

Town of Lunenburg



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

Lunenburg Finance Committee Minutes August 13, 2015 Meeting

Location: Town Hall
Present: Mark. Erickson, Terri Burchfield, Jay Simeone, John Henshaw
Absent: Karin Menard
Also Present: Karen Brochu, Tom Alonzo

1. Meeting called to order by Mark E. at 7:00 pm.
2. Comments:
 - a. Public--None.
 - b. Committee:
 - i. Public Hearing, August 24th, on application to build 22 Housing units.
 - ii. Mark E. passed out the latest issue of *The Beacon*.
 - iii. The Finance Committee opted to visit the Junior-Senior High School project as a group. Mark will try to schedule a convenient date and time for this.
 - iv. Terri B. wondered if the web site Kerry showed us last meeting could show how much specific Town services cost individual taxpayers.
3. Chapter 44, Section 33B transfers—Karen Brochu
 - a. Terri B. made a motion to approve the total of \$18,065.34 in Chapter 44 §33B transfers as presented, and John H. seconded the motion. The committee approved the motion 4-0. Mark E. signed the form approving the transfers.
4. Minutes:
 - a. Mark E. corrected point 4.b. in the minutes to show that the appointing committee had reappointed both Terri B. and him to new terms on the committee prior to the July 23 meeting. Terri made a motion to approve the minutes as amended and Jay seconded the motion. The committee approved the amended minutes 4-0.
5. Committee discussion on the FY2017 budget process:
 - a. Projected revenues constrain the level of services the Town can fund. Thus this committee needs to quantify the shortfall of revenues to needs, recommend to the Town which services to fund, and how much to fund those services.
 - i. One way to categorize expenditures is as non-discretionary, partially discretionary, and discretionary. Discretionary does not imply un-necessary.
 - ii. Is there a way to determine which services the Townsfolk want to fund?

- b. Opportunities to explore to manage growth in expenses:
 - i. Managing salary and wage costs.
 - ii. Charging fees for certain Town services.
 - iii. Limiting additional Town responsibilities or services.
 - iv. Applying the regional dispatch model to control expenditures in other areas.
- c. Quantifying and planning for future liabilities:
 - i. OPEB—manageable, but in the medium term it grows at a slightly higher rate than projected revenues grow.
 - ii. Capital projects exceed the projected capital budget through 2020.
 - iii. The Pavement Management Plan.
- d. Opportunity for revenue growth: Is there the political will to approve an override?
- e. Information that may help inform the discussion:
 - i. Health care costs—dependent of benefits.
 - ii. The cost of adding employees—salary, insurance.

6. Committee Updates:

<u>Committee/Department</u>	<u>Update</u>
DPW—John H.	No report.
Capital Planning—John H.	The committee will continue the initiatives begun in FY15, e.g. a ten year planning horizon, parameters on borrowing.
Public Access Cable—John H.	No report.
Library—Terri B.	No report.
Public Safety—Terri B.	No report.
Schools—Karin M.	No report.
Monty Tech—Karin M.	No report.
Sewer Commission—Jay S.	Discussion of the pumps needed for extended service. They have begun their manhole inspections. Timely submission of grease trap maintenance remains an issue. The maintenance has been done; Reporting is the problem.
Green Task Force—Jay S.	No report.
School Building Comm--Mark E.	The new building will be weather tight before winter. The SBC approved all invoices. There is an amendment for the funding: The respective shares paid by the State and the Town are the same percentage of the total, but as the projected cost has gone down for the project, the total amount that each will pay is projected to go down as well.
Building Re-Use—Mark E.	The committee sent out requests for quotations (RFQ) to qualify bidders the three bidders interested in the project. One prospective bidder did not qualify, and two bidders now remain.

7. Meeting Adjourned: Terri B. moved to adjourn the meeting and Jay S. seconded the motion. The board voted 4-0 in favor; the meeting adjourned at 8:46.

Respectfully submitted by John Henshaw August 25, 2015

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Copy: Kerry Lafleur, Town Manager

SEP 01 2015

**LUNENBURG TOWN
CLERK OFFICE**

Payroll as % of Budget

	FY15 Actuals	FY16 Budgeted	% Chg
Total Expenditures per Budget Report	\$ 31,652,723.47	\$ 34,870,030.36	10.16%
Total Series 5100 Payroll Expenses	\$ 15,347,725.68	\$ 16,112,197.00	4.98%
% of Salaries to Total Budget	48.49%	46.21%	
Health Insurance Expenditures	\$ 3,379,289.79	\$ 3,725,591.00	10.25%
Life Insurance Expenditures	\$ 9,832.50	\$ 21,191.00	115.52%
Medicare Tax Expenditures	\$ 219,228.68	\$ 217,551.00	-0.77%
	\$ 3,608,350.97	\$ 3,964,333.00	
Payroll/Health/Life/Medi	\$ 18,956,076.65	\$ 20,076,530.00	5.91%
% of Salaries/Benefit costs to Total Budget w/ Health/Life/Medi	59.89%	57.58%	
Worcester Regional Retirement Assessment	\$ 831,727.00	\$ 967,652.00	16.34%
Payroll/Health/Life/Medi/Retirement	\$ 19,787,803.65	\$ 21,044,182.00	6.35%
% of Salaries/Benefit costs to Total Budget w/ Health/Life/Medi/Retirement	62.52%	60.35%	
State Assessments	\$ 1,199,824.00	\$ 1,230,111.00	2.52%
Transfers to Other Funds (Capital Project/Stabilization)	\$ 621,753.74	\$ 619,756.36	-0.32%

Please note that amounts paid for State Assessments and Transfers are included in the total expenditures figure. The amounts below do not include these number in the total expenditure amount

	\$ 29,831,145.73	\$ 33,020,163.00
	\$ 19,787,803.65	\$ 21,044,182.00
	66.33%	63.73%

- KSL begin working on financial forecast.

- add FTE count

- historical data on salaries

- document efficiency measures

Send RFO Building
Re-use to Jay Simone.