

### **Call to Order**

The meeting was called to order by Mr. Stumpf at 7:00 p.m. in the Third Floor Conference Room A. The meeting was live cablecast.

In attendance were Chairman S. Jon Stumpf, Margaret (Peggy) Kruse, John Barry, Jr., Eugenie (Janie) Moffitt, Linn Anderson, Greg Serrao, Joanne Marden and new member Bojay Taylor. Also in attendance was Finance Director, Donna Walsh. Bonnie Zahorik arrived at 8:15 p.m.

### **Introduction of New Committee Member**

Mr. Stumpf introduced and welcomed Bojay Taylor to the team. He said he is a ten-year resident of Andover, originally from Cleveland, Ohio, and has worked in the banking/finance industry. Each member in turn gave a short introduction.

### **Approval of Minutes October 14, 2015**

Upon motion duly made by Ms. Kruse and seconded by Ms. Anderson, it was unanimously voted to approve the above minutes. Motion passed 8-0.

### **Town Energy Manager's Presentation**

Ms. Janet Nicosia, Manager of Energy and Utilities, appeared before the Committee (see attached PowerPoint presentation.) Using the software SchoolDude, a web-based program available to the public, her department is able to track current and future town/school projects.

Highlights of her report included the ability to track a) utility bills, b) total energy uses by building-kbtu's, c) trends and possible troublespots; d) off-site real-time troubleshooting; e) multiple proposed projects as well as projects of outside municipalities using "GRITS"; and f) the retrofitting of streetlights to LED as well as corridor lighting and the ongoing lifecycle costing of projects.

She took a number of questions from the Committee including the air temperature problems at High Plain and Wood Hill in the "shoulder" months of May and September. She concluded her presentation with a statement of her department's three-pronged mission: a) as the highest user of energy, make AHS the flagship for energy improvements; b) develop efficiencies to include water systems; and set "no building left behind" standards for town-wide Andover energy initiatives. She welcomed all members of the community to bring forward and share their ideas and suggestions for energy conservation.

Resident Anil Navkal thanked Ms. Nicosia and her team for broadening the stakeholders in energy conservation education to students both at AHS and Bancroft.

### **Quarterly Review of Self-Funded Health Plan**

Mr. Stumpf asked Ms. Walsh to review the health plan to date (see summary attached.) She acknowledged that it was a little too early in the year to get a real good picture of the plan to date. A total of \$599,593 in claims for July represented 2% of the total \$17.9M. Discussion ensued. Ms. Walsh said the data was updated every month. It was agreed that this update would be a regular agenda item.

### **FY2016 Calendar of Meetings**

Mr. Stumpf referred to the calendar of meetings at the back of the CIP cover. Discussion ensued on the accurate timing of meetings and goals to be accomplished after joint and triboard presentations. He asked Ms. Moffitt to redraft a calendar of joint and triboard meetings, as well as finance committee meetings, and distribute to members by email. I have attached hereto for the record.

**Town Manager's Capital Improvement Program (CIP) FY2017-FY2021**

Mr. Stumpf noted the below information.

- a) Meetings of the Triboard are scheduled for November 10<sup>th</sup> and December 9<sup>th</sup>.
  - i) Town Manager presents CIP to Board of Selectmen on November 16th
  - ii) Town Manager presents CIP to TriBoard December 9<sup>th</sup>.

Mr. Stumpf then referenced the information on pages 142 and 143 of the CIP Book containing projected revenue and expenses. He noted that the revenue projected does not tax to the full levy limit by \$1.2M. Ms. Marden then noted that this information was pre-new growth number (\$420K) and already there are changes to the CIP book. Health insurance increase of 3% is also included. Department heads would note the 2.38% increase in their budgets over last year and use this as a starting point to creating their budgets for this year. Discussion ensued.

Mr. Serrao expressed concern that expenses are far outpacing revenues, and this information needs to be shared with the taxpayer. Ms. Marden added that the levy limit increases each year even though excess levy capacity is not used. Fixed costs continue to rise at 8%, 8% health insurance and costs of compensation, and every year there will be less money left over for school and town operating budgets.

- b) General Fund Revenue (Article 5) - \$2,540,000
- c) General Fund Borrowing (Non-Exempt Debt) - \$4,625,000

Mr. Stumpf asked Ms. Walsh about insurance covering the damage at the Collins Center. She said the claim was denied and would be appealed. She noted that this was first time a claim has been denied and there is a detailed process that is needed to appeal which she is following.

Discussion ensued on school projects

- d) Creation of Capital Planning Committee

Ms. Anderson opened the discussion on the possibility of forming a Capital Planning Committee. She noted that many municipalities were taking that route and the Town Manager had successful experience with this type of Committee while in Arlington. Discussion ensued on the positives and negatives of such a committee.

Discussion also ensued on the role of the Finance Committee as identified in the by-laws, charter and Finance Committee Handbook. It was agreed that not only clarification, but interpretation of that role was crucial in maintaining focus throughout the budget process. Ms. Anderson agreed to research state laws as well with regard to the role of "watchdog," and Mr. Stumpf will include this item in the agenda next meeting for further discussion.

**Liaison Updates**

*OPEB Advisory* – Mr. Barry reported that the committee was meeting on Monday, November 9<sup>th</sup>, and the Town Manager was invited to attend. The committee is awaiting results of the new actuarial report and will then be in a position to make its recommendations.

*Audit* – Ms. Anderson asked Ms. Walsh for an update. She reported the audit was completed and financials being prepared. She followed up on the management letter comment from last year's audit with regard to policy and procedures and she said this comment would not be in the letter again. She clarified that GASB dictated that on the financial statement of FY2018 it would be noted there was an unfunded OPEB liability, as a footnote that will refer back to the liability on the Financial Statement.

*Retirement* – Ms. Marden reported she had attended several of the Retirement Board meetings. Discussion revolved around whether rules needed to be changed with regard to OPEB findings, and whether Andover needs an independent financial person to evaluate investments at the state level. The question is whether our investments are appropriate for the Town of Andover’s population.

*School* – Mr. Serrao reported he would meet with the school team on Friday, November 6<sup>th</sup> to discuss 1<sup>st</sup> quarter SPED numbers. He had lunch with the superintendent and the discussion revolved around his dedication to transparency and focus on improving the AHS physical plant.

*Elder Services and Youth Services* - Mr. Stumpf appointed the new Member, Mr. Taylor, and Ms. Anderson volunteered to introduce him to Kathy Urquhart and Mr. Barry to Bill Fahey.

*Audit Committee* – Ms. Moffitt will introduce Mr. Taylor to Paul Dow. Meeting is on December 9<sup>th</sup>.

**Ms. Walsh**

Ms. Walsh reported that the first Tax Classification Hearing will be held on Monday, November 16<sup>th</sup> and the second hearing on December 2<sup>nd</sup> at which time the tax rate will be set.

**Other**

Mr. Serrao reiterated his conviction that the financial trends of expenses outpacing revenue be held forth to the taxpayer as we continue to move forward with this year’s budget in light of the long-term picture. Ms. Marden added that the issue of total compensation be developed as part of the long-term trends. Discussion ensued on the continuing need for education of the taxpayer. Mr. Stump will include this item on future agendas.

**Next Meeting**

Wednesday, November 18, 2015.

**Adjournment**

Upon motion duly made by Mr. Serrao and seconded by Mr. Barry, it was unanimously voted to adjourn. Motion passed 9-0.

Meeting adjourned at 9:05 p.m.

Respectfully submitted,

Christine Martin Barraford  
Recording Secretary

*Attachments:*

*Schedule of Meetings in FY2016*  
*Energy Powerpoint Presentation*  
*Summary of Health Plan to date*