



TOWN OF NORTH ANDOVER
FINANCE COMMITTEE
Meeting Minutes
Meeting Date: 11 February 2010

Meeting Location: Town Hall, First Floor
Conference Room

Meeting Called to order: 6:31 PM

I. FinCom Members in Attendance

Mark Rodgers-MR, Chairman	X	Ramsey Bahrawy-RB	X
Peter Besen-PB, Vice Chairman	X	Bonnie Wilkinson-BW	X
Ben Osgood-BO	X	Carlos Bielicki-CB	X
Jean Sullivan-JS	X	Thom Dugan-TD	X
Alan LeBovidge-AL	X	Herb Cunha-HC, Minutes	X

Non FinCom Members in Attendance

OTHERS: Mark Rees, MRees-Town Mgr.

Note: All FINCOM votes are subject to change upon receipt of new information.

II. Previous Minutes Approved

DATE: 4 Feb 2010 Approved, Unanimous

III. New Business

AGENDA ITEM: A. Snow and Ice Bill Vote (Lynn Savage)

Discussion -MRees: He represented Lynn. FINCOM is to vote to authorize payment of bills. He addressed the Municipal Budget, and spoke of carrying deficit into next year. He is leaning to set up an internal reserve. He suggested that FINCOM authorize Town to pay bills versus doing a weekly review. This is the only account that does not require going to Town Meeting. It indicates a buildup to \$1M that he is still working on.

-Vote Taken: PB made a motion to authorize the Town Accountant to pay bills for snow and ice in excess of the budgeted amount for FY10.

BO: second. Discussion: MRees speaks to DPW weekly about expenditures, School Budget does not pay for snow and ice, comes out of Municipal Budget.

Vote: Yes, unanimous

AGENDA ITEM: B. FY11 Budget Presentation (Mark Rees)

Discussion:

-MRees: The BOS Budget Policy Statement includes revenues and expense budgeting. The Revenue and Fixed Cost Committee have reviewed budget. State aid was reduced in 2009, 2010 and expected to be reduced for 2011. 2010 there was \$1.2M increases in municipal revenue versus operating expenses, in 2009 it was \$2.4M. Debt Services was within 5%. It will take 5-year budget cycles to return to the 1/3 Municipal and 2/3 School ratios. Annual Town Meeting is 11 Mar Discussion included reference to Essex Retirement Board, Retirement, Health Care, Vehicle Excise Tax, School Foundation Budget, Andover Facility Manager, Quinn Bill and Municipal Positions,

MRees: Stated that Executive Director and Chairman are the same person. Assets in the Retirement System are planned to be transferred to State System in hopes of getting better returns. The Governor is looking for new average of equal to greater than 5 years for pension calculation. Last year there was a surplus in the Health Care trust fund, draw down amount Town Appropriated to the fund. (\$900k to balance the budget, \$900k in the Stabilization Fund). Health Insurance trust Fund dropped 4-5% in FY2009. Regarding co-pays; in discussion with unions, 10% to 25% has been requested; want to take savings to fund their raises. This year will put in \$2.2M, is a 31% increase. He stated that putting into Stabilization Fund is worth considering. Vehicle excise tax proceeds-80% comes in during February. His budget is conservative, doesn't assume State Aid, expense avoids lay offs, reduced OT, etc. and minimum manning for Fire Department. The School Foundation Budget is set by the State. We spend above the level. Foundation Budget TBA on 9 March. He is leaning to Option B, where both the School and Municipal would receive savings.

-MR: the Andover Facility Manager will visit FINCOM 22 Feb.

-MRees: Quinn Bill is being negotiated with the Police union. He will consolidate OT with breakouts. BOS has copy of the Budget and has 30 days to review then it goes to FINCOM at which time Departments can be called in to FINCOM.

Action Item: TD will provide a format for a position list, with columns such as FTE levels, salaries, etc. He will send to MR and MRees. Entries can then be made. Due 25 Feb.

-MR: The school budget is due to FINCOM next week in the preferred format.

AGENDA ITEM: C. CIP Review Schedule

Discussion:

-MR: Bi-weekly meetings will begin in March.

Action Item: MR: Prepare schedules for CIP Articles and voting as required and Department visitations to FINCOM, due next meeting.

AGENDA ITEM: D. Contracts in Warrant Articles

Discussion: -PB: Raised discussion about most towns vote on their contracts (funding only) in the Warrant as an Article. FINCOM is to vote on cost articles. State Law indicates Town to have vote taken on contract funding. We don't have visibility to collective bargaining cost. A change to by-law should be proposed to submit such an article for the Town meeting.

Action Item: MR: Schedule a Warrant Article on contracts for a vote, 18 Feb.

III. Old Business/Non-Agenda Items

NON-AGENDA ITEM:

Discussion:

IV. Next Meetings

Thursday, 18 Feb 2010 Town Hall, 6:30 PM

V. Adjournment

Motion: AL
Seconded: RB

Unanimous
Time: 8:43 PM

ACTION ITEMS

C=Complete

ITEM #	ACTION ITEM	INDIVID.	COMPL. DATE	STATUS
1	Send out financial assumptions model, update with actuals, 2009 model	MR	19 Nov	C
2	Contact Art. and Wellesley for their financial models	MR	19 Nov	
3	Check on website for financial forecasting documents	PB	19 Nov	
4	Contact M. Rees to invite Andover Facility Manager to come to North Andover	MR	19 Nov	C
5	Email Rick Nardella, BOS, about vacant Bradstreet School for planned action	MR	19 Nov	C
6	Revise forecast and CIP in analysis	MR/TD	7 Jan	C
7	Bring binder with budget for BW to review	MR	7 Jan	C
8	Convert minutes and Agenda to PDF format and sent to Peter for posting.	MR/HC	11 Jan	HC to format-C
9	Email a request to Matthew Killen and Sch Comm. to requote the IT proposal with alternative equipment and also look for the same products at different vendors with the intent of lowering the price of the project.	MR	4 Feb	C
10	Provide a format for a position list, with columns such as FTE levels, salaries, etc. He will send to MR and MRees. Entries can then be made.	TD	25 Feb	
11	Prepare schedules for CIP Articles/voting A/R and Department visitations to FINCOM.	MR	18 Feb	C
12	Schedule a Warrant Article on contracts for a vote.	MR	18 Feb	C