

TOWN COUNCIL
Budget Management Committee
February 15, 2005

Present: Ken DiFazio, Chairperson, Sue Kay, Paul Leary, Colin McPherson
Michael Molisse

Also Present: James Wilson, Chief Financial Officer
Robert Swanson, Auditor
Denise Coleman, Human Resource Director
Robert Leary, Fire Chief
Daniel MacCormack-Acting Chief of Staff
Robert O'Connor-Director of Public Works
Brad Hayes-Supervisor Water/Sewer Division
Caroline LaCroix-Director/Administrative & Community
Services

Recording Secretary: Janet Murray

Chairperson DiFazio called the meeting to order at 6:30pm.

A MOTION was made by Councilor McPherson to take item #04 012 out of order and was seconded by Councilor Kay and UNANIMOUSLY VOTED.

05 012-Reappropriation Request to Fire Department Overtime-\$65,000

This request was initially for \$65,000. However, the Fire Department is requesting a reduction to \$25,000- to be taken from the fire suppression fund. This amount will not get the department through FY 05. The Chief is meeting with administration to discuss where additional funds will be found.

The Mayor had made emergency approval to overspend the Fire Department overtime line item.

Item #04 194 is a request for \$100,000 for firefighter overtime. There are currently six recruits at the academy. They are expected to complete training by mid-March. Chief Leary noted that this past winter has seen an increase in injuries. These injuries all happened about the same time, thus requiring more overtime. He also noted that three firemen are on sick leave.

Councilor Kay questioned why the significant increase in this time period. Chief Leary noted that the Cathay Center fire occurred during a shift change.

Councilor McPherson noted that this year's Fire Department budget could be as much as double the budgeted amount. He found this to be alarming.

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Councilor Kay asked what the balance of the Reserve Fund is. It is \$133,793, but will be about \$40,000 after tonight's measures. It was noted that Administration is currently discussing where the additional money will come from. Once the need is determined and the source identified, a measure will then be submitted.

Councilor McPherson stated that this is a two-step process. First, the deficit needs to be made up, with appropriated money, and then there needs to be an analysis explaining the numbers.

Richard Swanson noted that he is working with the Fire Chief and the staff to determine the drivers of the overtime.

Councilor DiFazio questioned how the town got to the point of needing emergency spending.

Councilor Kay stated that she is concerned about avoiding this next year.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 012 and was seconded by Councilor McPherson and UNANIMOUSLY VOTED.

A MOTION was made by Councilor Kay to TAKE OUT OF ORDER Item #04 246 and was seconded by Councilor McPherson and UNANIMOUSLY VOTED.

04 246-Internal Audit-Information Technology Equipment Inventory

Mr. James Limbey and Mr. David Cawthorne appeared before the Committee. Richard Swanson stated that he had performed a physical inventory in May of 2004. Mr. Swanson compared the physical inventory versus the invoices over the past three years. He was unable to account for four computers. They are believed to have been stolen. There was no audit trail or tracking possible at the time.

He noted that the School Department had bar-coded their computers in May of 2004. He also noted that a database is now maintained and there are policies and procedures in place. The Information Technology Department is responsible for managing all equipment.

Mr. Limbey noted that Excel spreadsheets have existed in the past but were inadequate and were discontinued once the transition to the new database software began. This software, Alteris, allows for PC management. The machines are all connected to the network.

Mr. Cawthorne noted that the past year has seen much movement of equipment with the opening of the new High School and the reformatting of the district to two Middle Schools. Each machine has an asset tag with a barcode and has been documented. Baseline data has been established.

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Councilor Kay questioned if the receipt of delivery for a machine is reconciled with the purchase order. They are reconciled.

Councilor McPherson asked if the policy and procedures are working satisfactorily. It was noted that they are optimistic that the results of the inventory planned for May and June will be good.

A MOTION was made by Councilor Kay to ACCEPT the Internal Audit – Information Technology and Equipment Inventory measure and was seconded by Councilor McPherson and UNANIMOUSLY VOTED.

A MOTION was made by Councilor Kay to MOVE UNTIL LATER on the agenda Item #04 179 and was seconded by Councilor McPherson and UNANIMOUSLY VOTED.

05 001-Appropriation Request \$102,855 Non-Union General Government

Councilor McPherson recused himself.

This item reflects the actual financial impacts into next fiscal year. Increases in rate and reclassifications are possible. Also, the line item for recording secretary may need to be increased from \$4,000 to \$11,500.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 001 and was seconded by Councilor Leary and UNANIMOUSLY VOTED.

05 008-Appropriation Request \$5,956-Water Retained Earnings

This is a request for a 2% cost of living adjustment for Water Department non-union employees. The funding source for this item would be from water retained earnings. The increase will be retroactive to July 1, 2004.

A MOTION was made by Councilor McPherson to recommend FAVORABLE ACTION on Item #05 008 and was seconded by Councilor Kay and UNANIMOUSLY VOTED.

05 009-Appropriation Request \$3,555-Sewer Retained Earnings

This is a request for a 2% cost of living adjustment for Sewer Department non-union employees. The funding source for this item would be from sewer retained earnings. The increase will be retroactive to July 1, 2004.

A MOTION was made by Councilor Leary to recommend FAVORABLE ACTION on Item #05 009 and was seconded by Councilor Kay and was UNANIMOUSLY VOTED.

05 010-Bond and Appropriation Request-Sewer I/I Mill River and North Weymouth-\$2,300,000

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Public Works Director, Robert O'Connor and Supervisor of the Water and Sewer Division, Bradley Hayes appeared before the Committee. This request is for the construction costs of

repairs at Mill River and North Weymouth. This is listed as item #34 on the capital improvements.

Councilor McPherson noted that this is one of the last items required under the town's consent order with the Department of Environmental Protection dating from November of 1998.

Councilor Kay questioned if this would be a sufficient amount to make it to the end of the year. It was noted that this should be the case. Councilor Kay also noted that the town has come a long way since 1998. She asked if Mr. O'Connor would create a one-page information sheet to give the Council a summary of what benefits have occurred from all of this work.

Mr. O'Connor stated that when the water table is high, there is a need for more I/I.

Councilor Leary questioned what was happening on Pleasant Street at the Route 3 overpass. Mr. O'Connor stated that there is a block in the line.

Councilor DiFazio asked if this request was for construction. Mr. O'Connor stated that this amount is for preliminary work.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 010 and was seconded by Councilor Leary and UNANIMOUSLY VOTED.

05 011-Reserve Fund Transfer-\$32,986-Maintenance/Utilities for Town Buildings

Ms. Caroline LaCroix appeared before the Committee. She stated that the normal operating expenses for utilities have increased for the four town buildings; Town Hall, McCullough Building, Teen Center, and Hollis Street. The expenses for these buildings are for electricity, water & sewer, alarms, building & maintenance, and discretionary funds.

Councilor Kay questioned the increase at the McCullough Building. It was noted that the Finance Department has moved into this space. The building is used all day, in the evenings, and on weekends.

A MOTION was made by Councilor Leary to recommend FAVORABLE ACTION on Item #05 011 and was seconded by Councilor Kay and UNANIMOUSLY VOTED.

05 013-Reserve Fund Transfer-\$6,651-Clerk's Office

Mr. Franklin Fryer stated that this is a request for reimbursement for election expenditures. Eight precincts had to be relocated because they were not handicap accessible. Other expenses

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included postcards sent to voters that cost \$3710.84 and signs for the polling places. The town has also purchased new flags to replace the existing flags which had become worn.

Councilor McPherson stated that some of the polling places were permanently moved.

Councilor Leary noted that Item #04 215 was continued to allow for Council involvement.

Councilor McPherson asked for clarification on the progress of the repairs to existing polling places. Mr. McCormack stated that some of the repairs have already been completed but are not visible because of the snow cover. He also stated that some of the repair work has been delayed due to recent snow storms.

Mr. Fryer stated that he would discuss the recommendations with the Council and that he would also meet with Mr. McCormack regarding these concerns and report back in two weeks.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 103 and was seconded by Councilor Leary and UNANIMOUSLY VOTED.

05 014-Appropriation Request -\$156,000-Health Insurance

Mr. Wilson stated that this amount is a 2% increase in the town's share of the employees' health insurance.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 014 and was seconded by Councilor Leary and UNANIMOUSLY VOTED.

04 179-Community Preservation Act

Chairman DiFazio stated that this measure is to place the Community Preservation Act on the ballot- to allow the voters to decide if they want this to be enacted. It was noted that the prospective revenues, with no exemptions, would be \$462,613. This amount would receive a matching grant from the state for a total amount of approximately \$800,000.

It was noted that amendments could be considered at the full Council meeting.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on item #04 179 and was seconded by Chairman DiFazio and APPROVED on a 3-1 vote with Councilor McPherson voting against, Councilors Kay and Leary voting in favor, Chairman DiFazio voting in favor, and Councilor Molisse absent.

Issues for Discussion:

Draft budgets for the Council and Clerk's Offices-Fiscal 2006

-Richard Swanson, Town Auditor

-Franklyn Fryer, Town Clerk

Richard Swanson stated that the budgets are working documents. He noted that the recording secretary budget had increased significantly. He also noted that 2006 has 53 weeks which will amount to an approximately 2% increase in salary expenses.

Councilor Smart asked how much it would cost to provide each Councilor with a Nextel cellular phone. It was estimated that it would cost \$3300 per year per phone.

The Town Council Budget includes the Clerk's Budget. It does not include reclassification. Franklin Fryer stated that budget items include voting booths repair and overtime for custodians. He would like to see all voting booths replaced. Unclassified items include book binding, indexes, postings, and other state requirements.

A MOTION was made to recommend FAVORABLE ACTION on the draft budgets for the Council and Clerk's Office as amended in the amount of \$265,621 and was seconded by Colin McPherson and UNANIMOUSLY VOTED.

Town Auditor, Richard Swanson-Retirement

The current position of a full-time auditor is \$80,000 including benefits. Mr. Swanson, the town's current auditor, is looking to semi-retire. This would involve reducing his work schedule to 960 hours per year. He would work 25 hours per week for 39 weeks, February to June, and September to December. The salary would be approximately \$40,000 with no benefits.

In speaking to this issue, Mr. Swanson stated that many of the audit areas of concern have been improved. He noted that with the requested change, he would spend more time on procurement.

Councilor Leary stated that he thought this was a good idea.

Councilor McPherson questioned if the department audits would continue. They would continue, but on a less regular basis. Mr. Swanson noted that he would work 25 hours per week and attend the necessary meetings without billing for them.

Possible Reclassification of Town Clerk position

-Councilor Kay

It was noted that the position of Town Clerk has not been reclassified since the formation of the new government. Since the formation, this position has seen an increase in responsibilities with the addition of acting as the Clerk of the Council, and the Chairman of the Licensing Commission.

Councilor Kay stated that other towns with a comparable population and budget should be reviewed. This item should be referred to the Town Council- for a letter to be sent to the Human Resource Director, through the Mayor's Office, requesting a study of this position. It was noted that the study must be careful of using comparable job descriptions. Councilor Kay agreed to draft the letter.

A MOTION was made by Councilor Kay to REFER to the Council a draft letter, to the Mayor's Office, requesting a study be done of comparable salaries for the position of the Town Clerk and was seconded by Councilor Leary and UNANIMOUSLY VOTED.

Round-table discussion relative to Air Base financial analyses

(CFO, JDA.MAPC/OCC)

There was discussion regarding the financial analysis of the reuse of the Naval Air Station (NAS) and at what level this topic should be addressed. Chairman DiFazio stated that all Councilors need to direct their questions to President Lacey.

There are currently plans to have a meeting to discuss the Peer Reviews, with all of the reviewing firms present to answer questions.

Councilor McPherson expressed concern about redundancy. He noted that he wanted to be careful not to have people appearing multiple times to present the same information.

Councilor Leary expressed his concern that the town is not receiving answers to the questions asked.

Councilor Kay expressed concern regarding the lack of answers, and the projected revenue stream. She noted that this reuse plan has been presented as a huge revenue project, when in fact

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the revenue stream will not be positive for at least the first few years. She also noted that 40R does not currently exist and that there has been a range of numbers for projected revenue.

The town's consultant, Mr. Marken of MLS, will be asked to appear before the Town Council.

ADJOURNMENT

At 9:00pm there being no further business, Councilor Leary MOTIONED to adjourn and Councilor Kay seconded and was UNANIMOUSLY VOTED.

Approved by: _____
Kenneth DiFazio, Chairperson