

**Advisory Committee
Meeting Minutes
3/22/2016**

In attendance: Committee Members Anderson, Baltera, Belyea, Coughlin, Hancock, Kelley, Pyles, Reale, Sharkansky, Smallwood, and Taylor and Town Accountant Nickerson.

Chairman Pyles called the meeting to order at 7:30 PM.

Questions from the Public on Items Not on the Agenda: None

Approval of Minutes:

The minutes of the regular meeting on March 10, 2016 were approved as amended by a vote of 8-0-1. Donna Smallwood abstained, as she was not in attendance at the 3/10 meeting. Jim Sharkansky was not present for this vote.

Article M – Transfer Funds to the Reserve Fund

Tom Pyles explained that the current balance in the Reserve Fund (\$366K) will not be sufficient to cover the additional Reserve Fund transfers anticipated for FY 2016. Upcoming expenses (not included in the budget) include the cost of two special elections, additional legal fees related to real estate transactions, additional costs for snow and ice removal, and various end-of-year transfers. Tom recommended that, instead of voting No Action on Article M on 3/22, AdCom members wait and vote on Article M on 4/25 (just prior to Town Meeting). At that point, the Reserve Fund needs will be more defined. AdCom members agreed to postpone the vote.

Employee Benefits – Health Insurance

NB: Victor Baltera recused himself from this discussion.

With regard to health insurance, Town employees pay 50% of the premium cost, and the Town pays 50%. Sue Nickerson announced that the increase in the health insurance premium will be 15% rather than 14%. This applies to all plans (employee and retiree, BCBS and Harvard Health). She explained the concept of migration as it applies to health insurance. The Employee Benefits Fair occurs in May, and the plan enrollment date for active employees is July 1st. New teachers enroll in September. The number of enrollments increases/decreases depending on retirements, deaths, and new employees. In addition, active employees may decide to drop or add health coverage with the Town plan. Over the past few years, the Town has realized a surplus in this category due to migration. For FY 2017, due to the increased premium cost, some employees may not join or stay with the Town program, thus causing more migration than in the past. Sue and Ted Alexiades think that migration will offset the projected \$63K-\$65K increase in the premium cost.

Tom Pyles explained that there are two options: (1) Do not change the Health Insurance budget, plan for migration to cover the difference in the cost, and do RFTs next year, if needed; (2) Open the budget, increase the Health Insurance line item by \$63K, cover most of this increase by deferring the rest of the Town Hall painting (Capital expense), and end up with a \$3K budget surplus. Tom recommended option 1. Jim Taylor moved that the Health Insurance budget remain as it currently exists for FY 2017. AdCom members approved this motion by a vote of 10-0-0. Health Insurance will be an issue in upcoming years.

Capital Outlay – Library Roof and HVAC

Lucy Hancock provided background information on the Library roof / HVAC project and outlined the reasons for the increase in the estimated cost. Linda Harper, Acting Library Director, and David Mehegan, Chairman of the Library Trustees, answered questions about the project. The original estimate was \$665K (\$390K for the roof and \$275K for the HVAC). The revised estimate is \$1.1M (\$381K for the roof, \$665K

for the HVAC, \$29K for the general contractor, \$45K for skylight replacement, and \$15K for ceiling fans). The difference is approximately \$470K. Contractor bids should be in hand before ATM. The hope is that the bids will be less than or equal to the new estimate.

Jim Sharkansky asked about spending \$1.1M now and undertaking other Library projects in the future. Linda said that any future projects will take into account that the roof / HVAC work should not be undone. David noted that the Trustees are exploring the needs of the future, but they have to take care of the proper maintenance and repairs now. Victor Baltera asked about the impact on the Fund Balance ratio if the increased cost of the Library project is funded through Fund Balance, as with the original \$665K. It is true that Fund Balance will decline due to several projects this year, but these projects will not cause the FB ratio to drop below 20%. Lucy and Tom Pyles explained the other funding options that were considered for the Library project, including deferring the project or deferring other Capital expenses. Given the risk to the Library collection of books and other resources, the project cannot be deferred.

Lucy moved approval of the revised FY 2017 Five Year Capital Plan that includes an increase of \$470,303 for the Library roof / HVAC project and specifies a total of \$1,135,303 from available reserves. AdCom members approved this motion by a vote of 10-0-0.

Housekeeping Items

Tom Pyles reminded everyone that the AdCom will meet on the night of Town Meeting to vote on Article M and also will meet earlier in April to prepare for Town Meeting. He asked people to think about who will speak for and against Warrant Articles.

Matters Not Anticipated within 48 Hours: None

Adjournment

The meeting was adjourned at 8:27 PM by a vote of 10-0-0.

Respectfully Submitted,

Lucy N. Hancock
Secretary

List of Documents Distributed at this Meeting:

Agenda for AdCom Meeting of 3/22/2016

Draft Minutes from 3/10/2016 AdCom Meeting

Warrant Article Status Summary dated 3/21/2016

Article M – Transfer Funds to the Reserve Fund

Handout at meeting: Letter from Louise Smith in support of solar panels at Landfill