

ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
7:30PM COMMUNITY SAFETY BUILDING
5/31/11

ATTENDEES:

McGaffigan*	Bayer*	Jenkins	Phelps	Corredera
DeCoursey	Connors*	Simmons*	Gibian	
Tosti*	Foskett*	Deyst	Ronan	
Ferrara*	Franclemont*	Jones	Deshler*	
DuBois*	Howard*	Fanning*	Carman*	Turkall*

* Indicates present

VISITORS: Town Manager Brian Sullivan Deputy Town Manager Adam Chapdelaine
MINUTES of 5/25/11 approved as corrected.

ADD BACKS:

FIRE VOTED \$178,932 to confirm the agreement between Chapdelaine & Bayer 10-1.

Using a handout, Sullivan recommended using the Tech Upgrade money to fund an additional firefighter and patrol officer. VOTED \$134,896 for this purpose. 10-1

VOTED to reconsider the addition of \$155.5k to the override Stabilization Fund making this money available to fund the previous vote. Unanimous.

VOTED \$3,324,600 for Education to restore FY11 teacher counts. 10-1. This vote replaces the former vote for an approximate sum. This vote was taken after a discussion of the effect of the FY10 overrun. A motion was made to reduce the education add back by \$1.5m. The ensuing discussion concluded that the FY11 school budget was not inflated compared to FY10 by more than other operating budgets. The motion to reduce the add back failed 2-9.

INSURANCE: Sullivan proposed an \$215,835 to cover the restored positions, a reduction of \$500k to cover reductions in unemployment insurance, and a reduction of \$1m from savings in either GIC or equivalent changes. VOTED these sums. Unanimous.

OVERRIDE STABILIZATION FUND: There is a discrepancy between the FinCom & Manager calculations. Voted to authorize whatever the Chair & Manager negotiate. Unanimous.

RETIREMENT & OPEB: Negotiations w/ Retirement Board continue.

EARLY RETIREMENT REIMBURSEMENT: VOTED to correct this figure in the Health Insurance budget from \$400k to the exact figure of \$394,400 as specified by the Federal Govt. Unanimous.

CONTRACTS: Sullivan announced that the Town has reached an agreement with the SEIU which is similar to the agreement with the teachers: a 2% COLA for FY11 to start 6/30 in exchange for increased health insurance premium payments. He discussed various health plan scenarios (Ref 3)

REF 1 Revised Add Back Recommendations.

REF 2 FinCom Add Back Votes

REF 3 Health Plan Scenarios

COMMITTEE: Next mtg 6/6 in Hearing Room to vote on COLAs & Health Insurance.

RESERVE FUND BALANCE: 470,892.31

Peter Howard 5/31/11 Revised 6/6/11

cc FinCom Members, Library File, Town Web Site

Fin Com's Current Addbacks With Override

Department	Amount	Description
Finance Committee	\$475	Restore expenses to FY 11 levels
Town Manager	\$12,033	Restoration of staff hours to FY 11 levels
Personnel	\$33,243	Restore \$13,000 to Training budget, and add PT Clerical position to aid in dealing with Health Care Reform and other benefit related matters
Comptroller	\$14,394	Fund expense budget at FY 11 levels and restore phone operator hours
IT	\$10,000	Restore expenses to FY 11 levels
Town Clerk	\$2,760	Restore expenses to FY 11 levels
Treasurer	\$12,578	Restore expenses to FY 11 levels
Legal	\$4,003	Restore expenses to FY 11 levels
Planning	\$70,939	Economic Development Coordinator (in place of Assistant Director)
Public Works	\$434,994	Restoration of 2 Laborers, 1 Tree Climber, 2 MEO, 2 PMC's, addition of \$40K for rising fuel prices, \$20K for green repairs, \$110K for contract groundskeeping services, and \$27,779 for Snow and Ice
Police	\$304,959	Restoration of 1 Capt., 1 Sgt., 1 Lt., and 3 Patrol Officers - \$20,000 Fuel
Fire	\$234,114	1 Lt., 4 FF's - \$9,000 Fuel (2 FF's Funded from Revolving Fund)
Library	\$144,334	Restore Assistant Director's Position, Library Assistant Hours, Library Page Hours, Level Fund Expenses
HHS	\$29,396	Restoration of funding for PT Health Compliance Officer
COA	\$18,179	Restore Part Time Social Worker
COA Transportation	\$30,000	Prevent cutbacks to subsidized transportation programs for needy seniors
Reserve Fund	(\$30,000)	Funds set-aside for COA transportation program moved to program
AYCC	\$20,000	Increase of Town subsidy by \$20,000 to increase total subsidy to \$120,000
Health Insurance	\$215,835	Covers health insurance for restored positions
LT Stab Fund	\$155,500	
Total	\$1,717,736	

Town Manager's Recommended Addbacks With Override

Department	Amount	Description
Finance Committee	\$475	Restore expenses to FY 11 levels
Town Manager	\$12,033	Restoration of staff hours to FY 11 levels
Personnel	\$33,243	Restore \$13,000 to Training budget, and add PT Clerical position to aid in dealing with Health Care Reform and other benefit related matters
Comptroller	\$14,394	Fund expense budget at FY 11 levels and restore phone operator hours
IT	\$10,000	Restore expenses to FY 11 levels
Town Clerk	\$2,760	Restore expenses to FY 11 levels
Treasurer	\$12,578	Restore expenses to FY 11 levels
Legal	\$4,003	Restore expenses to FY 11 levels
Planning	\$70,939	Economic Development Coordinator (in place of Assistant Director)
Public Works	\$434,994	Restoration of 2 Laborers, 1 Tree Climber, 2 MEO, 2 PMC's, addition of \$40K for rising fuel prices, \$20K for green repairs, \$110K for contract groundskeeping services, and \$27,779 for Snow and Ice
Police*	\$357,595	Restoration of 1 Capt., 1 Sgt., 1 Lt., and 4 Patrol Officers - \$20,000 Fuel
Fire*	\$232,414	1 Lt., 5 FF's - \$9,000 Fuel (2 FF's Funded from Revolving Fund)
Library	\$144,334	Restore Assistant Director's Position, Library Assistant Hours, Library Page Hours, Level Fund Expenses
HHS	\$29,396	Restoration of funding for PT Health Compliance Officer
COA	\$18,179	Restore Part Time Social Worker
COA Transportation	\$30,000	Prevent cutbacks to subsidized transportation programs for needy seniors
Reserve Fund	(\$30,000)	Funds set-aside for COA transportation program moved to program
AYCC	\$20,000	Increase of Town subsidy by \$20,000 to increase total subsidy to \$120,000
Health Insurance *	\$244,613	Covers health insurance for restored positions
OPEB*	\$75,311	
Total	\$1,717,261	

* Denotes difference from current FinCom list

Fire Department Addbacks		
	As Discussed at 5/25 Mtg.	W/addition of 1 FF per Manager Rec.
Firefighters	\$106,964	\$160,446
Lieutenant	\$62,968	\$62,968
Fuel	\$9,000	\$9,000
Total	\$178,932	\$232,414

Police Department Addbacks		
	As Adopted	W/Addition of 1 Patrol. Per Manager Rec.
Patrol Officers	\$157,908	\$210,544
Differential for Rank	\$127,051	\$127,051
Fuel	\$20,000	\$20,000
Total	\$304,959	\$357,595

Health Insurance Appropriation

	FY 2012 - FinCom Cut	FY 2012 - FinCom Cut Adj.	FY 2012 - FinCom Override	
Group Health	\$18,944,661	\$18,301,319	\$17,545,932	(Addition of \$244,613 for addbacks and subtraction of \$1,000,000 for potential health savings, and subtraction of \$643,342 for School and AEA settlements)
Medicare	\$725,000	\$725,000	\$725,000	
Flex Benefit	\$800	\$800	\$800	
TOTAL Group Health	\$19,670,461	\$19,027,119	\$18,271,732	
Recreation	(\$56,622)	(\$56,622)	(\$56,622)	
Rink	(\$57,883)	(\$57,883)	(\$57,883)	
Youth Services	\$0	\$0	\$0	
Contr. Retire.	(\$36,875)	(\$36,875)	(\$36,875)	
W/S Enterprise	(\$770,886)	(\$770,886)	(\$770,886)	
ERRP	(\$400,000)	(\$394,400)	(\$394,400)	
TOTAL Offsets	(\$1,322,265)	(\$1,316,665)	(\$1,316,665)	
Net Group Health	\$18,348,196	\$17,710,454	\$16,955,067	
Group Life	\$55,000	\$55,000	\$55,000	
Liability Insurance	\$50,000	\$50,000	\$50,000	
Indemnity Insurance	\$270,625	\$270,625	\$270,625	
Unemployment	\$793,450	\$793,450	\$293,450	
Worker's Comp	\$490,000	\$490,000	\$490,000	
TOTAL Other	\$1,659,075	\$1,659,075	\$1,159,075	
Municipal Trust	(\$20,625)	(\$20,625)	(\$20,625)	
Net Other	\$1,638,450	\$1,638,450	\$1,138,450	
TOTAL Appropriation	\$19,986,646	\$19,348,904	\$18,093,517	

	Add-backs	Use	Dept totals		
1	Finance Committee	475	Restore expense budget to FY11 levels	475	voted
3	Town Manager	12,033	Restore staff hours to FY11 levels	12,033	voted
4	Personnel	20,243	Add PT Clerical position	33,243	voted
		13,000	Restore training budget		voted
5	Information Technology	10,000	Restore expense budget to FY11 levels	10,000	voted
6	Comptroller	10,000	Restore phone operator hours	14,394	voted
		4,394	Restore expense budget to FY11 levels		voted
7	Treasurer	12,578	Restore expense budget to FY11 levels	12,578	voted
10	Legal	4,003	Restore expense budget to FY11 levels	4,003	voted
11	Clerk	2,760	Restore expense budget to FY11 levels	2,760	voted
14	Planning & Community Development	70,939	Add Economic Development Coordinator	70,939	voted
17	Public Works	237,215	Restore 2 laborers, 1 tree climber, 2 MEO, 2 PMC	434,994	voted
17 a	Public Works - admin	40,000	Fuel price increases		
		20,000	Green repairs		
17 d	Public Works - Properties/Natural Resources		1 tree climber, 2 PMC?		
		110,000	contract groundskeeping services		
17 e	Public Works - Sanitation/highway	27,779	snow and ice		
		400,000	Road repairs	400,000	voted
18 b	Community Safety - Police	284,959	Restore 1 Capt, 1 Sgt, 1 Lt, & 3 patrol officers	304,959	voted
		20,000	Fuel price increases		
18 c	Community Safety - Fire	106,964	Restore 2 Firefighters	178,932	
		62,968	Restore Lieutenant		
		9,000	Fuel price increases		
20	Education	3,234,600	<i>breakdown into Teachers, Admin, Expenses, etc.</i>	3,234,600	
21	Libraries	144,334	Restore Assistant Director, increase library asst & page hours	144,334	voted
22	a Human Services - Administration	29,396	Restore PT Health Compliance Officer	29,396	voted
22	c Human Services - Council on Aging	18,179	Restore PT Social Worker	18,179	voted
24	Health insurance	215,835	Additional for restored positions	215,835	
	Health insurance	(1,000,000)	Savings from plan design changes or GIC	(1,000,000)	
	Unemployment insurance	(500,000)	Fewer layoffs	(500,000)	
E	Youth services	20,000	Increase subsidy (client revenue projection decreased \$20K)	20,000	voted
	Community Safety	134,896	Town Manager request 1 police 1 fire	134,896	
	OPEB (Art. 68)	155,000	restoration of traditional appropriation	155,000	
	Override Stabilization Fund	2,558,450	for use in years 2013 & 2014	2,558,450	
	TOTAL ADDITIONAL PROPERTY TAX	6,490,000	from Override	6,490,000	

		FY 2012	FY 2012	
		Fincom	Override	
I	REVENUE			
A.	State Aid	13,449,672	13,449,672	0
	School Construction Aid	2,531,085	2,531,085	0
	SFSF			0
	IDEA Funds			0
B.	Local Receipts	8,910,000	8,910,000	0
C.	Free Cash	389,456	389,456	0
D.	Overlay Reserve Surplus	200,000	200,000	0
E.	Property Tax	88,587,262	95,077,262	6,490,000
	Symmes debt to be paid			0
F.	Other Revenues	92,000	92,000	0
F.	Override Stabilization Fund			0
	TOTAL REVENUES	114,159,475	120,649,475	6,490,000
				0
II	APPROPRIATIONS			0
A.	Operating Budgets			0
	School			0
	General Education Costs	25,388,230	28,622,830	3,234,600
	Special Education Costs	13,351,776	13,351,776	0
	Net School Budget	38,740,006	41,974,606	3,234,600
	Minuteman	2,352,988	2,352,988	0
				0
	Town			
	Personnel Services	19,995,296	21,712,557	1,717,261
	Expenses	9,160,916	9,160,916	0
	<i>Less Offsets:</i>			0
	Enterprise Fund/Other	1,634,410	1,634,410	0
	Tip Fee Stabilization Fund	450,000	450,000	0
	Net Town Budget	27,071,802	28,789,063	1,717,261
				0
	MWRA Debt Shift	5,593,112	5,593,112	0
B.	Capital budget			0
	Exempt Debt Service	2,836,327	2,836,327	0
	Non-Exempt Service	5,184,398	5,184,398	0
	Cash	633,400	1,033,400	400,000
	Minus Capital Carry Forward	(209,300)	(209,300)	0
	Total Capital	8,444,825	8,844,825	400,000
C.	Pensions	7,329,440	7,329,440	0

D.	Insurance	19,986,646	18,521,646	(1,465,000)
E.	State Assessments	2,846,071	2,846,071	0
F.	Offset Aid - Library & School	62,085	62,085	0
G.	Overlay Reserve	600,000	600,000	0
H.	Other Crt Jdgmnts/ Deficit/ Symmes	584,000	584,000	0
I.	Warrant Articles	548,500	548,500	0
J.	Override Stabilization Fund		2,603,139	2,603,139
K.	TOTAL APPROPRIATIONS	114,159,475	120,649,475	6,490,000
	BALANCE	(0)	(0)	

Free Cash	1,200,000	1,200,000
Stabilization Fund	2,604,238	2,602,990
Override Stabilization Fund	0	2,603,139
Tip Fee Stabilization Fund	581,423	580,889
Municipal Bldg Ins. Trust Fund	963,310	963,310
TOTAL:	5,348,972	7,950,327
% of General Fund Revenue	0	0

Town Proposal Analysis - Using Projected Rates and Current Enrollment

HPHC plans at 80%/20%; BCBS Plans and New Hires at 75%

	Total	Town	Employee/ Retiree
Current Costs	\$7,992,496	\$6,743,812	\$1,248,683
No Migration			
Projected Costs	\$7,992,496	\$6,103,438	\$1,889,058
(Savings)/Cost	\$0	(\$640,375)	\$640,375
(Savings)/Cost (7 Months)		(\$373,552)	
All Migrate to HPHC			
Projected Costs	\$6,881,551	\$5,480,336	\$1,401,215
(Savings)/Cost	(\$1,110,945)	(\$1,263,476)	\$152,531
(Savings)/Cost (7 Months)		(\$737,028)	
25% Migrate to HPHC			
Projected Costs	\$7,714,760	\$5,947,662	\$1,767,097
(Savings)/Cost	(\$277,736)	(\$796,150)	\$518,414
(Savings)/Cost (7 Months)		(\$464,421)	
50% Migrate to HPHC			
Projected Costs	\$7,437,023	\$5,791,887	\$1,645,136
(Savings)/Cost	(\$555,472)	(\$951,925)	\$396,453
(Savings)/Cost (7 Months)		(\$555,290)	

Notes:

BCBS Rates Trended at 11%

HPHC Rates Trended at 10.5%

Medicare Rates Trended at 5%

Town Proposal Analysis - Using Projected Rates and Current Enrollment

HPHC plans at 80%/20%; BCBS Plans and New Hires at 75%

	Total	Town	Employee/ Retiree
Current Costs	\$6,903,085	\$5,646,943	\$1,256,142
<i>No Migration</i>			
Projected Costs	\$6,903,085	\$5,212,734	\$1,690,351
(Savings)/Cost	\$0	(\$434,209)	\$434,209
(Savings)/Cost (7 Months)		(\$253,288)	
<i>All Migrate to HPHC</i>			
Projected Costs	\$5,726,644	\$4,519,216	\$1,207,428
(Savings)/Cost	(\$1,176,441)	(\$1,127,727)	(\$48,715)
(Savings)/Cost (7 Months)		(\$657,840)	
<i>25% Migrate to HPHC</i>			
Projected Costs	\$6,608,975	\$5,039,354	\$1,569,620
(Savings)/Cost	(\$294,110)	(\$607,588)	\$313,478
(Savings)/Cost (7 Months)		(\$354,426)	
<i>50% Migrate to HPHC</i>			
Projected Costs	\$6,314,864	\$4,865,975	\$1,448,889
(Savings)/Cost	(\$588,221)	(\$780,968)	\$192,747
(Savings)/Cost (7 Months)		(\$455,564)	

Notes:

BCBS Rates Trended at 11%

HPHC Rates Trended at 10.5%

Medicare Rates Trended at 5%

Town Proposal Analysis - Using Projected Rates and Current Enrollment

HPHC plans at 80%/20%; BCBS Plans and New Hires at 75%

	Total	Town	Employee/ Retiree
Current Costs	\$9,190,570	\$7,239,352	\$1,951,219
No Migration			
Projected Costs	\$9,190,570	\$6,883,199	\$2,307,372
(Savings)/Cost	\$0	(\$356,153)	\$356,153
(Savings)/Cost (7 Months)		(\$207,756)	
All Migrate to HPHC			
Projected Costs	\$8,533,587	\$6,516,057	\$2,017,529
(Savings)/Cost	(\$656,984)	(\$723,294)	\$66,310
(Savings)/Cost (7 Months)		(\$421,922)	
25% Migrate to HPHC			
Projected Costs	\$9,029,778	\$6,793,140	\$2,236,638
(Savings)/Cost	(\$160,793)	(\$446,212)	\$285,419
(Savings)/Cost (7 Months)		(\$260,290)	
50% Migrate to HPHC			
Projected Costs	\$8,868,985	\$6,703,081	\$2,165,904
(Savings)/Cost	(\$321,586)	(\$536,270)	\$214,685
(Savings)/Cost (7 Months)		(\$312,824)	

Notes:

BCBS Rates Trended at 11%

HPHC Rates Trended at 10.5%

Medicare Rates Trended at 5%