

RECEIVED

JUN 27 2016

WESTFIELD CITY CLERK

Minutes

Westfield City Council Finance Committee
June 15th, 2016

FY17 Budgets for Purchasing, Auditor, Insurance, Treasurer, Collectors, Debt, Assessors, and Law Dept

Councilors Matt VanHeynigen and Dave Flaherty present
Councilor Bob Paul absent

Councilors Babinski, O'Connell, Surprise, Figy, Harris, Dondley, and Onyski in attendance at various times (they had other meetings to attend at various times).

5:33 PM Opened meeting.

Councilor Flaherty started each session with departments by discussing broad goals of the Finance Committee with regards to reducing the budget to avoid massive tax increases and withdrawal of funds from limited Free Cash. Committee is looking for budget cuts and revenue opportunities. No recommendations will be made by the Finance Committee until Councilor Paul is back and the entire Committee can discuss, deliberate, and make recommendations.

PURCHASING

Director Tammy Teft presented FY17 proposed budget. Same small staff. Minor changes due to contracts. Big expenses are utilities. The total electric bill for street lights and signals is about \$24-31K / month. City pays G&E for this service. G&E provides maintenance. R&M Buildings is \$120,000. This is to cover the operating expenses of the new City Properties budget. It's been reduced, and Siemens is not in this year's budget. She briefly discusses property insurance.

Councilor Onyski asked about how we are charged for the lights? Are they metered? Mrs. Teft says no, but doesn't know how G&E calculates usage. Councilor Onyski follows up asking about savings due to LED lights. Councilor Surprise suggests LED's should be cheaper. Mrs. Teft thinks there's some reduction, but it's hard to tell. Councilor Flaherty asks about consolidating all "Energy" related line items under another budget line item so that we can see the total costs in one place, and so that small department budgets aren't inflated with huge costs that aren't related to the operation of their department. Mrs. Teft is fine with that suggestion, and mentions that some departments pay their own for special reasons: school, sewer, water, etc...

Councilor O'Connell asked about the bid process for the City's insurance. Mrs. Teft explains the process and mentions that we now have Peter Clark, a Westfield resident, as a guide, and that we buy insurance from MAIA which has the best rates for municipals. MAIA also provides

Employee Assistance Program and it save us money compared to previous vendor. Mrs. Teft says buildings haven't been valued by insurance company in several years, and that we'll be having an audit soon that may change our costs.

AUDITOR

City Auditor Deb Strycharz presented the FY17 proposed budget. Same as it's been in the past. Mostly labor. Some changes due to contracts and severances. Additional costs for GASB 67&68. Auditor Strycharz is retiring in the Fall. Transition plan is not firm yet. Councilor Flaherty expresses concern and hopes that the City Council and the Mayor will start the replacement process ASAP. Councilor Flaherty notes that there is no money in the department budget for transition. Councilors Flaherty & VanHeynigen suggest advising council during budget process. The City Auditor is appointed by the City Council and reports to the Mayor. Councilor Flaherty suggests moving funds into that department for "transition" and immediate action to look for a new Auditor as quickly as possible so that there is period of time available for overlap and transition before Auditor Strycharz retires.

INSURANCE

City Auditor Deb Strycharz presents proposed FY17 Health Insurance Budget. It's 3% increase and she explains that it's lower than recommended, but because of budget challenges and Healthcare fund balance we have some wiggle room. Councilor Flaherty mentions that he just saw an article from Chicopee that said their Healthcare costs were going up 7%, and that that seems more in line with businesses. Councilors agree. Treasurer Meghan Kane agrees, and suggests that 3% is low and not likely to remain that low in coming years.

Councilor Flaherty suggests that he won't recommend a temporary cut to Healthcare this year due to tight Free Cash account.

TREASURER'S OFFICE / COLLECTORS

Treasurer Meghan Kane presents FY17 proposed budget. Staff includes contract increases and continuation of severance. There's a partial year employee budgeted for any change related to Treasurer / Collector consolidation or separation.

Mrs. Kane explains that that City has saved money on fees by moving from Bank of America. She is working the Law Department on potential Tax Auction.

Councilors VanHeynigen and Flaherty asked about Collector's Office handling stickers for the dump and collections for Health Department and other's bills. Mrs. Kane thinks things are possible, but that the computers may not be set up to handle those kinds of transactions and that her staff may not be able to handle the added load. Councilors VenHeynigen and Flaherty suggest exploring the options of having the Collector's Office handle collections for other departments to reduce load in other places, and reduce the number of people and places that handle payments. Councilor Flaherty mentions "Customer Service" department for City, and

discusses how businesses have staffs that can process a broad variety of transactions at one “window”.

DEBT

Mrs. Kane reviews annual debt payments. Roughly \$7 million this year between principal and interest. Slight decline next year if there’s no new bonding. Several bond authorizations are not really bonded yet, and principal payments are not showing in this \$7 million, because projects are not complete. Councilor VanHeynigen asks for updated schedule and Mrs. Kane agrees to provide committee with current bond schedule and with known/likely projects in the pipeline. Councilor Flaherty asks about school bonds. Mrs. Kane says the old bonds will be coming off in a few years, and that the new school project is stalled. Councilor Flaherty comments that those old bond payments are covered by offsetting State Revenue, and that when the bond payment drops, so does the income from the State, so the City has to realize that \$7 million today from the City Budget is not the same as \$7 million in a few years because of the drop in offsetting State Aid for the old school projects.

ASSESSOR’S OFFICE

Assessor Robin Johnson reviewed proposed FY17 budget. Similar to last year. Contractual increases. 3rd severance payment. Very little expense. No questions from councilors about budget.

Councilor Flaherty asked how assessments are looking for coming year. Mrs. Johnson said she’s trying to get to \$1 million in new growth and that overall the valuations are flat, and that she doesn’t see total valuation changing all that much. Councilor Flaherty comments that that could be a problem when we are approaching our levy ceiling. Councilor O’Connell comments that real estate traffic is up, but prices are flat.

LAW DEPT

City Solicitor Sue Phillips reviewed proposed FY17 budget. She described duties of office and general work assignments for four full-time lawyers and one part-time lawyer. She discussed need to outsource some things due to conflicts of interest or specialization. She talked about ramping up tax collection work and tax title. New lawyer has expertise in that area and it could help city bring in more delinquent taxes. The department is still doing school work, but the School Department has hired their own council in some cases. There is no charge-back to School Department for services provided.

Councilors have a couple of questions about staffing and work load. Mrs. Phillips thinks everyone is doing great job and helping the City operate more smoothly, saving money, or helping to bring in more revenue.

Solicitor Phillips leaves.

Remaining councilors have brief discussion about budget process and meetings scheduled for coming weeks. A couple of councilors asked a few questions about particular budget line items that were covered this week (during speedy meetings), and Councilors Flaherty, VanHeynigen, and O'Connell answered the best they could based on memory and history.

Councilors Flaherty, VanHeynigan and O'Connell discuss City Auditor's critical value to the city and pending retirement. All are concerned. They suggest advising quick action to find a new Auditor.

Councilors Surprise, O'Connell, and Babinski mention that they've heard from concerned citizens about tax and fee increases, poor condition of roads, school concerns, and wasteful government spending. Councilors VenHeynigen and Flaherty agree. Councilors thank Finance Committee for doing a thorough job and for the tone of the meetings so far this year.

Councilor Flaherty motions to include copies of recent emails, posts, and paper mail correspondence with residents in the records of the Finance Committee minutes. Councilor VanHeynigen seconds. VOTED: 2-0 to include recent correspondence in Finance Committee minutes.

Councilor VanHeynigen motions to adjourn. Flaherty seconds. Meeting adjourned at 7:54PM.