presented to the CAMC for FY16. Due to limited funding, Departments were also asked to prioritize their department's most pressing needs. In making its' recommendations, although we were limited by the available funds, we also gave full consideration to each capital request with respect to the overall 5-year capital management plan.

The CAMC makes the following draft recommendations for FY16:

1) FIRE - Replace Fire Station #2

- a. Based on funds available, this item is not being recommended in FY16
- b. Based on discussion with Fire Chief Madden, this is not a 2016 priority but should remain a focus of the leadership team

2) FIRE - Replace Pick-up Truck

- a. Recommended for funding (\$35,000) by the CAMC via 5 year borrowing plan
- b. Replaces a 2002 vehicle

3) HIGHWAY – 6-Wheel Dump with Plow and Sander

- a. Recommended for funding by the CAMC, funded by:
 - i. \$40,000 funded via 5-year borrowing for plow and sander
 - ii. \$130,000 funded from Chapter 90 funds (if Chapter 90 funds are not received, then not funded)
- b. Replaces aged equipment which may not pass inspection

4) HIGHWAY – 6-Wheel Dump with Plow and Sander

- a. Based on funds available, this item is not being recommended in FY16
- b. Replaces aged equipment which may not pass inspection
- c. Potentially increases the financial burden in next year's capital asset funding by delaying this request until re-consideration in FY17

5) HIGHWAY - Fuel Control System

- a. Recommended for funding (\$30,000) by the CAMC via 5 year borrowing plan
- b. Replaces aged, severely deteriorating and potentially failing equipment

6) HIGHWAY - ¾ Ton Truck with Plow

- a. Based on funds available, this item is not being recommended in FY16

- b. Potentially increases the financial burden in next year's capital asset funding by delaying this request until re-consideration in FY17

7) POLICE – INFORMATION TECHNOLOGY (IT) Upgrade

- a. CAMC recommends funding (\$10,000) in FY15 via transfer from existing available funds

8) POLICE - Digital IT Scanner

- a. Request (\$23,000) to be funded through \$21,900 grant recently awarded to the Tyngsborough Police Department by the Department of Justice

9) BOARD OF SELECTMEN - Frost/Norris Traffic Signal

- a. Request to be funded through available Chapter 90 Funds

10) BOARD OF SELECTMEN – Building Department Software

- a. CAMC recommends funding (\$10,000) in FY15 via transfer from existing available funds

11) BOARD OF SELECTMEN - Town Office Carpets/Walls/Doors

- a. Combined with item 12, the CAMC recommends funding (\$35,000) via 5 year borrowing plan
- b. Additional funds available from FY15 allocation

12) BOARD OF SELECTMEN - Town office/library/security and repairs

- a. Combined with item 11 and as mentioned in #11(Town Offices Carpet/Walls/Doors), the CAMC recommends funding this through the 5 year borrowing plan; funds will be combined for overall Town Hall Maintenance and Security.
- b. Additional funds available from FY15 allocation

13) TAX COLLECTOR – Financial Software

- a. CAMC recommends for funding (\$35,000) in FY16. To be funded partly through existing account with available funds for Financial Software Replacement in Fund 301 (\$16,987)
- b. Remaining funds recommended for funding by the CAMC via 5 year borrowing plan \$18,013

14) COA - Senior Center Equipment (Snow Blower & Shed)

- a. CAMC recommends for funding (\$10,000) in FY15 using existing FY15 available funds

15) RECREATION - New Carpet for Recreation Building

- a. CAMC recommends for funding (\$6,600) via Recreation Revolving Fund

16) SEWER DEPARTMENT

- a. CAMC recommends funding items through Sewer Enterprise Funds with the exception of the debt for Phase I West to be funded at no additional cost to the general fund

17) SCHOOL DEPARTMENT - THS Roof/Boiler

- a. CAMC recommends funding via a prop 2 ½ debt exclusion
- b. Reimbursement from state is 52.89% of eligible, approved cost, as determined by the MSBA (Quotes are coming in less than the original \$4M estimate)

18) SCHOOL DEPARTMENT - THS Remove Modules

- a. Based on funds available, this item is not being recommended in FY16. (this is a \$250K expense)
- b. Modular classrooms will need to be removed as they have well exceeded their useful life; Costs will include cutting back utilities and re-grading grounds
- c. Potentially increases the financial burden in future year's capital asset funding by delaying this request for re-consideration

19) SCHOOL DEPARTMENT - Security Upgrades

- a. The CAMC recommends funding (\$21,900) via 5 year borrowing plan.
- b. Additional funds available from FY15 allocation.

20) SCHOOL DEPARTMENT - Technology Replacement

- a. CAMC recommends funding (\$50,000) via 5 year borrowing

21) SCHOOL DEPARTMENT - TPS Furniture Replacement

- a. Recommended for funding (\$25,000) by the CAMC via 5 year borrowing plan
- b. Based on age of furniture, future years will need similar funding

22) SCHOOL DEPARTMENT - Custodial/Maintenance Replacement

- a. Based on funds available, this item is not being recommended in FY16

23) SCHOOL DEPARTMENT - Paving

- a. Based on funds available, this item is not being recommended in FY16.

24) SCHOOL DEPARTMENT - Asbestos Abatement

- a. Based on funds available, this item is not being recommended in FY16.
- b. Item is preparation for future renovation of TMS. Asbestos is not a current risk to students but MSBA funding will not cover the costs of asbestos abatement.

Consideration of FY15 Capital Projects presented to Special Town Meeting 2/10/15

In addition to reviewing and recommending to the Board of Selectmen a plan of action for FY16 based on the capital requests submitted by the Departments for FY16 Annual Town Meeting, the CAMC also considered by examination of the costs and effectiveness of borrowing for projects presented at the FY15 Special Town Meeting. These projects included a borrowing by a Prop 2 ½ debt exclusion in the amount of \$1,600,000 to fund the repair/construction of roads and the borrowing by a Prop 2 ½ debt

exclusion in the amount of \$4,074,418 for the purpose of paying costs of replacing the roof and boiler at the Tyngsborough High School, of which 52.89% is reimbursable by the MSBA.

Current Balances of the Stabilization and Related Funds:

The current balance (as of 3/31/15) of the Town's Stabilization Funds is as follows

General Stabilization Fund	\$857,505.14
Capital Asset Stabilization Fund	\$241,531.12

Recommended balances are commonly from 5 to 15% of the budget. Based on the current town budget, there should be a minimum of \$1,700,000 in our Capital Asset Stabilization Account. Funds may only be expended from these accounts by a two-thirds majority vote of town meeting.

Although a Revolving Fund, the CAMC also discussed the possibility of funding capital repairs related to the School Department from the School Building Use Revolving Fund. This fund was established at the June 7, 2011 Annual Town Meeting and can be used for the upkeep and maintenance of any facility under the control of the School Committee. The balance of this account is presently \$466,037.98.

Additional Recommendation:

The Free Cash Policy sets aside a minimum requirement of 7.5% of free cash for the Capital Asset Stabilization Account. Based on current and future year needs, the committee unanimously supported a motion to recommend that no less than 15% of free cash be transferred to the Capital Asset Stabilization Account or up to \$100,000. This recommendation factors in that the state is allowing a reduction of the snow and ice deficit of FY15 to be a receivable in FY16.

Stabilization Fund for Debt & Debt Assessments:

In FY16, the town's capital assets recommendations are contingent upon passing 2 items: (1) the FY15 STM article to establish a Stabilization Fund for Debt and Debt Assessments and (2) the article to move \$274,814 into this Stabilization Fund for the remaining debt payments for the School Roof Project. The \$274,814 is money that was received in FY09 as MSBA's full grant payment to the Town for the roof replacement at the Lakeview School / Early Childhood Center. The money was set aside pending a decision from MSBA as to whether the town would be allowed to keep this money since the building use had changed. In FY14, the MSBA responded that the Town would be allowed to keep this money as long as the building was still being used for educational purposes.

These funds are being put into a newly established Stabilization Fund for Debt and Debt Assessments to pay the remaining 5 ½ years of existing debt for the ECC School Roof project. As a result, this creates capacity within the general fund budget to cover new debt in the form of a 5-year borrowing. The 5-year borrowing will be used to fund a majority of the items presented in this year's round of capital asset funding.

The LakeView School Revolving Fund has \$466K. That can be used for the removal of the School Committee's modular classrooms.

Stabilization Fund is funded at 7.5% - \$34k

Recommendation to fund the Capital Asset Stabilization Fund at \$75K.

The School Revolving fund would have to be expensed through warrant.

Item 2: Town Budget

The Town Administrator reviewed the Revenue Summary sheet. He is recommending that the CASF be funded at \$75K this year.

There is \$400K left in free cash as of May 1, 2015.

He recommends \$137,139K for following accounts:

Stabilization Fund - \$34,422K

Capital Asset Stabilization Fund - \$75K

OPEB - \$13,808

Compensated Absence Fund - \$13,808

That leaves \$262K of free cash for the budget.

State aid is still less than last year. The Senate is now putting together their version of the budget.

There is a FEMA reimbursement meeting tomorrow. There was a bulletin issued last week where FEMA is including the costs of removing snow during the 4 week period after the January 26 – 28 snow storm.

An applicant may designate its own 48 hour which may reflect higher costs, either the January 26 – 28 period or one proximate to it. This 48 hour period may be several weeks after the initial January blizzard.

Currently, the town estimates \$66K reimbursement. That will be set up as a receivable. This may increase based on the new information that will be conveyed at the FEMA meeting.

The revenue shares are Municipal - \$7.3M and Schools - \$18.5M. The School Committee is meeting tomorrow night to discuss their budget numbers.

Will be using free cash of \$262,492 to offset the budget deficit.

Selectman Reault discussed stipends be included in the budget for elected officials. Pay same amount of money to Boards. Chair Wickens suggested that a stipend policy be created based on a bonus of achieving certain goals.

On the Budget Detail sheet, all the additional requests on the right side of the document are not included in the proposed town budget.

The BOS voted to support the draft budget. Approved 5-0-0

ES made a motion for the Finance Committee to support the draft budget. PM seconded the motion. Approved 4-0-0

Item 3: Town Warrants

The BOS had voted to recommend the Town Clerk's and Town Collector's increases.

The Town Administrator has reviewed the warrants.

There are 5 citizen petitions.

Item 4: Meeting Minutes

Anyone can request meeting minutes within 10 days of the meeting having occurred. There is a warrant that compels boards and committees to post the meeting minutes in the town's web pages. 7 boards have zero meeting minutes posted. 9 boards have no recorded minutes at all. What do other towns do? BOS to bring forward wording for consideration at their next meeting.

Item 5: Tax Collector

The Tax Collector is not running for office again. This should be an appointed position. Interest in bringing a warrant article forward, similar to last year's town meeting, for support and discussion at next BOS meeting. BOS made a motion to bring forth a warrant article for the appointed position for the tax collector. BOS approved 4-1-0.

The Finance Committee moved to Meeting Room 1 to continue their meeting.

Item 5: Meeting Minutes approval

BB made a motion to approve the April 9, 2015 and April 13, 2015 meeting minutes. Seconded by ES. Approved 4-0-0

BB made a motion to approve the April 27, 2015 meeting minutes. Seconded by PM. Approved 3-0-1

Item 6: Town Budget

The Superintendent of Schools will be able to fit into an \$18,523,000 budget number. Going forward, the Town Administrator and the financial team should create the budget. The Tax Collector's article was discussed. There was past practice with Dorothy Dunderdale. The Fincom discussed creating a 3 year budget. Westford has a budget director. BB and PM can assist DW. BB will look for the 3 year excel spreadsheet that Michael Gillberto had sent out about a year ago.

Adjournment

BB made a motion to adjourn at 9:20 pm, seconded by PM. All in favor 4-0-0.

Prepared by: Burt Buchman, Finance Committee Clerk