



Town of Medway

FINANCE COMMITTEE

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June 14, 2017 – 7:00 PM
Library – Medway High School
88 Summer Street

Present: Frank Rossi, Chair; Rohith Ashok, Vice Chair; Todd Alessandri, Clerk; Jeff O'Neill; Michael Schrader and Jim Sullivan (remote participation).

Absent: Dan Doherty, Ellen Hillery, Meghan Hoffman.

Staff Present: Michael Boynton, Town Administrator; Carol Pratt, Finance Director; Jeff Lynch, Fire Chief; Sean Murphy, Parks Department.

Others Present: Paul Mahoney, Parks Commissioner.

At 7:02 PM Chairman Rossi called the meeting to order. There was a quorum of members present. It is noted that, due to Mr. Sullivan's remote participation, all votes will be roll call votes.

Emergency Transfer Request – Fire Department:

The committee reviewed a Request dated June 5, 2017 from the Fire Chief.

Present: Jeffrey Lynch, Fire Chief

Chief Lynch reported that this request is to cover a shortfall in the part-time salaries account. We were utilizing a transitional process whereby we could use on-call personnel in order to adequately staff an engine. We also have several new people in training. These individuals now count as staff to put on an engine. There have also been a significant number of gas leaks that needed attention as well as structure fires. In addition to fighting the fire, staff is needed to participate in necessary investigation procedures. Lastly, there has been a long term illness. There is a negative balance in the account of over \$36,000. Brief discussion followed.

Mr. Boynton stated he would prefer to raise the amount transferred to \$25,000 so that adequate funds are available until the end of the fiscal year. Mr. Alessandri reported that the Reserve Fund has a balance of \$73,103. Discussion followed on how fire calls are prioritized, mutual aid from other communities and how staff is trained and later assigned to responses.

Mr. Ashok moved that the Finance Committee approve a transfer from the Finance Committee Reserve Fund to the Fire Park-Time Salaries Account in the amount of \$25,000; Mr. O'Neill seconded. No discussion. Roll Call Vote (Alessandri, aye; Ashok, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Sullivan, aye).

Mr. Schrader theorized that the Fire Department budget is well managed if this is the only request that has come in for salaries. Chief Lynch responded that it is a balancing act, noting that it was a challenge his first year, but has gotten easier as things go along. He cautioned that once the assisted-living facility is operational, their ambulance calls will certainly increase.

Mr. Sullivan asked if there a standard or guideline that could be used to help forecast the changes in the local environment and what that means to the budget. Mr. Boynton responded that as the department moves away from the former staffing solutions and toward the use of ALS with paramedics, things will continue to increase until those individuals are trained and on staff. It is nearly impossible to adequately predict what the call level will be once that assisted-living facility opens.

AAA Bond Rating/S&P Report:

The committee reviewed a RatingsDirect Report for Medway provided by S&P Global Ratings

Present: Carol Pratt, Finance Director.

Chairman Rossi congratulated the Town Administrator and the Finance Director for the Town's hard work in achieving Medway's AAA Bond Rating. Mr. Boynton briefly reviewed the history of the Town's financial rating, noting that the Board of Selectmen's Budget Policy is instrumental in defining how funds are allocated and utilized.

Responding to a question from Chairman Rossi, Ms. Pratt stated that the Municipal Modernization Act has given communities more authority to do different things from an investment standpoint.

Brief discussion followed on investment strategies and OPEB contributions. Mr. Boynton noted that debt should always be replaced by debt so that cash reserves are always available if needed.

Discussion – Parks/Fields:

The committee reviewed revenue and expense reports for the fields.

Present: Carol Pratt, Finance Director; Sean Murphy, Parks Department; and Paul Mahoney, Park Commission.

Utilizing the expense and revenue sheets for the fields, it was noted that the dollar amounts are through May 30. There were separate sheets for each field. Expenses for Hanlon Field included concession expense which was the cleaning of the range hood and vents and the purchase of benches.

Mr. Mahoney stated that transfers to the stabilization account are intended to be used for turf replacement when that replacement becomes necessary. We missed the "window" in which to make a contribution in the spring so we plan to do one for the Fall Town Meeting that will satisfy the annual amount.

Ms. Pratt clarified that the available budget is what is available to be transferred. \$50,000 will come out on July 1, bringing the total amount down to \$280,222.76.

Mr. Boynton pointed out that the negative numbers reflect expenses that have to come out, namely, things such as fertilizer, grass seed, and other things that can be considered recurring costs. It would not be prudent to take all the funds out without considering expenditures such as these things.

Mr. Murphy added that it is important to note that revenue often comes in during the start of one fiscal year that should be credited to the previous year. There is often a lag in the accounts receivables.

Mr. Mahoney reported that the Parks Department did not have a standard reservation policy until a year ago. Besides using the reservation policy, we have utilized it to streamline our invoicing procedures to make sure that all invoices are issued and revenue collected.

Chairman Rossi asked if the revenue for Hanlon was less because the high school uses it? It was noted that this is true, as well as the fact that they hold a lot of night games which means the field cannot be rented out. Mr. Murphy added that they do not rent it out much in the fall as the coach wants it blocked out. Ms. Pratt confirmed that, as time goes on, we will be able to compare fiscal years as we continue to use the reservation/accounting software.

Responding to a question from Mr. O'Neill regarding irrigation expenses, Mr. Mahoney stated that not all the fields are lined for irrigation, adding that the irrigation expense was for a pump that had to be replaced.

Referring to capital revenues, Ms. Pratt noted that, when they collect the fees, a nominal amount is set aside for capital work. Mr. Murphy clarified that they split the fee into maintenance and capital improvements. The capital portion paid for the irrigation at the middle school for a softball field that was redone and other work. This year the per player fee is \$11, so \$5 goes to capital improvement and \$6 goes into grass maintenance.

Responding to a question from the Chairman, outstanding fees are \$91,000. Some of this revenue may come in after July 1. Mr. Murphy added that they collect a 50% nonrefundable deposit now. Chairman Rossi concluded these practices are a step in the right direction. We look forward to seeing further detail and breakout in the coming months.

Mr. Mahoney asked about the Finance Committee's interest in the fields. Chairman Rossi responded that we know there will be a large cost in a few years to replace the turf. The Finance Committee's role is to review and understand how these processes work, and if necessary, suggest changes. Mr. O'Neill added that we understand it is a delicate balance, but we have a responsibility. Mr. Mahoney noted that much of EPFRAC's focus was to improve accessibility for parks and fields. Mr. Boynton stated it would be wonderful to tell the residents that turf replacement can be entirely paid by the funds in the stabilization account. Chairman Rossi reported that he is on the fields all year long and hears many compliments on the condition of the fields. Brief discussion followed.

General Discussion with the Town Administrator:

Present: Michael Boynton, Town Administrator.

Chairman Rossi asked for an update on the proposed expansion of the Exelon facility. Mr. Boynton responded that the project is currently before the Siting Board, trying to do a change of plan relative to water usage. The bigger issue is the certificate process, where they are asking for all their permits to be wrapped into a single certificate which would likely hold up in an appeal process. All that testimony concluded at the end of April. Exelon has been cooperative with the Town, upholding their agreements. We just have to keep an eye on the process as it moves forward. The Board of Selectmen will need to weigh in on the proposed expenditures from the revenue generated by the Host Community Agreement. Brief discussion followed.

Mr. Boynton reported that the Route 109 project is ongoing, which requires a high level of coordination involving several departments.

Chairman's Report

Chairman Rossi distributed the Conflict of Interest information which is required by all employees and people appointed to committees every two years. Tonight each person should sign the last page that they have received the information and return it to Mr. Rossi. Once each person completes the online training, they need to fill out and print a copy of the completion certificate. The certificate needs to be filed with the Town Clerk.

At 8:52 PM Mr. Ashok moved to adjourn; Mr. Schrader seconded. No discussion. Roll Call Vote (Alessandri, aye; Ashok, aye; O'Neill, aye; Rossi, aye; Schrader, aye; Sullivan, aye).

Respectfully submitted,
Jeanette Galliardt
Night Board Secretary