

WASHINGTON FINANCE COMMITTEE MINUTES

20 March 2017

Meeting was called to order at 6:16 p.m.

In attendance: Kent Lew, Dick Spencer, and Sean Connors

(David Weissbrod was unable to attend due to back surgery recovery, so Kent volunteered to take minutes for the meeting.)

Old Business

The minutes from February 13, 2017, were approved.

New Business

1. First review of draft FY18 budget

Dick said that there was not really enough time to review the budget in advance. Kent apologized for getting it together so late and not sending it earlier. We agreed that we would need more interim meetings than just the next Fin Comm meeting to hash out all the details.

Kent said that overall he'd like to see us get \$24–30K out of the draft budget before adding Free Cash to reduce the tax rate, but he didn't know if that would be possible.

Kent provided CPI-W (Consumer Price Index) data that showed year-over-year increase of 1% for last year, which is the COLA that Kent applied to salaries, except Highway, which were considered separately. Kent provided a summary of a regional survey from FY16 of Highway Dept wages from different neighboring towns. Washington's pay for superintendent and equipment operators is on the lower end of the spectrum (though not the lowest). Given this, he arbitrarily increased superintendent to \$24.00/hr (+\$1) and drivers to \$19.60/hr (+\$0.60) in the draft budget. Dick said that his first thought when he looked at the survey data was maybe \$25.00 and \$20.00. Sean said that our people are our most valuable asset. Tom is providing a greater degree of management and long-range thinking in the superintendent position, which really benefits the town. We all agreed that Tom was doing a very good job and we want to make sure to compensate him adequately.

The Tax Collector's Tax Title Expenses has not been spent in the past few years, and with a new, inexperienced tax collector, it does not seem likely that we would pursue any tax-title taking in the coming year, so perhaps we could remove or reduce that \$3500 line item. Kent said he wanted to get more basis for deciding on the Interest on Short-Term Notes. He will talk more with Glenn about our short-term borrowing needs for next year, including the Grant Anticipation Note for the Eden Glen Frost Road culvert project.

Kent pointed out that even though last year's Voc. Ed. student to McCann had moved out of town, we had a new student coming on, keeping the number of students level at two. But he noticed that the new student's home had just been posted for sale. Sean explained that he knew the family and that it was not actually very likely that they would really be moving out of town, and so we should leave this appropriation the way it is.

Kent provided additional information and basis for some Highway budget numbers. Despite how dramatic the increase for Winter Roads seems, we now have a more concrete basis for it. Tom gave some estimated amounts for each run of salt, sand, and chip. At current prices, this works out to \$92,500 for salt, \$9,000 for sand, and \$2,000 for chip stone for approximately 50 runs in a season. This budget item also includes \$5,950 for a second Polarflex and 550 cutting edges, and \$1,500 for incidental repairs. All together this represents a \$17,950 (16.2%) increase over previous year's appropriation.

The Tree Work budget was increased to reflect an increase in the vendor's rates to match prevailing wage. The Machinery Repair budget includes an additional \$5800 specifically to replace worn tires on the grader.

Kent added a proposed new budget item for Engineering Consultation. Half of this money was moved out of Road & Bridge where these services were previously paid from; the other half is an increased appropriation. We agreed that there might be advantage to separating this expense for the purposes of focusing more attention and making sure that engineering needs in town were steered to the oversight of the Highway supervisor.

Kent explained that he was still waiting to get actual numbers for Enhanced 911, Health Agent, and Public Nurse, but these were probably pretty close. He put in a placeholder number for Becket shared services for Use of Beach and Ambulance Service. Sean said he didn't think we should have any possible number "on paper" yet, during ongoing negotiations. We also had another discussion about whether the Town should be seeking a different arrangement. Although we want good relations with our Becket neighbors, it is still hard to understand why they aren't able to recover more of their expenses in charge-backs, and it's hard to justify our contribution for so few actual calls, without more information. Sean said he might talk to County Ambulance about meeting with the Select Board to discuss what they might be able to offer.

Kent said that the \$28K for Debt Service on the Culverts was still just a wild-ass guess, since we don't have the long-term note issued yet. Starting this year, we will need to start repaying some principal with the interest, since we are past our two-year interest-only window. Kent still has to confirm final numbers for this debt and get Glenn to initiate the process of borrowing before we can have a better idea of what our obligation will actually be next year. It could be as high as \$35K. We discussed at some length the need for a post-mortem discussion at the upcoming Capital Meeting to understand and learn from the mistakes of the Cross Place Rd project and avoid such out-of-control spending on future capital projects.

2. Insurance Update

Dick presented a summary of his latest research into our equipment insurance. He and Glenn met with our insurance representative from MIIA to explore the possible adjustments to our policy that we previously discussed. He said our agent thought that our current umbrella coverage was actually plenty for our Town.

Dick previously reviewed deductible amounts for large equipment with the Hwy Superintendent, and they felt that we would not likely bother to make claims for most conceivable damage to our vehicles, except perhaps glass damage (but even then, maybe not). So increasing deductibles could be almost equivalent to removing coverage.

Regarding any complete removal of older vehicles from our coverage, the ~\$2000/yr savings vs. the additional risk from a major event, even if parked in the garage, is a difficult call. Dick and Sean, who are both generally in favor of a self-insure approach, were on the fence about the matter. We will need to revisit the question in a future meeting to reach a final decision.

The meeting was suspended briefly at 7:30 to join the Special Town Meeting. We reconvened at 7:50 p.m.

We wrapped up the meeting with a discussion about the difficulties facing the new Tax Collector and the cash flow problem that has resulted from our past situation. Everyone agrees that we want to make sure that she has adequate support and assistance. Kent has suggested that we may want to hire an experienced Assistant Tax Collector for the remainder of this fiscal year to help her get through this crunch and to help train her. Dick suggested that we might want to keep such a person “on-call” through the next year, to continue to provide as-needed assistance. But we don’t necessarily want to fill the Assistant position on a more permanent basis, if the new collector will eventually be able to manage all of the responsibilities herself. We will keep some money in the FY18 budget for this contingency.

We agreed to schedule our next meeting for April 3 in two weeks to review the FY18 Budget again soon, once people have had a chance to digest further and Kent can get some more numbers firmed up. We will need to reach some decisions in the next round in order to be ready to present a proposed budget to the Select Board.

The meeting adjourned at 8:08 p.m.

Submitted by Kent Lew, chair.