

Town of Lunenburg

Finance Committee:
Terri Burchfield, Chair
John Henshaw, Vice-Chair
Jay Simeone, Secretary
Mark Erickson
Hannah Anderson
George Martin
Marc Luescher



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LUNENBURG TOWN
CLERK OFFICE

Lunenburg Finance Committee Minutes March 22, 2018

Location: Town Hall
Present: Terri Burchfield, John Henshaw, Jay Simeone, Mark Erickson, Hannah Anderson, George Martin
Absent: Marc Luescher
Also Present: Heather Lemieux, Karen Brochu

Notes: 1. This meeting was televised on the Lunenburg Public Access cable channel. A link to the video recording of the meet is on the [Public Access Page](#) of the Town Web site.

2. John Henshaw wrote the minutes to this meeting.

1. Terri said that, while the meeting agenda had a 6:00 start time, the agenda header had the start time as 7:00. After discussion with the Town Manager, Terri decided to begin hearing the FY2019 budget presentations at 6:00. But she won't call the committee to order until 7:00 pm. Only after the committee was called to order would members ask questions or deliberate. Presenters have kindly agreed to remain after their presentations to answer questions.

FY 2019 Budget Presentations

2. Public Access Cable Committee (PACC) FY2019 Budget presentation by Steven Walker, Chair of the Public Access Cable Committee
 - a. Income:
 - Funds come from the franchise fee that Comcast pays quarterly. This fee averages slightly over \$28,000 a quarter.
 - Steve projects an FY2018 ending balance in this franchise fee account of \$253,500.
 - PACC is in negotiations with Comcast over a renewal of the franchise fee including the increase in that fee from 2.5% to 5% which would be in line with the franchise fee to other towns.
 - b. Expenses for FY19:
 - Operations: \$142,600 including salaries, health insurance, and lease of studio space.
 - A proposal to Increase staff hours would mean higher operation costs, due in part to increased cost of benefits.
 - Capital: \$50,000 – Studio improvements. replacing/upgrading equipment.
 - An article on the FY19 ATM warrant requests \$192,600 to meet these anticipated expenditures.
3. Monty Tech FY2019 Budget presentation by Sheila Harrity, Superintendent of Monty Tech and Tammy Crocket, Business Manager
 - a. FY2019 Assessment for Lunenburg:
 - This assessment is largely set by the state required minimum.
 - Although the per-student cost increased by about \$500 or (see point below), Lunenburg's enrollment in Monty Tech declined by 10 students to 82 students. Thus, the Town's assessment declined from \$876,381 to \$824,011, a decrease of 5.9% or \$52,370. For context, Monty Tech is proposing a 3.2% increase in its total FY19 budget.
 - Monty Tech's per student assessment: FY2018 \$9,525.88, FY2019: \$10,048.91.

4. School Department FY2019 Budget Recommendation Presented by Superintendent Loxi Calmes and Mr. Cassidy, the business manager.
 - a. This is a level service budget:
 - No added personnel and there is a hiring freeze except for the Primary School Principal. Freeze will continue until Federal Grant amounts are set.
 - There is an addition of a 9th grade one-on-one program funded by 40S funds.
 - School expense lines are level funded. This will require the school department to re-prioritize services.
 - b. Total budget was approved by the school committee on March 21. In summary based on slides from the presentation slides.

	FY17	FY18	FY19
Personnel	\$12,809,451	\$13,567,789	\$13,978,429
Non-Personnel	\$5,432,180	\$6,034,260	\$6,211,681
Total	\$18,241,631	\$19,602,049	\$20,190,110

- The increase over projected FY18 to proposed FY19 is \$588,061 or 3%.
5. Unclassified Budgets: Update presented by Heather Lemieux, Town Manager
 - a. Health Insurance: The updated percentage growth from FY18 to FY19 is 6.82%. Originally the expected growth was 8%.
 - b. The other categories comprising unclassified budget have remained the same as of now. Other budgets within Unclassified have been level funded, except for general government.
 6. Department of Public Works FY2019 Budget Recommendation Presentation by Jack Rodriquez, Director of the DPW
 - a. The Dept. of Public Works encompasses:
 - Road maintenance including the pavement management program, pot hole repair, traffic signs & devices, and snow and ice plowing & sanding/de-icing.
 - Facilities and grounds
 - Vehicle maintenance
 - Tree Removal
 - Cemetery
 - Parks and Recreation.
 - b. Except Vehicle Maintenance all is level service funded.
 - c. The proposed budget for FY19 includes a recommendation to add \$37,000 for an assistant mechanic to augment the one mechanic the DPW has.
 - There were reductions in DPW staff several years ago during a tight budget times. The second mechanic position was never refilled. They have not made up the lost positions.
 - The mechanic on staff is tasked with repairs and services every piece of motorized equipment including vehicles, pumps, generators, etc. the Town has. The charge to contract repairs exceeds \$100 per hour.
 - It's too much for one person to do.

	FY18	FY19 Proposed
Dept of Public Works	\$1,589,171	\$1,668,378
Note: Snow and Ice Account (Deficit)	(\$108,344)	

7. Sewer Commission FY2019 Budget Recommendation Presentation by Joe Anderson, Chair of Sewer Commission and Carl Luck, Vice-Chair
 - a. The Sewer Commission is an enterprise fund.
 - The charter of the commission is to be cost neutral to the Town.

- The costs of providing sewer services and investing \$22,000 in the capital reserve fund are funded by the people connected to the sewer.
- b. The commission is working with Karen Brochu to adopt cost basis accounting to make sure all costs are identified and quantified. The cost basis for all the components listed below will be addressed during FY20 after there is more history. OPEB will be accounted as a segregated part of the stabilization fund for OPEB and the commission will work on OPEB costs for their one employee.
 - OPEB
 - Insurance Premiums for retirees
 - Office Space
 - Share of the Town's legal fees
 - Other costs allocated by employee.
- c. Mark E. suggested that the Sewer Commission consider separating the one-time connection fees from the monthly usage fees. As non-recurring revenues connection fees could fund capital or capital reserves. Carl said that it was a good idea and that it would be something the commission could write a policy on so this would be how future commissions would handle connection fees.
- 8. Debt Service: Karen Brochu said the debt service costs for FY19 and supporting details were included in the budget Heather Lemieux has given the committee.
- 9. Updates on Monied Articles reported by Town Manager Heather Lemieux
 - a. The Municipal Modernization Act (MMA) requires that Towns adopt a by-law to set up revolving funds and then re-authorize revolving funds annually.
 - b. Adjust the snow & ice deficit, Stabilization funds, OPEB trust fund and separate out the Sewer OPEB, Sewer Enterprise Fund and capital fund, solid waste disposal, water enterprise budget, cable budget, cemetery lots sale, rescind borrowing for various projects, a citizens' petition for a debt exclusion for demolition of the Old Primary School.
- 10. Review of minutes: There were no minutes to review.
- 11. Public Comment: Bob Ebersol stated the Charter Review Committee completed its initial draft of the Town Charter. There will be a meeting at Town Hall on Thursday, April 5 to get public response and comment.
- 12. Next meeting: Thursday, March 26th, at the regular time of 7:00 PM in the Bilotta Room at Town Hall. During this meeting the Finance Committee will review the monied articles on the Annual Town Meeting warrant.
- 13. Adjournment: John moved to adjourn the meeting and Mark seconded the motion. The committee approved the motion 6-0 at 9:35 pm.

Respectfully submitted by John Henshaw April 26, 2018