

TOWN COUNCIL MEETING MINUTES
Budget/Management Committee
May 2, 2016- Monday

Present: Michael Molisse, Chairman
Jane Hackett, Councilor
Rebecca Haugh, Councilor
Brian McDonald, Councilor

Absent: Patrick O'Connor, Vice Chairman

Also Present: Ted Langill, Interim Chief of Staff
Joseph Callanan, Interim Town Solicitor
Richard Swanson, Town Auditor
Nick Bulens, Planning Dept.
Keith Stark, Chief, WFD

Recording Secretary: Mary Barker

Chairman Molisse called the meeting to order at 6:00 PM.

Budget Kick-Off Meeting

Review/discuss revenues, reserve fund, overlay for abatements, debt, pensions, benefits, revolving and gift donation accounts, local aid and state assessments as well as unpaid bills.

Ted Langill and Nick Bulens presented the budget in powerpoint format and responded to the Auditor's questions. Chief of Staff Langill explained the handouts and spreadsheets provided to the committee that includes all revenue projections and sorted into three main components- tax levy, state aid and departmental.

16 066-General Government Annual Appropriation

- A. In the Mayor's revenue there is \$100,000 for Base Mitigation. Kindly explain what it is.
Anticipated definitive agreement payment
- B. Accounting revenue is budgeted at \$500,000, the same as FY16. Through April 22, the actual FY16 revenue is \$. Is \$500,000 an achievable number for both years?
Actual YTD FY16 revenue is \$318,614 for just three quarters. Previous years have exceeded \$500,000
- C. Tax Liens are budgeted at zero compared to \$200,000 in FY16. Why such a decrease in the budget for next year?
Now part of FY17 Real Estate Tax Revenue
- D. The Deferred RE Receipts are budgeted at zero for FY17, yet \$52,420 was received in FY16. Please explain.
Now Part of FY17 Real Estate Tax Revenue

- E. Within the budget is \$245,831 for ACADREIMB. How many years will the Town receive this reimbursement?
Through 2022 (\$1,720,817 total)

- F. What generates the \$224,913 line item of “TRSF CPA”?
CPA Funds (for Emery Estate Bond Payment)

Auditor Swanson asked if the payment includes principal and interest. Mr. Langill responded yes.

- G. What drives the 27% or \$150,000 jump in the budget for “Payments in Lieu of Taxes”?

Reflects actual and projected payments. FY16 YTD payments is \$734,385. In FY15 we collected \$757,393

- H. What justifies an increase in the budget of \$325,000 in Motor Vehicle Excise Taxes?

Reflects actual and projected revenue. FY16 commitments (bills were 8.9% higher than FY15)

- I. Please explain the \$400,000 budget line of SF SPAS

Southfield Special Assessments used to pay for parkway bond (along with SF real estate taxes)

- J. Building Permits Revenue are increasing by \$325,000 or 54% in FY17. Kindly talk to this significant jump in revenue.

Consistent with actual collections and projections from our building department.

Councilor Hackett asked for the revenue provided from Southfield taxes. Mr. Langill will provide it to the committee. All are estimated as accurately as possible, plus 2.5% new growth. The new growth figure includes Southfield and the tax levy will include revenue from Southfield special assessments.

Mr. Langill noted that local receipts in previous budgets were a different combination of things; using what is on the tax recap sheet for local receipts; they are using the same standard as the state. Councilor Hackett noted this is more in keeping with the state. She said that the trend is an increase in motor vehicle excise and building permits, and asked if the same is expected of new growth. Mr. Langill responded that everything in Southfield came in at one time; it should now be on a downward trend until construction picks up. Councilor Hackett noted that the most significant change in this budget would not have happened without the change in the legislation.

16 066C-Reserve Fund

- A. The Reserve Fund is increasing by \$125,000 or 25% in FY17. Why such an increase next year when the budget has been \$500,000 for many years?

To help absorb CBA settlements in FY17

16 066BB-Overlay for Abatements

- A. The Overlay is budgeted at \$800,000 which is the same as FY16. A total of \$428,357 in Overlay Surplus for Fiscal Years 2005 through 2009 was transferred to the Mayor for use at McCulloch Building. No Questions.

16 066X-Debt

- A. Municipal Debt Service decreased by \$400,000 from the FY16 original budget to the revised budget. Why were these funds deemed to be not needed in FY16? To what account were these funds transferred? However, the FY17 budget for Municipal Debt increases by \$344,987. What drives this increase?
**This was the amount originally budgeted for the legion field bond but not needed and instead transferred to improving town parks.
FY 17 budgeted amount reflects actual debt service schedule.**
- B. The detailed two page analyses totals \$9,958,884 in FY17 budgeted debt payments. However, the summary sheet reflects \$9,898,881 in total debt for General Government, School, Sewer, Water and CPA. Why do the totals differ by \$60,003?
See line item 1790625 578103 – The town’s fee for debt service administration, this has been funded at the same level for several years
- C. What is Weymouth’s current Bond Rating and how does that compare to one year ago?
Weymouth’s bond rating remains at AA

16 066Y-Pensions and Benefits

16 067-Revolving Accounts Annual Authorization

- A. How are the amounts to accept and expend derived: How does the administration oversee the expenditure of these funds?
The amounts are derived from past fiscal year receipts, expenditures, and limits in each revolving fund. Under MGL Ch.44, §53E ½ expenditures from a revolving fund cannot exceed the balance of the fund nor the total authorized expenditure for the ensuing fiscal year.
- Expenditures from these funds are monitored by the Town Treasurer’s Office, which approves all purchase orders, and the Town Accountant, who will not authorize payments in excess of the limits.**
- B. Why do we need “Limits to Accept and Expend”? Is this a requirement of DOR?
MGL Ch.44 §53E ½ allows a city or town to authorize the use of one or more revolving funds. Authorization is required to be given by vote of the city or town’s legislative body upon the recommendation of its chief administrative officer. §53E ½ requires that each authorization specify, among other things, the receipts that shall be credited to the revolving fund (limit to accept) and a limit on the total amount which may be expended from such fund in the ensuing fiscal year (limit to expend).

16 068-Gift Accounts Annual Authorization

- A. How are the amounts to accept and expend derived: How does the administration oversee the expenditure of these funds?
The amounts are derived from past fiscal year receipts, expenditures, and limits in each gift fund. Expenditures from these funds are monitored by the

Town Treasurer's Office, which approves all purchase orders, and the Town Accountant, who will not authorize payments in excess of the limits.

- B. Why do we need a "Limit to Accept and Expend"? Kindly explain what "limit" means in relation to Gift Accounts? If an individual wants to donate \$25,000 to the Library Gift Account can the Library Department accept this since it exceeds the limit of \$5,000?

Under MGL Ch. 44 §53A, an officer or department of the Town must have the approval of the Mayor and Town Council to expend monetary gifts. In addition, Chapter 5, section 5-308 of the Code of Ordinance requires the Town Council to approve an expenditure of monetary gifts in excess of \$5,000 annually, in the aggregate. The limits proposed in measure 16 068 if adopted, would establish the maximum amounts that may be deposited and spent in the gift funds for FY17 before triggering further review by Town Council. This means if the Libraries were to receive a gift of \$25,000, the Town Council would need to accept the gift for deposit since it exceeds the \$5,000 acceptance limit. This process notifies the Town Council of the gift's receipt and the potential need to increase the fund's annual expenditure limit in the current fiscal year.

- C. Accounts 8338, 8339 and 8324 under Acceptance show "none required." Why is this?

These funds were created to receive one-time monetary bequests. Because they cannot receive additional deposits, the Town Council is not required to approve an acceptance limit. However, like other gift funds, an officer or department of the Town still requires the approval of the Mayor and Town Council to expend the bequests for their specified purpose.

- D. Why is it that the Town has an Acceptance limit on Account "5421 Weymouth Day" of \$20,000. Can the administration accept monies that exceed the limit? Why is the expenditure level three times higher than the acceptance?

The Weymouth Day gift account is managed by the Community Events Committee. The expenditure limit is higher so as to afford the Committee flexibility for planning new events with pre-existing funding, if desired. The acceptance limit is set three times below the expenditure limit so the Town Council will still be made aware when a substantial donation of number of donations are received. The administration cannot accept monetary gifts that exceed the \$20,000 limit without Town Council approval, thus notifying the Town Council of the gift's receipt and the potential need to increase the fund's annual expenditure limit.

16 066AA-State and County Assessments

- A. What is the "REG SURCHA" of \$71,700 in Assessments?

Cherry Sheet assessment (RMV Non-Renewal Surcharge)

Purpose: To reimburse the Registry of Motor Vehicles for "marketing a license or registration for non-renewal due to non-payment of parking violation, motor vehicle excise and abandoned vehicle costs.

- B. Please provide your thoughts on why the CHART/SCHL assessment increases by \$357,934 or 32.1%

State Formula. Amount based on Cherry Sheet estimates and projected increase in charter school students. This amount is offset by increased reimbursement (Cherry Sheet receipts).

- C. Is the Intergovernmental Assessment of \$1,090,700 solely related to the Southfield Parkway Bond?

Yes

16 069-Unpaid Bills

- A. Kindly provide Auditor Swanson the original invoices to examine and report to committee that they are valid years bills.

Auditor Swanson reported that he has reviewed the bills and determined they are legitimate prior year commitments with the appropriate documentation for payment.

Councilor Hackett noted that \$818,000 was transferred and four measures passed. The accounting was done differently than in the past and will make the FY16 actuals higher from an operating perspective. It was discussed and Mr. Langill suggested they meet to continue the discussion.

Auditor Swanson asked if the 54% increase in building permits is related to Southfield. Mr. Langill responded that it includes several other projects as well as Southfield.

Councilor Hackett asked about the review of pensions and benefits. Mr. Langill responded that part of the reason they were able to make progress in the FY17 budget was due to minor increase in health insurance. HR department has been successful in navigating employees to less expensive but comparable programs. Councilor Hackett noted that the last few years there has been money taken out of the health insurance line and applied to the OPEB liability. She asked if they will be able to do it again this year. Mr. Langill responded that a measure will be presented again.

Councilor Haugh asked if more homeless children are being transported than last year. \$300,000 is budgeted for homeless transportation.

Councilor Hackett noted overall she is pleased with the presentation and candor; these are sustainable revenue projections.

ADJOURNMENT

At 6:48 PM there being no further business, a motion was made by Councilor Hackett to adjourn the meeting and was seconded by Councilor McDonald. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Councilor Michael Molisse-Chair of Budget/Management Committee
Voted unanimously on 15 August 2016