



## FINANCIAL PLANNING COMMITTEE

### MEETING MINUTES

Thursday, February 8, 2018

Selectmen's Meeting Room

7:00 p.m.

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**MEMBERS PRESENT:** David DeVries  
Thomas Spataro  
Roger Leland

**ABSENT:** Michael Hodge  
Richard Smith  
Heidi Bourque-Gleason

**ALSO PRESENT:** John Coderre, Town Administrator  
William Lyver, Police Chief

#### **REORGANIZATION – ELECTION OF OFFICERS**

Continued to the Committee's next meeting due to lack of quorum.

#### **APPROVAL OF MINUTES – MARCH 9, 2017 MEETING**

Continued to the Committee's next meeting due to lack of quorum.

#### **APPROVAL OF MINUTES – DECEMBER 14, 2017 JOINT MEETING**

Continued to the Committee's next meeting due to lack of quorum.

#### **REVIEW OF FY2019 CIP INSTRUCTION MANUAL**

Mr. Coderre reported that all departments were provided with the CIP Instruction Manual for upcoming Fiscal Years 2019-2024. Departments were instructed to review, update and resubmit all existing requests for FY2019-2023 and add any new requests for FY2024. All CIP requests were to be returned to the Town Administrator by October 2, 2017. At this time, a FY2019 Capital Budget has been drafted; however projects in the out years are still under review and some budgets are still being firmed up. A full 6-year CIP summary will be provided at the next Financial Planning Committee meeting.

#### **DISCUSSION OF PRELIMINARY FREE CASH PLAN**

Mr. Coderre presented the preliminary FY2019 Free Cash Plan for consideration and use during the upcoming budget process. The FY2019 year-end Free Cash was certified at approximately \$2.8 million. Free Cash is a result of positive actual performance in both appropriations not spent as well as revenues realized in excess of the budget.

Mr. Coderre reviewed the preliminary Free Cash plan in conjunction with the draft FY2019 Capital Budget. It is anticipated that the Free Cash Plan will allow for approximately \$1.5 million in FY2019 pay-as-you-go capital investments with no additional tax impact.

## OVERVIEW OF PRELIMINARY FY2019 CAPITAL BUDGET

Mr. Coderre reviewed the draft FY2019 Capital Budget, which consists of the following projects:

Police Cruiser Replacements (Free Cash)	\$ 87,000
GIS Aerial Photography (Free Cash)	140,000
One-Ton Dump Truck w/ Plow & Hotbox (Free Cash)	140,000
Street Sweeper (Free Cash)	231,000
Skid Steer Replacement (Free Cash)	105,000
Roadway Improvements/Maintenance (Free Cash)	300,000
Excavator (\$96K – Water Enterprise / \$64K Sewer Enterprise)	64,000
Excavator (\$96K – Water Enterprise / \$64K Sewer Enterprise)	96,000
Repair & Replace Water Mains (Water Enterprise Fund Bonds)	350,000
Zeh School Boiler Replacement (Free Cash)	<u>357,000</u>
<b>TOTAL FY2019 CAPITAL BUDGET</b>	<b>\$1,870,000</b>

## FY2019 CAPITAL BUDGET FUNDING SOURCES

Free Cash	\$1,360,000
Repurposed Bonds (from Lincoln Street School project)	1,300,000
Water Sewer Enterprise Fund Free Cash	160,000
Sewer Enterprise Fund Bonds	<u>350,000</u>
<b>TOTAL</b>	<b>\$3,170,000</b>

With the exception of the water service upgrade project, all other projects can be completed using available funds with no additional tax impact.

## REVIEW OF POLICE CAPITAL REQUESTS

Chief Lyver reviewed the FY2019 capital request for two new Police Cruiser replacements.

### Police Cruiser Replacement

The Police Department has 13 vehicles in total— Eight patrol vehicles, three detective vehicles and two administrative vehicles (Chief & Lieutenant). This multi-year request seeks to replace police vehicles on the following schedule: two patrol vehicles each in FY2019, FY2021 and FY2023; one patrol vehicle and two administrative vehicles in FY2020; two patrol vehicles and one detective vehicle FY2022, two patrol vehicles in FY2023, two detective vehicles and one patrol vehicle in FY24.

Patrol vehicles are typically used for four years / 100,000 miles, while detective and administrative vehicles have about a six to eight year / 100,000 expected useful life. Funding sought in FY2019 will provide for the purchase of two new vehicles which will replace a 2013 Dodge charger sedan and a 2015 Ford SUV interceptor. Included in the funding request is the cost of outfitting the vehicles with equipment, including radars and emergency warning equipment.

**UPDATE REGARDING LINCOLN STREET SCHOOL BUILDING PROJECT**

Mr. Coderre informed the Committee that the Lincoln Street School Building project is completed and the Town is scheduled on the April 10, 2018 meeting of the Massachusetts School Building Authority (MSBA) for final project close-out approval. Once approved, the Town will receive its final MSBA grant reimbursement. It is anticipated that approximately \$1.3M in budget surplus remains. Since the Lincoln Street School was a debt-excluded project, any remaining budget can only be used for another debt-excluded project with a useful life of 20 years or more. It is anticipated that the remaining bond proceeds left over from the Lincoln Street School project will be repurposed for Phase 2 of the Fire Station project.

**UPDATE REGARDING WHITE CLIFFS**

Mr. Coderre informed the Committee that the Re-Use Committee was formed and held its first meeting on January 18, 2018. The next order of business is to issue a Request for Qualifications (RFQ) for architectural services to evaluate the existing conditions and perform a code compliance assessment of the facility.

**UPDATE REGARDING FY2019 HEALTH INSURANCE BUDGET**

Mr. Coderre informed the Committee that the health care plans for active employees and non-Medicare retirees are set to renew on July 1, 2018. Last year, the Town and the employees worked collaboratively to reduce costs by moving to slightly higher co-pays and a higher health reimbursement arrangement (HRA) for hi-tech imaging.

Based on actual claims data, the loss ratios for two of the three main health insurance carriers are much higher than in previous renewals. With these higher loss ratios, it is anticipated that the FY2019 Health Insurance Budget would increase by \$927,000 based on premium increases alone, exclusive of any increases in enrollment, health reimbursement account (HRA) expenses or flexible spending account (FSA) expenses.

Mr. Coderre indicated that the Insurance Advisory Committee (IAC) met in November 2017 to discuss various options, which included potential plan design changes and the addition of a deductible. The IAC unanimously recommended the Town issue a Request for Proposals (RFP) to bid out health insurance under one consolidated carrier, with the primary goal of reducing costs, while maintaining the current plan design. Based upon the bid results, Fallon was the carrier brought forward to the IAC for recommendation. Since the Fallon plan is a lower cost option, but maintains the rich plan design currently enjoyed by employees, consolidating to Fallon allows the Town to maintain the current plan design in FY2019 without the introduction of a deductible. At its meeting on January 30<sup>th</sup>, the IAC formally recommended consolidating to Fallon. Mr. Coderre stated that he and the School Superintendent are hopeful that all of the unions will ultimately vote in favor of the consolidation, as the change must be negotiated separately with each bargaining unit for their approval.

Mr. Coderre ended his update, stating that overall, the Town's FY2019 health insurance budget will still require a 3% budget increase due to increased enrollment and other expenses associated with HRA reimbursements and FSA expenses.

**REVIEW OF TOWN MEETING CALENDAR**

Mr. Coderre reviewed the Town Meeting Calendar and noted that all warrant articles were due to the Town Administrator by February 5, 2018. Annual Town Meeting will be held on April 23, 2018. He reminded the Committee that the Joint Public Hearing on the Budget is scheduled for March 26<sup>th</sup> at 7 p.m. and all members are required to attend.

**NEXT MEETING DATE AND COMMITTEE SCHEDULE**

The next committee meeting will be held on February 22, 2018 at 6:30 p.m. to review the remaining FY2019 capital budget projects from MIS/GIS, School Department and the Department of Public Works (DPW).

**ADJOURNMENT**

Mr. Leland moved the Committee vote to adjourn; Mr. Spataro seconded the motion; all members in favor.

Meeting adjourned at 8:10 p.m.

Respectfully submitted,

John W. Coderre  
Town Administrator

**Documents used during meeting:**

1. February 8, 2018 Meeting Agenda.
2. March 9, 2017 Meeting Minutes.
3. April 24, 2017 Info only due to lack of quorum.
4. December 14, 2017 Joint Meeting Minutes.
5. FY 2019-2024 Capital Improvement Plan Instructions.
6. Preliminary FY2019 Free Cash Plan.
7. Preliminary FY2019 Capital Budget.
8. Police Department Capital Request Packet.
9. Health Insurance Info for update on FY2019 Operating Budget.
10. 2018 Town Meeting Calendar.