

**FINANCE COMMITTEE  
BOARD OF SELECTMEN  
SCHOOL COMMITTEE  
IPSWICH TOWN HALL, ROOM A  
TUESDAY, DECEMBER 13, 2011, 7:30PM**

**FinCom Members in Attendance:** Michael Schaaf, Chairman, Larry Seidler, Richard Howard, Mitch Feldman, Ingrid Miles, Todd Wilson, Jamie Fay, Rob White.

**BOS Members in Attendance:** Ray Morley, Chairman, Charlie Surpitski, Pat McNally, Shirley Berry.

**School Committee Members in Attendance:** Jeff Loeb, Chairman, Laura Dietz, Sean Gresh, Hugh O'Flynn, Rachel Roesler, Jennifer Bauman.

**Others in Attendance:** Rick Korb, Joanne Cuff, Bob Markel, Rita Negri.

Call to Order: 7:50 pm

**FY13 Financial Outlook**

Mr. Markel stated that New Growth has been reduced to \$18M. Last year it was \$22M.

Mr. Markel stated he is using the most conservative figures in his analysis. There will be an add back list to be referred to later on.

The ELD pilot payment has been increased from \$275,000 to \$325,000.

The Whittier population is the same as last year.

Mr. Markel stated the Cherry sheets reflect a 3% increase. He noted that after talking with Rep. Hill and Sen. Tarr, he feels this is a good place to start.

The Veterans will be renting a larger space in Town Hall. Investment income continues to decline.

Mr. Markel stated that at a 2.75% target, the Town will be \$78,000 under the levy. He expects many of the numbers to change at this point. This year ended up at a 2.8% increase and is expecting better news for next year.

Mr. White inquired about potential casino revenue. Mr. Markel stated that it would not be seen in 2013.

Mr. Schaaf inquired about any risks with his predictions. Mr. Markel stated that the international economy may affect the State and slow the MA economy down.

**FY13 Budget Targets**

Mr. Seidler referred to the Long Range Financial Planning presentation. He stated he would like to meet with the School Committee to review where they are. He would like to see a summary budget.

Mr. Seidler noted that he would be comfortable with a 2.75% target.

Mr. Loeb invited the FinCom to the next School Committee meeting. Mr. Loeb stated that the School Committee would be \$900,000 under at a 2.75% target.

Mr. Korb spoke of the difficult choices that will be to be made to protect core curriculum and class size.

Mr. Fay stated he would like to see a summary of the new revenue items that were implemented last year.

Mrs. Negri stated that she was comfortable with 2.75% as a target.

Mr. Markel stated that Free Cash will be at \$600,000 at the Annual Spring Meeting. This is the highest it has been in years.

Mr. Fay made a motion to establish the target at 2.75% for Town and Schools, with the understanding that any new revenue will be added on top of the current numbers.

Mrs. Miles 2<sup>nd</sup>.

Discussion: Dr. O'Flynn requested guidance with regards to OPEB. He noted the School Committee would love to be free from that responsibility

Vote was unanimously in favor (8-0).

Mr. Markel stated that the Town will try to match the OPEB numbers from last year.

Mrs. Negri stated she is expecting a report in January on OPEB obligations from the evaluation that is being conducted currently.

Mr. Seidler stated he feels the Town needs to look at the whole budget and decide how to fund the departments responsibly and also how to help the School Committee with their shortfall. Mr. Howard stated no decisions on allocation should be made before seeing real numbers. Mr. Schaaf stated this issue should be addressed at a future meeting.

Mr. Loeb stated the School Committee have figures for a level funded budget and will start having discussions on cuts or changes during the next month. He noted on this Thursday they will have a larger discussion on ideas for these cuts or changes. By the end of January, they will have met with the principals and will have a better hold on the budget. Mr. Schaaf requested a report at the end of January on their budget. Mr. Loeb stated that the FinCom or BOS are welcome at any of the workshops.

#### **OPEB Management Discussion**

Mr. Markel stated that Ipswich is up to speed with OPEB recommendations.

Mr. Markel stated that the new insurance law states that if a town's insurance plan is more than 5% higher than the GIC, then the town is required to join the GIC. He has had talks with MIAA about this and expects them to come in lower than first projected so as not to hit this new requirement. If they don't, the Town is in the position to move towards the GIC. He had been told the insurance increase may be 9% next year. Mr. Korb stated the teachers union is not in opposition to looking into GIC options.

Mr. Schaaf questioned the retirement age and its ramifications with OPEB. Mr. Markel noted that it is State mandated for 4 categories and State legislature would have to be changed for this to move.

Much discussion on insurance coverage and retirement ages, with policies of the State and Town.

Mr. Fay acknowledged Mr. Markel and Mrs. Negri's effort to manage insurance costs, but wondered if the OPEB costs were being managed as well. Mr. Markel stated that they were not at this time. He noted he could suggest some ideas on how to approach managing these costs and will send them along to the FinCom. Mrs. Negri noted that there is a report listing suggestions on how to manage OPEB costs that she sent out for all to read.

Mr. White inquired about the idea of paying employees to go off the Town insurance plan. Mr. Markel stated he had spoken with town counsel on this issue and it may not be feasible.

Mr. Schaaf inquired how the Schools manage their insurance & OPEB costs. Dr. O'Flynn stated that many of the workers follow the same State guidelines that the Town does. They also have some privatization.

Mr. White inquired about the actuary study going on currently. Mrs. Negri gave a brief explanation of what was going into the report. She noted they have agreed to come before the tri boards with their report.

Mr. Howard made a motion to enter Executive Session to discuss real estate litigation to return to Open Session following. It is noted that the Finance Committee has been determined to be able to enter Executive Session due to their involvement in the litigation.

Mr. Wilson 2<sup>nd</sup>. Roll call vote was 8-0 in favor.

#### RETURN TO OPEN SESSION

Mr. Wilson made a motion to approve 6 invoices from litigation services on the Feoffees issue.

October 26, 2011	\$7,525
October 28, 2011	\$125
October 29, 2011	\$429.90
November 7, 2011	\$47.28
November 10, 2011	\$59,983.29
November 28, 2011	\$5,600.00

Mr. Feldman 2<sup>nd</sup>. Vote was unanimous (-8-0) in favor.

Mr. White gave a brief summary on the audit that had just been conducted.

Meeting adjourned: 11:00pm.

Respectfully Submitted,

Lynne Gibbs  
Recording Secretary  
Ipswich Finance Committee

Approved: 1/10/12