

# Town of Ayer

## Finance Committee

### Ayer Massachusetts, 01432



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

Wednesday October 27, 2010

Present: Brian Muldoon; Chairman, Jesse Reich (early departure); Vice-Chairman, members Scott Houde and Andrew Crowley  
Absent: Clerk Glen LaPierre (S. Houde interim clerk)

Called to order at 7:01 pm by Brian Muldoon

- Mail
  - No mail available
- Minutes
  - No minutes available
  - Outstanding minutes: 3/24/10, 4/28/10, 5/12/10, 6/9/10, 9/8/10, 9/22/10, 9/29/10, 10/21/10
- New Business
  - Chief Pedrazzi:
    - One fire department employee is on medical leave. The employee was denied 111F by the insurance company. The town has insurance to cover expenses related to 111F employees. The BOS reapplied the employee for 111F and we are awaiting word from the insurance company. If the claim is denied the worst case scenario Chief Pedrazzi sees in his budget for this situation is a loss of \$23,632.50
    - Another employee is on call for military service. Replacements for this employee will be at a lower wage. There is potential savings for this fiscal year related to this employees cost since deployed military are not on the payroll but are guaranteed their position when they return.
    - Chief Pedrazzi warned that to date he has used almost 50% of his on call budget for FY11. This is due to a dry season causing adverse brush fire conditions. There were numerous brush fires this summer and the tire fire at Ruthier.
  - Executive TriBoard meeting Update
    - Meeting held on Friday 10/22 7am
    - The 5 year budget plan was updated and following the new policies in place, there is a shortfall of (\$1.07m). The budget without the budget is a shortfall of (\$120K).
    - Free cash looks lower than anticipated: approximately \$350K - \$550K. The updated budget has been saved in the FY12 folder of the DropBox.
    - School Plan - The feasibility study will cost approximately \$750K and the committee will look to borrow the funds. This will require a special election to approve the capital spending. MBSA will reimburse the region 65 – 68%. George Frost has offered to meet with FinCom to discuss.
    - The school budget is anticipated to be \$8.3m for FY12. This amount will cause a shortfall. The budget meetings for the regional school committee will be in Nov. The initial budget meetings are listed as “Staff Meetings” and therefore not open to the public. P. Conley questioned if the 3% raises for administration employees at the school are for one year or three?
    - Health insurance is expected to increase 10 – 15% for FY12.
    - Next Executive TriBoard meeting is Nov 12<sup>th</sup> at 7am. The full TriBoard meeting is Nov 30<sup>th</sup> at 7pm.
  - MMA Seminar – October 23, 2010
    - Brian Muldoon and Andrew Crowley attended
    - Discussion points from seminar discussed in summary

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- Health insurance costs
  - Utilize Medicaid and Medicare whenever possible.
  - Offer current health care in lieu of a wage increase
  - Chapter 50E Section 1 gives towns a right to sit in on contract deliberations of all town related employees including school employees.
- Role of the Finance Committee
  - FinCom, BOS and School should work together whenever possible.
  - Brian stated Ayer does approximately 90% of the recommendations.
  - One miss the committee had been school's direct involvement in the financial policies.
  - Policies should be included in the town report. FinCom will include these in the next town report.
- Budgeting of schools
  - Funding will have a cliff effect in FY12 due to federal stimulus money goes away.
- Hidden cost of cuts
  - Brian walked through a few scenarios in which reduction of cost can be detrimental to the town and its employees.
- Finance Committee clerk
  - Glen LaPierre is the current sitting clerk. However, it is believed he will be leaving FinCom. S. Houde volunteered to take the clerk position. Motion to appoint S. Houde as the clerk:

<b>Motion</b>	AC
<b>Second</b>	BM
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
A. Crowley	Aye
G. LaPierre	Absent
  - There has been no communication from Glen in months. The BOS has suggested we post for the open position. S. Houde: Do we set a deadline to request a un-appointment? B. Muldoon: It seems the BOS has decided a course of action.
- Fall Town Meeting Feedback
  - The BOS was organized with speaking points for each warrant. B. Muldoon would like FinCom to organize the warrants they vote on explaining the position taken.
  - Storm Water Enterprise Fund did not pass town meeting. This will have to be funded from the FY12 operating budget. Dan Nason will have to break apart the requested \$312K for the enterprise fund and see what actions need to be taken immediately.
  - It has been recommended to Dan Nason to try again at May town meeting and concede funding of the fund through the operating budget if needed. There is a fear a single event can cause EPA sanctions.
- B. Muldoon would like to hold more public hearings of the budget for FY12. The public forums should be early in the process since this is going to be a difficult year.
- Old Business
  - B. Muldoon followed up with the town administrator regarding training costs for new employees. TA is currently researching and will respond
  - FinCom Survey: B. Muldoon would like to distribute a financial survey of town services to aid in the event cuts are needed to form the budget. Littleton did a survey recently and the results are posted on their website.
- FinCom Round Table
  - Compensation CD has been distributed in .pdf format to FinCom members

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- Regional School Committee: Should one member of the FinCom attend regional school committee meetings? The feedback was affirmative. How to proceed and schedule will be discussed at the next FinCom meeting. Shirley utilizes rotating members
- The next FinCom meeting is scheduled for Nov 17<sup>th</sup>. However, due to other conflicts the meeting may be rescheduled to Nov 10<sup>th</sup>.
- Motion to adjourn at 8:56pm

<b>Motion</b>	SH
<b>Second</b>	AC
B. Muldoon	Aye
J. Reich	Absent
S. Houde	Aye
A. Crowley	Aye
G. LaPierre	Absent