



Finance Committee

Meeting Date: January 8, 2019

Present: Chair Dufour, Vice Chair Dowd, Clerk Conley, Fleming, Wiech, Dewsnap, Moses, Smith, Grace

Absent: None

Agenda Items:

1. Call to order: 7:00 PM

2. Introduction of new member:

The committee welcomed new member John Grace.

3. Approval of minutes: Minutes of October 16, 2018 were reviewed and approved. Vote 8-0, with 1 abstention.

4. Citizens Comments: None, no citizens present.

5. Free Cash Overview & 10-year History/Administration:

The free cash balance has been certified at \$3,726,972 for 7/1/2018. This is the highest in the last 10 years with an average of \$2,866,972. Free cash is used primarily used to fund the purchase of capital items and certain other items defined in the fiscal policies of the town as shown below:

Snow and ice removal/other -\$1,000,000 in regular budget but this supplements if needed and returns to free cash if not used in spring.	\$750.00.00
OPEB Trust as per fiscal policy of 10% of free cash – current liability is \$74,059,736.	\$370,000.00
Fire Truck Stabilization – 7 year plan to replace Engine 4 in 2023/4	\$100,000.00
Turf Field Stabilization – about 10 year replacement – is usually \$150,000 but low bids and penalties from last replacement provided \$120,000.	\$30,000.00
Previously approved Capital expenditures (Special Ed van and payoff LED streetlights).	\$156,446.65

6. Capital Budget Presentations:

Department	Request/Item	Cost	Description/Recommendation
Conservation	Delcarte Herbicide Treatment	\$23,000	Recommended – will allow completion of ongoing program for next 3 years.
Fire	Video Laryngoscope	\$11,000	Recommended – upgrade to new video technology.
Fire	Protective Clothing Replacement	\$69,000	Recommended – Begins 3 year replacement plan of outdated gear. Includes coats, pants and boots.
Fire	Auto Extrication Device	\$11,000	Recommended – Purchase of “Combi-Tool” for Engine #2 which is 1 st Due to I-495.
Fire	Pulse Oximeter	\$18,000	Recommended – Allows medics to assess respiratory system including CO.
Fire	Thermal Image Cameras	\$33,000	Recommended – Replace cameras on all four engines. Significantly upgrading existing equipment
Fire	Gym Equipment	\$29,000	Recommended – Station #2 equipment is in disrepair due to use.
Fire	External Chest Compressor	\$19,000	Recommended – Will be used in the 4 th ambulance that is due shortly.
Fire	Radio Repeater		Not Recommended – held until town wide assessment of communications is completed.
Police	Police Cruisers	\$207,000	Recommended – 3 regular marked cruisers to be replaced.
Police	Portable Radios	\$72,000	Recommended – Replacement of 20 radios, first year of 3 year programs. Some existing radios will go to School Department to allow direct radio communication to police and fire.
Police	Equipment & Technology	\$36,000	Recommended – Replacing older body armor, heavily used and failing message board with trailer and aging camera equipment.
Police	Unmarked Police Cruiser		Not Recommended at this time.
Police	Radio Upgrade		Not Recommended - held until town wide assessment of communications is completed.
DPW	Community Improvements	\$50,000	Recommended – Lighting, banners, signs and other improvements in the downtown area.
DPW	Storm water Management Study	\$85,000	Recommended – Outside consultant to assist with determining true costs for EPA requirements.
DPW	Street Acceptance Program	\$50,000	Recommended – Continue engineering and legal process to accept 100 plus streets.
DPW	Street Sweeper	\$205,000	Recommended – Replace existing machine well past normal useful life.

DPW	4X4 Pickup	\$35,000	Recommended – replace 12 year old truck past useful life.
DPW	4X4 Utility Body Truck	\$45,000	Recommended – Replace F-350 truck used by mechanics for road service and also carries welding equipment.
DPW	Mini Excavator	\$70,000	Recommended – Replace 21 year old backhoe. Mini excavator more efficient for road repairs.
DPW	Sidewalk Plow with snow blower		Not Recommended at this time.
DPW	Street Improvements		Not Recommended at this time. Will be reviewed in spring after snow costs.
DPW	Class B Dump Truck with 11 foot plow		Not Recommended at this time.
DPW	Class B Dump Truck with 11 foot plow		Not Recommended at this time.
DPW	4X4 Crew Cab Pickup		Not Recommended at this time.
Water Enterprise	Water Meter Replacement	\$100,000 from Water Enterprise Fund	Recommended – continue replace of the department’s “Cash Register”.
Water Enterprise	Backhoe	\$100,000 from Water Enterprise Fund	Recommended – Current vehicle beyond serviceable life.
Water Enterprise	Water Main Replacement	\$1,000,000 from Water Enterprise Fund	Recommended – Continue water main replacements in conjunction with pavement management plan.
Water Enterprise	Vehicles		Not Recommended at this time.
Water Enterprise	Roof replacements		Not Recommended at this time.
Sewer Enterprise	Sahlin Circle Pump Station Design	\$100,000 from Sewer Enterprise Fund	Recommended – current station below grade creating technical and safety issues.
Sewer Enterprise	Vactor Truck	\$450,000 from Sewer Enterprise Fund	Recommended – extensive use for cleaning sewer lines and pump stations and clearing blockages. Current truck condition results in potential delays and safety issues.
Sewer Enterprise	Sahlin Circle Pump Station Build.		Not Recommended at this time.
Sewer Enterprise	Other vehicles & equipment		Not Recommended at this time.
Sewer Enterprise	Roof replacements		Not Recommended at this time.

Note: Withdrawals from both Water and Sewer Enterprise funds leave approximately \$1,000,000 in each fund for future needs and emergencies.

7. Water Enterprise Borrowing Authorization:

The administration will be asking the town council for authorization to borrow \$5,000,000 as we did 5 years ago to continue the replacement of water mains. The water mains needing replacement will be reviewed in conjunction with the recently updated pavement management program. Roads needing the most work as well as water main replacement will be done first thus allowing both to be done in the most cost effective manner. Payments are made on the borrowing are made from the Water Enterprise Fund.

8. FY19 Budget Update:

The budget expenses continue to rise at a rate that is outstripping the rise in revenue, the potential for measures to raise the needed revenue will need to be considered soon. It will be up to the voters to decide the level of service that they are willing to fund.

9. OPEB Update:

The current OPEB obligation as of June 30, 2018 is \$74,059,736. The town continues to fund the OPEB trust fund by budgeting \$550,000 plus 10% of the free cash. It is the consensus that at some point the state must step in and fix the issue. It is a stated legislative policy but never is addressed.

10. Risk Assessment Update:

The recently completed outside Risk Assessment review showed that the town is in very good shape. The issue is primarily related to documenting the procedures that are in place and are being done. Many procedures just need to be dusted off and updated. A plan to make sure procedures are updated is being put in place.

11. Fiscal Policies Review:

The Fiscal Policies under which the town operates have been modified slightly as follows.

- Starting in FY20 add \$100,000 each year to the Property and Projects Stabilization account.
- Starting in FY20 add \$100,000 to the Open Space Stabilization account up to a maximum balance of \$2,000,000.
- Establish a policy for revenue related to the sale of marijuana in the Town of Franklin for these purposes
 - One Time Capital Expenditures.
 - Town and School Buildings.
 - Public infrastructure such as roads, parking lots and engineering and design of public infrastructure.
 - Open space purchases and recreation investments.
 - Funds will not be used for ongoing operating budget expenditures.
- Roads/sidewalks/infrastructure

- Starting in FY19 appropriate \$600,000 in the annual budget and increase it yearly by \$50,000
- Use free cash (\$500,000) and Hotel Tax (\$575,000) for roads unless there is another capital need.

12. Adjourn:

Adjourned at 9:00PM

Next meeting January 15, 2019 at 7:00PM at the Municipal Building 3rd floor training room.