

TOWN OF IPSWICH
Finance Committee
Meeting of February 13th, 2019
Town Hall, 25 Green Street

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

Finance Committee members present: Chair Janice Clements Skelton, Tammy Jones, Michael Dougherty, Jamie Fay, Rob White, Walter Hartford, Kevin Murphy

Not present: Michael Schaaf, Chris Doucette

1. Citizens Queries – Janice Clements Skelton

- No citizens queries.

2. Acceptance of Finance Committee Minutes – Janice Clements Skelton

- 2/5/19
 - Motion to accept meeting minutes made by Jamie, seconded by Michael D.
- Vote: Motion passed unanimously, 6-0

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

3. Town Clerk, Elections and Registrations – Pam Carakatsane

Pam reviewed the mission statement, goals, and accomplishments, as written in the budget book. Tammy asked for clarification on what the online dog registration form would include. Pam explained that people will be able to upload documents to show which vaccines dogs have had, and will also be able to pay for registration online. Pam also discussed the other licenses the office accepts, and is hoping to get those license registrations online as well to make it easier for people to apply. Pam then reviewed the accomplishments of the office. Ipswich generally has high turnout for early voting, and the state reimbursed the town for the early voting period payroll. Poll Pads that were purchased last year have been very successful. Janice mentioned that the workers were very knowledgeable on how the poll pads worked, and that her son who was voting for the first time found it easy and accessible. New voting booths were also purchased. Pam then went over changes in the budget, which were minimal. Elections changes had to do with maintenance for the poll pads. Janice asked if Pam was taking the lead on electronic voting for town meeting. Pam clarified that is the responsibility of the Town Moderator. Janice asked how that dovetails Pam's responsibilities. Pam said they haven't worked that out yet, and asked Tony for his input. Tony said once people are checked in, they will receive a voting device. When it is time to vote, a signal will go out so people can choose yes or no. However, for this upcoming meeting people will also be using cards as a backup, until people get used to the machines. Tammy commented that the changes Pam has made within the departments have been efficient and cost effective and also seem to have been positive for the community. Rob asked about the increase in Permanent Wages in the Town Clerks budget. Sarah answered that the \$3,000 increase in the budget is due to a step increase and a cost of living increase as well as more days in the fiscal year. Janice asked about the Declaration of Independence. Pam said it is in the vault and she is the only one that has access to it, along with her assistant. People have interest sometimes and Pam will take it out and show it to them. Jamie asked about the temporary part time election workers. Pam said it changes each year depending on how many elections there are. She went through the past few years and also said she included money in the budget in case there is a special election for schools. The Finance Committee discussed this being removed at Bean Counting if needed. Jamie asked for an email on specifics regarding budgeting for voting. Michael D. asked what is done with the leftover money if Pam has over-budgeted. She said it goes back in Free Cash. Walter asked about electronic voting, Pam said she doesn't have anything in her budget for it because it is a free trial this year.

4. Assessing – Robin Nolan, chief Assessor, John Moberge, Assessor

Robin, Chief Assessor, reviewed the mission statement, goals, and accomplishments, as written in the budget book. She noted that the department lost a few long-time employees, but new hires have completed training. She also went over the excise bills, and is estimating a 3-4% increase in assessments for 2020. Robin then went over the budget,

which is level funded this year in maintenance, but has increased in dues and training. A discussion issued about boat taxes. Janice asked how the large drop in New Growth effects the overall assessment in the town. Pam answered that it is separate, but there are typically reasons for big jumps. For example, when Little Neck became private, there was a lot of money in New Growth. Robin said it is hard to estimate new growth, so they would rather be conservative. Janice asked about the spike in 2017, it was from Turner Hill and Riverbend. Jamie asked if they are able to capture the growth if the project isn't completed. Robin said yes, they can capture it, as it is, on June 30th. Walter asked about how the tax rate is calculated, which Robin explained. Jamie asked about collections. Robin said that is the Collectors job but they only stay in touch every few months. Jamie also asked about abatements, Robin said they received 20, which is low. Janice asked about the senior citizen exemptions. Robin said the amount has increased and age has been lowered to 65. Sarah has done a nice job helping people understand the Circuit Breaker Law so senior citizens can still get this rebate whether or not they are working. Rob asked about tax deferment for senior citizens and how many people are taking advantage of this. Robin said there are 10 now and there may be more that could benefit from this, but it can be difficult if there is anyone else on the mortgage. Rob also asked if there is anywhere in town that Robin expects to decrease over the next few years. John said it doesn't seem like any neighborhoods went down last year. Some have been static, and some have gone up higher than expected. Jamie also asked if there are times the department can work with other departments in the town if they need extra help, or if they are able to share help when they are slow. Robin said they are never slow. Jamie commented that there are a lot of small departments within the town and the Finance Committee is looking to see if these departments can ever work together to assist each other during slow times. Sarah noted that some of the things the assessors do are confidential, so they are the only ones that can do the work for certain items. She suggested that perhaps the Treasurer's office could help on certain items because they are able to see a some of the same things.

5. Facilities – C. Rais, T. Marino

Chris is new to the department so Janice asked to hear how it's been going. Chris said it has been exciting, but he has found that maintenance facilities has been challenging on a daily basis. The job has been great so far. The staff has had to make adjustments but everyone is moving in a good direction. Janice asked where we will be putting in the most effort in the next year, without the School Dude Assessment. Chris noted that he is excited for School Dude and has used it in the past. The greatest need so far that he sees is within the schools. The high school and both of the elementary schools need a lot. Janice asked about the Payne School House. Chris said he will be assessing that building next. It is not up to code but there is room for improvement and it serves its purpose. In the long term, the school admin may want to move to a new location. Chris then went over the department, as written in the budget book. There have been some changes recently within the department including Jane Spellman retiring and hiring her replacement, and hiring both a new part-time and full-time custodian. Chris will also be interviewing for Assistant Director's position. Janice asked how this role will differentiate itself from Chris's role and what the responsibilities will be. Chris said this person will oversee the custodians on a day-to-day basis which will allow Chris to handle the administrative side as well as work with contracts, projects, and vendors. This person will oversee school custodians and town custodians, and will report to Chris directly. The department will then consist of 17 FTE's and 1 PTE. Janice asked if Chris had a sense for the number of square feet under management. Chris said the HS is understaffed. Two custodians during the day is not enough. There are also 3 custodians at night and one with flexible hours, but this person typically works during games and extra events. The elementary schools both have a full-time custodian during the day and a full-time custodian at night, and they also split a full-time night custodian. Jamie asked about the increase in utilities cost. Tony said this is due to increases in gas rates projected by National Grid. It is projected a little high so that extra money can go to Water and Wastewater. There is also an increase in electricity from the ELD. Sarah gave specifics on costs so far. Jamie noted that he is concerned about the increase and he asked for backup for where these numbers came from. Tony said he will get this information to him but he is confident in these numbers. Sarah noted that money can be transferred within the department if there is extra. Kevin asked to see the consumption so that these numbers can be adjusted appropriately moving forward. Jamie noted that this way we can tell if the increase is due to increase in usage or increase in rate. Jamie also asked if there should be a line-item in the budget for energy efficiency. Chris said they will be working with Mass Save to make some changes at the HS, and will also be looking into the Green Communities Act. Tony added that if we become a Green Community there will be money available for grants to turn buildings into energy efficient buildings. Jamie asked how they will create a list of projects. Chris explained that they will do energy audits to figure out which buildings use the most energy. Kevin said there seems to be some obvious things that can be done that we don't need to wait for a program to tell us. For example, some rooms have AC on in the middle of the night. Chris said they can look into Building Maintenance systems and move them to electronic programs. Jamie asked if there should be a more proactive plan for assessing Capital Facilities. Tony said that the Facilities Needs Assessment will help with this. This report will help to build the Capital Plan and prioritize

the needs. Janice asked if this could be broken into two pieces so we could have the energy plan first, and could this be available at Bean Counting. Tony said he doesn't think it will be available by then. Kevin asked if there are any opportunities to work with the ELD to save energy. Chris said his background is as an electrician and he knows that the easiest way to save money is to switch fluorescents to LEDs. Michael D. asked how many buildings are still using fluorescents, it is most of them. Janice asked if Chris would come back in August to give the Finance Committee an update. She also noted that the Finance Committee has been anxious for improvement in facilities for four or five years and they are very excited that Chris is on board. Janice also recommended that Chris reach out to Chief Nikkas to give input to the Public Safety Building Committee. Robert asked Chris what his top three concerns were when walking through the high school. Chris said his number one concern was the lack of insulation. Second was the design of the building, which allows snow to collect in the eaves and causes water in the classrooms. Lastly, the lighting is 20 years old and should be updated for savings. Robert also asked about the elementary schools. Chris said the age of the schools is of concern. The age of the roofs, boiler systems, heating systems, etc. The department will do as much as they can but the buildings will become inadequate over the next 10-20 years. Robert asked about Winthrop's gym floor. Chris said they will be getting quotes to strip up the current floor and put down new floor. Chris also said Utilities needs a roof, the alarm system at Town Hall needs to be updated, the generators need updating which is being worked on, Winthrop needs roof repairs, Doyon just had roof repairs. Chris recommended that all the roofs should be looked at. Tammy asked about what comes under the line item for Building Maintenance and Repair. Chris said that is for the repairs from the vendors. Carpentry, floors, painting, ceiling, roofs. Ongoing maintenance. Kevin asked Tony what the Capital Plan looks like as far as facilities. Tony said it is under Capital Improvements in the budget books. He asked what is on the docket to be done. Tony explained that some of it is school related, painting, furniture replacement, roof repair, fire alarm system at the Town Hall, window replacement at the library. A discussion ensued about the Capital Plan and a need to get the ball rolling on repairs, as they have been pushed off while waiting for the Facilities Needs Assessment. Chris said the Facilities Needs Assessment should be back in 6-8 weeks, and noted that he has done the same process in Somerville and it is very informative.

6. Utilities Allocation – T. Marino, S. Johnson

Tony and Sarah went over Utilities Allocation, which is in the Budget Summary section. Sarah discussed the Indirect Cost Analyses, which is the exercise that the town and the ELD performed to figure out how much to charge for employees that performed services for utilities. Enterprise funds must be self-sufficient, so they must pay for employees that perform duties and services for utilities. These employees include Sarah, Tony, the AP Clerk, IT staff, and payroll. Facilities Director and his assistant will be split between schools. Tony and Sarah met with the Utilities Department over these allocations, they want to have a new approach to this. Utilities would like to pay as a total service, rather than having to track each of these expenses on this list, they want to look at it as a flat fee of shared services. They don't want to track all of these small services. Auditors still want each item tracked though on the General Fund side. Sarah's General Fund portion was a little off after applying the COLA's from original estimates, so she made some small changes. The bottom line number was the same, but how it was allocated had to change a bit. Sarah will give updated sheets. This is just a salary sheet, does not track benefits. Jamie asked Sarah to explain the recycling fund. Sarah said the budget has about \$90,000 for this enterprise fund. Enterprise funds must be self-sufficient, so when Sarah's time is used to help this fund, they have to pay a portion of Sarah's salary, as is the same with the AP Clerk and Accountant. It's a very small amount of time and small portion of the salary. Jamie said this does not make sense and is a waste of time to figure out, but Sarah said we are bound by Mass General Law and this cannot be changed. Janice noted that this is one of many small inefficiencies within the town, and the Finance Committee has seen a lot of these, as well as has also seen a lot of departments asking for more time, so they are looking to limit these inefficiencies in order to save town employees some time. Kevin and Jamie do not think that everyone should be accounted for since some charges are for as little as \$6 total for the year. Michael D. said he is happy they are accounting for the small amounts so they don't get into trouble with the state. Janice asked how much longer this enterprise fund will be needed. Sarah answered that according to the state, enterprise funds must be in existence for 3 years. There is one more year. Jamie asked how this budget is different from last years, and Sarah said what the Utilities will pay is slightly lower than the year before, the town picked up the other \$4,800. Stephanie will make a one-time transfer in January.

7. Miscellaneous Finance & Expenses – T. Marino, S. Johnson

This section can be found in the Budget Book in the Executive Office section under Town Departments. Anthony explained the sections and what they cover. The largest change is in the retirement costs, due to an 8% increase to Essex County. The next largest change is to the health insurance increase. This is not final, still waiting to hear back from

MAYA. Jamie asked if this reflects the changes that Kevin mentioned. Sarah said no, and commented that her and Kevin also thought this was high. Kevin said it has to do with ERI. The board voted, and he was able to get it re-adjusted. Waiting for a vote from PARAC. Once this happens, they will send out a new appropriation and it will then be apportioned.

Tony also went over the other minor increases. Sarah noted the package insurance is a large increase (\$12,000) due to property and casualty insurance in police and fire, and the town also pays for “injured on duty” out of this account. There needs to be a cushion of extra money in this account for this. Also, Tony and Sarah met with MIIA to discuss policies, and they think the town should have a few more policies. For example, the town can get a marina insurance policy to protect the town against liability in moorings. There are 6 or 7 other areas that MIIA thinks the town needs coverage, and we are waiting for the quote. Tony also noted that they are still negotiating the coverage for the schools. Because these negotiations are not finished yet, there is a cushion. Jamie asked them to walk the committee through Workers Comp. Sarah said Workers Comp works on a three-year rolling average. There was an increase in FY19, but we had a bad year in FY18. Premium is going to increase because we had a good year after a bad year. There is also a credit, but it is not typical to see such a large credit so it appears that there was a mistake. Sarah is going to take a look at it. Janice asked what the Public Officials Bond is. Sarah said it’s the Town Clerk’s bond. Certain employees have to be bonded with the town. Jamie asked why the Management Transfer Account went up \$50,000. Tony answered they have not settled the Police contract yet, so this is a place holder. Janice asked what falls under “other consultants”. Sarah said that is for the whole town hall, if Tony needs a consultant for some reason. It has been used in the past for engineering for a small town project, private investigators, and OPEB actuary. Robert asked what the trainings will be. Sarah said a lot of the training goes through the HR office, but they bring in a lot of MIIA trainings to train staff, directors, and department heads. They also work with North Shore Community College for trainings. This is for town wide trainings, not just for one department. Debt service has gone down as we pay down various projects. Janice asked if this is an area we could do some bonding. Sarah said some of this debt is also debt-excluded debt. There are a few of these projects that are coming down. They float over the lax levy, so it doesn’t necessarily create room in the budget. The levy will be increasing by a small amount this year due to two projects: Bridges and Riverwalk. Interest rates have also gone up a bit. Janice brought up the roads and said maybe there could be a surplus of money so we can actually get ahead of repairs. Jamie asked for the overall debt schedule. Sarah said there is a statement of indebtedness for the book, as well as the debt master. Sarah will bring a spreadsheet as well. Michael D. asked how long the town has had AAA rating. Sarah answered since 2016. Janice asked if there could be a fleet maintenance program added to the book. Tony said they have that information and can add it in.

8. New/Other Business – J. Skelton

- Janice said the meeting for the 26th is looking packed and asked the FinCom members if they could start at 7:00. Janice asked Tony if they could discuss restructuring of the department. Tony said he will address a lot of the concerns the committee has. Tony will also bring a 10-year lookback at FTE’s for the meeting. Janice would like the headcount along with the FTE count to help better understand the fixed costs and variable costs.
- Jamie also asked about the Recycling Coordinator position and how many additional hours we will actually be getting by changing this to 28 hours since the position will now receive benefits.

9. Adjournment – Janice Clements Skelton

- Motion to adjourn made by Michael D., seconded by Robert.
→*Vote: Motion passed unanimously, 7-0*

Respectfully Submitted By
Alyson von der Esch
2.27.19