

LANESBOROUGH FINANCE COMMITTEE  
MINUTES APRIL 26, 2016  
Respectfully submitted by Sherri Thompson

**Attendees:** Al Terranova, Chair; Chris Galib; Stephen Wentworth; Ron Tinkham; Ray Jones;  
Paul Sieloff, Town Manager; Sherri Thompson

No local recording or PCTV attended.

**Meeting called to order:** 6:00p.m.

**Motion to accept Minutes of February 1 meeting:** Mr. Tinkham made a motion to approve the Minutes from April 4, 2016. Mr. Terranova seconded. All in favor. Motion passed

**Public Comment:** None

**Retirees Health Benefits:** Mr. Jones said there is no reason, based on the financial condition with all other costs, plus potentially more costs, why the Town should not take full advantage of the relief afforded by the State of Massachusetts. The State now only requires the Town cover up to 51% of health care costs. Mr. Jones recommended a change to the allowed minimum. Mr. Tinkham indicated there are different categories of people in regard to retiree health insurance: some are 90%, and some 85%. Mr. Tinkham also stated that the group is not eligible for Medicare because they never paid into Social Security. Mr. Tinkham also stated that some get Social Security, plus a Town pension. This was all part of the bargaining with the union. Mr. Tinkham said Superintendent Dias, at a previous meeting, said the average teacher pension is \$64,000. Mr. Terranova said the Town health care benefits for non-school Town retirees is \$345,000 but the benefits for Mt. Greylock is split, per ratio, between the Town of Lanesborough and the Town of Williamstown.

FY2015 (June 30, 2015), the Town Retirees health costs were \$345,000. Mr. Jones said some retirees benefit split is 85/15, with five only 90/10. He indicated that if the Town were to make all retirees split 51/49, it would be a cost savings of approximately \$135,000.

There was a lot of discussion around the cost to each retiree if the split was changed all at once. Mr. Wentworth was concerned with what is fair vs. what is legal. Mr. Wentworth had data on the various health plans available and the annual additional cost to each retiree, which ranged from \$400 – \$7,000. Mr. Jones reminded that the 'job' of the Finance Committee is to recommend that which is best for the overall Town and would like a recommendation made at the Town Meeting. Mr. Terranova said the Town has an obligation to the Town employees who worked for years with the expectation of benefits at retirement. Mr. Wentworth believes if the split is changed, it should not be done all in one year. Mr. Tinkham said the decision is not that of the Finance Committee, that the Committee can only make a recommendation. Mr. Tinkham questioned the change in health costs and Medex. Mr. Sieloff said that two-thirds of retirees are eligible for Medex

Mr. Jones made a motion to vote on the Health Care benefits. Ms. Galib said more information is needed to make a recommendation, that the Committee is still fact finding. Mr. Jones asked what the timing is for making a decision because the new rates go into effect July 1. Mr. Sieloff said the Town Treasurer will need to get information out to the retirees. Mr. Tinkham asked how much more data is available and asked for a separate meeting with the Select Board and the Finance Committee to discuss the three plans with Medex. No one in favor. Motion failed.

**Budget Review:**

2% Salary Increase: There was discussion regarding the proposed 2% increase for Town employees. Mr. Tinkham believes an increase should not include those in inspector type. Mr. Sieloff said the Highway, Police, and School employees receive contractual rates and, thus, he so believes a moderate 2% increase is reasonable. Mr. Jones clarified that if others get an increase because they have representation, then the non-union employees should get an increase as well. Mr. Terranova suggested a 2% increase for all non-union, employees. Mr. Tinkham made a proposed a zero percent increase for all Town employees, including union employees with contracts. Mr. Jones agreed. Mr. Wentworth opposed. Ms. Galib said she does not support an automatic increase each year for Town employees. Mr. Terranova opposed.

Town Secretary: Mr. Jones researched the position and found that the current secretary's duties far exceed those of the previous secretary and recommends approving the \$5,000 increase. All in favor.

Fire Department Officers stipend (224.5111 and 224.5100): There was a line item for \$5,000 for the Fire Chief that should be removed. Ms. Galib questioned why it would be eliminated and it was said that because the position is volunteer there should be no stipend. Ms. Galib asked how the current stipend is paid. Mr. Sieloff said it covers training and is paid as a reimbursement. It was suggested the name be changed. The Finance Committee supports the Fire Chief stipend of \$5,000 and recommends it be put back in. The Finance Committee voted the first two line items on the spreadsheet for stipends in the original budget amounts. All in favor.

Line items 3, 4, 5, 6: Mr. Tinkham recommended no increase for all inspectors and made a motion to approve the final budget amount in the 'Change' column. Mr. Jones seconded. All in favor. Motion passed.

Line item 7, LB Elementary: Mr. Wentworth made a motion to approve. No discussion. All in favor. Motion passed.

Line item 8, School Health: No change.

Line item 9, Mt. Greylock Regional<sup>1</sup>: Mr. Tinkham believes the \$561,529 loan amount should be a separate line item. Mr. Sieloff said the line should stay because it is a part of the total assessment and indicated that the School Committee would be at the Town Meeting to answer any questions. Mr. Wentworth advised that the School Committee was currently meeting and may change modify the decision to pay principal and interest to paying just interest which would change the budget amount to \$3,074,789. Mr. Tinkham made a motion to approve the budget for both scenarios. It was further agreed that if the School Committee reduced the budget from \$3,273,495 to \$3,074,789 that the Finance Committee would accept it. Ms. Galib seconded. All in favor. Motion passed. (<sup>2</sup> The Mt. Greylock School Committee voted to modify the budget to \$3,074,789, a change to \$362,823 vs. \$561,529.)

Line item 10, Non Region Tech Costs: Ms. Galib had previously questioned the \$3,000 for transportation. Mr. Sieloff said it was a booking error and had been corrected. Mr. Sieloff indicated this line item was based on the possibility of students choosing to attend other schools than McCann Technical. All in favor. Line item passed.

Line item 11, Animal Inspector: All in favor of the proposed change. Line item passed.

The 2% Town Hall salary increase was again brought up and with Mr. Tinkham's recommendation to remove inspection employees from the increase, all agreed.

**Total Public Safety (243-299):**

Account 296, Tree Warden: no increase. All in favor.

Account 241, New Building Inspector: no increase. All in favor.

Mr. Terranova asked if there are any further questions. Mr. Tinkham made a motion to approve Total Public Safety. Mr. Jones seconded. All in favor. Motion passed.

Account 522, VNA: contracted, non-negotiable.

**Total Human Services (510-590):**

510, Health Inspectors: Mr. Sieloff explained the job of the Health Inspectors and explained that they are not just service. Mr. Sieloff said they are responsible for septic overseeing the installation of septic systems, inspecting restaurants and inspecting buildings. Tinkham asked if there is an evaluation performed prior to any increases. Mr. Sieloff said there is a review but there are no incentive packages or performance increases.

519, 2% increase: Mr. Tinkham believed this line item was already done.

549, American Legion Food Pantry: Mr. Terranova is concerned that because the Town does not own the building there may be some liability and questioned if this budget should support the food pantry. Mr. Sieloff said the Town pays the electric, heat, telephone, and other utilities. The budget requests no change from the previous year. All in favor. Budget approved.

541, Council on Aging: Mr. Tinkham brought up the handy man program and the fact that due to the insurance requirement of a \$1,000,000 bond and the \$1,500 cost per year for the bond, there has been no one to provide this service. Mr. Tinkham questioned if the Town should cover the cost of this insurance. Mr. Terranova said he believes the Council on Aging should figure this out. Mr. Terranova was concerned there could be a conflict of interest if the Finance Committee made a recommendation on this matter.

Work-off program: It was discussed that several members of the Counsel on Aging are paid by the Council on Aging and should not be allowed to take part in the work-off program

Mr. Terranova also believes the \$20,000 in the overlay should be more transparent to the Town residents. Mr. Sieloff asked if maybe it should be advertised on the Lanesborough Town Hall website. Mr. Terranova believes this should be a separate item in the Town Warrant.

**Total Culture and Recreation (610-699):**

610, Dog licenses: Mr. Tinkham said that in previous years the dog license fees were used to support the library. Mr. Sieloff said he was unaware that the fees were not part of the general revenue. Mr. Jones asked how much revenue is generated and Mr. Sieloff said he did not have that figure.

630, Recreation Department: No cuts. Mr. Terranova made a motion to approve. Mr. Jones seconded. All in favor. Motion passed.

680, Pontoosac Lake Cleaning: Mr. Terranova asked why there is an increase from \$7,000 to \$12,000. Mr. Jones believes this is economically important for the community. It was explained by Mr. Tinkham that the negative amount currently showing is based on when the billing is done. Mr. Terranova asked if there are any more questions. None. Mr. Tinkham made a motion to approve. Mr. Wentworth seconded. All in favor. Motion passed.

Mr. Terranova recommended the Finance Committee approve the complete FY2017 budget, as proposed, with the exceptions noted earlier in the meeting and Health Insurance amounts unchanged. Agreed. Mr. Jones asked that the Health Insurance issue be put on the agenda for the next meeting.

Mr. Jones asked Mr. Sieloff what the new tax rate would be. Mr. Sieloff said it was unknown at this time. Mr. Sieloff said the rate is set in September. Mr. Jones did a calculation based on the 1.8% general increase plus \$1.41 for the higher bond payment for a total rate increase of \$21.12.

**Warrant Update:** None

**Suggestions for Budget Review 2018:** Mr. Terranova suggested the reserve funds. Mr. Tinkham would like a meeting to get an explanation of the cherry sheet and recap sheet. It was asked if the Town Accountant could provide previous year's documents.

Mr. Jones asked why the Finance Committee does not want to discuss the potential revenue loss of \$200,000 from the mall.

**Next Meeting:** Joint meeting for a roundtable discussion with the Select Board either May 9 or 16. Mr. Sieloff will set up the meeting and he will facilitate.

**Next Meeting:** May 24 at 6:00 p.m. It was requested that the Warrant be provided ahead of time.

**Motion to adjourn:** Mr. Jones made a motion to adjourn at 8:55 p.m. Motion was seconded by Mr. Wentworth. All in favor. Motion passed.

**Footnotes:**

[#1] Proposed budget modifications for Selectmen's budget – 04/25/16 – DRAFT

[#2] Budget Modifications for Finance Committee's Budget – 04/26/16 – Adopted