

TOWN OF IPSWICH
Finance Committee
Meeting of February 9, 2021
Remote

With a quorum present, the Chair called the meeting to order at 7:35.

Finance Committee members present: Janice Clements-Skelton, Michael Dougherty, Walter Hartford, Joseph Bourque, Jamie Fay, Rob White, Michael Schaaf, Chris Doucette

1. Citizens Queries – Janice Clements-Skelton

- There is an open chat room for any citizens queries.
- No citizens queries.

2. Acceptance of Finance Committee Minutes – Janice Clements-Skelton

- January tri-board minutes. Joe asked why the title was Select Board Meeting vs. Tri-Board Meeting. Sarah said they can change the title.
- Motion to accept minutes with title revision made by Michael D. and seconded by Rob.
→*Roll Call Vote: Motion passed unanimously, 7-0 (Chris was not in attendance yet.)*

FY 22 Budget Reviews: General Government – Janice Clements-Skelton

3. Assessing – M. Ireland

Sarah went over the finance directorate goals and objectives as outlined in the budget book. She also went over the accomplishments. Marylou Ireland introduced herself as the new assessor and she went over the makeup of the department which includes two board members, an administrative assistant, and a 19-hour clerk. Marylou said the office has had a very successful year amidst many challenges. She went over the accomplishments and noted how helpful the previous staff was in transitioning the new staff. Marylou also went over the goals for the department.

Janice asked about the full and fair market values in the town. Marylou said it happens every year but this past year was a certification year. Michael S. asked about the neighborhood spreadsheets and the second home study. Marylou said they were asked to condense the neighborhoods this year by the Department of Revenue. Ipswich has many neighborhoods and some of them are the same price per square foot for land values, so they were asked to condense those into just one neighborhood.

The Department of Revenue also asked the department to do the second home study. They were asked to determine if the furniture and fixtures inside of peoples second homes have been properly reported. Marylou said they did a survey of what percentage of the building value was in relation to the land value when including the furniture and fixtures inside. They applied that percentage across the board to all second homes. John said the department did not necessarily agree with that method and this year they plan to work on getting a more accurate value. Janice asked if we would find ourselves in a position where we are rebating taxes based on this equation. Marylou said they had 5 people who applied for rebates this year and the department went out to look at what was in the houses. A lot of times second homes are just summer cottages with old furniture that isn't worth much. Janice said she is concerned about working with fixed numbers and bringing in a certain amount and then having to give it back. Joe asked what percentage of the second home owners are Ipswich residents. Marylou said she isn't sure but she can figure it out. John said he believes it's a small percentage. Joe said he would assume that a larger percentage of second home owners are probably from out of town so we want to make sure they are paying as well.

Rob asked about new growth. Marylou said she was only able to track new growth from when she started. It is anything where there has been construction or improvements done, any new developments. There was a lot of building on both Little Neck and Great Neck. We have just over 5,000 for residential. Rob asked about how much the value went up since the town got reevaluated. Sarah said it was about 6% and a 5.3% increase on single family homes alone. That is for one year. Walter clarified if there is no new growth but the town is reevaluated and the values were raised, the tax rate would be dropped. Your tax rate is more effected by your home value than your neighbors.

Michael S. said EBSCO has indicated that they might consolidate their properties in town and elsewhere. We are hearing about commercial properties in Boston doing the same as well. He asked Marylou what she thinks about this

relative to our commercial taxes. Marylou said industrial and warehouse is going through the rough whereas commercial is struggling. Marylou said we are still dealing with last year's numbers and they may not come down as much as commercial owners would like to see.

4. Town Clerk – A. Akell

Amy said this past year was very busy but it was also a successful year. She went over the accomplishments of the department which include online dog registration, early voting poll pads, and establishing online vital requests and variable requests. Janice asked how it went with Town Hall being not as accessible to the public. Amy said they tried to be as accessible as possible but people were very understanding of the changes that had to be made. They did a lot by mail. Michael D. asked about the three bar graphs showing 2018 and 2019. Amy said she didn't have time to do one for this year but mostly everything is the same. The budget stayed the same. Jamie asked Amy's thoughts about how the election process has changed. Amy said there is a new legislation that may change a few things including early voting guidelines and same day voting registration.

Walter asked if we are planning an outdoor Town Meeting for 2022, Amy said she isn't sure. He asked how much more it costs to do a tent-based meeting and if we have the money in the budget for it, Amy said that's not in her budget. Sarah said it was about \$15,000-\$20,000 but it was covered by the CARES Act. Colleen and Tony will decide that. Janice asked about the drop in the overtime budget for the clerk and asked if it's sustainable. Amy said she did that this year because we will have fewer elections.

5. Elections and Registrations – A. Akell

The budget is level funded other than a drop in temporary wages which was due to fewer elections. Janice asked about mail-in voting and when we would expect to see this in the budget. Amy said she thinks it will become something permanent and it will likely depend each year on what elections there are. Janice brought up that there were some items that didn't pass last year at town meeting but were still on the ballot, and she asked if there is a way to address this issue. Amy said there's always a little of that just because of the way things work and the required timelines. She said there is no way around it. Janice said there were a number of people who were under the impression that if it failed at town meeting but passed at the ballot it would still pass. Walter asked if the overrides that have to be on the ballot would also be on the mail-in ballots. Amy said it changed last year because voting by mail was allowed for anything for any reason because of Covid.

6. Information and Technology – J. Wassouf

Jay went over the past year's accomplishments of the department as well as the goals for the upcoming year. Accomplishments included a network upgrade and working with the schools to use their network hardware which saved the town about \$40,000 to \$50,000. They also deployed wi-fi throughout the town and replaced network gear to meet the security needs of the town. They also upgraded the internet lines. Goals include continuing to update security practices, maintaining wire and wireless networks, and giving the website a facelift. Janice asked if any of the accomplishments were supported by the CARE Fund. Jay said the updates to wi-fi were supported by the CARE Fund.

Janice asked about increases in the budget, Jay said the MUNIC contract went up by about \$40,000. They also asked for \$3,000 for training since there have been a lot of new technologies added to town. Additionally, they need to replace some out of date hardware. Rob asked about the Evergreen project replacing computers and he asked what the plan is for personal computers. Jay said a lot of people got laptops which came out of the CARE Fund. The capital money will be used to replace the desktop computers and this will not be affected by the purchase of the laptops. Rob asked if every employee has a laptop now. Jay said they bought 25 laptops and gave them to department heads to decide who needed one. It was not for everyone. Rob asked if people who have laptops will not get desk tops, Jay said no they will still have a desk top. Rob asked if there are any software applications that they are looking to buy or get rid of. Jay said in the capital plan there is \$10,000 for migration for the assessor's office.

Michael asked if we have had any incidents related to the security of our systems. Jay said he is not aware of any incidents that took place. All of the desktops have been upgraded to the latest Windows software and anti-virus software. Michael D. asked for the details of the telephone line item is, Jay said he will follow up on that as he isn't sure now. Sarah said it's for landline and cell phone but we'll get more information. Janice asked about disaster planning and cyber security and our ability to withstand or recover from a ransom attack. Jay said they just deployed the new data center and a new backup system for the data center. He also still has money that he may use for another backup in a different location. He also just had a meeting with a vendor that would do cloud-based backup. The backup solution we have right now can be restored if an entire server crashes or gets attacked. Jamie asked about the additional server to provide access

for town employees to login from home. Jay said it's a VPN and desktop and the CARES Fund was used for that. Jamie asked if everyone is approved for access from home, Jay said no they will need to ask for permission directly.

7. Treasurer – K. Merz

Kevin said the operating budget is level funded. When looking back to 2004 when Kevin first started, the operating budget has decreased significantly and is only what the department really needs. Kevin also gave an update on how Covid effected the office and collections. It was difficult to not be open to the public and a big push went into having people pay online, mail in payments, or use the drop box. This was successful in the end especially around the May 1st tax bill. Twice as many people purchased beach stickers online this year compared to last year. They sold close to 7,000 beach stickers this year and typically they sell just over 6,000. Collections were surprisingly not very effected by Covid. We have now collected 73% of real estate taxes for the year, which is the same amount that had been collected last year at the same time. Kevin said the tax liens were lower this year than previous years.

Jaime thanked Kevin for doing such a good job and going above and beyond to help people. Rob asked how many residents are deferring taxes and is it a 4% rate. Kevin said it is 4% and there are about 7 or 8 residents currently deferring. Michael D. asked if we could go over where the beach sticker money goes. Kevin said it goes into the general fund. Sarah said they always budget for that conservatively so anything extra goes towards free cash. Walter asked if we put money aside to replace boardwalks. Sarah said they created a revolving fund through town meeting to fix the boardwalks. There is no money in the revolving fund right now but it will be a town meeting action to transfer \$50,000 into it at the next meeting. Michael asked about the reserves and stabilization funds. Kevin said OPEB has been fantastic and the school stabilization funds have also continued to grow. Also, both electric, water, and sewer had additional funds at the end of each year for the last few years which has bene helpful.

8. Accounting – S. Johnson

Terry White, Town Accountant, went over the makeup of the department as well as the goals and objectives for the year which include researching and automating some of the accounting processes within the department, creating a training manual for new hire department accountants, and assisting in the implementation of a new purchasing card. This past year Terry attending several meetings and trainings and feels much more comfortable with the new MUNIC software. The year-end audit went very well. Covid added extra workload to the department but the team worked well together and got it all done. The town got cash certified which was done last year by a consultant, so doing it within the department this year saved the town money.

There was a 2% salary increase in the budget this year. Trainings will go down as well since Terry did so many trainings last year, and most of the trainings will be remote this year. Janice asked about the changes to payroll that Terry mentioned last year. Sarah said they have partially implemented time and attendance, and utilities was the first to start. Payroll will start soon and electric will as well. On the town side they have started time and attendance and once utilities is on board we will implement each department. Sarah said it's much better than it was and a lot of time has been saved each week. Janice said it looks like training is up this year, Sarah said she increased it because a lot of the trainings Sarah wanted Terry to go to last year were canceled so she was hoping she could do them this year. Sarah moved that money out of the conferences lines and moved it to training.

Jamie asked for Terry to walk them through the payroll process. Sarah said it is in the miscellaneous finance budget because it is an overall town expense. Jamie asked what the rough number is for that, Sarah said it is around \$200 every other week. Jamie asked if they have been happy, Sarah said overall Harpers is running well. They issue the 1095's and that was very time consuming. They also do all the taxes, pay the taxes, and pay the quarterlies. Sarah said she double checks all of the payroll to make sure OBRA is coming out and to check that vacation and sick time are coming out correctly. It takes 4 or 5 hours every other week. Once time and attendance is in, that time will be cut down. Jamie asked when we will be fully converted over, Sarah said town hall will be converted over by next year, with half of the town converted over by June. Jamie asked about the schools, Sarah said their payroll is very different than ours and they wanted to wait a bit. Walter asked Sarah if there is a separate HR person for the schools or does Mary do it all. Sarah said in FY22 they switched it to Mary doing just the town. Janice said she doesn't see the listing of salaries in the table of content for the budget book. Sarah said its under budget summaries at the end. It is on page 205.

9. New/Other Business – Janice Clements-Skelton

- Michael S. said there is something in the works to acquire Wind 2 to put it back online. They will meet tomorrow night with the ELD to discuss it. Janice asked if FinCom will have an opportunity to weigh in on the financial

aspects of that deal, Michael said he isn't sure how quickly it will go but he is a little concerned about the land lease. He will suggest it if it fits within the schedule.

- Jamie asked Michael D. if there is a water subcommittee meeting coming up any time soon. Michael said the next time is for the water subcommittee budget hearing which is the 23rd.
- Sarah said the insurance on the Tesla is only \$25 more than the Ford.
- Janice said they had a Chairs call last Friday and gave an update on what was discussed. The majority of the call was focused on the school and their building and what that would look like. Chub explained that they are in talks with the MSBA and starting to put some feelers out as to if we were to come back with a project, what would we need to do and what would that look like. They are closely following Amherst because they also had a failed project around the same time we did, and are now back in from of the MSBA with a plan and full community support. In general, it does not look like the MSBA would entertain two different schools outside of an urban setting all at once. There was one instance where one school was approved and then later another school was approved, but that was in Woburn which is urban. Janice also said she suggested that the three chairs get together to write something for the newspaper about the Strategic Plan to confirm details and to confirm the positions of the boards.
- The board discussed meeting for an additional night to discuss the Strategic Plan and decided to meet on March 4th. Rob said he also wanted to discuss water. Walter said we should have a good idea about the public safety building cost and we should also have somewhat of an idea about the school.

10. Adjourn – Janice Clements-Skelton

- Motion to adjourn made by Michael D, seconded by Michael S.
→Roll Call *Vote: Motion passed unanimously, 8-0*

Respectfully Submitted By
Alyson von der Esch
5-24-21