

Town of Lunenburg

Finance Committee:
Terri Burchfield, Chair
Peter Beardmore, Vice-Chair
Heather Sroka, Secretary
Christopher Menard
David Passios
Jay Simeone
Evan Watters



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

Lunenburg Finance Committee February 25, 2021 Minutes

Location: Zoom Virtual Meeting
Present: Terri Burchfield, Peter Beardmore, Dave Passios, Jay Simeone, Chris Menard, Heather Sroka
Absent: None

1. Call to Order

- Terri Burchfield, Chair, called the meeting to order at 6:00 PM and read the COVID-19 / Zoom meeting advisory statement.
- This meeting was recorded and is viewable on YouTube:
<https://www.youtube.com/watch?v=MD-v74NN8GA&t=30s>

Announcement made regarding member emails, they should be information only and no engagement among members.

2. Public Comment:

Peter Beardmore read an email regarding Heather Sroka's request for salary schedule information regarding all departments as well as benchmark information used to adjust salary schedules over contract periods. Expressed need for way to present true personnel costs between school and other town department budgets.

Peter Beardmore wished Dave Passios a happy birthday.

Heather Lemieux responded to Mr. Beardmore's remarks and requests.

Committee looks forward to reviewing all the information when it is pulled together by both the Town Manager and School Superintendent and related staff. Having a way to make the information more transparent for folks attending Town Meeting should be a goal for this year.

3. Parker Elmore, OPEB:

Parker Elmore and Francis Fraine were present from Odyssey Advisors to address the GASB 75 report on Other Post Employment Benefits (non pension related) and answer any questions.

Highlights:

Total OPEB Liability as of 6/30/2020 is \$56,141,225 (mostly health benefits earned by current and retired staff). The OPEB Trust Fund as of that date had \$375,269, leaving an unfunded liability of \$55,765,956.

Assumptions include the Municipal Bond Rates which drive the liability rate over time. Also includes termination and retirement rates, percent of employees who elect coverage through the town, and health care cost inflation.

The Town currently has funded less than 1% of the liability, which is true of 33% of other Massachusetts municipalities.

C. Menard asked questions related to the benchmark community comparisons.

H. Lemieux reported that part of the Town's actions to help the costs moving forward will be a move to Medicare for retirees currently covered on active insurance. This led to a 2% discount for active plan coverage.

The service cost per eligible active employee is \$6,330.

Mr. Elmore also presented a 40 year forecast of the Total OPEB Liability. Costs appear stable over that time when considered using the present value of money against budgetary inflation.

C. Menard asked if the Town was limited to investment options. We do have fiduciary responsibilities to invest responsibly. Long term we are currently assessed 6.72% return on investment.

4. David Eisenthal, Debt Service Projections

Projected impact of potential Passios building and Turkey Hill renovation debt was reviewed. The basis used was \$21 million dollars, upped to \$27 million for Turkey Hill based on when that is anticipated to start. The amounts were compared against debt policy ratios to see if such debt would comply. Spread over 30 years, and going out over 40 years, it would be. Discussion ensued regarding longer vs. shorter term debt and why one is preferable over another.

5. Department Budget Presentations

Fire Department Chief Sullivan

Chief Sullivan reviewed the department's structure, staffing and responsibilities. Majority of calls are Emergency Medical Response, with a large uptake starting with the jump in growth with the apartment complexes in town. Plans are to transition to Paramedic level designation during FY22. Budget supports 1 new firefighter/paramedic in year 4 of the 5-year staffing plan. Paramedics are hard to recruit as they are high demand. Should have 24/7 Paramedic coverage during FY23. Above target requests for paramedic training and protective gear replacement are in the current budget numbers. Salary schedules are being considered as part of the issue around recruitment and retention. Desire is to

cover protective gear in the operation vs. capital budget. Some ambulance equipment that might have otherwise been earmarked but for Covid has been obtained through CARES Act funding. Need expressed to keep legislative team aware of needs as state funding comes available.

Police Department Chief Gammel

Chief Gammel reviewed the Police Department organization chart and operations. The FY22 budget includes a new patrol officer position per the 10 year staffing plan. There were over 20,000 calls for service over 2020. Motor vehicle stops were down due to Covid. The department is trying to assure supervision across shifts so differential is a new issue. The Chief reviewed departmental goals and what they mean over the next several years as the staffing plan continues to be implemented. Grant funded items were discussed, including body cameras which will be implemented soon. Questions regarding some of the forward-looking needs, such as increased admin support in 2023. Because there are many junior patrolmen, COLAs with steps will lead to larger annual salary line increases in the near term. Police reform requirements, especially around certification of reserve officers, will also have significant budget impact. The estimated cost to get the current reserve officers trained for certification over the next few years is around \$90,000. C. Menard commented that these mandates really need to be funded at the state level and we should be following this up with our state legislators. D. Passios asked about whether there is enough information to rate the new hybrid vehicles. It's too soon, but so far the Chief thinks they are good vehicles. He also commented on the need to track maintenance costs over the life of vehicles to have better data for planning.

6. Town Manager Report

H. Lemieux reviewed a spreadsheet tracking the current adjustments that have been made since the budget was initially presented. C. Menard remarked that he feels the Town needs to make better investment in IT to get us better efficiency and transparency. A second document reviewed the Health Insurance adjustments (rate reduction and month premium holiday) which significantly lowered costs for the year. She is recommending a Health Insurance stabilization account for holding next year's savings to support the anticipated spike in cost in 2023.

Some discussion around covid vaccines and local centers and the issues around a regional vaccine site relates to an insufficient number of vaccines available. The state is getting 139,000 vaccines per week and it's not enough.

- 7. Minutes:** Motion to approve the minutes of 2/11/2021 Passios, 2nd Menard. Passed 5-0 Burchfield abstained.

8. Committee Reports

P. Beardmore reported on School Committee meeting and the reopening of full time classes. There was substantive budget discussion in preparation for their

vote. They plan to withdraw AC request for Primary School and replace it with Alarm System to the Capital Planning Committee.

9. Motion to Adjourn

March 4 Monty Tech and DPW and Finance Committee letter and draft warrant articles to date.

P. Beardmore motioned to adjourn at 8:45 C. Menard seconded Roll call vote was unanimous.

Minutes submitted by T. Burchfield