

Finance Board Meeting Minutes: February 25th , 2015

Attendees: *George McCormack, Caroline Colarusso, Julie Desimone, Ben Caggiano; Stephen Dapkiewicz,*

Mr. Dapkiewicz as chair called the meeting to order at 7:35.

Mr. Dapkiewicz invited Ms. Diane Murphy the town Tax Collector/Treasurer to the table to discuss the emergency need for a new stamping machine. Ms. Murphy explained the problems and necessity to obtaining a new one urgently. She had reached out for 3 bids, 2 of which were returned. The office favored a brand called NeoPost that is the same brand as before, the Director of Technology Mr. Cicatelli has knowledge of the product and the town could forego the maintenance plan. The cost was \$9,414.50 and she asked that the money be spent out of the FAB reserve fund.

Mr. McCormack who performed a departmental review on the Tax Collector/Treasurer's office asked to see the unit when he was there in early February as Ms. Murphy had complained of the malfunction then. Mr. McCormack said he saw first-hand that it skips letters and also does not seal each letter leaving for a lot of manual work. Mr. McCormack recommended the FAB use a portion of its \$50,000 reserve fund to purchase the machine so that taxes and other important documents could be sent in an efficient way and prevent OT. He also commented that the Stoneham Arena was having difficulty with their maintenance budget and that this 20% deduction left room for any other issues that may arise. The motion was seconded by Ms. Colarusso and voted on unanimously. Unfortunately, there was not enough for a quorum so the vote was voided until a quorum could be reached. (5-0)

Next, Mr. Dapkiewicz asked Mr. Ragucci, TA and Mr. Florino to the table to discuss the budget outlook on ending 2015, mainly snow and ice and the upcoming 2016 budget.

Mr. Ragucci has cut the proposed 3 officers that Chief McIntyre was to receive and replaced with one. Mr. McCormack expressed disappointment and asked if the board was to make a recommendation to add another officer and it passed at Town Meeting where would the TA cut, he stated that he would first look to close the underperforming asset, Stoneham Oaks. The cost savings in cutting the Oaks would be about \$30k which would offset some of the expenses for a new officer.

Mr. Ragucci also mentioned that the School Dept is underfunded by roughly \$700k. Discussions turned to why the expenditures keep going up as tax revenues is also rising at a significant clip. The answer provided by Mr. Ragucci and Mr. Florino were health care costs in addition to pension costs, but primarily health costs. Health costs are expected to rise around 8% in 2016 weighting heavily on the budget. Mr. McCormack said he was very frustrated that Mr. Ragucci could not bargain with unions on the issue, not for existing employees or retirees but for incoming employees. Mr. Ragucci explained that the unions were not interested and there is some legal language around treating employees differently. The allowance to treat employees different in pay and benefit structure was in the House and failed by a small margin, Mr. Ragucci hopes that it passes in an upcoming session. Ms. Colarusso said that she said there are in fact

things that Mr. Ragucci could do but it would take leadership to get it done. Ms. Colorusso expressed that she had experience in union negotiating and knows that it takes tough decisions but if some aren't made there will come a time when the town cannot pay its health insurance to retirees. Mr. McCormack asked again why Mr. Ragucci couldn't negotiate the % of health insurance each employee pays that is 'new.' Mr. Ragucci said that he has tried but the union has not been responsive. Mr. Florino reiterated the known amount of \$100 M outstanding liability that the state actuary has assessed Stoneham with. Ms. Desimone asked why Stoneham must have the pension funded as of 2023 as the retirement board and others have stated, if the date is pushed further out it would free up cash for this year. Mr. Ragucci admitted it was a good question and he is meeting with the consultant this week to discuss but fears that the retirement board will likely not want anything to do with an extension.

Mr. Ragucci brought up the fact with the Gelatin going offline that the water and sewer rate will be operating with a \$1 M deficit this year because the water and sewer rate is a backward looking statement(not current year). Therefore in 2016 Stoneham would be paying this year for Gelatin which is slated to close in the Spring of 2015. Mr. Ragucci plans to meet with the MWRA to see if there can be any negotiations where the town pays that amount over the course of 5 years rather than get hit with the full \$1 M.

Lastly, the board debated the closing of Stoneham Oaks should that arise from hiring an additional officer. In this conversation many known issues arose with Chapter 97 open space, the land swap, and the second sheet of ice.

Meeting was adjourned at 9:50PM

Respectfully,

George McCormack