

Town of Lunenburg

Finance Committee:

Terri Burchfield, Chairman
Mark Erickson, Vice-Chairman
Jay Simeone, Secretary
John Henshaw
Hannah Anderson
George Martin
Cindy Testa



17 Main Street, P.O. Box 135
Lunenburg, MA 01462-0135
978.582.4139
FAX 978.582.4148

Lunenburg Finance Committee Minutes 03-09-17

Location: Town Hall
Present: Terri Burchfield, Mark Erickson, Jay Simeone, John Henshaw, Hannah Anderson, Cindy Testa
Absent: George Martin
Guest: Dave Rodgers, Tom Alonzo, Jamie Toale, Carl Luck – Chair -Sewer Commission, Barbara Lefebvre-Sewer Commission Business Manager, Loxi Calmes – School Superintendent, Mike Mackin – School Committee, Karen Brochu – Town Accountant, Heather Lemieux – Town Manager

1. Chairman called the meeting to order at 7:00 pm. Televised meeting available on Lunenburg Public Access channel on You Tube.

<https://www.youtube.com/watch?v=BNWNzB5AQWM>

2. Comments:

- a. Public: Mr. Rodgers – 82 Highland St.: Asked about protocol for asking questions about the budget.

Sewer Commission: Disagrees with budget. Budget not breaking even. Questioning the retained earnings. Questioning the billing, Business Manager payroll increase. Life expectancy of pump stations and funding for replacement of pump stations. I&I issues.

- b. New Communications:

- The results of the Powers & Sullivan Audit will be presented at the Selectmen meeting.
- Public hearing for the budget is on March 23, 2017. Between that time and the warrant going out, we need to have an article written for the warrant discuss our recommendations. Basically an overview of whats going on in the budget process.

3. Department Budget Presentations:

Superintendent Loxi Calmes – Lunenburg Public Schools. The Superintendent presented what she feels equates to a Level service budget. The School Committee will hold a public hearing on the budget on April 5th. The FY18 Personnel budget recommendation is \$13,334,650. The Non Personnel budget recommendation is \$ 6,267,399. For a total budget recommendation of \$19,602,049. This is 6.22% increase, about \$600K over the FY17 budget. All the budget presentations are posted on the Superintendents web page. They are presently in contract negotiations with the three major employee groups, the Teachers, the Custodians and the Para Professionals.

Some Personnel highlights for FY17 include adding a Maintenance position, a part time School Psychologist, a.08 Middle School teacher to full time and added 12 work hours to the HS Guidance Secretary position. To offset these additions and maintain a level service budget, four Paraprofessional positions were eliminated.

FY17 Non Personnel budget highlights. This includes instructional materials, consumables, transportation, health insurance and Special Ed. Transport increased \$26k due to adding additional buses being added and contract cost increases. Health Insurance cost have increased \$381K or 5.63%. Special Education cost increased about \$265K. Based on projectors of students that have moved in to the District.

Enrollment is up from 1580 in March 2016 to 1629 in March 2016. The Turkey Hill Elementary is up 25 students and 14 at the Middle School. When grade level reaches 130 students, an additional teacher is needed. High School out of district students has dropped from 17 to 11. Students

attending Monty Tech from 2016 until the 2017 year decreased from 90 to 85. There are 62 more school aged children in Lunenburg than a year ago.
There are no new teaching positions being added in FY18 Budget.
Class size has been maintained due to having additional teachers in the classes that saw increased enrollment
A reduction in Utility cost partly due to Solar panels in place. Natural gas cost have decreased.
Security cameras are being funded thru saving in energy cost.
The TC Passios utility cost is not included in the budget.

Public Comment: Dave Rodgers (DR): Commented that the clarity of the presentation is not clear to people at home. Need to do a better job to see the budget numbers.

Asked the Superintendent for overview of the safety and security changes that have been made and what has been done. Is the Superintendent satisfied with the changes?

The Superintendent commented that security cameras system are being installed at both the Primary school and the Turkey Hill Elementary School. There posting people at the doors. All the budget info available in the offices and on line.

DR: Do the Police and Fire have access to the buildings 24/7?

Superintendent: Yes, there are lock boxes with keys.

Maintenance dept. budget: Regarding field maintenance, will it be done in house?

Superintendent: If new position is put in place, it will be done in house. If budget changes, it would be contracted out.

DR: Are Police canine dogs being used or plan to used in the schools?

Superintendent: Service dogs are in the schools as personnel assistant for children. We work with law enforcement, state and local when dealing with contraband.

DR: Question on Personnel budget salaries for Principal and assistant principal in budget is one figure.

Superintendent: Budget is public info. Brake down of individual salaries are available.

DR: Requesting explanation of the 6.2% increase in budget. How do residents deal with these increases?

Superintendent: We don't take likely the dollars that are provide for us. Try to operate efficiently. We appreciate feed back from the community.

Link to School budget presentation to FinCom:

<http://docs.google.com/viewer?a=v&pid=sites&srcid=bHVuZW5idXJnc2Nob29scy5uZXR8bHBzfGd4OjNiZmJkNjA2YzI3NDFFkYmE>

Sewer Commission: Small Water Systems is the current system and maintenance contractor.

Weston & Sampson: Primary Engineering consultant.

Wright Pierce: Betterment project engineering and special projects.

Flow Assessment: Flow meter monitoring and maintenance.

The Commission mission is to serve areas of need thru the 2010 Comprehensive Waste Management Plan (CWMP).

Sewer extensions are resident driven. Make plans for installation and maintenance of sewer system.

Identify Inflow and Outflow issues is a #1 priority. Work with business on Fat, Oil & Grease (FOG) regulations.

FY16-17 accomplishments: Pratt, Lakeview and Pleasant View roads sewer extension completed. Update CWMP. Updated cost models for extensions. I&I reduction: manhole inspections to reduce I&I. Work on FOG reduction.

Operating budget has been balanced or returning positive cash flow for the past five years.

For FY17-18: Continue Enterprise fund tracking. Establish a Capital Stabilization fund. Out source billing, possibly thru the Water District. Outsource parts of FOG program. Implement a lien process. Investigate MGL tools to encourage compliance. Work with DPW and contractors to reduce I&I. Review and improve system wide maintenance for pump stations.

3% rate increase by Leominster in FY19. No rate increase for Lunenburg customers. Outsourcing contract increased 4.7% for FY18. To include generator maintenance. Increase I&I funding from \$30K to \$50K. Projected Retained earnings at the end of FY18 are \$1,108,730.

14.2% Increase in payroll for business Manager, part time minute taker, 15% for DPW Director. 42.1% increase for Purchase of service.

FY18 projected Revenues \$843,833. \$760K from User charges, \$24K from connection fees.
 FY18 proposed expenses: \$840K, Proposed debt service \$843K, Total expense \$ 1.6K
 Proposed income \$843K. Proposed Betterment revenue \$653K. Total income \$1.5K
 Balance to/from Retained earnings. \$(186K).
 FY18 Lunenburg usage rate \$11.50 per 100 cu. ft.
 Total number of Users/ connections: 841
 To present six warrant articles at annual Town Meeting. Mostly financial.
 There were several questions from the Finance Committee and the Public.

4. Budget Goals and Opportunities:

Financial Policy for managing debt service:

Anticipation of large capital purchases: John H reviewing the Collins Center report on capital expenses.

5. Review of minutes: Minutes of 02-16-17. John made motion. Hannah Seconded. All in favor 6-0

6. Town Officers report: The TM presented an FY18 Projected Revenues/Expenditures budget update with a few minor changes. There was an increase in the surplus. TM recommends the balance to go into the special stabilization fund.

7. Committee and Department Updates:

<u>Committee/Department</u>	<u>Update</u>
School Bldg. Comm. - Mark	Not meeting this week. Fixed problem with the projectors. Snow damage on the roofs, sloped portions had snow build up on them, Caused an avalanche which caused damage to some equipment. Mitigate was completed. No impact on roof warranty. Added deflectors to protect equipment.
Building Reuse - Mark	

8. Ongoing business:

Pavement management plan
 Contract Commitments
 Sale of surplus properties

9. Next meeting: March 16, 2017

10. Adjournment: Mark made a motion to adjourn. John seconded the motion. The committee approved the motion 6-0 at 9:34 pm

Submitted by Jay Simeone
 Attachments (0):