

TOWN OF IPSWICH  
Finance Committee  
Meeting of February 12th, 2019  
Town Hall, 25 Green Street

With a quorum present, the Chair called the meeting to order at 7:30.

Finance Committee members present: Chair Janice Clements Skelton, Tammy Jones, Michael Dougherty, Jamie Fay, Rob White, Walter Harford and Chris Doucette

Rob White arrived at 7:50.

Chris Doucette arrived at 8:20

Not present: Michael Schaaf, Kevin Murphy

**1. Citizens Queries – Janice Clements Skelton**

- No citizens queries.

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

- 1/31/19
    - Motion to accept meeting minutes made by Tammy, seconded by Robert.
- Vote: Motion passed unanimously, 5-0

-----Municipal Budget Hearings -----

**3. DPW Administration – Rick Clark**

Rick, the DPW director, gave an overview of the department. The DPW is made up of 9 divisions. Administration is the everyday handlings and overseeing of the budget. The second division is Equipment Maintenance, and it oversees the town vehicles and equipment within the town. The third division is snow and ice. On a bigger storm, there will be 20 town employees and 20 contractors helping out. They plow schools, sand sidewalks, and plow roads. Highway division deals with the roads; drainage, potholes, paving. The forestry division consists of two and a half people and deals with trees. During a storm, they work with the ELD to take down trees and get powerlines back up. Janice asked if the ELD also has people that focus on trees, Rick answered no. Cemeteries division is run by Jeff Putur. Jeff oversees 9 plus cemeteries in town as well as Pony Express. The sanitation division consists of three divisions. Sanitation does trash and recycling, transfer station deals with composting, and enterprise fund deals with collecting overflow bags, composting, and bulky items.

Rick then explained the staffing for the department. Administration consists of the DPW director, the assistant, a DPW clerk, and a recycling coordinator. Under the highway division there is a DPW foreman, four equipment operators, one mechanic, two people in forestry, and a floater position between cemeteries, forestry, and highway. Under cemeteries there is the superintendent, a clerk, and four people under him. During the summer, there are also part time workers in cemeteries and highway.

Janice requested that Rick send the current capital plan to the finance Committee.

**4. Equipment Maintenance – Rick Clark**

Rick reviewed capital. This year they will not receive any new pieces of equipment. Rick reviewed the leases that are still being worked off. The capital consists of the leases, and in the future, the department will try to purchase vehicles as opposed to leasing. Janice asked if there is an opportunity to buy out any of the leases early. Rick is going to check with Sarah. Mike D. asked how long can we expect to have the vehicles after we purchase them once the leases are done. Rick said the Mac trucks and the Peterbilts seem to be lasting longer than the Fords. One of Ricks goals and accomplishments last year was to install a wash bay where the trucks can be cleaned. This will help the trucks to last longer since they will be properly cleaned. Janice asked if they tap into gray water for that or if it is town water, Rick answered it is town. Jamie asked how many backhoes we have, Rick said we have one and said it is almost at the end of

its life. Janice asked for an estimate of how much our equipment fleet is worth. She would like to get an estimate of how quickly these items depreciate, and at what point should the town get rid of them to get the most trade-in value. Rick said you don't get much value when you put them out to bid. Janice asked if the backhoe is the only equipment that will be needed next year. Rick said yes, but the town sweeper might need to be replaced soon. He is also looking into the possibility of hiring a company to do the sweeping as opposed to purchasing a new vehicle. Janice asked how much Rick is spending to maintain older vehicles that have come off of lease, he said it is between \$40,000 to \$45,000 to maintain about 25 pieces of equipment. Tammy asked clarifying questions about this budget. Rick said this budget does not include tires.

## **5. Snow and Ice**

Rick went over the snow and ice budget next. The total budget is 482, 564. This has been the same number for the last several years. Since this year has been a light season, there is close to \$300,000 left in this year's budget. The biggest expense is salt. Rick does not think the budget needs to be changed. Janice asked Rick to talk about the Boxford Salt Collaboration. Rick explained there are 6 to 7 towns within the collaboration that all use the same company for salt. This reduces costs since the salt is being purchased in bulk and shipping is combined. Price includes delivery to Ipswich. Rick noted that Ipswich would like to build a lean-to to hold more salt because we have run out before. The lean-to would hold another 400 tons. It is important to have enough salt on hand because they will not make deliveries during the storm. Janice asked if Rick has plans for the money that may be left over at the end of the year if it is not used. Rick said it goes back into the general fund. Rick said they also installed 8 blue lights in parking lots so that people know when they need to remove their cars from parking lots after a big storm so the parking lots can be cleared. Janice asked if they would tow cars, Rick said they call the police department. They usually try to get a hold of the owner and if they can't they will tow.

## **6. Highway**

Highway is mostly level funded. Two years ago, the budget for roads was \$350,000 but it was cut down to \$250,000 last year. The roads suffered and this year it is back up to \$350,000. This year the department updated pavement management and hired a consultant company to grade, map, and rate the roads, and then provide suggestions of what should be done. Rick used this information along with the budget for the department to create a 5-year plan. Janice asked for more detail on this, and Rick said he plans to have the department and the consultant company make a presentation to the Select Board after budget season. Janice asked for Rick to let FinCom know when this happens. Rick went over the upcoming paving projects. Rob asked if Rick can send electronic copies of the plan before the presentation. Rob asked about the grading of the roads and if Rick has a feel for how we are doing overall. Rick said the report provides a rating, we are currently at a 57.84. We were at 62 a few years ago, but we have gone down since the budget was lowered. \$750,000 would maintain, but actually replacing all of the roads and making them perfect would cost \$23M. Rob asked about the roads on the list for updating and if any of them are above a C. Rick answered yes, some of them do not have significant problems, but they are major roads and making small updates can help. Janice asked where the money is in the budget for repairs that come up unexpectedly, for example if there is a water main break and the road needs to be repaired. Rick answered that the departments share in the costs. Mike D. noted that he sits on the Water Wastewater Department Subcommittee and that Vicki has expressed concerns that sometimes communications between the departments can be tricky. He asked if there is any way to increase the heads up to Vicki for when roads will be repaired. Rick said that Vicki has this plan and that they are in constant communication. Sometimes when problems arise there is no way to give advance notice. Mike also asked why the lines on Linebrook road seem to be significantly faded for a road that was recently constructed. Rick said the consultant that did the line painting did not put the lines in the right place, so they are trying to let it fade and then redo it. Mike also asked how long line painting should last. Rick said ideally it would be done in the fall and spring. Mike asked about the type of line painting that is ground down and then painted. Rick said it is polyurethane and it lasts longer, but it is more expensive to re-do. Mike asked it would be more cost effective, Rick said he would look into it. Rob asked how many miles of roads the town has and how many miles are resurfaced each year. Rick said he can get back to him with that information. Rob also asked about the road treatment and where that lies within the budget. A conversation also ensued about crack sealing and how the budget relates to the size of the town. Rob asked what Rick would want for his budget. Rick said the program the department is using can adapt to his budget and show him what the roads would be like it at any budget. Chris asked if there is any good that could come to Rick bringing a proposal to the town to up the budget. Rick said he would like to use a bond for the major roads so that the budget could be used for the smaller roads.

Jamie asked Rick to give an update on storm water. Rick said they are ahead of the game. This year coming up is getting it all mapped out, and this is almost finished. The following years will be more sampling which can get expensive, but he has been putting money aside. Mike D. asked if they plow the commuter parking lot, they do.

## **7. Forestry Department**

This is also a level funded budget. Last year Rick became a certified tree warden for the state of Mass. Last year the department cut down over 150 dead trees in the town. On the scenic roads, they need to go through the Planning Board for permission. Last year the department planted 20 trees, and conducted line clearing for the ELD. Revenue from the ELD is about \$30,000 added back into the budget, which is normally put back into the roads. This year they will do a tree health survey to help plan which trees should come down first. Rick also works with the Shade Tree Beautification Committee. Janice asked about the discussion last year about donating trees. Rick said people would speak to the Shade Tree Committee to donate a tree and this happens several times a year. Jamie asked how many people are in the division. Rick answered there are 2 people plus the floater. Jamie asked what happens when one person is out, since there needs to be two people to cut a tree. Rick said they will pull people from highway or use the floater, and if they don't have anyone else they will do other projects like pruning. Everyone is cross-trained and can support each department. Rob commented that the town's resources did a good job last March cutting down trees during the storms. Rick said they have several bucket trucks within the town that can be used, so the department breaks down into teams to tackle situations.

## **8. Sanitation and Solid Waste**

Last year's trash for FY18 there was 30 tons of trash, 1809 tons of recycling, 183 tons of composting. Composting saved the town around \$10,000. 583 people do the composting program and it costs around \$65 a year. Tammy asked if there is a limit to composting, Rick said no. Rick explained how the compost program works. We don't pay for the disposal, just for the hauling. There is still room to grow. Tammy asked if more people joined would the price decrease, Rick said he believes if there are 1,000 people the price would decrease. Biggest change is the recycling coordinator will become a full-time employee. Janice asked why this change is needed. Rick said there have been several changes including more grant writing, bulky item fees, calls to the department, and doing routine checkups on restaurants and stores to make sure new regulations are being followed. Janice asked if it is true that if you don't put a recycling bin out along with your trash bin the trash won't be picked up. Rick said it is true, recycling is mandatory. Trash bins should also not be picked up if they are overflowing. Mike D. asked about the rule on large items. Anything metal can go down to the transfer station. Bulky items need a sticker, which can be bought at the store. Jamie asked for clarification on the recycling coordinator and where it appeared on previous budgets. Sarah helped to clarify that this was coming out of the recycling enterprise fund. This year it is in sanitation. Janice asked about code enforcement for the new bi-law on plastic bags since this bi-law was not supposed to cost the town money. Rick does not think this is a lot of her time. Most of her added time is spent dealing with calls about trash. Janice voiced concerns about the need for more hours, and wants to make sure it is all necessary. Tammy noted that the work this employee has done was mentioned within the bill and has been done already, but worked well. Janice is concerned over the bigger picture that most of the departments are needing more money in their budgets to increase hours. Rick thinks this is needed and noted that the department is understaffed. Chris said he agrees with Janice that the plastic bag checking should not be a large percentage of this person's time because it should not be costing the town anything. Rick said he thinks it is 1-2% and is typically only to follow up on a complaint. She is not going out to monitor. Janice voiced concerns that this roll could eventually lead to a full-time position that will be benefits eligible. Rick said that is why they chose the number of hours they did. Jamie said the big number in the budget is the trash. Rick explained changes in the trash budget. A significant amount in the increase was the hauling. Rob asked Rick if he was confident that what we recycle actually gets recycled. Rick feels confident that everything is getting recycled. The company would be losing money if they threw recycling away.

## **9. Recycling Enterprise Fund**

This year, things have been switched around so the fund is covering its costs. Last year it was all one big budget. This year items were put into this enterprise fund to offset what we think we will get for revenue. Janice asked what is in there this year. Rick said some salaries at the Town Hall, advertising, disposal, buying recycling bins, making overflow bags and bulky item stickers, and \$10 meal tickets for working over 40 hours. Jamie said he would like Sarah to further explain this. Janice said they will add this to the agenda to the 26<sup>th</sup>. Rob asked if there are other services that the DPW could do that other towns do. Rick said other towns merge facilities and DPW, but he thinks it works well separate here. He thinks the department has a full plate. They also help with projects when they can. For example, they helped planned

the Riverwalk extension. People and departments within the town seem to be willing to work together. Rob asked about leaf removal and if Rick could get prices on the removal system that Wenham uses.

## **7. New/Other Business – J. Skelton**

Janice noted that we are  $\frac{3}{4}$  of the way through budget hearings and she is becoming concerned about our ability to continue to have a sustainable budget. She would like to look at the budget to see if the work growth in town actually supports the legitimate needs of the town, and would like to have a discussion on growth and budgeting strategy. Tammy noted that each director has come forward saying that they are working on efficiency and communication between departments which will help with lowering workload. Mike D. said that he thinks we need to take a more in-depth look at new proposals. He has noticed that every time the board is told it won't cost the town money, it does. Chris said there has been a push within the town to add technology, which should be helping to eliminate the need for more hours. Instead, each department has been asking for more hours, which costs the tax payers money. Jamie asked if we have a full time equivalent chart looking back five years. He would like to see how much of an effect these small increases in hours are having on the budget, compared with budget increases due to new positions. Sarah is going to send a 10 year FTE lookback. Walter said the board needs to find some sort of approach to rationalizing the addition of hours. Mike asked why the full-time employees only work 35-hour work weeks as opposed to 40, or 42.5. He brought up the point that all of the departments are asking for more hours, but this problem could be solved by every full-time employee in town worked 5 additional hours a week. Janice also added that the salaries are not far off from the market rate for the private sector despite being 35 hours vs. 40. Jamie noted that he believes the salaries are significantly lower than the private sector, Janice disagreed. Rob said he agrees with Janice that the town employees are making near market value for a 35-hour work week.

Tammy said she thinks that the committee needs to continue to have balance. The goal of the department is not simply to cut the costs. Walter said we need to look to see if we are building a sustainable budget for the town. Robert would like to know how we are reaching out to other towns to see if we can offer support to add to our budget. Janice wants to work with the Town Manager to figure out growth parameters so we can get to a point where we shift the operating expenses into capital expenses. Rob wanted to know how much it typically costs when someone goes from part-time to benefits. Jamie noted that when someone goes up to 20 hours they get sick days, vacation days, and holidays. So although going up in hours from 19 to 28 might seem like a big difference, it actually isn't that significant. Would it be more cost effective to have the person go full time, or do two part-time positions? Janice said that before Bean Counting we should try to engage the other two boards in a discussion around strategy and philosophy, not numbers. Jamie said we should ask the Town Manager what the new position is that they want to create. He noted that it is important to look at the positions that have been added, not just the increases in hours.

## **8. Adjournment – Janice Clements Skelton**

- Motion to adjourn made by Chris and seconded by Rob.  
→*Vote: Motion passed unanimously, 7-0*

Respectfully Submitted By  
Alyson von der Esch  
2.13.19