

Town of Rockport

Minutes of Finance Committee Meeting March 4, 2013

The committee convened at 7:00 pm in the Library and adjourned at 9:50 pm. Chairman Michael Hughes presided; Frank Hassler, June Michaels, Michael Lamoureux, Bill Wagner and Laurene Wessel attended. Wally Hess was absent. Also attending were Selectman Erin Battistelli, Town Clerk Pat Brown and Town Administrator Linda Sanders.

Minutes

June Michaels moved, Michael Lamoureux seconded, and the committee voted to approve the minutes of February 25th after removing \$10,000 for and Filters from the capital plan.

FY2014 Budget

Frank Hassler described the changes to the Master budget which resulted in a deficit of around \$200,000 after:

- reducing the transfers from the General Fund to the Water and Sewer Enterprise Funds for benefits, since these are reflected in the funds themselves now,
- adjusting some wages such as Police Chief, approved by the Board of Selectmen,
- adding \$22,000 for North Shore Votech capital cost,
- reducing Article H, OPEB, by \$15,000 so as not to use more Free Cash than is available.

Bill Wagner said the DPW Director estimates Article L, Long Beach erosion study at \$75,000.

Linda Sanders announced that Health Insurance will increase by only 2.1%. Recalculating the budgets now results in excess tax levy of \$147,000.

The consensus was that Article H might be reduced further if more pressing uses of Free Cash were identified. The excess levy will be kept for Fall Town Meeting to cover reductions in State Aid or Local Receipts, Snow & Ice Removal, contractual raises, unpleasant surprises and tax relief.

There is \$99,488 in Property Insurance and \$81,198 in Municipal Liability Insurance available for transfers.

Town Clerk Salary

The consensus of the Committee is that, lacking an established procedure for granting an elected official raises based on merit, it is within the authority of the Finance Committee to recommend a budget for the salary within Article 5, and to do so would not limit any citizen from discussing it or voting on it at Town Meeting. The Personnel Board and the Town Administrator have authority only over hired positions.

The Committee sought a rational method for establishing a new salary level. Taking the studies performed in 2006 and 2009 which compare the Town Clerk's salary to comparable positions within Rockport and in other communities as a base, and adjusting for COLA increases results in an increase to between \$57,000 and \$ 60,400. Michael Lamoureux moved, Frank Hassler seconded and the Committee voted to recommend a salary of \$60,000.

The Committee recommends putting an article on the warrant for Fall Town Meeting to make this an appointed position reporting to the Town Administrator and subject to the same performance reviews and salary adjustments as other department heads.

100 General Government

The Personnel Board has requested an increase of \$10,000 for the Merit Pay Pool. Linda Sanders explained that there will be 6 new positions (Police Lieutenant, IT personnel, etc.) qualifying for merit raises next year. The Personnel Board uses a scale of 0 (start job-hunting) 1 (poor) 2 (needs to improve) 3 (adequate) 4 (good) 5 (excellent) based on performance reviews, and grants merit increases only to employees rated 3.5 or better, on a sliding scale. The increase of \$10,000 would keep the pool at 2.08% of the total wages of these employees. June Michaels moved, Frank Hassler seconded, and the Committee approved the increase to \$35,000.

A few other General Government positions were increased above the guidelines by the Board of Selectmen, but, due to eliminating the IT Assistant position, total salaries for this group are within the guidelines. Frank Hassler moved, Michael Hughes seconded, and the Committee voted to approve the 100 budgets.

500 Health and Human Services

The total for the group is now below the Selectmen's recommendations due to the lower Health Insurance costs. Frank Hassler moved, June Michaels seconded, and the Committee voted to approve the 500 budgets.

600 Culture and Recreation

The Library has eliminated \$3,000 for lawn care. Granite Pier, \$5,300 for floats removed, as the work can be done this year. June Michaels moved, Frank Hassler seconded, and the Committee voted to approve the 600 budgets.

700 Debt Service

Total has increased slightly due to CIPC recommendations for more temporary debt service. Michael Hughes moved, Frank Hassler seconded, and the Committee voted to approve the 700 budgets.

900 Other

Unemployment Insurance - the base has increased due to the \$ 20,000 Reserve Fund transfer this year. Frank Hassler moved, June Michaels seconded and the Committee voted to approve the 900 budgets.

The total Article 5 budget is now \$25,029,382. Frank Hassler moved, June Michaels seconded, and the Committee voted to approve Article 5 as it now stands. Bill Wagner moved, Laurene Wessel seconded and the Committee voted to approve Articles 5A Water and 5B Sewer.

Articles for Annual Town Meeting

Former Article 7 has been eliminated. Former Article I - \$253,000 for SPED is now part of Article 5 School budget. Former Article J not needed as Revolving Fund for foreign students was set up under MGL Chapter 71. Former Article M - AFSCME increases is deferred to Fall Town Meeting.

<u>Articles</u>		<u>Moved</u>	<u>Seconded</u>	<u>Vote</u>
3 Unpaid Bills	Hold - no bills identified yet			
A Chapter 90 Funds		Hughes	Hassler	approve
B, C, D, E Charities, HAWC, etc.		Lamoureux	Wessel	approve
F Assessors \$100,000		Michaels	Hassler	approve
G Capital Reserve \$175,000		Michaels	Hughes	approve
H \$185,000 for OPEB Reserve	Hold - further adjustments to Free Cash may be made			
I Rescind CPC Watershed Money		Michaels	Wessel	approve
J Millbrook Meadow \$60,000 - previously voted contingent on funding				approve
K Restroom repairs \$30,000		Wagner	Hassler	approve
L Long Beach sand erosion study		Hughes	Hassler	OPPOSE
M Personal property tax minimum		Hughes	Wagner	approve
	The Town Administrator may revise the language to make the article clearer			
N Senior Low Income exemption		Hughes	Michaels	approve

Article S Long Beach Leases.

Michael Hughes drafted a letter to the Board of Selectmen and requested members to comment before the meeting with the Board of Selectmen Tuesday March 5th. Frank Hassler expressed the Committee's concerns that long term leases will not keep up with land values, on which the Town's revenue depends. Also, the Committee wants to limit the Town's future liability for storm damage to the seawall. The Town Administrator said the language is being revised by Town Counsel; there is no and will be no liability.

Linda Sanders said the law has only recently changed to allow municipalities to issue longer term leases. Passage of the article does not compel the Town to offer longer leases but will give the Board of Selectmen more flexibility in negotiating. The Selectmen have discussed the need to establish a long range plan to set rents so as to build up a reserve for maintenance and repair of the seawall. She said for the majority of the renters money is not an issue, but there is real economic hardship for a few long time owners both with rents and with mortgages. Laurene Wessel said that only two local banks will even issue mortgages to leased property and do so, with a 50 down payment, only because they are local. It is unclear whether longer leases will attract any other banks.

Michael Hughes suggested a new policy. If the Finance Committee has concerns and wishes to give an opinion at Town Meeting on an issue which comes under the jurisdiction of another board, it will first send a written letter expressing its concerns to the board that has jurisdiction

Articles for Special Town Meeting		<u>Moved</u>	<u>Seconded</u>	<u>Vote</u>
A Adjustments to FY13 budget	Hold - no adjustments identified yet			
B \$100,000 for Financial software		Wagner	Hassler	approve
C \$13,792.93 for Water capital		previously voted		approve
D CPC \$10,000 adjustment		Michaels	Hughes	approve
E Snow & Ice Removal	Hold - identified funding			
F DPW, water, Sewer software		previously voted		approve
G \$25,000 Long Beach emergency repairs -	Hold for more information			

New Business

The Town Administrator will draft all the motions. Frank Hassler suggested the Finance Committee should prepare one or two sentence descriptions of each article for the warrant book.

Upcoming Meetings

Tuesday, March 5, 7:15 pm, Town Hall Room A, with the Board of Selectmen

Monday, March 11, 7:00 pm, Library - finalize Warrant letter

Monday March 18, 7:00 pm, Library - ?

Monday, March 25, 7:00 pm, Library - ?

Monday, April 1, 7:00 pm - Library - ?

Saturday, April 6, 8:30 am, School gymnasium - Annual Town Meeting