

**Finance Committee  
Minutes of March 2, 2015**

Present for the Finance Committee meeting was: Chairman Louise Tremblay, Helen Hamel, Michele Green, Ed Pitta, Bob Corey, John Zimini and Gerald D'Avolio. Also present were: James A. Duggan, Town Manager, Ann Vandal, Assistant Town Manager/Finance, Town Accountant Linda Wright and Recording Secretary Samantha Carver. The meeting was held at 62 Arlington Street, 2<sup>nd</sup> Floor conference room.

The Chairman opened the meeting at 6:00 p.m. and asked everyone in the room to introduce themselves for the benefit of the new member Gerald D'Avolio. Ms. Tremblay stated that Town Manager James Duggan would give an overview of the budget to the Committee.

Mr. Duggan began the discussion by going through his summary letter of FY 2014/15 and some of the highlights in FY 2016. Some of the points mentioned were:

- Discussing regionalization of the 911 dispatch for police and fire;
- Online permitting and fee structure changes in Building Department;
- Senior Housing with CPA funding and a grant
- Maintaining AA bond rating
- Economic Strategy
  - 43D TIF Assisted Living
  - Visiting businesses weekly
  - Connecting with local colleges
- Looking to improve Dracut's website
- Massachusetts Receivership Program
- Municipal Aggregation
- Snow and Ice Deficit
- Transportation costs at the School
- Minimal increase in excise tax revenue
- Reviewing OPEB Liability
- Reviewing Pension Liability – mandatory compliance by 2038; Dracut will be in compliance in 2035
- Retiring Department Heads, delay filling positions to save money
- Kenwood Water – fee increase needed to make improvements to the system

Ms. Green discussed obtaining a spreadsheet similar to the one provided last year by Ms. Vandal that showed all the budgets and the changes to them.

Mr. Duggan also mentioned that he called a mandatory Department Head meeting this afternoon to have the departments go through their budgets and try to give back 5% to assist with the snow and ice deficit.

Mr. Zimini questioned the free cash total of \$2.4 million. Ms. Vandal explained that in July 1, 2014 it was \$821,000 because we had to provide a level monthly payment to Blue Cross Blue Shield to cover unreported expenditures for the next twelve months that hit the free cash off the

top. It cut free cash from \$1.6 million to \$800,000. Another contributing factor was there was a couple of sewer projects in FY2014 where the debt hadn't been issued yet so that reduced the free cash even more.

There was a discussion of eight retirees leaving during FY2016 and that three of those have significant buy outs of sick time whereas they have signed agreements to be paid half this year and half next fiscal year. Ms. Vandal stated this will not only help the employee but also help the Town handle this debt. This bylaw has been changed whereas anyone hired after 2004 is capped on their sick leave buyout. The Committee questioned what the amounts were. Ms. Vandal stated a total of \$377,000 in FY16 and currently \$235,000 in FY2017 however this figure could increase if anyone else puts in for retirement.

There was also a discussion on the state of emergency called by the Governor and how the cities and towns will be reimbursed 75% for personnel overtime and equipment use from this storm.

The Committee reviewed the snow and ice deficit letter from DPW Director Mike Buxton of the Department of Public Works requesting the authority to expend monies in excess of the appropriation.

Mr. Zimini made a motion to approve the request to expend monies in excess of the budget for snow and ice. Mr. Corey seconded the motion for discussion. Mr. Pitta clarified this wasn't a transfer it was just to expend beyond the budget. The motion moved to a vote with all members voting in favor.

### **Minutes**

Mr. Corey made a motion to approve the minutes of November 3, 2014 as presented. Mr. Pitta seconded the motion. The motion carried unanimously.

The Committee discussed the next meeting and Mr. Duggan stated they would go over the general government section of the budget book.

Mr. Zimini suggested that a topic be placed in every agenda that there be a general discussion on the budget so that if someone forgets to discuss something they can bring it up without violating the open meeting law.

Mr. Zimini made a motion to include in every future agenda "general discussion on the budget". Mr. Corey seconded the motion. The motion carried unanimously.

**Adjourn**

Mr. Corey made a motion to adjourn the meeting at 7:15 p.m. Mr. Zimini seconded the motion. The motion carried unanimously.

FINANCE COMMITTEE

*Paula Temple*  
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*John Harold*  
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*John Zimini*  
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*Mark D.*  
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*Edward J. [Signature]*  
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