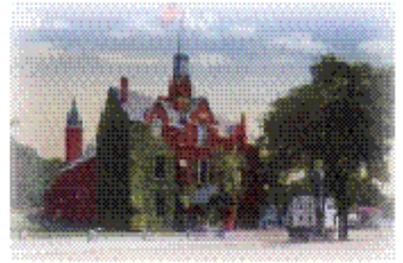


# Town of Ayer

## Finance Committee

### Ayer Massachusetts, 01432



Location: Ayer Town Hall, Meeting Room.  
Finance Committee Minutes

Wednesday December 08, 2010

Present: Brian Muldoon; Chairman, Scott Houde; Clerk, and member Andrew Crowley  
Absent: Jesse Reich  
One committee position open

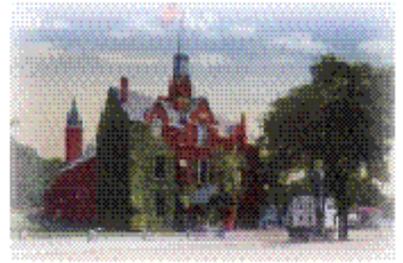
Called to order at 7:02 pm by Brian Muldoon

- Robert Pontbriand, Town Administrator for Town of Ayer
  - Budget memos for FY2012 were distributed on December 8, 2010. The FinCom memo was included with the town administrator memo
  - Open meeting law: What are the restrictions on attending meetings electronically?
    - The law is very ambiguous. The decision to attend electronically is solely the discretion of the Attorney General of MA and must be petitioned on a case by case basis. Robert sent a request for clarification to the AG and is waiting a response.
    - Emulex donated conference phones to the town and Robert is waiting to hear if these can be used for absent members of committees to call in for meetings.
  - Training: How do we plan and budget for training of employees by department?
    - All departments participate in training and are encouraged to participate through groups that Ayer belongs to. There is an additional cost for training which is not always in the budget.
    - BM – The additional cost for FY2010 which required a reserve fund transfer for the Treasurer and Clerk was not budgeted; how do we avoid this going forward?
      - Elections pose the need for training as turnover of candidates occurs. Currently, the Town Governing Committee is reviewing government positions as elected vs. appointed. If more positions are appointed then the need for extensive training will be reduced.
    - SH – Should this be a line item for all departments?
      - It is in some departments but it is not necessary in all.
  - Incentivizing: How can the departments be encouraged to save money for the town?
    - The responsibility lies with the department heads and employees. They know money is tight and must be watched. Efficiency becomes the incentive within the budget. DPW is a great example of how a department can work to reduce costs and succeed.
    - BM – The School department saved \$50K with a new transportation contract and FinCom took the money back. How does that incentivize the departments to save money?
      - In FY12 the departments have been asked to do more with the same or less money. “In my time, the department heads have been conservative in the approach to save money”. We received a grant of \$150K from the state for Essco work. That money will be put towards a new efficient furnace for the well station. The grant specified an oil fired facility and the one that needed it the most was the well station. The 24 hour meeting board was built by Dan Sherman himself to save funds.
  - Budget memos
    - Robert met with the department heads on December 8, 2010. He laid out the harsh reality of the financial scenario. He asked for 2 scenarios; a 5% cut in budget from last year and a 3% cut. There should be no increases for wages or COLA (Cost of Living Adjustment). The department heads were asked to detail any necessary items that cannot be met within the budget. As of Dec 8<sup>th</sup> there is a deficit in the budget of \$136K which does not include Retiree Benefit Funding (GASB45) and minimal stabilization funding. This is the most challenging budget since the Depression. The increase in health cost will be 10 – 15% this year. All collective bargaining agreements expire on June 30<sup>th</sup> and there will be no finances to negotiate anything other than a 0% increase this year. Keep in mind Ayer is in better financial position than surrounding towns.

# Town of Ayer

## Finance Committee

### Ayer Massachusetts, 01432



- BM – The town budget showed a \$1 million deficit going out years at the Tri-Board meeting
  - The principal revenue for the town is property taxes. 2.5% increase each year is not sustainable at this rate. Revenue and expenses must align.
  - GASB45 funding is not mandated yet. The Stabilization Fund is the key to the town's financial health. "We cannot afford to raid Stabilization for wage increases and contracts. This must be for non-recurring expenses." Departments with heavy staffing need to look at their staff and come within the 5% decrease for the budget.
  - The TA will be meeting with all unions soon and presenting the town's financial position. The unions and department heads will have to be synchronized. School regionalization presents a challenge. Ayer has been fair in its \$8.3m assessment for FY2012. Regional School Committee needs to work within that amount and Shirley's assessment.
- BM – Do we move ahead with the \$8.3m or ask for 5% back.
  - The \$8.3m is fair and equitable. It is more than originally budgeted during the spring FY10. There is concern if the \$8.3m moves higher it will impact the remainder of the budget for the town. The Regional School Committee cannot be told to reduce its budget at the town's request. Schools should be on the same level.
  - There is limited visibility in the budget. The RSC will present their budget on Thurs. December 16<sup>th</sup>. The \$8.3m budget includes Schedule 19 monies which may be cut by the state as much as 10%. The first pass of the budget showed a deficit of \$3m.
- RP – The key responsibility for a robust budget with a high level of services.
  - The BOS is tentatively schedule for a meeting on Dec 21<sup>st</sup>.
  - Town Accountant Lisa Gabree will meet with all departments in addition to FinCom.
  - The Capital Planning Committee meeting is scheduled for December 9<sup>th</sup> for recommendations.
- MUNIS Reports from Town Accountant
  - Lisa will continue to provide reports from the MUNIS system.
  - SH provided a new report format which takes the YTD expenses shown on the report and calculates the monthly expense. This is something that should be presented to the citizens on the town website.
  - The town is planning to move to a new website system. It is believed to be Virtual Town Hall.
  - Update on Fire Dept personnel
    - There was a meeting between Chief Pedrazzi and Robert Pontbriand. The state Dept of Revenue and Legal counsel see 111F as an unseen expense. Therefore the expenses qualify for a Reserve Fund Transfer per definition. The town's liability will be \$24K in the worst case scenario.
  - Where does the liability lie with accrued vacation and sick time?
    - The fire department has \$680K of accrued sick leave. When can these be cashed out and how are they paid for? R. Pontbriand will research where the liability is and what the expense is for calculated liability.
- Current FinCom opening
  - James Stevens former member attended tonight's meeting. James is a former FinCom member and has some interest in serving. The current open term is through June 30<sup>th</sup>. However James is an elected official, Commissioner of Trust Funds and therefore cannot serve on the FinCom.
  - Pauline Conley has been asked by the BOS to serve out the open term. She is currently deciding whether to accept.

#### Mail

- The budget meeting schedule is finalized and approved. Brian will distribute electronically.
- Clerk approved minutes
- Christmas celebration

# Town of Ayer

## Finance Committee

### Ayer Massachusetts, 01432



Minutes

- Motion to approve the meeting minutes for 3/24/10 as presented

Motion	SH
Second	AC
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
A. Crowley	Aye
Vote	3 - 0

- Motion to approve the meeting minutes for 4/28/10 as presented

Motion	AC
Second	SH
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
A. Crowley	Aye
Vote	3 - 0

- Motion to approve the meeting minutes for 11/10/10 as presented

Motion	SH
Second	AC
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
A. Crowley	Aye
Vote	3 - 0

- Outstanding minutes: 5/12/10, 6/9/10, 9/8/10, 9/22/10, 9/29/10,

- Next Tri-Board meeting is January 25, 2011 at Page Hilltop
- The compensation CD will be reviewed in late February.
- Regional School Committee Building Committee Representative
  - Jesse Reich was asked by the RSC to represent the Ayer Finance Committee on the building committee.
  - Motion to appoint Jesse Reich as Finance Committee’s representative on the RSC building committee

Motion	AC
Second	SH
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
A. Crowley	Aye
Vote	3 - 0

- Next meeting is 1/4/2011

**Town of Ayer**  
**Finance Committee**  
**Ayer Massachusetts, 01432**



- Motion to adjourn at 8:57pm

Motion	AC
Second	SH
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
A. Crowley	Aye
Vote	3 - 0

Brian Muldoon, Chairman \_\_\_\_\_ Date \_\_\_\_\_

Jesse Reich, Vice Chairman \_\_\_\_\_ Date \_\_\_\_\_

Scott Houde, Clerk \_\_\_\_\_ Date \_\_\_\_\_

Andrew Crowley, Member \_\_\_\_\_ Date \_\_\_\_\_