

TOWN COUNCIL MINUTES
Town Hall Council Chambers
April 22, 2013, Tuesday

Present: Arthur Mathews, President
Patrick O'Connor, Vice President
Francis Burke, Councilor
Robert Conlon, Councilor
Kenneth DiFazio, Councilor
Jane Hackett, Councilor
Thomas J. Lacey, Councilor
Brian McDonald, Councilor
Michael Molisse, Councilor
Michael Smart, Councilor

Not Present: Ed Harrington, Councilor

Also Present: William McKinney, Chief Financial Officer
George Lane, Town Solicitor
Kathy Deree, Town Clerk
Richard Swanson, Town Auditor

Recording Secretary: Mary Barker

President Mathews called the meeting to order at 7:43 PM. After the Pledge of Allegiance, Town Clerk Kathy Deree called the roll, with one member absent. Council President Mathews reported that Councilor Harrington was not present due to a family commitment.

ANNOUNCEMENTS

Councilor Smart announced a "Weymouth Cleanup Day" on April 27, 2013 from 9AM to noon, rain or shine. Participants are required to register with the Mayor's office and lunch will be provided. He also announced that all repairs resulting from the water main break in District 6 are complete.

Councilor Molisse reported that the Spring Festival in Columbian Square will be held on June 1, 2013, from 11AM-2PM. The festivities will include a bicycle parade, discounts at local shops and invited the public to attend this family event.

Presentation of Fiscal Year 2014 Budget-Mayor Susan M. Kay-William McKinney/Chief Financial Officer

Mayor Kay read the following statement:

"Dear Councilors,

I hereby submit my proposed operating budget for Fiscal Year 2014 as required by the Town's Charter.

This is the third budget in a row that reflects almost level service funding from the previous year. However, this year's budget is the most challenging of the past three. There are several reasons for this-health insurance increased by 4% as compared with last year's 1.25% increase. This results in an increase of \$1,000,000. Many union contracts were settled since the FY13 budget was proposed. While the raises were modest, the full impact of those raises for FY12 and FY13 are affecting FY14. This was a much more severe winter than last year's, resulting in a snow removal deficit of \$700,000 to be drawn from free cash. The

biggest impact of all is State Aid. Our Chapter 70 education aid is only increasing by \$166,025 compared with an increase of \$1.5 million from FY12-FY13.

Some of the highlights of the current fiscal year include: the town issued a bond in September to fund several projects. Our bond issue included refinancing 2002 and 2005 series bonds to take advantage of the lower interest rates available. Because of our strong AA3 bond rating and prudent spending practices the refinancing resulted in savings of over \$1.3 million over the remaining life of those bonds. The projects included in the bond are Pratt Library building repairs, DPW building repairs, a new salt shed, sidewalk and drainage repairs, Iron Hill dam repairs, Hamilton School door and window replacement and the Lower Central sewer interceptor project.

The town is also funding several projects from the Special Purpose Stabilization for Capital Projects. Some of the larger projects include Fogg Library renovations, sidewalk repairs, and design/construction funds for Legion and Pingree Fields. Projects being funded by the Community Preservation Fund include Emery Estate access and parking design, Fogg Library renovations, and design/construction funds for Legion and Pingree Fields.

The Fiscal Year 2014 budget totals \$139,610,403. This budget reflects an increase of \$4,491,132 or 3.3% from Fiscal Year 2013.

On the revenue side, there are three key factors driving the increase. The first is state aid-- our projections, based on the Governor's budget and the budget presented by the House Ways and Means Committee, include an increase in general local aid of just over \$700,000, compared with the budgeted amount at the beginning of FY13. Chapter 70 education aid, as I mentioned before, is expected to have a very slight increase. The second factor is the debt increase by the water and sewer departments. This has caused their payments to the general fund to increase by over \$600,000. The third factor is property taxes in the amount of \$2.6 million, which reflects our proposition 2 ½ allowable increase plus new growth.

On the expense side, fixed costs continue to dominate the budget. Our health insurance costs, as I mentioned before, are projected to increase by \$1,000,000. Our pension contribution is up by over \$400,000 and our state assessments have increased by over \$130,000.

The total school department appropriation is recommended at \$58,375,587 which is an increase of almost \$1.6 million from the beginning of FY13. This amount is lower than the number voted by the School Committee. A net school spending deficit will remain, but we are proposing to transfer \$900,000 from free cash in an attempt to reduce the deficit, which has been reduced from the high point in FY11. FY12 reduced the deficit and I expect FY13 to reduce the deficit even further. Unfortunately, the Governor and the House differ greatly on what the net school spending requirement will be for FY14, so we won't know the amount required until the budget is approved in late June. My goal is to fully fund the liability for FY14. As in the past, I will stay focused on the need to lower the deficit as additional funding becomes available.

Other changes in this budget include accounting for decreases in the Community Development Block Grant (CDBG) and Executive Office of Elder Affairs (EOEA) Grant. As the funding from these critical grants has been reduced, we find ourselves needing to increase our own budget to compensate. In addition, there is an increase in the rubbish collection costs due to increases in fuel. (This increase has not been passed on to the fee that residents pay.)

The Capital Improvement Plan submitted to Council on March 1, 2013 outlines all we have accomplished and identifies priorities for the next five years. Investing in our capital needs is critical for the long term health of our community. As I mentioned earlier, I am pleased that we are able to take advantage of very low interest rates and borrowing to begin addressing some of our critical capital needs. Our debt service for FY14 is \$10,124,979 which is an increase of \$367,529 from FY2013. As of June 30, 2012 our bonding capacity is \$343,107,110. We have \$91,153,479 in debt obligations.

I do not plan on requesting a supplemental appropriation until the Legislature and the Governor enact a FY2014 budget, and the Department of Revenue has announced the impact of that budget on Weymouth. Normally, this process is completed in June or July.

Free cash for FY2013 is estimated to be \$1,000,000. This calculation is based upon projected receipts and unexpended line items contained within the FY2013 budget. This number is also dependent upon our collection rate for FY2013. The Department of Revenue recommends that communities understand the role free cash plays in sustaining a strong credit rating and should not be depleted in one year, so that the following year's calculation would begin with a positive balance. We should always keep in mind that if receipts for motor vehicle excise and real estate taxes fall below those levels in the fourth quarter, we could experience a revenue deficit during the current fiscal year. I will report to you the collection rate at our annual town meeting, which is normally held two weeks following the due date of the 4th quarter real estate taxes.

I have included the Community Preservation Committee budget with no specific project requests. The Committee is currently reviewing requests and will be presenting them at a later date. I have made no changes from what was presented to me by the Committee. The budget has been requested at \$718,867, an increase of \$42,922 from FY2013.

The Sewer Department budget will increase by approximately \$400,000 due to a projected increase by the MWRA and new debt. The Water Department Budget will see a very small increase. For the second year in a row, we are not planning a rate increase for residents for either department.

I have submitted additional measures in this budget booklet for deliberation before Council. They consist of: \$700,000 for firefighter raises, \$300,000 for the OPEB Trust Fund, \$15,000 for an OPEB actuarial valuation, \$31,808.96 for prior year unpaid bills, and transferring unexpended health insurance costs to the OPEB Trust Fund. I look forward to discussion and deliberations on the budget.

As always, my staff is available to assist in your deliberations."

The Chief Financial Officer reviewed the budget in depth via a Power Point presentation (copy attached), inclusive of the following Fiscal Year 2014 Budget Measures:

13 068-General Government Annual Appropriation \$139,610,403 (Segregated by department and coded alphabetically)

Chief Financial Officer, William McKinney, requested on behalf of the Mayor that the town of Weymouth raise and appropriate the sum of \$139,610,403 to provide for all the expenses for the maintenance and operation of the town's several departments and activities for the fiscal year 2014. That the several sums set forth are hereby approved for the several purposes and are subject to the conditions specified. The sources of funding for said expenditures are as outlined in the revenue projections, which are attached hereto and incorporated herein.

Furthermore, that the sum of \$50,000 is appropriated from the Waterways Fund to meet some of the costs of the Harbormaster's Program.

A MOTION was made by Vice President O'Connor to refer item 13 068-General Government Annual Appropriation \$139,610,403 (Segregated by department and coded alphabetically) to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 069-Revolving Accounts Annual Authorization

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth authorizes the creation of the following revolving accounts in accord with Massachusetts General Laws chapter 44 section 53E ½ for Fiscal Year 2014 and Account 5209 for Parks and Recreation established by G.L.c.44 Section 53D. Furthermore, that each of these revolving accounts is permitted to accept funds in the aggregate to the limit set forth below and expend those funds in the aggregate to the limit herein expressed with the consent of the Mayor.

<u>Account</u>	<u>Fund Name</u>	<u>Limit to Accept</u>	<u>Limit to Expend</u>
5210	Conservation	25,000	30,000
5202	Law Enforcement	25,000	50,000
5216	Community Services	100,000	125,000
5210	Law Enforcement	100,000	100,000
5235	Harbormaster	75,000	75,000
5209	Parks & Recreation	555,000	555,000

A MOTION was made by Vice President O'Connor to refer item 13 069-Revolving Accounts Annual Authorization -to the Budget/Management Committee and was seconded by Councilor Smart.
UNANIMOUSLY VOTED, 10/0.

13 070-Gift Accounts Annual Authorization

Chief Financial Officer William McKinney, requested on behalf of the Mayor, that the Town of Weymouth authorizes the creation of the following revolving accounts for Fiscal Year 2014 in accord with Massachusetts General Laws chapter 44 section 53A.

Furthermore, that each of these Donation Accounts is permitted to accept gifts and/or donations to the limit in the aggregate set forth below and expend with the consent of the Mayor those funds to the limit in the aggregate herein expressed.

<u>Account</u>	<u>Description</u>	<u>Acceptance</u>	<u>Expenditure</u>
5401	Junior Police Academy	15,000	15,000
5406	Fourth of July	25,000	25,000
5408	Library	5,000	5,000
5409	Health	5,000	5,000
5410	Health-Clinics	10,000	15,000
5414	Fire Department	5,000	15,000
5423	Veteran's Donation Account	1,000	5,000
5431	Weymouth Day	20,000	60,000
5435	Canine Donations	5,000	7,000
8338	James Humphrey Bequest	none required	12,000
8339	Christine Sweetser	none required	17,000
8324	Franklin Pratt-A	none required	15,000

A MOTION was made by Vice President O'Connor to refer item 13 070-Gift Accounts Annual Authorization, to the Budget/Management Committee and was seconded by Councilor Smart.
UNANIMOUSLY VOTED, 10/0.

13 071-Unpaid Bills \$31,808.96

Chief Financial Officer William McKinney, requested on behalf of the Mayor, that the Town of Weymouth raise and appropriate the sum of \$31,808.96 from free cash for the purpose of paying the following unpaid bills

<u>Unpaid bills</u>	<u>Department</u>	<u>Amount</u>
Deli Marketing	Information Services-Software	\$30,539.12
GDF Suez	School Department-Utility bill	\$1,269.84

A MOTION was made by Vice President O'Connor to refer item 13 071-Unpaid Bills \$31,808.96-to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 072-Free Cash-Fiscal Year 2013 Snow Removal Appropriation \$700,000

Chief Financial Officer William McKinney, requested on behalf of the mayor, that the town of Weymouth raise and appropriate the sum of \$700,000 from free cash for the purpose of supplementing the FY13 snow

removal budget. This amount is to be placed in Fund 0002 and any unexpended balances as of June 30, 2013 are to fall to free cash.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 073-Free Cash-SPED Out-of District Tuition \$900,000

Chief Financial Officer William McKinney, requested on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$900,000 from free cash for the purpose of funding the FY14 costs associated with special education out-of-district tuition for the school department.

A MOTION was made by Vice President O'Connor to refer measure number 13 073 to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 074-Free Cash-Firefighter Raises \$700,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$700,000 from free cash for the purpose of funding the FY12, FY13, and FY14 economic impact of a Joint Labor Management Committee (JLMC) finding dated March 27, 2013 which awards the members of Local 1616, International Association of Fire Fighters, a zero percent increase in FY11, a 2.5% increase in FY12, and a 2.5% increase in FY13.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 075-Free Cash-OPEB Valuation \$15,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$15,000 from free cash for the purpose of funding the costs associated with the GASB-45 requirement of conducting a biennial actuarial valuation of the Town's Other Post Employment Benefits (OPEB) liability.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 076-Health Insurance Unexpended Balance

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth transfer, at the discretion of the CFO, any amount up to the unexpended balance in line item 11945840-517202 (Health Insurance) as of June 30, 2013 to the OPEB Trust Fund.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 077-Free Cash-OPEB Liability Trust Fund \$300,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$300,000 from free cash to be transferred to the OPEB Trust Fund.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 078-Sewer Enterprise Fund Annual Appropriation \$14,437,684

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$14,437,684 from the Sewer Enterprise Fund receipts, and appropriate for the salaries, operation and expenses during fiscal year 2014 for the Sewer Department Enterprise Fund; and that the Director of Public Works, with the approval of the Mayor be authorized to expend said funds. In addition, any expenditure from the Reserve Fund for extraordinary and unforeseen circumstances is subject to the approval of the Mayor and Town Council.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 079-Sewer Retained Earnings-Capital Equipment \$115,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$115,000 from the Sewer Enterprise Fund-Retained Earnings for the purpose of funding the costs associated with the purchase of new vehicles and associated equipment.

See items #31 and 32 in the Capital Improvement Plan-Vehicles Requested.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 080-Sewer Retained Earnings-Pump Station Improvements \$200,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$200,000 from the Sewer Enterprise Fund-Retained Earnings for the purpose of funding the costs associated with Sewer Pump Station improvements.

See item #44 in the Capital Improvement Plan-Proposed Building, Grounds and Equipment.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 081-Sewer Retained Earnings-Sewer System I/I Rehabilitation \$1,600,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$1,600,000 from the Sewer Enterprise Fund-Retained Earnings for the purpose of funding the costs associated with the Sewer System I/I Rehabilitation Contract S-1-13.

See item #43 in the Capital Improvement Plan-Proposed Building, Grounds and Equipment.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 082-Water Enterprise Fund Annual Appropriation \$9,586,083

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum \$9,586,083 from the Water Enterprise Fund Receipts and appropriate from the salaries, operation and expenses during the fiscal year 2014 for the Water Department and that the Director of Public Works, with the approval of the Mayor be authorized to expend said funds.

In addition, any expenditure from the Reserve Fund for extraordinary and unforeseen circumstances is subject to the approval of the Mayor and Town Council.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 083-Water Reserve Fund-AJB Fence Replacement \$75,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$75,000 from the Water Enterprise Fund-Reserve Fund for the purpose of funding the costs associated with a new fence at the Arthur J. Bilodeau Water Treatment Plant.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. JH- UNANIMOUSLY VOTED, 10/0.

13 084-Water Retained Earnings-Capital Equipment \$216,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$216,000 from the Water Enterprise Fund-Retained Earnings for the purpose of funding the costs associated with the purchase of new vehicles and associated equipment.

See items #34 and #36 in the Capital Improvement Plan-Requested Vehicles.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 085-Water Retained Earnings-Water Main Improvements \$1,000,000

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth raise and appropriate the sum of \$1,000,000 from the Water Enterprise Fund-Retained Earnings for the purpose of funding the costs associated with the water main improvements for the Town's water distribution system.

See item #47 in the Capital Improvement Plan (BG&E) – Water Main Replacement Program.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

13 086- Community Preservation Committee Annual Appropriation \$718,867

Chief Financial Officer William McKinney requested, on behalf of the Mayor, that the town of Weymouth adopt the recommendation of the Community Preservation Committee on the fiscal year 2014 Community Preservation Budget in the amount of \$718,867-- and all other necessary and proper expenses for the fiscal year 2014 as identified on the attached exhibit.

Revenue projections were attached to support the budget request.

A MOTION was made by Vice President O'Connor to refer to the Budget/Management Committee and was seconded by Councilor Smart. UNANIMOUSLY VOTED, 10/0.

ADJOURNMENT

The next regular meeting of the Town Council Meeting has been scheduled for Monday, May 6, 2013. At 8:33 PM; there being no further business, a MOTION was made by Vice President O'Connor to adjourn the meeting and was seconded by Councilor Smart. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Arthur E. Mathews, Council President