

**TOWN COUNCIL MINUTES
BUDGET/MANAGEMENT COMMITTEE
Town Hall Council Chambers
April 13, 2011 - Monday**

Present: Kenneth DiFazio, Chairperson
Arthur Mathews, Council President
Michael Molisse, Councilor
Michael Smart, Councilor

Not Present: Patrick O'Connor, Vice Chairperson

Also Present: Richard Swanson, Town Auditor
William McKinney, Chief Financial Officer
Michael Gallagher, Director of Administrative and
Community Services
Scott Bois, Coordinator of Financial Services

Recording Secretary: Mary Barker

Chairman Kenneth DiFazio called the Budget/Management Committee meeting to order at 6:45PM.

A motion was made by Councilor Mathews to take items 11 031-Reserve Fund Transfer–Collective Bargaining Agreement-Weymouth Library Staff, 11 040-Reserve Fund Transfer – Collective Bargaining Agreement-Weymouth Library Staff and 11 041-Reserve Fund Transfer – Collective Bargaining Agreement-Town Clerical and Custodian out of order, and seconded by Councilor Smart. Unanimously voted.

Deliberate and vote the following measures:

11 031-Free Cash – Police Cruisers

Chief Richard Grimes and Capt. Joseph Comperchio appeared before the committee. Chief Grimes requested \$245,000 from free cash for the purchase of seven police vehicles. The condition of the police fleet was reviewed, which is far behind the normal replacement outlined in the Capital Improvement schedule. The town is also past certain model production deadlines. The Chief also reviewed the operation hours and mileages of the frontline vehicles. The department is planning to purchase GM vehicles and Chevy 2WD (police performance rated) Caprice and Tahoe. Dodge Chargers are currently unavailable. Monies not spent on vehicles and equipment will be used to equip forfeiture vehicles. The older vehicles are rolled back and recycled within the department and the town.

Auditor Swanson asked if the vehicles are purchased through state contract. Chief Grimes responded yes, when the particular vehicle is available on the bid, otherwise the three quote process will be used. Capt. Comperchio noted that the department will shop around

to different dealers to obtain the best pricing. Councilor Smart asked about extended warranties. Chief Grimes responded that it is factored into the vehicle search.

A MOTION was made by Councilor Smart to forward item 11 031 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. Unanimously voted.

11 040-Reserve Fund Transfer – Collective Bargaining Agreement-Weymouth Library Staff

Mr. Gallagher requested \$7,140 on behalf of the Mayor from the Reserve Fund to fund the FY2011 impact of the 3 year Memorandum of Agreement between the Weymouth Library staff (19 individuals) and the Town of Weymouth. This represents a 1% increase for FY11 (6% for the total of the period FY2008-FY2011) and in line with other town departments. Negotiations will begin for a successor agreement. The impact has been factored into the FY12 budget. Auditor Swanson confirmed there are adequate funds to support the measure.

A MOTION was made by Councilor Smart to forward item 11 040 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. Unanimously voted.

11 041-Reserve Fund Transfer – Collective Bargaining Agreement-Town Clerical and Custodian

Mr. Gallagher requested \$14,700 on behalf of the Mayor from the Reserve Fund to fund the FY2011 impact of the Collective Bargaining Agreement between SEIU, Clerical and Custodians, and the Town of Weymouth (12 individuals). This is a one year agreement, at 3%. This final contract brings parity to all bargaining units within the town. Auditor Swanson confirmed there are adequate funds in the Reserve Fund to support the measure. The impact has been factored into the FY12 budget.

A MOTION was made by Councilor Smart to forward item 11 041 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. Unanimously voted.

Deliberate the following Measures:

11 025C-Reserve Fund

11 025AA-State and County Assessments

11 025BB-Overlay for Abatements

11 025X-Debt

11 025Y-Debt

11 026-Revolving Accounts Annual Authorization

11 027-Gift Accounts Annual Authorization

11 028-Unpaid bill

Mr. McKinney reviewed the revenue projections. He noted the House Ways and Means released its version of the budget; matching the Governor's proposal. The senate will release its version in mid-May. Assessments went down slightly, as did charter tuition reimbursement, and Quinn Bill has been zeroed out. Mr. McKinney will provide the Quinn Bill impact numbers for the committee. He reviewed the highlights of the revenue projections, noting that budgeting has been conservative. Auditor Swanson prepared a list of questions and these were incorporated into the review.

Mayor's office-base revenue (\$900,000 in mitigation) received this year is not factored into the FY12 budget.

Accounting-Medicaid reimbursement from the state for SPED tuition. Town expects \$477,000 reimbursement in FY11 and is conservatively funded at \$450,000 for next year.

Treasurer/Collector-tax liens remain the same; room tax reduced; interest and penalties have increased with the increase in aggressive collection. Chapter 70 down by \$500,000, veteran's benefits and lottery, charter school reimbursement were taken directly from the Cherry Sheet. Interest income is down because interest rates are significantly lower. Transfer from special revenue sources is the same as last year; transfer from water & sewer are down, related to debt and indirect costs. There was a brief discussion on room tax increase rate in Braintree. PILOT has increased due to more money from the South Shore Hospital. It is a voluntary payment tied into the number of beds and not the square footage. The payments are at least a year behind development. There was a brief discussion of the history of the PILOT and the anticipated expansion. Councilor Mathews recommended that with any future expansion by the hospital, the town seek to amend the agreement to consider tying in square footage in addition to the number of beds to the formula. The committee requested a copy of the PILOT agreement through Auditor Swanson for review. Auditor Swanson asked for any other PILOT agreements in force with the town to review as well.

Mr. McKinney then reviewed levy limits, noting that personal property can go up by 2.5%. It should exceed \$2.4 million this year. It's increased by additional collections this year. Motor vehicle excise collection rate is down. Councilor Mathews noted that loss of income from this will have to be augmented from Host Community Agreement money from free cash and there needs to be more discussion on the HCA during the budget review.

Interest and penalties on real estate has increased. With the aggressive collection policy, it is expected that lien certificates and tax titles will also increase. Councilor Smart requested a quarterly update on the results of the collection geared on the

recommendation by the outside auditors, to become more aggressive in collections. The list of tax scofflaws will be printed on the town's website. There was a brief discussion of the process. Mr. McKinney reviewed the interest and penalties on motor vehicle excise. The Town Clerk's estimate is the same. Conservation has been reduced to support the collections. Mr. McKinney then reviewed Pensions and Benefits and Insurance. The Medicare is retiree drug subsidy, which used to be billed by a third party. It used to be filed quarterly, and when the town switched to GIC, the filing year extended by fifteen months after the year ends, with the GIC collecting on the town's behalf. It will not be received until December, and in the future will likely be an annual apportionment, based per retiree.

The Police Department MSD reimbursement (insurance – Workman's Compensation) has been taken out in negotiation and the numbers will drop. Fines were reduced as well based on collection history. Fire Department – anticipated same reduction in MSD reimbursement and for the same reason. Harbormaster user fees exceeded this year's target, and have been increased accordingly. The building inspection permit requests are down, due in large part to the economy. Councilor Mathews noted this could be another area where HCA funds could be needed to mitigate the lack of funds collected. Councilor Mathews requested a quarterly analysis be provided to the committee. Wiring and plumbing permits, DPW and Library are all expected to be flat; Health Department is reduced based on the reduction in collections.

Mr. McKinney then reviewed the levy limit calculation. The previous year's levy limit of \$77,995,170, plus prior years personal property tax \$2.4 million, less prior year net real estate property tax \$75 million, less the Sithe Excelon payment equals the levy limit (2.5%) yields \$1.798 million plus Sithe's payment of \$3.533 million plus the real estate tax levy, plus new growth of \$300,000 yields total real estate of \$77,553 million. New growth is based on estimates from the Assessor, and is conservative. Last year new growth was \$200,000. There is no new growth from the base. There was a brief discussion of where new development is occurring in town.

Mr. McKinney then reviewed the cherry sheet numbers briefly and then the Reserve Fund. It is at \$500,000; similar to last year.

State and county assessment numbers were taken directly from the Cherry Sheet; only difference is the sending tuition. Councilor Smart asked about the increase in mosquito control line and if it is based on winter weather conditions. Auditor Swanson asked about the \$750,000 transferred to capital projects. It's the overlay account.

Debt was reviewed and is based on the debt schedule in the Capital Improvement Plan. The only addition anticipated is the water treatment plant which came online this year.

Pensions and benefits were reviewed. Health insurance increased by the GIC 5% (those on Harvard Pilgrim were increased about 8%; retirees increased 1%). Workmen's Compensation will be funded at the current rate. Social Security and Medicare are funded based on the number of employees. Unemployment funding is down as no layoffs are

planned. Contributory retirement is also down based on the schedule provided by the Retirement Board. There was a brief discussion of House package reform language and the effect on cities and towns. Weymouth is not required to make these changes as it has already joined the GIC. The agreement governing it is in year 3 of a 6 year contract.

Councilor Smart asked if a legend can be included that explains the acronyms used in the MUNIS documentation provided with the budget. There was also a brief discussion of the Teachers Retirement.

The Revolving Accounts were also reviewed. Auditor Swanson asked how the limits to accept and expend are determined. Mr. McKinley responded that the numbers trend is based on run rates from prior years. Oversight is tracked within each department. It is reviewed quarterly and reported in the annual audit. It can pay for seasonal salaries (recreation) but not full time employees. The gift accounts are similar in nature.

Unpaid bills was then reviewed. Auditor Swanson reported that he has met with the Town accountant and reviewed the invoices and supporting documentation. All are in order, ready to be paid with the approval of the Town Council and requires a public hearing.

Councilor Mathews noted he is working with the auditor to secure additional funding that will be required in the Town Council budget to supplement the Recording Secretary line.

Adjournment

At 8:30PM, there being no further business, Councilor Mathews made a MOTION to ADJOURN the meeting and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Kenneth DiFazio, Chairman of the Budget/Management Committee