

Finance Committee Meeting
Thursday, March 22, 2007
Dennis Town Hall
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Attendees: Finance Committee; Jim Plath, Peter McDowell, Ted Dumas, Michael Brennan, Bill Crowell and Robert Prall. (Rachel Baroni was absent.)

Selectmen: Jane Otis, Charles Crowell, Sheryl McMahon, Paul McCormick and Heidi Schadt. Town Administrator Robert Canevazzi and Assistant Town Administrator Sandra Fife.

The Board of Selectmen and the Finance Committee agreed to meet in a joint meeting on March 26, 2007 to consider whether or not to support a request from D-Y School for a District Meeting.

Golf Engagement Letter

It was agreed for one member of the Board of Selectmen, one member of the Finance Committee, Mary Anne Gibbs, Sandra Fife and Robert Canevazzi would meet with auditors to finalize the scope for the review of internal controls.

Discussion on D-Y School Request for an Override

Jim Plath stated that both Bob Lawton and Robert Canevazzi meet with the School Board of Selectmen and gave them a set amount for their budget. They both requested the School Committee to keep their budget within that number. They did not work within that number. Jim Plath stated that he is not inclined to support their over-ride and would work to defeat the override. If the School Board Committee is given the message that there is opposition to this over-ride there is time for them to go back and rework their numbers between now and Town meeting. Mr. Plath also stated that to send support of a School District meeting would be to send the wrong message.

Peter McDowell stated that he is in a position to say no tonight. Student population is dropping and they are looking to add positions.

William Crowell stated that this maybe over-kill and this may not be necessary.

Ted Dumas stated that it is a good idea, but the timing is all wrong. He added that he would be willing to vote in the negative.

Bob Prall stated that he had a conversation with the Carol Woodbury concerning the new positions. Enrollment is declining and he would not support the override.

Michael Brennan safety and security should be part of their operating budget and should not be part of their override. There is some fat in their budget that could be trimmed down. These are enhancements to the program and he would have to vote against the override.

Finance Committee Approve on 07-10-2007

Chairman Jim Plath stated that he will have the issue placed on the Finance Committees agenda for March 29, 2007. He added that he will call the School Supt. and make her aware of the fact that the Finance Committee would be making its recommendation.

Engineering Budget (411)

Robert Canevazzi proposed a budget cut in the amount of \$6662.00 from line item 53000 (purchase of service) from the Engineering Dept.

Joe Rodricks then reviewed the Engineering budget.

He explained that memberships and subscription have slightly increased because a staff member was added. The purchase of service cut reduces the ability to outsource for surveying. These funds are used to hire a surveyor instead of having one on staff.

Peter McDowell stated that the Town Engineer is requesting \$8810.00 However, he would propose a \$5,000.00 reduction, as this would leave enough. This is what has been historically used.

Joe Rodricks stated that we have historically had \$3000.00 in the account. This is an emergency fund. The bare minimum in this account should be at least \$1500.00 in case we need plans or a survey.

Bill Crowell stated that this is a difficult budget to cut, because this budget is mostly salaries.

Motion:

Peter McDowell moved to reduce purchase of services by \$2662.00. Michael Brennan seconded.

Bill Crowell stated this may be a drastic cut. He would recommend giving him \$5000.00 in the account.

Motion:

Peter McDowell moved to approve a total appropriation to line item 5300 in the amount of \$6488.00. Michael Brennan seconded. The Finance Committee voted 6-0-0. The motion was carried.

Department of Public Works

Budget (423) Snow & Ice Removal

Supt. of Public Works, David Johansen, addressed the Finance Committee. He introduced Assistant Supt. Greg Rounseville. David stated that the snow and ice budget is level funded and there were no proposed cuts to this budget.

Motion:

Bill Crowell moved approval of the snow and ice budget in the amount of \$135,637.00. Ted Dumas seconded. The Finance Committee voted 5-0-1 (PM). The motion was carried.

Jim Plath stated that the DPW does an excellent job in Town.

Budget (410) Administration

Motion:

Peter McDowell moved to approve budget 410 in the amount of \$222,016.00. Bill Crowell seconded. The Finance Committee voted 6-0-0. The motion was carried.

Budget (422)

Robert Canvazzi stated that he proposed the following budget cuts: \$4000 from item 53000, \$12,500 from 55340, \$5000 from 55370, \$2000 from item 55380 and \$7,400 from item 58700.

David Johansen explained his budget is 50% salaries and 50% supplies. Supt. David Johansen then went onto review the permanent and seasonal salaries. He added that the seasonal salaries went up, because there was a wage increase. David explained that he is requesting \$12,792.00 for Police detail work. DPW spent \$12,139.00 in FY2006. Administration has proposed to cut this line item. The Finance Committee should understand that the DPW may need to request a reserve fund transfer for this line item if this line item is cut. David Johansen stated that he is requesting a 5.4 % increase to line item 54800 for vehicle maintenance for oil changes. He also pointed out that the Town has 65 miles of private roads in the Town. This line item is proposed to be cut and in this case the private roads will not be graded if this line item is cut.

A discussion then ensued with regard to the increase for hot mix replacement. David Johansen stated that the increase of cost increase is for materials and product.

Michael Brennan asked why the Town is making repairs to private roads.

Robert Canevazzi stated that the Town doesn't have to. These repairs could be grading or filling in pot holes.

Michael Brennan stated that the Town has a by-law for making repairs to private ways.

Peter McDowell stated that those folks living on a private road pay the same in taxes as those that live on a Town road. Exceptions are not made for what type of road you live on.

David Johansen stated that \$80,000.00 is a conservation number when considering the maintenance and replacement of the street signs. Vandalism alone results in roughly \$8,000.00 a year for sign replacement. We make out own street signs, however we still have to purchase materials.

David Johansen stated that is requesting \$10,000.00 for sidewalk repairs, but it was cut to \$7,400.00.

Peter McDowell asked how many employees have participated in the stipend program for additional training.

David Johansen stated that several employees have take advantage of the program.

Peter McDowell asked David Johansen if he could live with a \$4,000.00 cut from purchase of service.

David stated that he would take it out of the tree removal, not the catch basin cleaning.

Michael Brennan stated that a \$12,000.00 cut to private road maintenance is a bit extreme. This doesn't leave much in the case of an emergency. He would like to leave at least half the funds available.

Jim Plath suggested reducing the account by \$2,500.00.

Peter McDowell stated that the DPW is spending an additional \$100.00 per month for satellite weather.

David Johansen stated that if we loose power we will loose our computer weather. It's important to keep the satellite weather incase we loose the computers during a weather event.

Motion:

Robert Prall moved to reduce line item 53000 in the amount of \$4,000.00, line item 55340 by \$2,500.00 and account 58700 by \$7,400.00 for a total budget in the amount of \$1,471,787.00. Bill Crowell seconded. The Finance Committee voted 4-2-0 (PM & TD)The motion was carried.

Budget 433

David Johansen reviewed the budget cuts for the transfer station. David stated that there would be a change in service to Tuesday through Saturday from 8:00 AM to 4:00 PM October through May. David explained the current hours of operation. He also explained that if the Town were to close the transfer station during the winter holiday the Town would save \$8,000.00.

Peter McDowell requested to give a presentation on hauling waste in-house as opposed to hiring a contractor, as he believes the Town could save \$75,600. He stated for 10 years he has requested the Town to consider his proposal. Mr. McDowell stated his numbers do not match with the numbers that the DPW Supt has. Mr. McDowell requested Mr. Johansen to share his numbers

David Johansen stated that he is not prepared to give a presentation. He added that he works for the Town of Dennis and has not been directed by the Selectmen to provide an overview for these expenses.

Peter McDowell the cost per haul has increased by 23% percent. He would suggest adding an additional person to solid waste to haul 30 additional trips. The DPW could make at least 3 trips per day and multiply that by 5 days. Additional trips would need to be added during July and August. Two trucks would be purchased; one would be used in the event of a breakdown. \$4,500.00 would be needed for vehicle maintenance, \$41,251.00 for a driver and \$2,250.00 for over-time. Insurance for the two vehicles would be \$960.00 per year. Mr. McDowell stated that the total annual cost including fringe benefits would be \$81,113.00. This would result in a savings to the Town in the amount of \$75,608.00. This does not include the purchase of the vehicles. The trucks would cost roughly \$111,000.00. The return on this investment would be 42% in the first year and the following years it would increase. This would be an excellent idea in reducing our budget.

Bill Crowell stated that the current hauler has a 3-year contract.

Peter McDowell stated that this contract is subject to funding.

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Robert Prall stated that he has heard this proposal before and would like to understand what the other Towns are doing. He added that he would also like to see the proposal from the DPW Supt.

Robert Canevazzi stated that a complete analysis is needed for the Transfer Station. The Commonwealth is in receipt of bids for hauling the waste by rail. If this happens in conjunction with working with SEMASS it possible those that we won't need to haul it as far. It doesn't make sense to make any changes this year. This proposal is an extreme risk when it comes to making a profit. This suggestion is premature at this point in time.

Motion:

Michael Brennan moved to reduce budget 433 by reducing account 51100 by \$2,376.00, account 51200 by \$16,404.00, 51300 by \$17,998.00 and account 53850 by \$16,000.00 for a total budget in the amount of \$1,406,061.00. Ted Dumas seconded. The Finance Committee voted 6-1-0 (PM). The motion was carried.

Finance Committee Budget (131)

Robert Canevazzi stated that he proposed the following budget a \$1,000.00 budget cut from item 53000 and \$500.00 from item 57100.

Motion:

Bill Crowell moved approval of budget 131 in the amount of \$104,200.00. Ted Dumas seconded. The Finance Committee voted 6-0-0. The motion was carried.

Budget (147)

Sandra Fife reviewed the budget.

Motion:

Bill Crowell moved approval of budget 147 in the amount of \$189,153.00. Bob Prall seconded. The Finance Committee voted 6-0-0. The Finance Committee voted 6-0-0. The motion was carried.

Budget (751)

Sandra Fife reviewed the budget.

Motion:

Bob Prall moved approval of budget 751 in the amount of \$833,372.00. Ted Dumas seconded. The Finance Committee voted 6-0-0. The motion was carried.

Budget (752), Interest Short Term Debt

Sandra Fife reviewed the budget.

Motion:

Ted Dumas moved approval of budget 752 in the amount of \$331,830.00. Bill Crowell seconded. The Finance Committee voted 6-0-0. The motion was carried.

Budget (543), Veteran's Services

Sandra Fife reviewed the budget.

Motion:

Peter McDowell moved to approve budget 543 in the amount of \$90,265.00. Bob Prall seconded. The Finance Committee voted 6-0-0. The motion was carried.

Budget (910), Fringe Benefits

Sandra Fife reviewed the budget.

Motion:

Michael Brennan moved to approve budget 910 in the amount of \$1,605,647.00. Bob Prall seconded. The Finance Committee voted 5-0-1 (PM). The motion was carried.

Budget (424) Street Lights

Sandra Fife stated that the Town pays per light even if the bulb is out. These lights are not on a meter.

Robert Canevazzi stated that we are participating in the County bid with Republic Electric. There are some concerns with the quality of work that is being provided by the vendor.

Jim Plath stated that there are lights outs all over Town.

Robert Canevazzi stated that he proposed a \$5,000.00 cut from this account.

Motion:

Michael Brennan moved to approved budget 424 in the amount of \$173,511.00. Bill Crowell seconded. The Finance Committee voted 6-0-0. The motion was carried.

Budget (138) Central Purchasing

Jim Plath asked why the Town pays the postage for the Cranberry Scoop. This should be self sufficient because of all the advertising.

Sandra Fife stated that she would check into it.

Budget (138)

Sandra Fife reviewed the budget. She stated that line item 54100 has been reduced by \$15,000.00.

Bill Crowell stated that the 6% increase should be eliminated for gas, as this rate is coming down.

Sandra fife requested that \$5,000.00 be added to account 53420 (postage).

Motion:

Peter McDowell moved to approve budget 138 by reducing item 5211 by \$6,000.00, reducing item 54100 by \$15,000.00 and to increase line item 53420 by \$5,000.00. Bill Crowell seconded. The Finance Committee voted 6-0-0. The motion was carried.

Sheryl McMahon reviewed a borrowing proposal. She also mentioned that the Department of Revenue released their reports. The good news for the Town of Dennis is that for FY 2008 the Town of Dennis will receive in October 2007 100% reimbursement from the State for CPA funds.

Sheryl McMahon stated that she discussed the borrowing of \$500,000.00 with a few different financial advisors. Their advice was to include it with the borrowing for the Police Station.

Bob Prall why don't we get Capital Outlay Expenditure exclusion? We will have saved ourselves money in the long run.

Sheryl McMahon even at a \$500,000.00 for the next five years the tax impact would only be .32 cents on the \$1,000.00 on the tax rate as opposed to the exclusion at .40 cents.

Jim Plath stated that we need to have a discussion on the Capital.

Michael Brennan there is a big over hang for Capital Purchases. There needs to be some rational for these purchases.

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Sheryl McMahon we have taken some steps to address the Capital by including the computers and the cruisers back into the operating budget.

11:00 P.M.

Motion:

Bob Prall moved to adjourn. Ted Dumas seconded. The Finance Committee voted 6-0-0. The motion was carried.