

Minutes of the Meeting of the Heath Finance Committee
February 25, 2014

Time: 7:01 pm

Place: Community Hall

Present: Gloria Fisher, Ned Wolf, Jeff Simmons, Don Freeman (Chair), Kathy Inman, and at 8 Kara Leistyna, Sheila Litchfield, Brian DeVriese, and Bill Lattrell

Don made available to members copies of an Agenda and of the minutes of the February 18th meeting. Members reviewed the minutes of the February 11th meeting. Don made a motion seconded by Gloria to approve the minutes. The motion passed with Ned, who was absent, abstaining. Members read the minutes of the February 18th meeting. Jeff made a motion seconded by Gloria to approve the minutes as corrected. The motion passed unanimously.

Members discussed the value of having earmarked stabilization funds. Don noted that a department which has such a fund feels that it's being looked after. On the other hand the requirement of a two thirds vote to change the fund's purpose may tie the hands of future town officials. Ned said that having additional stabilization funds would force more planning. Don reported that Tracey said that when the Town has received all its FEMA and MEMA reimbursements for Irene repairs, it will still owe about \$100,000. He suggested the Town consider setting up a stabilization fund for emergencies such as what followed tropical storm Irene. Members agreed to check on how low the interest rates are on the loans the Town took out to pay for the Irene repairs.

Members considered using the \$185,000 in Free Cash in the following way: put \$100,000 into a stabilization fund, use \$50,000 to buy down the tax rate, and allow the remaining \$35,000 to roll over. Suggestions for stabilization funds included storm damage relief, technology, and highway machinery. In the discussion of a stabilization fund for highway machinery Don said he opposed any department's appearing to be too politically favored. Others noted the predictable need in future years to replace large pieces of machinery. Jeff made a motion seconded by Gloria to recommend setting up a Highway Machinery Stabilization Fund, the amount to be determined when the budget is determined. The motion passed with 4 ayes and 1 nay.

The discussion turned to stipends. The total of all stipends in 2013 for Heath was \$24,652. Members reviewed the corresponding totals for other towns: Wendell \$20,450, Leyden \$11,946, Plainfield \$9,643, and Warwick \$8,768. There was a consensus that there should be no increase in stipends and that no one's stipend should be eliminated. Members agreed with Don's suggestion that the committee wait for a couple of months after the ATM to develop a rationale for stipends.

At 8 pm members adjourned to go upstairs and join the Selectboard meeting in progress. Kara said that she will need proposed amounts to be spent on each of the 2 small replacement vehicles for the Highway Department. Mike is expected to be at the Selectboard meeting on March 4.

Brian reported that in the Phase I Capital Plan for the Heath School increasing the attic insulation will be added to the list while replacing vinyl flooring will be removed from the list. The cost of the new insulation will be close to the \$15,000 estimated for the flooring.

The discussion turned to stabilization funds. Bill said that he had heard a speaker from the DOR support the use of special stabilization funds. The speaker said that while in theory it is possible to imagine within a single stabilization fund smaller funds for various projects disagreements are likely to arise as to the precise amount for each of those projects. Having separate stabilization funds avoids that problem. Don reported that the Finance Committee had voted to recommend setting up a stabilization fund for Highway Machinery. Another stabilization fund recommended by the Selectboard was for capital improvements for school and other buildings. Sheila noted that the Phase II Capital Plan begins in 5 years and will entail spending \$125,000 over the following 5 years. After some discussion Gloria made a motion seconded by Jeff to recommend a second special stabilization fund for capital improvements for the school and other buildings. The motion passed unanimously.

Members began a line by line examination of Article 3. The amount for Office Supplies in Line 6 has been increased by \$200. The Town Coordinator's Salary in Line 7 has been increased by 20.84%. Sheila said that the job had been reclassified from '12' to '18'. In the new classification more weight is given to the responsibilities of preparing for the Annual Town Meeting. Selectboard members said that the new salary would bring the Town Coordinator's pay up to the level of pay in towns such as Buckland, Warwick, Leyden, and Hawley.

Line 50 for lawn mowing in the Center and the cemeteries hasn't been increased yet to allow for the Town's doing some of the mowing in the North Cemetery which is part public, part private. The people who look over the North Cemetery are ready to talk about how maintenance gets done. The Selectboard is preparing questions for Town Counsel as to what the Town can do to take over maintenance in light of the corporation that owns part of the cemetery.

Line 53 for Insurance/Property/Casualty/Workman's Compensation includes a 5% increase over what was actually spent in FY14 as well as some decreases awarded when employees completed educational units.

Kara reported that Line 54 for the cost of printing the annual town report is blank because she needs to find out what the Franklin County Sheriff's Office will charge for the job. Eileen Tougas is no longer doing the printing.

There is uncertainty about what Line 85 for Machinery Maintenance in the Highway Department will be. Mike will have something to say about this when he comes March 4.

Line 104, which is for recommended Transfer Station repairs, is likely to be much greater than the \$500 there now. Jan Ameen estimated between twenty and forty thousand dollars.

Regarding Line 110 which has a \$930 increase for Health Agent Services, members agreed that more information is needed on what the Town will be getting.

Members agreed that more discussion is needed of the COLA.

Don reported the consensus of the Finance Committee that there be no increase in stipends and that the Finance Committee will work on a rationale for stipends a couple of months after the ATM.

The committee adjourned at 9:26 pm.

Respectfully submitted,
Ned Wolf, Secretary