

TOWN COUNCIL MINUTES

BUDGET/MANAGEMENT COMMITTEE

Town Hall Council Chambers

April 20, 2006 - Thursday

Present: Kenneth DiFazio, Chairperson
Paul J. Leary
Michael Molisse
Patrick O'Connor

Not Present : Susan Kay

Also Present: Jane Hackett, Chief of Staff
James Wilson, Chief Financial Officer
Robert O'Connor, Director of DPW
Richard Swanson, Town Auditor
George Lane, Town Solicitor
Arthur Mathews, Councilor
Kevin Whitaker

Recording Secretary: Mary Briggs

The Budget/ Management Committee portion of the joint meeting convened at 8:05 PM.

This portion of the joint committee meeting is a Review and Discussion of Fiscal Year 2007 Budgets for the following Departments, Department of Public Works, Water Department, Sewer Department, inclusive of:

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

06-040 - Snow Removal Deficit - Free Cash Appropriation

06-046 - Operating Measure - Sewer Enterprises Fund Appropriation Order

06-047 - Sewer Enterprise Fund - Residual Account

06-048 - Water Enterprise Fund - Annual Appropriation

06-049 - Water Enterprise Fund - Residual Account

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

Mr. O'Connor was invited to the table. Mr. Swanson provided a list of prepared questions. Mr. O'Connor gave a brief overview of the DPW budget. The budget is level funded, with two positions funded in FY06 not be included in FY07. One is in Highway-Streets and Sidewalks, and one is in Parks Maintenance. Union negotiated salary increases are included.

Mr. Swanson asked for an updated organizational chart of personnel to be provided. Mr. O'Connor will furnish, and noted there are currently 92 positions, including a vacancy in the Water Department (superintendent).

Mr. Swanson noted that after extracting the 53rd week figures, the salaries appear to be down from last year. Mr. O'Connor responded that a custodial salary for FY07 has been reclassified from one line to another, but it is not a reduction.

Mr. Swanson asked if salaries take into account CBA and step increases; Mr. O'Connor responded they do.

Councilor DiFazio noted sidewalk salaries are down as well.

Mr. O'Connor noted that there is a 4% increase, and one less employee in that program. Each program is losing one position, including a W-5 in the tree climbing and a W-5 in the highway department (retirement not replacing), which is about \$40,000 each.

Mr. Swanson asked if employees were individually factored for step and negotiated salary in preparing the budget, and Mr. O'Connor responded affirmatively.

Mr. Swanson noted a decrease as well in Parks and Playgrounds. Mr. O'Connor noted that is due to a vacancy not being filled or funded (\$40,000) in FY07.

Mr. Swanson asked if John Barker, could be partially allocated to the School Department budget since he spends part of his time there, similar to Mr. Slattery. Mr. O'Connor noted that he does spend a portion of his time in the schools. His current assignment is on the town side, in charge of custodial activities in all town buildings, and the maintenance staff on the town side. His time can't be broken down by percentage since it varies week to week. Mr. Swanson noted that it appears that Administration could have apportioned a part of his salary to the School Department.

Mr. Swanson questioned why meal allowance is budgeted out of salaries and not as expenditures, and Mr. O'Connor responded that meals are paid through the payroll system. It has evolved from a reimbursable expense to part of the salary computation for overtime.

Mr. Swanson asked how many people the \$15,000 in seasonal help represents. Mr. O'Connor responded that as many as he could pay. He thinks it will be about 5, all \$11/hr. average, 40 hours a week, for 7 weeks. This figure is down from \$47,000 from FY06, and this year is \$30,000 between two programs. Chairman DiFazio asked if Mr. O'Connor recalled what the figure was for FY05, and Mr. O'Connor thought it was about 3% less, because of the nonunion

salary increase.

Mr. Swanson noted many CDL's budgeted. Mr. O'Connor noted this refers to Commercial Driver License, required by the state to drive any vehicle weighing over 26,000 lbs. or with air brakes. There are about a dozen vehicles in the DPW requiring CDL. Those employees with a CDL get an additional stipend as they are subject to random drug and alcohol testing. It costs \$20 a week in the budget per employee.

Mr. Swanson noted the clothing allowance was flat this year, and Mr. O'Connor noted that they were able to hold it in the new contract; there is no increase in the allowance this year.

Mr. Swanson requested what drives the police overtime in the DPW budget. Mr. O'Connor noted it was a control matter. If left to the police to determine details on projects it takes control from the DPW budget and would end up costing the town more money. The DPW determines, with the cooperation of the police department, where details are needed. Mr. Swanson noted it is only down by \$5400, and Mr. O'Connor noted when they call for a detail they hope for a patrolman versus a captain.

Mr. Swanson noted that the Streets and Sidewalks operating budget is down by almost 25% and asked if this was a realistic goal. Mr. O'Connor noted it is a goal they hope to meet; it may mean less catch basins get cleaned less often, and non-emergency calls may wait longer.

Mr. Swanson asked about the recycling budget. It goes from \$7000 in FY06 to 0 in FY07. Mr. O'Connor noted it was probably just a coding issue. The total solid waste program (\$47M) is not broken out because the current collection contractor does not break out the contract. Everything in curbside removal is covered. Some items, CRT's, waste oil, surplus paint, are picked up separately, and are covered under a separate hazardous waste removal contract.

Mr. Swanson recalled rubbish removal costs were tied into the Consumer Price Increase for the metropolitan area, and being increased by 2.5%. Mr. O'Connor responded affirmatively. It was 2.8% last year. The contract is up in June 2008.

Mr. Swanson asked if the \$2500 budgeted for small equipment is realistic. Mr. O'Connor responded that this line is used to pick up smaller items such as vacuum cleaners, window air conditioners, floor buffers, for all of the buildings, and he hopes it will be enough to get through the year.

Mr. Swanson noted the vehicle maintenance salaries are up by 32%. Mr. O'Connor responded that an additional mechanic was hired; now there is a master mechanic, 4 mechanics, and a welder/fabricator. They work on all town vehicles except the School Department's and it's a busy shop. They've taken on maintenance of the Fire Departments vehicles as well.

Councilor DiFazio asked if this is why the building maintenance is also up similarly. Mr. O'Connor responded affirmatively.

Mr. Swanson asked if vehicle maintenance logs are kept. Mr. O'Connor noted that they are, but most are handwritten and paper files. The department is looking into purchasing software to

enable computer recordkeeping.

Mr. Swanson asked if employees are allowed to work on their own vehicles in the shop during off hours. Mr. O'Connor responded no.

Mr. Swanson asked if there has been further discussion with Administration on consolidation with the School Department as has been the trend in the last few years. Mr. O'Connor responded that it has been the Mayor's goal to centralize building and vehicle maintenance; however, the school department is a different union, so there is impact bargaining. Also the scenario is slightly different in that the school department vehicles carry pupils.

Mr. Swanson asked what company provided street lighting power. Mr. Wilson responded that the generation portion of the electricity comes from the bid through Suez. The contract was locked in at 7¢ per kilowatt hour, and is expiring in September. New bids are expected to go out, and expected to be higher.

Mr. Swanson noted to the Committee that the snow and ice budget is the usual \$220,000. There was 44" of snow, in 18 days- 15 storm events. Last winter was 120".

Mr. Swanson asked if there is anything else in the budget the Committee should be aware of; Mr. O'Connor responded there is not.

The Committee held a brief discussion. Councilor Mathews noted that as a point of order, this is a very tight budget, and could affect the Council and Administration. Noting the decrease in seasonal help in particular; the Committee should be aware. Councilor Mathews asked if the recycling would be a cost benefit to mandate by ordinance. Mr. O'Connor noted that recyclables are a flat fee for pickup, but are picked up on a biweekly cycle and it could be cost prohibitive to change the contract. Councilor Mathews isn't as concerned with enforcement as he is with publicizing. He asked what percent of homes in town recycle. Mr. O'Connor noted it is about 75% participation. The DPW promotes the service, including providing bins free of charge as requested. He noted it's an issue in every town. One town offers an incentive; Mr. O'Connor noted there is one incentive mandated by DEP- it's a "pay as you throw" but it's a cumbersome program. Councilor Mathews noted that Weymouth has one of the best trash removal programs in the state. Councilor Leary thought from his own observation that the 75% participation figure may be optimistic. He feels that the Administration and the Council could play a bigger role in encouraging recycling.

David Tower, Business Manager of Public Works, joined Mr. O'Connor at the table. There are few changes in the water and sewer budget. The sewer rate revenue which was put into effect in FY05 was primarily dealt with by the sewer department, rate increases of 7% in FY05, 7% in FY06, and rate increase split between water and sewer of 6% scheduled for FY07. Over the last few years, they have achieved the projected revenues, and feel confident it will again next year (\$12.3M)

Coupled with the increases will be an additional 100-120 homes connecting to the sewer system. There is a proposed ordinance mandating the remaining homes in town hook up.

Mr. Swanson asked why the connection revenue is increased by 2/3. Connection fees include existing property, new construction, mitigation fees which are being migrated over to the revenue stream.

Mr. Swanson asked why the disposal fees vary widely. Mr. Tower noted this is an actual figure for disposal of waste treatment. There isn't a lot of pumpage in the winter months but it will be expected to pick up in the summer.

Mr. Swanson asked what the interest added line is for. Mr. Tower noted that the town will pay in certain circumstances to the homeowners cost to the contractor via loan to hook up to sewer and then pay it back to the town through the tax process. He noted the term of the loans are 20 years.

Mr. Swanson asked if the superintendent position is intended to be filled prior to July 1st. Mr. O'Connor noted that is the Mayor's intent-currently in the interview process.

Mr. Swanson noted the sewer budget is also very flat. He questioned if the \$9M sewer charge is negotiable. Mr. Tower notes that is the MWRA mandate, based on historical information. It is not negotiable. The proactive approach Weymouth has taken over the last few years puts it in a better position than most of the surrounding towns. Once the MWRA sets its budget level, the towns are assessed.

Mr. Swanson noted that the rest of the town has increased the utility budget by 20-25% but that sewer has not and asked how they intend to meet the cost. Mr. Tower noted that there is an increase in the sewer collections by \$58,000. That's about a 20% increase in that line item. Rehabbing the ejector stations (3-4 per year) is also helping to maintain electric costs.

Mr. Swanson noted on the Expense budget-sewer benefits and indirect charges - the \$2.8M which is the same as the FY06 budget. Mr. O'Connor noted that since the change in government in 2000, the people responsible for that number are the Mayor and the Director of Public Works. They are in agreement with the figure.

The last three items in indirect are not in FY07. Mr. Tower noted one of the items had to do with short term debt, which there currently aren't any; everything has been bonded. The other two are transfers into the capital project fund which have no bearing on the operating budget. Mr. Wilson noted that the funds are originally appropriated into the line items, than redirected to the 002-general fund.

Chairman DiFazio asked about salary allocations. He noted that in the books, all other town employees are factored partially into the water & sewer but he has not seen the same for DPW, in particular Caroline LaCroix. Mr. O'Connor noted that she is not paid through DPW.

Councilor Mathews asked what the sewer hookup rate is. Mr. O'Connor noted it was in the 90th percentile; Mr. Tower thought it was higher.

Councilor Whitaker asked if the amount of funding will be offset in the Capital Improvement Plan through bonding. Mr. Wilson reviewed the details.

Councilor O'Connor noted that Weymouth has sufficient funding to pay sewer fees, while other communities may not. Councilor O'Connor asked if they foresee keeping up with continuing rises. Mr. Tower noted he would not expect as high an increase in the next few years as in the past. He also asked if the 2.4 rate change is an increase, which Mr. Tower noted is. Now that sewer capital costs have been met, the water rate increases will be phased in, and increased in accordance with the operating budget.

Mr. Swanson asked under the water revenue section, noting it is less than 1% from FY06, and to respond to Mr. O'Connor's question, that it does reflect a rate increase, although Mr. Tower noted it may take time to show a revenue stream.

Mr. Swanson noted under Management / Administration that it is down - Mr. O'Connor noted that as in other town departments, it reflects a principal clerk's position vacancy that isn't being filled, but was charged 100% to the water department.

Mr. Tower noted that the budget is level, and includes negotiated increases.

Mr. Swanson had similar questions on utilities. They were increased by \$25,000. Monies are also earmarked for the capital improvement and short term repairs at the Water Treatment plant. They have been set aside in the FY07 budget, and use will be used only with Council authorization; it is merely a reclassification of money.

Mr. Tower also gave a brief review of meter replacement which is still in process.

Mr. Swanson asked if there were anything else in the water and sewer budgets of concern. There were none.

There were no further questions from the Committee. Chairman DiFazio asked if the administration would like to review measures 06-040, and 06-046 through 06-049 which are on the agenda, and will need to be reviewed before going to Council. Ms. Hackett and Mr. Wilson noted these items directly related to the budget

06-040 - Snow Removal Deficit - Free Cash Appropriation

Mr. Wilson reported that back in January the Council authorized the overexpenditure of the line item by \$325,000. Requesting a free cash appropriation to hold the line. There was a brief discussion.

06-046 - Operating Measure - Sewer Enterprises Fund Appropriation Order

Ms. Hackett noted this is under the appropriation request section in the Water & Sewer presentation. This is the Sewer Enterprise Request fund which matches the Sewer Enterprise budget, \$13,182,371, to appropriate for salaries, operating expenses during FY07; and expenditures from the Reserve Fund which were just discussed will be subject to approval of the

Mayor and Town Council, just as they are in the general fund.

06-047 - Sewer Enterprise Fund - Residual Account

Mr. Wilson noted this is an annual housekeeping item; as suggested several years ago in an independent audit, all Capital Improvement programs be reviewed, the account closed and the monies remaining be put in a general account. After review with the Mayor and Water & Sewer Divisions, the sum of \$945,311 from several Capital Improvement projects are surplus funds and the accounts should be collapsed into a single account, and the funds will have a use in the next year. Ms. Hackett briefly explained the history of the projects, for benefit of the Committee. She also touched on the high school project, which is not closed out as yet. The Chairman asked if the high school project were different in that it is a reimbursable project Ms. Hackett outlined the difference. She noted further that any expenditure of the funds in the collapsed account will require Town Council authorization.

06-048 - Water Enterprise Fund - Annual Appropriation

Ms. Hackett noted this is the Water Department budget which the Committee reviewed earlier this evening- \$7,093,390 for FY07. Mr. Swanson asked if the Capital Projects- Conservation Fee, \$150,000 line item should be on the schedule. Mr. Wilson responded that it belonged; each year there are mitigation conservation fees and appropriations from those, which are being collapsed into the general revenue stream for Water & Sewer.

06-049 - Water Enterprise Fund - Residual Account

Ms. Hackett noted this is the same process as discussed on the Sewer side, although not as significant, but \$300,000 will be available for re-appropriation at a later date. Councilor Leary noted what appeared to be a typographical error in the Phase 4, Hollis Street project, however, Mr. Wilson thought it represented the funding that is encumbered at this point.

Councilor Whitaker asked if this is the conclusion of the measures for tonight and the Chairman noted it was. Councilor Whitaker then asked if the Water Treatment Plant vote will be coming up at the next meeting. The Chair wasn't planning it for any of the measures reviewed tonight, without specifically being requested, until the beginning of May. Mr. Wilson noted that a public hearing would have to be held prior to a vote taken, so the earliest will be the meeting following the meeting on May 8th. He noted it should be on somewhat of an accelerated schedule; however, since Bond Council approval will be required, and SRF for approval also. Chairman DiFazio said there will be a public hearing before the Committee even recommends it to Town Council. He noted the history is that almost all typical measures are referred out of Committee and voted, but it doesn't always work that way, and this is one of those times.

Councilor Mathews noted that as a point of information, he will report out on this subject and that a joint meeting was held.

There being no further business, Councilor Leary made a motion to adjourn at 9:10 PM and was seconded by Councilor Molisse. UNANIMOUSLY VOTED

