

TOWN COUNCIL MINUTES
BUDGET/MANAGEMENT COMMITTEE
Town Hall Council Chambers
April 13, 2006 - Thursday

Present: Kenneth DiFazio, Chairperson
 Susan Kay
 Paul J. Leary

Also Present: Jane Hackett, Chief of Staff
 James Wilson, Chief Financial Officer
 Richard Swanson, Town Auditor
 Franklin Fryer, Town Clerk
 George Lane, Town Solicitor
 Jim Limby, Director, IT
 Richard Marino, Public Health Director
 Jim Clarke, Planning Director
 Caroline LaCroix, Director, Administrative & Community Services

Recording Secretary: Mary Briggs

Chairman Kenneth DiFazio called the Budget/Management Committee meeting to order at 6:45 PM.

Item 06-039 - Operating Measure - General Fund Appropriation Request FY07 Annual Budget

Chairman DiFazio noted that matters under discussion for this evening are budgets for : General Government, Town Council, Mayor, Finance, Solicitor, Administration, Administrative and Community Services, Human Resources, IT, Town Clerk, Planning and Building. A handout of questions prepared by Richard Swanson were used as a guideline in reviewing each budget. Ms. Hackett and Mr. Wilson were invited to the table to begin the overview of each budget:

Ms. Hackett noted they would use the actual budget booklet provided, and incorporate the questions from Mr. Swanson as they present each budget. Departments were divided up for review, and directors of all but Library and Human Resources were present. Library budget will be presented at a later date.

Mayor - staffing levels and programs remain the same. 4.3% increase in salaries, result of ordinance for the Mayor, and full year reclassification for the Chief of Staff (offset by the 53rd week). Significant adjustment to mileage reimbursement, to be allocated in departmental budgets in FY07. Insurance pre-funded, supplemental appropriations during the year to help with the cost of deductibles, but projected to be stable. Scholarship Committee will have an increase in postal

costs. (Mayor submitted a reorganization plan to establish Scholarship Committee by Ordinance, noted missing in an audit of the municipal code.) Once established by ordinance, a budget will be worked out with the committee, and submitted as an operating budget program in FY08, with the hope of offsetting the increased mailing costs through receipts, and not having to include postage in the general fund.

Mr. Swanson asked about the mileage rate - 42¢ (IRS allowance rate). He also asked if the insurance covered vehicles in the school department as well; they do. He asked if they allocate out a portion of the costs; they do, in the indirect costs for water and sewer departments, but not to the school department. Mr. Wilson noted that the prorated costs were allocated by percentage to all buildings, including the school department as largest property holder in town. All vehicles are covered and managed in one account. He questioned whether the Mayor's secretary was still allocated out to A&CS- she is, and based on a time analysis of her time, this is appropriately allocated.

Mr. Swanson noted that the budget line items were pretty much flat. There were no questions from the committee.

Town Council - Salaries reflect full year. Ms. Hackett noted that the only item of concern is the recording secretary salary, which bears watching, but not unilaterally increased. Most of the increase is due to the many meetings held in FY06 on the NAS planning, but may not be the same once the municipal code comes through.

Audit and Oversight shows the reduction in hours by the Auditor, with a slight buffer. The annual audit is increased by 10%, to buffer.

Mr. Swanson noted that he was in the process of obtaining a proposal for the annual audit from O'Connor & Drew, but that the \$45,000 was an estimated guess. There were no questions from the committee.

Town Clerk - Ms. Hackett noted that the salaries reflect contractual increase for SEIU and are based on actual figures. The only change since this budget first proposed is the removal of \$12,000 charge for handicapped accessible voting booths in each precinct. There is currently \$38,000 in the Commission on Disabilities account which will be used so the apparatus will be in use for the fall election. She noted that Mr. Fryer has always worked within his budget, both in planning and during the course of the year.

Mr. Swanson requested from Mr. Fryer whether he has heard from the state on any possible reimbursement on the ADA accessible booths. Mr. Fryer responded he had not, but will inform the committee when he has. There were no questions from the committee.

Municipal Finance - Mr. Wilson reviewed the budget, slightly decreased from last years, due to the elimination of one vacated position. It includes several items which are town-wide in nature, including the 3-year revaluation contract increasing each of the contract years, and significantly in the next (2nd) year, which has been renegotiated at a lower cost. It also includes an increase in all non-school related postage (2 meters), and all of the office supplies for the town, which are bid (in year 2 of 3-year) and reflect a slight increase. It also includes a decrease in bond costs (high school project). It also includes leased equipment, and associated maintenance contracts on

typewriters, small and large copiers, etc., as well as the \$15,000 annual maintenance fee for the Property Viewer. Other than the above, the budget is relatively stable, with one notable decline, in attorney fees for the appellate tax board, which Mr. Wilson attributes to aggressive pursuit by the Board of Assessors.

Mr. Swanson asked if, as in the case of the financial assessments coordinator's salary being allocated out 50% to the Enterprise Fund, there were others in the department which could be allocated similarly, such as the Treasurer. Mr. Wilson noted that it already is but to a lesser percent, as are all other personnel costs (which is reflected in the indirect costs, 6% to the water and 11% to the sewer).

Mr. Swanson asked if there were any further discussion on centralizing town accounting/finance functions, as was done in FY02, with the consolidation of town and school financial operations to save money. Mr. Swanson responded that it was an ongoing process, but that all remaining positions are bargaining matters and would impact bargaining. Chairman DiFazio asked if that meant all positions which do not impact bargaining can be consolidated and Mr. Wilson responded affirmatively.

Mr. Swanson asked about the \$50,000 in medical reimbursements. Mr. Wilson responded that the municipal finance department is responsible for seeking reimbursement for the school department's costs associated with Medicaid. One member of his staff spends half of his time going to each of the schools and assisting staff and families in getting bubble sheets completed, four times a year. They are submitted then to New England Medical Billing which does the actual transcription into reimbursement schedules, and then reimbursement is applied to from the state. The \$50,000 pays for the New England Medical Billing. Depending on the size of the reimbursement from the state, they get from 3-6%.

Councilor Kay asked where that money goes, and Mr. Wilson responded that it goes to the general revenue, under local receipts accounting. He noted this had decreased substantially, it normally lags a quarter behind, but the state is now behind by two quarters, and as a result, the revenue projection has been reduced.

Mr. Swanson questioned the approximately 67% increase to the armored car services, and asked if this is under contract. Mr. Wilson responded that it is, and that the service includes picking up at all of the schools with large deposits including the high school and two middle schools, and McCulloch, as well as Town Hall. Mr. Swanson asked if the schools had discontinued bringing deposits to the treasurer's office, and Mr. Wilson responded affirmatively for the larger schools, but that the smaller schools still bring them to Town Hall.

Chairman DiFazio asked what the reason is for the increase in the reevaluation cost. Mr. Wilson responded that it is a scheduled increase with New England Appraisal, which is under a three year contract. It was renegotiated at a lesser rate than initially contracted in Year 2, but noted to expect a significant increase in Year 3.

Mr. Swanson asked if state contributions to mandated reevaluation has been offered yet. Both Ms. Hackett and Mr. Wilson noted that so far to offset the increase in utilities costs, snow removal costs and lottery money, contributions have not been offered, and they were not going to anticipate before receiving a check. Councilor Leary asked if the administration had any idea how

long this would be an annual charge; it used to be once every three years. Mr. Wilson responded that the DOR has not changed its standards.

Councilor Kay requested whether the postage expense added to the municipal finance budget would be realized by a decrease in all other department budgets. Mr. Wilson noted that there has always been a single line item for postage, and that last year it was pre-funded.

There were no further questions from the committee.

IT - Mr. Wilson noted the IT budget is essentially level funded, with one position which remains unfilled (due to long term illness, with no return date). At the Chairman's request, Mr. Wilson noted it is a Senior Help Desk Technician position. Mr. Wilson noted that over the last several years, he, Mr. Limby and the Council have been renegotiating all contracts which expire in the month of June into their proper fiscal years. Four of the five have been appropriated to an 02 account, and he expects to be back to Council with costs associated with the last contract to be negotiated-the Microsoft licenses.

Mr. Swanson asked if Mr. Limby could join them for questions, since most of his questions would be operational. He asked if the employee out on illness was covered under long term disability. Mr. Wilson said that he is off payroll. Ms. Hackett noted is it budgeted at reduced hours (half time) in the event the employee returns to work, but is currently not paid.

Mr. Swanson asked if there was any reorganization considered within the IT group. Mr. Wilson noted that it was not at this time, but that there may be a shift in duties within the department, particularly if the long term illness continues. Mr. Swanson noted that it might make more sense to use the money set aside for the employee being out for other business, and come before the Council for an appropriation at a time when that employee returns. Mr. Wilson noted it would delay a reentry until the Council voted the appropriation. Ms. Hackett noted that the budget is not cut midyear if someone goes out.

Chairman DiFazio asked what the procedure is with the budgeted funds if the employee does not come in during the fiscal year, and has it ever been documented. Mr. Wilson responded that salary funds can only be expended for salaries; if not used, they will appear as surplus and fall to free cash. Each year it amounts to approximately \$700,000.

Chairman DiFazio asked if salary funds held this way could be used to pay more hours for another employee. Mr. Wilson responded that they could, but would require the Mayor's permission.

Mr. Swanson asked if any of the IT budget is allocated to Water & Sewer; Mr. Wilson responded affirmatively (the same 6/11% allocation as other departments).

Mr. Swanson asked if Bassem Awad was allocated out to other departments. Mr. Wilson noted that although he is working for other departments, it is in an IT scope and should be under IT jurisdiction. The decision was made by the Mayor, as part of consolidating the department.

Mr. Swanson asked if the Altiris program is working as designed. Mr. Wilson responded that it has been, and is updated annually. He noted that all of the members of procurement will be out on

long term medical leave, and will not be available to do this year's inventory. Mr. Swanson asked if the school IT is responsible for the school inventory; Mr. Wilson noted they are. Mr. Swanson also asked about the police department, whether they were on the network yet. Mr. Limby noted that they will not be ready for this year. Mr. Swanson asked if there were any IT enhancement issues forthcoming that Mr. Wilson knew. Mr. Wilson noted a MUNIS upgrade, and a GASBY 34 Reporting System, and a treasurer accounting system. There will also be a coordinated upgrade to police and fire communications dispatch system considered, at an estimated cost of \$.5M that is not included in the budget. Ms. Hackett noted there is some Host Community mitigation money put aside for public safety communications which will be available, but that a portion may be a future bond request. Mr. Wilson noted that the MUNIS upgrade was in the budget.

Councilor Kay asked if any Homeland Security type grant funding could be used. Mr. Wilson noted that during the discussion with the fire department, they are aggressively pursuing grant funding.

Mr. Swanson asked if Mr. Limby is the only authorized procurer for IT for the town to sign off on all invoices for IT equipment. Mr. Wilson noted that the town, under standing order in municipal finance, will not authorize the purchase of equipment on a signature other than Mr. Limby's. Mr. Swanson asked if the school IT operated independently, and Mr. Wilson responded that they do, but that the directors of each department coordinate closely.

Mr. Swanson asked if any discussions concerning consolidation of town and school IT departments have taken place. Mr. Wilson responded that discussions have, but that the members of the IT department in the school are paid more than the town-side department, and to consolidate would require the school IT employees to take cuts which would not be popular. He said that, yes, there has been discussion, but he does not see it going anywhere.

Mr. Swanson asked if there is an updated schedule from IT which pulls together all of the contracts. Mr. Wilson responded that he has one.

Councilor Kay asked if the GIS Administrator salary is allocated back to any of the departments which use the service. Mr. Wilson responded that it does to Water & Sewer departments which use the data, and has for the past three years.

Councilor Kay asked if there are consultants, where they are shown on the budget, and could the committee get a breakdown. Mr. Wilson responded that Mr. Swanson has already requested it.

Councilor Kay asked for particulars on one of the consultants; Mr. Wilson responded that this person is used to write scripts for MUNIS.

There were no further questions from the committee.

HR - Ms. Hackett reviewed the budget, which reflects a 4.4% decrease as a result of the 53rd week removed, and the director's salary shown as actual. She is currently budgeted for 32 hours per week, which is a voluntary reduction. There are increases in the medical exam line, due to potential hires in police, fire, water and sewer departments. Advertising budget is expected to be tight due to several current professional openings. Miscellaneous expense lines may be able to help. There was extensive training this year, on transportation drug, Eudora mail program, and

loss prevention for municipal insurance. A portion of the HR budget is allocated out to water & sewer also.

Mr. Swanson asked if the department is doing any school work. Ms. Hackett responded that although the school department administers its own HR functions, the town HR administers the health and dental insurance benefits for school employees. There are times when the departments will rely on each other's expertise, but the school department does not pay for those services. The DOE per pupil expenditure guidelines, health care costs and benefit costs are included in the calculation.

Chairman DiFazio asked about the reduced budgeted hours for the director, and if this was because that is what the position calls for. Ms. Hackett noted that the town has a 35 hour workweek, but the decision was made jointly by she and the Mayor.

Mr. Swanson asked if there were any contemplated changes in employee benefits or funding anticipated. Ms Hackett noted there is a 3% raise for nonunion personnel and a tuition reimbursement for nonunion personnel. Mr. Swanson asked if the tuition reimbursement was included in the budget, and Ms. Hackett noted that it was not; the goal is to submit appropriation requests to the Council.

Chairman DiFazio asked if this is in addition to tuition reimbursement in CBA's. Ms. Hackett noted this is still in draft form, but is intended to mirror those in CBA's, and will be administered at the discretion of the Mayor and Director of HR. The Chairman asked if they have submitted a cost for it. Ms. Hackett responded \$20-30,000 was what has been discussed in preparations.

Councilor Leary asked for clarification on hours budgeted, and where the allocated costs were located for the director. Mr. Wilson explained where to find them on the budget.

There were no further questions from the committee.

Community Services - Ms. Hackett reviewed, by divisions:

Maintenance of town-owned buildings - a relatively flat budget. Same number of employees, hours per week, with an increase under the SEIU contract. Utility costs are based on a utilization analysis requested by the Mayor.

At the Chairman's request, Ms. Hackett noted what the different cost centers represent by building, and explained that Hollis Street is the Civil Defense location.

Councilor Leary noted that he'd received a call about Hollis Street, that there were rumors that the building was to be torn down and condos erected. Mr. Wilson noted there are no plans; the site is under phase 4 DEP monitoring due to an oil spill, and that excavation on monitoring may be what is fueling rumor.

Disabilities Commission - level funded with a \$400 expense line item. They have \$38,000 of which the Mayor intends to capture \$12,000 for the HP accessible voting booths for 12 precincts. Revenue is generated from parking tickets issued on HP spots.

Management for Administrative & Community Services - down because 53rd week extracted for comparison purposes. Reserve switchboard operator position was not filled due to lack of interest. Ms. Hackett noted that the Mayor has assigned the director in a review the DPW, which will be ongoing for the foreseeable future and cooperative efforts for daily reporting exist. Ms. Hackett provided information on daily reporting for the departments while the Director is involved in the review. Her salary is also allocated out to water & sewer. She also noted that as in last year, the Mayor's secretary is also allocated to A&CS at 20%.

Ms. Hackett reviewed the salary and classification of the director at the request of Councilor Kay.

Councilor DiFazio was concerned that the Director's hours are being reduced, but Ms. Hackett noted her hours are the same FY06 and FY07, but that the concern is that she is spending the hours assigned elsewhere. There was some discussion, and Ms. Hackett noted that it will be closely monitored.

There was a brief discussion with the Chairman and Ms. Hackett concerning what information will be provided and when concerning the outcome of the DPW review. Ms. Hackett noted that the Mayor is conducting an overview of the DPW in the last few challenging fiscal years. Cutbacks in staffing, inability to purchase equipment, significant turnovers at director and water superintendent level, are all drivers, along with an aging workforce. The Mayor's intent in reviewing the department is to have a level of comfort with operations, and to build upon the success of the merger of school and town departments by centralizing maintenance, and building further on the park improvement plan. In order to continue further with the park improvements, DPW will need the proper personnel, manpower, and equipment. All levels are being looked at, along with all programs. Ms. LaCroix was chosen by the Mayor to conduct the review based on her qualifications.

Councilor Kay noted that her concern is that the Director of Administrative & Community Services may not be able to conduct her own position with less hours, and how to maintain the level of quality in the department without her time allocated elsewhere. Ms. Hackett noted it will be closely monitored with the upcoming recreation season.

Councilor Leary asked when resolution might be. Ms. Hackett noted it will be ongoing at least through the fall. It will be a multi-year project, but is at the evaluation stage, and probably at a less intensive level once the evaluation phase is complete.

Chairman DiFazio asked if an operational review by the Auditor would be of assistance, and Ms. Hackett responded that Mr. Swanson has identified areas as he has for other town departments. She noted that he makes himself available as needed.

Mr. Swanson asked about telephone expenses in the budget. Ms. Hackett noted that includes the phones at Town Hall and McCulloch, wireless for the Civil Defense van, and recreation department out-buildings.

Councilor Kay asked which budget has the cell phones for the town. Ms. Hackett responded that is in DPW budget. Councilor Kay asked for a report on breakdown for number and cost of cell phones by department.

Mr. Swanson noted that Veterans Services budget is flat and has been for several years. Ms. Hackett noted that it has remained that way. Mr. Wilson noted that the state sets the benefit rates.

He asked if the principal clerk in the Veterans office is still also working in other departments. Ms. Hackett noted she works within community services, but it is not allocated out.

He also asked if Civil Defense has expenses; if so to where are they allocated. Ms. Hackett noted they do and are covered in other budgets (municipal finance, building maintenance), etc.

He asked if there is a report for elder services allocations. Ms. Hackett noted that she did not have a spreadsheet which has been updated recently, but there is no decrease in staffing or hours in any of these programs (Veterans, Youth & Family Svc., Elder Svc.). Ms. Hackett provided a verbal breakdown of positions and departments.

He asked how the summer help in the recreation budget is handled. Ms. Hackett noted that with the exception of the custodian, all positions are allocated to the general fund. Recreation is the only department increasing positions, by two in the WEY/REC program.

There were no further questions from the committee.

Town Solicitor - Mr. Wilson provided an overview of the town solicitor's functions for the town. Three main services: advise and defend the town (solicitor, and sometimes with outside assistance); provides municipal finance and planning and community development departments advise on tax foreclosures (2 attorneys); labor relations. Only set figure is Solicitor Lane's stipend (adjusted to reflect nonunion COLA's). All assistant counsel paid stipend rate at \$125 /hr.; to be increased to \$140/hr. effective July 1st. Labor relations will be active next year with upcoming negotiations. He also reviewed the claims in judgments/workman's compensation settlements procedure, and the estimates in the budget.

Chairman DiFazio asked what the labor relations stipend was. Mr. Lane responded that it is the same as the assistant counsel.

Councilor Kay asked the difference between Special and Assistant Counselors. She also asked for an explanation of real estate professional fees.

There was a brief discussion on claims and judgments with respect to the Abington Transfer Station, Consent Order, etc. at the request of Councilor Leary.

There were no further questions from the committee.

Health - level funded, salary line less, due to the vacancy of one public nurse position budgeted at less than FY06. All other services remain the same. Mr. Wilson ran a report at the request by Mr. Swanson to show how many grants or donations there are. Of the \$345,000 expended year to date in the public health budget, \$305,000 is from the general fund. \$40,000 is specific grants, including Emergency Preparedness, Pneumonia Clinic, and a drug program.

Ms. Hackett noted that the vacancy is funded for FY06 and FY07, but may or may not be filled in the current fiscal year.

Mr. Swanson asked if there was money left in the SITHE account. Ms. Hackett noted the balance is approximately \$50,000.

There were no further questions from the committee.

Planning - Ms. Hackett reviewed this department. Staffing will remain the same; there is a decrease in the salary line due to removal of the 53rd week, and breakage budgeted for the Economic Development Planner, which is currently vacated, but is budgeted for FY07 at the same grade, lower step. Proposed zoning changes may affect the position title. Conservation fund partially offsetting Conservation Administrator. Director's position partially allocated out, 20% to CDBG, and his secretary is allocated out 10% also to CDBG. Economic Development Planner allocation increased to 30% over to redevelopment authority. Conservation Officer increased in hours to 28/week, and a portion of her salary captured in Conservation fund. Principal Planner, Traffic Engineer, and Conservation Clerk are all allocated to the general fund, the remainder are supplemented through grants, CDBG, and redevelopment authority. Ms. Hackett offered to provide the committee with a breakdown similar to the elder services report for this department-Advertising budget adjusted with anticipated zoning changes. All expenses are combined in the planning department and not broken down by program.

Councilor DiFazio noted that zoning changes were started a few years ago, but not completed. Is there a plan to continue? Ms. Hackett noted that the Mayor intends to make it a priority in the future.

Mr. Swanson suggested the committee might want to request from administration a master schedule of all employees in the town, excluding school department who are being charged to a non-general fund, for ease in following. Ms. Hackett noted she would provide for Planning, Health, and Elder Services.

Councilor Kay asked where the expenses are shown for Conservation, and Ms. Hackett noted that they are included in the Planning budget, not broken down by program.

There were no further questions from the committee.

License and Inspection - level staffed, 53rd week extracted, SEIU contractual increases, and with breakage budgeted for an assistant inspector vacancy that was at the higher end of the scale; anticipate bringing someone in at a lower step, same grade. Maintain Category 4, Temporary Help for busy seasons and vacations. Mayor has authorized hiring of building inspector, fully funded in FY06. There was a brief discussion of current inspectors. Mileage reimbursement increases due to the increased number of inspections.

Chairman DiFazio asked and was shown where temporary help appears on the budget.

Councilor Kay requested why temporary help is needed; is it a result of the vacancy? Ms. Hackett noted this is for office help, and not technical staff.

Councilor Kay asked if inspectors used their personal vehicles. Ms. Hackett responded that they do, and are reimbursed mileage. DPW fuel depot was considered. Depreciation is figured into the mileage reimbursement figure.

Noting that Mr. Swanson would be questioning, Ms. Hackett provided information on Weights and Measures, which is done by Mike Shaheen, who checks scales at stores, and gas station pumps, and jeweler scales. He is a contracted employee, paid at stipend rate with no benefits, and uses his own equipment.

She also indicated that there are detailed summary mileage reimbursements which she will provide to the committee.

There were no further questions from the committee.

At 8:40 PM, there being no further business, Councilor Kay made a MOTION to adjourn, and was seconded by Councilor Leary. UNANIMOUSLY VOTED.

Kenneth DiFazio
Chair of Budget/Management Committee