

**TOWN COUNCIL MINUTES  
BUDGET/MANAGEMENT COMMITTEE  
Town Hall Council Chambers  
September 26, 2011 - Monday**

Present: Kenneth DiFazio, Chairman  
Arthur Mathews, Councilor  
Michael Molisse, Councilor  
Michael Smart, Councilor

Not Present: Patrick O'Connor, Vice Chairman

Also Present: Victor Pap, III, Councilor  
Edmund Harrington, Councilor  
Thomas J. Lacey, Councilor  
Susan M. Kay, Mayor  
William McKinney, Chief Financial Officer  
Richard Swanson, Town Auditor  
Kathy Deree, Asst. Town Clerk  
Michael Gallagher, Director of Administrative & Comm. Svcs.  
James Clarke, Director of Planning & Development  
Jeff Richards, Director of Buildings  
Rob McLean, Director of Libraries  
Sean Guilfoyle, Chair, Weymouth School Committee  
Karen Berry, Weymouth School Committee

Recording Secretary: Mary Barker

At 6:30 PM, Chairman DiFazio called the Budget/Management Committee meeting to order.

**11 117-Appointment to the Board of Elder Services- Diane Oliverio**

This item was referred to the committee on September 19, 2011. Mrs. Oliverio was not present; however, the chairman noted she was well known to the members of the committee for her previous service to the town.

A MOTION was made by Councilor Mathews to forward item 11 117 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

A MOTION was made by Councilor Smart to take item 11 118 out of order and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

**11 118-Legion Field Renovation Project**

Mayor Kay presented her request for \$80,000 for the renovation of Legion Field, to repair the tennis courts and the lawn area east of the edge of the current lawn. Stand demolition

has just been completed, and Phase II of the Memorial Wall restoration is slated to begin. The Mayor felt with ongoing activity it was appropriate to present a conceptual design plan for the future of Legion Field which can be a framework for discussion in the upcoming months. She introduced Matt Soule, an architect who grew up on King Oak Hill, to present a design with Jim Clarke. It is a plan that can continue to be adjusted as it proceeds through the public review process. The request for these funds will not conflict with Mr. Soule's conceptual plan. Legion Field is not just an open space and recreational facility; it is a landmark site. It's time to engage stakeholders to reach a preferred plan for the field, and once completed, funds can be budgeted to complete the renovation of the field and return it to use by the residents of Weymouth.

Matt Soule presented the plans with Jim Clarke via a power point presentation. The plan is a broad framework and the plan was developed on his own time as a public service. The plan includes three components; meadows, water management and recreation. He reviewed the types of blooms that can be introduced in the meadow area, and water management as an amenity. The plan also includes circulation paths, structured and unstructured areas. He showed diagrams of the ecosystems, maintenance, and suggested parking space. He included parking studies with lots to be located on the north and east sides. A playground is also included in the plan.

Mayor Kay noted that the concept envelops passive recreation with fields for recreation. Chairman DiFazio asked if approval of the measure would preclude completing any items on the revised list. The public hearings several years ago produced many recommendations from the public that urges parking not be allowed on Gary Street or behind the homes surrounding the park. If the tennis courts are resurfaced, it was questioned if this would preclude future use as onsite parking. The Mayor responded that this funding will not prevent future changes to take place; the measure is to repair the courts so they are usable in the spring.

Concessions and bathroom facilities could be included in the future, but there will be drainage issues that need to be addressed. Chairman DiFazio asked if the fields will reopen to residents. Mayor Kay responded that the intent is to reopen the fields in late spring or early summer once the work is completed. Chairman DiFazio recommended any final plan take into consideration all other recreational fields in town.

President Mathews asked if the conceptual plan considers the amount of ledge on the property and the effect of the slope on water management. He also requests that any plans keep the neighbors concerns about parking on Gary Street in the forefront. President Mathews also asked for confirmation from the Mayor that the funding request and the conceptual plan are separate issues, and that the funding is not for any of the conceptual plan. She verified this. The Mayor confirmed that the funds are for the engineering plan, supplies, and labor to loam and hydroseed four acres, and repair 300' of drainage. Auditor Swanson provided a review of the expenditures for Legion Field during the Mayor's administration. He noted there are adequate funds in the Reserve Fund to support this request.

Councilor Smart noted that when the previous administration put forward a plan for Legion Field, a committee was formed and the comments and suggestions of the neighbors and residents of the town were considered. He asked if the Mayor planned to set up a similar committee once plan and usage are determined. He recommended that the Chairman of Budget/Management be included as the Council's representative and also because the project is in the Chairman's district. There was a brief discussion of the scope of the proposed current repairs.

Councilor Molisse asked if use of the tennis courts will be managed by Parks & Recreation. The Mayor responded that it should be open to residents at large, but some scheduling by groups.

The Chairman asked about the drainage system to the field. The current on site drainage will be repaired and maintained. The demolition of the stands has resulted in ponding in that area. Repair of the drainage will not preclude or increase the cost if the town considers the installation of synthetic fields in the future.

Councilor Pap commended Mr. Soule's plan. He noted the similarity in design scope to projects in North Weymouth. He would support the measure for the repairs at Legion Field as they are long overdue.

Chairman DiFazio noted funds are requested from Reserve Funds and not from the Mitigation funds.

A MOTION was made by Councilor Smart to forward item 11 118 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

A MOTION was made by Councilor Molisse to take item 11 116 out of order and was seconded by Councilor Mathews. UNANIMOUSLY VOTED.

**11 116-General Government Supplemental Fiscal Year 2012 Appropriation**

Mayor Kay and CFO McKinney presented the request. Supplemental information was provided to the committee recently. The additional money is a result of an additional \$518,000 from the state in Ch. 70 funds, payments of more than \$800,000 in mitigation from the base and reduction in the Quinn bill of \$44,825 for a net increase of \$1,273,421. A list of proposed funding was attached to the original measure. A portion of the mitigation money is being used to supplement general government operating expenses and not the Capital Improvement items included in the mitigation Agreement. The balance will fall to the Reserve Fund. The Mayor noted the intent is to supplement the budget in a timely manner. The funds will be restored for the purpose of the mitigation agreement; some will come from Free Cash and some from the Reserve Fund. This is just to start the budget prior to the certification of Free Cash. The Mayor noted there are limitations where the funds are deposited and any use from other than a stabilization fund will require a public hearing process. Chairman DiFazio asked how the Council can be

assured the funds will be returned in a timely manner. CFO McKinney noted it will be made whole once the Free Cash is certified. Essentially, the administration is borrowing funding for six weeks.

Councilor Smart asked the status of the projects which were originally agreed to in the mitigation Agreement and where that funding will go. The Mayor responded that \$1.7M will be returned to the Reserve Fund for the capital projects. Mayor Kay noted that if the funds were put into a Stabilization or the Reserve fund, any action will require a 2/3 vote. She will abide by the recommendation of the committee-- that any action on mitigation funds require approval by Council.

President Mathews recommended the funds not be placed in a 5200 account as the previous administration did. The Town Council should maintain jurisdiction over the appropriation of the funds. President Mathews asked if the Mayor is confident that when Free Cash is certified, funds will be in excess of \$1.7M.

Councilor Lacey noted the confusion as to how the supplemental budget was presented. He also spoke with DOR and noted a special supplemental fund can be created to track the funds, which can include capital and structural improvements. He recommended the town adopt a Stabilization fund created for the purpose of mitigation funds which would track expenditures specifically earmarked from the Host Community Agreement. He disagreed that it does not matter where the funding comes from. The town just bonded \$2.2M for capital improvement projects. This is dedicated money derived from a mitigation agreement and it does matter where it comes from, how it is spent and with the ability of the Council to be able to track and account for it. Mayor Kay responded that DOR did not provide a response for solutions until late last week. Chairman DiFazio asked Councilor Lacey if he did not think the second option, Reserve Fund, was sufficiently segregated. Councilor Lacey responded that he will strongly advocate that the third option, a stabilization fund, will be the best option for the town over the long term.

Auditor Swanson reviewed the Mayor's options and agreed with a stabilization fund as the best option.

The Committee then reviewed the proposed expenditures for the supplemental budget. The Chairman noted that the school department has not provided a list but did fax something over. The Town Council does not have authority over the school department spending. There has been some disagreement, particularly regarding the last contract settled with the Unit A teachers. Acting Superintendent Ferron reported on the \$518,246 supplemental request. Some will be expended to replace special needs vans and to purchase additional vans to transport out-of-district placement, which can result in savings as early as this fiscal year. The department is looking to invest in sustainability in the spending. This will not count towards Net School Spending obligation. Appropriate supplemental spending will bring spending below the 5% threshold. The school department does not know what the current Net School Spending requirement will be until after the FY11 numbers are finalized in December. With no additional funding and trending as it is, the school department is currently not meeting the requirement. Councilor Lacey noted that when the budget was voted in the spring, the Council was

assured that the threshold would be met. He asked if at any time that is at risk, the school department bring it to the attention of the Council. Mayor Kay responded that notice would come in the form of a warning from DOE. Councilor Pap also recalled the deliberations surrounding the school department Net School Spending. President Mathews noted that minutes will be reviewed to confirm. Councilor Pap noted his concern with the timeframe to finding out when the town will know. The CFO responded that it will be when the DESE certifies the final amount. Amendments can be filed, but it hasn't been an issue until the town went into deficit a few years ago. The school department is also looking at several technology projects; interactive technology projects for special needs and lower grade classrooms. These expenditures would apply to Net School Spending. The department will also supplement the substitute teacher budget. The town has had a record number of leaves, which were not predictable. Chairman DiFazio noted that this appears to be a large number to have been miscalculated. He noted he followed the comments of school committee member Berry and recommended the administration hearken to her comments.

The funding will also supplement special needs paraprofessionals and the programming through the planetarium and Science Center. Chairman DiFazio noted that when the high school was planned, the planetarium was touted to be a moneymaker and this has not been the case. There was a brief discussion of the use of the planetarium. Funds will also go to professional development in expectation of Common Core mandates, teacher evaluation revamping, and to supplement the Athletic Department user fees at the high school. Many families are having difficulty meeting the costs for their children to play sports in this economic climate. School Committee member Karen Berry noted that the school department is in very preliminary planning stages with the supplemental funding and the request is fluid. It continues to be on the school committee agenda and is being deliberated.

Chairman DiFazio recommended that the committee go back to its last year's budget request and review those items that could not be included.

President Mathews quoted from the May 25, 2011 Budget/Management Committee meeting minutes, page 2, regarding the expectation that the budget presented by the School Committee meets the threshold for Net School Spending:

*"Mr Ferron thanked Mr. Bois for his assistance in preparing the school department projections for next year. The level service budget, less the transportation costs, add in municipal costs, subtract the charter reimbursement will be projected at \$63.6M. The requirement is \$64.565M, a deficiency of \$970,000. The total deficiency, with the current carryover \$2.4M, results in about \$3.4M in total deficiency. When you look at FY12 deficiency, it does bring it over the 5% threshold for penalty to the DOR. The department does not know what that penalty will be. Chairman DiFazio noted there is the \$550,000 that can be added to the deficiency changing the bottom line."*

**Non-Contributory Retirement**-CFO McKinney reported that the Non Contributory Retirement budget did not include the cost of living adjustment voted by the Retirement Board; there are three remaining employees. The total cost is \$1800.

**Library-** Rob McLean presented the requests for the Library Department. It includes \$56,000 for materials to meet the 9.6% minimum expenditure for Massachusetts certification. \$44,000 was appropriated in FY12 and this will almost meet it. Remaining funds will be sought from volunteers. The library is moving away from paying operating expenses from dwindling state aid and trust funds. Chairman DiFazio noted this is a high priority as certification relies on it. It also includes estimated overtime costs to cover a custodian on medical leave and circulation staffing to keep libraries and reference rooms open while short-staffed. Councilor Smart agreed with the need for keeping the library accredited. Mr. McLean is also requesting funding to procure a replacement for a broken snow blower. There was a brief discussion with the committee and the mayor regarding underfunding personnel costs over the last several years and the impact, particularly in the Library Department. It was noted that DPW plows the lots; custodians clear paths and sidewalks.

**Licensing-** Jeff Richards requested funding to supplement wiring inspection salary as a result of the recent windstorm. There was a brief discussion of the expectation of 75% reimbursement from FEMA/MEMA. Any reimbursement falls to the general fund. He also requested funds to reimburse administrative salary funds and licensing inspector salary, to use for capital items.

**Town Clerk-** President Mathews requested supplemental funds on behalf of the Clerk's office to support a position in the clerk's office 28-hours per week. Town Hall is now open again on Wednesdays, a day in the past that was used by the office to catch up on administrative tasks. Kathy Deree reviewed several impending projects including redistricting, a new vital records program, an election and census all in the upcoming year. Councilor Smart commented that the next time the pilot at the South Shore Hospital is reviewed, it takes into consideration the amount of work the Town Clerk's office must take on with the new program on vital statistics which requires the recording of all births and deaths at the hospital.

**Mayor's Office-** CFO McKinney request for funding to purchase tile trivets that are awarded to retiring employees.

**Planning-** Jim Clarke requested supplemental funding to cover costs as a result of a reduction in Block Grant funding. The department originally budgeted for an anticipated reduction of 7%; however it was cut by 17%. There is a cap on block grant funding for administrative salary use. Three department salaries are fully funded and three partially funded under the grant. Redevelopment Authority funds are dwindling as well. He further noted that as a result of the cuts and uncertainty for sustainability for funding, there currently is no plan to fill the Redevelopment Authority Planner position. The Conservation funding deficit supplemental funding is also requested. There was a brief discussion regarding the Redevelopment Authority.

**Legal Department-** CFO McKinney reported this request is a result of an inaccuracy in accounting-which needs correction.

**Building Maintenance-** Mr. Gallagher reported this request is due to an inaccuracy in accounting; the salary was calculated incorrectly and there was a timing issue as a result of the SEIU contract.

**Public Works Department-** Jeff Bina reported on the request. Two positions are requested; these are to establish a crew chief position and laborer lost in budget cuts in the past. The focus of both positions will be highway and park & trees. Another request is to supplement overtime run as a result of the calls during Hurricane Irene. A request for supplemental funding for vehicle maintenance is a result of an aging fleet.

Chairman DiFazio noted that this department will receive the bulk of funds in the supplemental, and is warranted considering the amount of cuts this department has taken over the last several years. Councilor Molisse commented that he will support this request. Chairman DiFazio noted that the administration should consider revisiting the reorganization of town departments soon.

Chairman DiFazio asked if additional supplemental funding will be needed before the end of the fiscal year. Mayor Kay responded that it is typical for the town to supplement at this time of year. She cannot guarantee that there won't be another request. The administration will closely monitor collection rates.

Chairman DiFazio reported that the committee did not intend to vote this item until its next meeting, barring an emergent need for the funding. Councilor Mathews noted the Public Hearing on this item is scheduled for the October 3, 2011 Town Council meeting. There was a brief discussion of timing for a vote on the measure. The Chairman noted he prefers to hear public comment before taking action on the item.

A MOTION was made by Councilor Mathews to take Process for Review of Internal Audit Reports out of order and was seconded by Councilor Smart. UNANIMOUSLY VOTED.

### **Process for Review of Internal Audit Reports**

Chairman DiFazio reported that this item was referred to the committee on January 8, 2011 and deliberated January 31<sup>st</sup>, March 14<sup>th</sup>, March 21<sup>st</sup>, June 16<sup>th</sup> and September 19<sup>th</sup>. He asked Auditor Swanson to provide an update. Auditor Swanson reviewed and rewrote Section 9 of the Town Policies & Procedures Manual. He provided a copy of the current policy and a redraft to the committee, Mayor and CFO, to which he added:

*“It is very important to keep the audits current and issue timely audit reports to the council; therefore if the report, including the administration’s responses is not returned to the Auditor within thirty days, the Auditor will follow up with the Mayor to inquire as to the status of the report. If fifteen days goes by and the Auditor still has not received the audit report, then he informs the Council President.”*

Auditor Swanson reported that he has discussed this with the Council President who is in agreement with the change. He further added:

*“The Budget/Management Committee will conduct open meetings to review and discuss each audit report with the Town Auditor, CFO and Department Head. The Town Auditor will follow up on each audit finding, to ensure the Administration’s action plans have been implemented on a timely basis.”*

Chairman DiFazio reported to the committee that the Council does not have the authority to change the policy but can only make the recommendation to do so to the Administration. The committee can make the recommendation that the Council send a letter to the administration requesting the change is implemented, and then it would be up to the Mayor to decide what she will do.

A MOTION was made by Councilor Molisse to forward the item to the full Town Council with a recommendation for favorable action:

*“After deliberation by the Weymouth Town Council Budget/ Management Committee the Committee makes the following motion to the Town Council:*

*“That the Budget/ Management Committee report to the full Town Council that the committee has performed a review of the Town of Weymouth Internal Audit procedure as it relates to Internal Audit Reports and reports the following:*

*Findings*

- 1. The current Internal Audit Reports are completed in accordance with the requirements of Financial Policies & Procedures Manual.*
- 2. At this time and at all times previous, the audit reports have been intended for internal management use in improving internal control and implementing new/revised policies and procedures if needed. Further they identify any weaknesses in transaction flow of transactions.*
- 3. Since the inception of the manual and the change of government the internal auditor’s reports have been generated by the auditor and not made available as a public record, nor are they officially reviewed or discussed by the Town Council.*

*Recommendations*

- 1. That the Weymouth Town Council issue a letter to the Mayor indicating that the Town Council requests the following:*
  - a. Make all future audit reports a public record*
  - b. Require the administration respond to the auditor’s reports within 30 days*
  - c. Amend the current Financial Policies & Procedures Manual, Section IX per the attached draft submitted by the Internal Auditor*
- 2. That the Town Council Budget/ Management Committee conduct timely open meetings to review and discuss each audit report with the town*



*Auditor, CFO and Department Head to ensure that for each audit finding the Administration's action plans are implemented on a timely basis.*

The MOTION was seconded by Councilor Smart. UNANIMOUSLY VOTED. Chairman DiFazio and Auditor Swanson will draft a letter to the Town Council.

#### **Accounting for Southfield Mitigation Funds**

This item was referred to the committee on January 18, 2011 and was deliberated on January 31<sup>st</sup>, March 14<sup>th</sup>, March 21<sup>st</sup>, April 4<sup>th</sup>, June 16<sup>th</sup>, and September 26<sup>th</sup>. Chairman DiFazio reviewed some of the prior discussion around tracking mitigation funds and what was recently received, including documentation provided by the Mayor for funds received in 2006 and 2007. Chairman DiFazio summarized the two issues; the Council should keep track of the funding from the inception, and how it was expended. Secondly the Council should review the mitigation list from the Agreement with LNR, to determine which items have been completed, which should remain on the list, and anything new that should be added. Then the list can be reviewed with the Administration to determine the course going forward.

President Mathews thanked the Mayor for the back- up material provided at his request. He recommended the list be separated out into the following categories. Revenues should be tracked by a spreadsheet outlining each payment received, by date and amount and determine to what account it will be placed. He reviewed the list of items; some of the items on the list are either underway, completed or no longer relevant. Some have been satisfied through separate measures. He cautioned changing the intent of the list, which was to mitigate the impact of the redevelopment of the air base. The list itself needs to be reviewed and prioritized. He believes once the tracking of the money is accomplished it will be easier to manage the list.

Chairman DiFazio responded that there are three items that need to be addressed; first, historical review and verification of all mitigation revenue received and how it was expended; second, obtain a status of all of the projects on the mitigation list and the funds spent on each thus far to determine those items which have been completed and can be removed from the list, or replaced by a subsequent need; and third, prioritize the list. President Mathews responded that he would caution against adding items until the existing ones have been accounted for-- factoring in inflation.

Once finalized, then the committee can discuss prioritizing how future funds are spent. Mayor Kay recommended the use of the Capital Improvement Plan. Councilor Smart commented that he would not necessarily agree that that is the best plan and noted that the basic intent of the mitigation agreement was to alleviate the impact to the areas most severely affected by the base development. The list was arrived at after several meetings and many hours of deliberation and he is not comfortable with disregarding it in favor of the Capital Improvement Plan. Chairman DiFazio responded that he thought the Mayor meant that if projects are going to be added, then the CIP should be considered.

Councilor Harrington agreed with Councilor Smart as to the intent of the agreement. Districts 5 and 6 will be most impacted by the base development and should see the majority of the benefit from the HCA. He also noted the conflict in pricing with items on the CIP and the higher costs when these projects were completed. He noted the current relevance of the list does need to be reviewed. The CIP does need to be reviewed so that other items are not deferred until too late. He believes there are items that should be added. The CIP list has many projects that are more emergent than some others. President Mathews asked if Councilor Harrington believes projects should be removed to fully fund others on the CIP list.

Chairman DiFazio noted that the review is not going to be easy and it can't be done without a complete review of the mitigation list and CIP. Chairman Mathews noted that some of the costs on the mitigation list are not totals but meant to supplement funding. Councilor Smart noted that the mitigation list was never meant as a bail out for the town nor a panacea. It was supposed to lessen the impact of the base development.

Councilor Molisse recommended using the CIP merely as a reference and agreed the intent when the list was created was to mitigate impact to Districts 5 and 6.

Councilor Smart commented that the neglect of the CIP over the last several years has increased the cost of repairs more than inflationary costs. Continued neglect will result in cost inflation; the longer repairs are ignored, the higher the ultimate cost of the repair.

#### **ADJOURNMENT**

At 9:30 PM, there being no further business, Councilor Molisse made a MOTION to ADJOURN the meeting and was seconded by Councilor Smart. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Chairman Kenneth DiFazio