

# Town of Lunenburg

Finance Committee:  
Mark Erickson, Chairman  
Terri Burchfield, Vice-Chairman  
John Henshaw, Secretary  
Karin Menard  
Caroline Griffis  
Jay Simeone



*Mark Erickson*  
11/23/14

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Lunenburg Finance Committee  
Minutes: October 23, 2014

Location: Town Hall  
Present: Mark Erickson, Terri Burchfield, Karin Menard, Jay Simeone, John Henshaw  
Absent: Caroline Griffis

1. Meeting called to order by Mark at 7:00 pm.
2. Communications:
  1. Public: None.
  2. Committee:
    - i. The Town's AA+ bond rating has been extended, confirming the Town's ability to borrow at low interest rates.
3. Town Manager Updates:
  1. Summary of FY 2015 Q1 YTD Revenues and Expenditures: Q1 Expenditures and revenues are not much different than expectations: (See October 21, 2014 memo from Kerry to the Board of Selectmen for more specific details.)
    - i. Q1 Expenditures tend to exceed budget as several are pre-paid (e.g. retirement assessment and insurance premiums). In addition, expenditures for Police Lock-Up, Radio Watch, and Veterans' Benefits all exceeded budget.
      - There are seven veterans the Town pays benefits to, an increase over FY 2014, so expenses may exceed budget throughout FY 2015.
    - ii. Q1 Revenues tend to be lower than budget as some (e.g., Motor Vehicle Excise Taxes and Licenses and Permits) usually are higher in Q3 & Q4.
    - iii. Sources of revenue that *may* exceed budget include Net Metering Credits, Motor Vehicle Excise Taxes, and local option meals taxes.
    - iv. Health Insurance costs are right at budget.
      - Kerry does not expect the significant surplus in this account that helped to fund some budget shortfalls in FY2014.
  2. Review of the 2013 report on OPEB/GASB 45.
    - i. The report of 7/1/2012 on the Town's annual OPEB Cost and Net OPEB obligation calculated an annual required contribution (ARC) to cover normal annual costs for OPEB and amortize unfunded liabilities estimates an ARC totaling \$3,797,396.
    - ii. The Board of Selectmen is exploring steps to take to reduce the Town's future OPEB obligations.
    - iii. After the FY 2016 budget cycle, the Town will commission a biennial update on projected OPEB obligations.

4. Committee Liaison Updates:

Committee/Department— Reported By:	Update:
Capital Planning--John H.	Jim Marino and Patrick Sullivan, chiefs of the Police and Fire departments respectively, will present their capital requests to the committee at the November 4 CPC meeting.
Public Works--John H.	Jack R. has no new details yet about a potential new street sweeper. ◆ John will follow up on this. Summer Street: Kerry reported that the Town is paying for the design phase of this project from Chapter 90 funds so that this project remains on the TIP list. There is a possibility the state will reimburse the Town for this expense.
Library--John H.	Caroline G. will serve as liaison to the library. Separately Kerry S. told the Fin Comm that the library had assigned a trustee to work with the Green Community Task Force on energy efficiency efforts for the library.
PACC--John H.	The PACC will meet soon, but has not met yet
Building Re-Use--Mark E.	As there was no meeting, there is nothing to report.
School Building--Mark E.	There was no meeting, so nothing to report. However, Kerry said that the Town had received the signed Funding Agreement for the school construction project from the MSBA (Mass. School Building Authority). This is the formal notification that the MSBA has agreed to reimburse the Town for 59% if the reimbursable part of the project.
Schools--Karin M.	As there was no meeting, there is nothing to report.
Monty Tech--Karin M.	Nothing to report.
Council on Aging--Karin M.	As there was no meeting, there is nothing to report. Caroline Griffis will become liaison to the Council on Aging.
Public Safety--Terri B.	Both the Fire Chief and Police Chief are looking forward to participating in the Finance Committee Meet and Greet session.
Sewer Commission—Terri B.	Nothing to report on the Sewer Commission; however, Jay Simeone will serve as the liaison to the Sewer Commission.
Green Community—Jay S.	Jay Simeone will serve as the liaison to the Green Community Task Force.

Note: There was nothing to report on the Agricultural Commission.

5. Town Financial Policies: To introduce the Town's Financial Policies Mark summarized their four sections: Stabilization Funds—General and Dedicated, Free Cash, Capital Projects, and Regular Borrowing (as distinct to borrowing funded by a debt exclusion override).
6. Budget Opportunities:
  1. Karin reported that the School Committee has just established a policy for charging for bounced checks at the schools.
  2. Regarding the policy for charging for bounced checks, Kerry informed the committee that Town Hall handles checks for all other, and that the Town charges \$25 dollars for each bounced check processed.
7. Future Agenda Items:
  1. Review the updated Pavement Management Plan, when it is completed.
  2. Meet and Greet department heads and set expectations for budget presentations—a main point is how budget constraints may affect service levels.
  3. Discuss OPEB-GASB 45 when the 2015 update on OPEB obligations is issued. (See point 2 in the Town Manager report on page one above.)
  4. Review contract commitments (e.g., sick leave buy back)
8. Meeting Adjourned: Jay moved to adjourn the meeting; his motion was seconded by Terri. The committee voted 5-0 in favor. The meeting adjourned at 8:54 PM.

Respectfully submitted by John Henshaw November 3, 2014