

# WASHINGTON FINANCE COMMITTEE MINUTES

13 February 2017

Meeting was called to order at 7:02 pm.

In Attendance: Kent Lew, Dick Spencer, Sean Connors, and David Weissbrod

## OLD BUSINESS

1. Finance committee meeting minutes from January 9, 2017 were approved

## NEW BUSINESS

### 1. Insurance recommendations review.

(Washington resident Dom Sinopoli joined us to answer our questions regarding his review and his suggestions regarding our town insurance policy. We had also hoped to have Glen Grogan join us for this topic but he was unavailable.)

Note, while we discussed town buildings in our coverage, much of our discussion focused on town highway department insurance costs. We discussed our options in terms of changes to existing coverage. These options include:

- (a) change deductible on equipment, and/or
- (b) re-evaluate our umbrella coverage.

In Dom's opinion, our present municipal coverage is pretty extensive. We discussed removing the less expensive equipment off of our coverage, basically saying their cost of replacement was not that much and in some cases, the smaller items were not used that much. We also considered raising deductibles on the more expensive equipment. For example, on a \$200,000 item, do we need near-full replacement coverage or should we consider increasing our deductible by \$20,000. And what would the savings be? We also looked at our insurance coverage in relation to how changes to it could affect our use of the stabilization fund, related to replacing equipment and related to changes to our deductibles. We agreed that we need feedback from our insurer, MIIA. Further we need to define a high and low range of deductibles for specific items, and request estimates from MIIA. We said we should first talk to Tom Johnson about the insurance coverage for highway dept equipment, and get a range of deductibles for that equipment, which we could then submit and discuss with

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### **1. Insurance recommendations review (Continued).**

MIIA. Part of a discussion with Tom would include review of the smaller insured items that we could consider removing. The board, with input from Dom, discussed our umbrella policy as an extension of our existing policy coverage, asking what is a typical municipal settlement? What do we think is the value of the town's total assets? Perhaps cost of raising our umbrella is relatively inexpensive?

Again, MIIA may be able to offer guidance on these inquiries. Further, can we do blanketing coverage just for smaller items?

We will ask Glen to review and send request to MIIA and ask MIIA to discuss with the Finance Comm and Glen, providing us with estimates. We also need to include valuations for and cost of coverage for town buildings, including old town hall and old schoolhouse.

### **2. Becket shared services.**

Becket representatives Bill Elovirta (selectman) and Ed Gibson (town administrator) recently attended a Washington Selectmen Meeting. They requested Washington consider increasing its contribution for shared services, starting FY18. They said that Washington appropriations have not increased in many years while Becket costs have increased every year. The finance committee reviewed the handout previously provided by the Becket reps, which broke down the costs for the following three specific shared services, and then we discussed our present rate of contributions and compared it to Becket's costs. We asked ourselves, what is our fair share? What basis and what metrics should we use to determine Washington's contribution for the three items presented by Becket at the town meeting?

#### (a) Becket Parks and Beach Program

The Becket handout listed a FY18 budget of \$19,600.00 for operating costs. Washington's FY17 contribution was \$1,000.

#### (b) Fire Department

The Becket handout listed a FY18 budget of \$50,665 for operating costs. Washington's FY17 contribution was 10,250.

#### (c) Ambulance Department

The Becket handout listed a FY18 budget of \$355,644.00 for operating costs. Washington's FY17 contribution was zero.

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## 2. Becket shared services (Continued).

The board discussed the sharing of services and overall considered them a win for both towns. The board said we would have preferred actual expenditures, rather than budget numbers from the Becket reps.

The Finance discussed using a rolling 5-year average of our actual rates of usage as possible way to determine a fair, yearly contribution starting in FY18. However, we agreed this approach would rely on an estimated usage rate for our beach use. We discussed using comparative households rather than usage for the Beach contribution: However, we agreed that it was probably impractical to get real usage rates for beach use, and so perhaps a factor based upon comparing total households between the two towns would be a fair measure.

For CY16, Washington comprised 6 of the 254 Becket ambulance calls or 2.36% of total. For CY16, Washington comprised 15 of the 133 Becket Fire Dept calls or 11.28% of total. The main reason for the disparity between Washington ambulance calls and fire department calls is that much of Washington is serviced by a different ambulance dept. In particular, the Finance Committee would like to know the net costs of Becket ambulance, accounting for their collection of private and insurance reimbursements.”

The finance committee will request more information from Becket, followed by more discussion. We will endeavor to establish and maintain a fair and reasonable contribution rate with our Becket neighbors.

## 3. Capital projects update.

### (a) Crossplace Road culvert

Phil Clark signed off on \$44,000 change order but we may have to cover this from our original borrowing, (no grant money for it). This leaves around \$90,000.

### (b) Eden Glen

Gov will cover 75% of it; town will cover 25%. We have borrowing authority for the town's portion.

### (c) Old Middlefield Road

Use Grant or Chapter 90 money.

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## 3. Capital projects update. (Continued)

(d) Highway Dept

The 550-plow truck's status is of concern. Will we need to replace it during next FY?

(e) Culvert at top of Frost Road

This was not anticipated but could be very expensive and a major complication to Eden Glen culvert schedule, and likewise the work and payment for Eden Glen complicates timing of upper Frost Road culvert. We are looking into applying for a grant. Need to talk to Phil and get estimates for cost of replacement of culvert and for tearing up the road. Tom Johnson mentioned the possibility of a less disruptive option that uses a horizontal drill. The culvert repair is seen as an emergency.

(f) Town hall roof

Ed Bond is looking into repair options for town hall roof. Leakage has at least temporarily eased. A Capital Meeting with Selectboard is coming up in April to discuss for a more long-term solution to the recurring problems with the flat roof.

## 4. Any new business.

Dave mentioned his up-coming surgery. The board agreed on putting meeting off next meeting until March 20.

Meeting adjourned at 9:04pm.

Respectfully,

David Weissbrod, Clerk