

TOWN OF IPSWICH  
Finance Committee Minutes  
February 16th, 2023  
Ipswich Town Hall, Meeting Room A  
25 Green St. Ipswich, MA

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

Finance Committee members present: Michael Dougherty, Emily Smith, Walter Hartford, Michael Schaaf, Ken Swenson, Joseph Bourque, Rob White, Robert Chambers

Not Present: Jamie Fay

**1. Announcements – Michael Dougherty**

- Michael went over the upcoming meetings.
- none

**2. Citizens Queries – Michael Dougherty**

- None

**3. Meeting Minutes to Approve – Michael Dougherty**

- No minutes to approve.

**Fiscal Year 2024 Budget Hearing:  
Town Hall Administration/ Boards and Committees**

**4. Facilities/Purchasing – C. Rais, D. Robinson**

Chris Rais, Director of Facilities and Purchasing, went over the departmental goals as outlined in the budget book. Goals included maintaining equipment and providing trustworthy support services. Chris went over the makeup of the department which consists of 21 employees including custodians and an administrative assistant. They are also about to fill a vacant custodial position. Projects over this past year include upgrading the front façade, upgrading lights outside at town hall to LED, a kitchen renovation at the Council on Aging, and completing two LED partial conversions at the high school. They also did a piping insulation project at the library and an EV charging station at the high school. Goals and objectives are to continue implementation of permanent maintenance measures and continue to increase efficiencies. Chris will continue to review all of the outside contractors, onboard and train a new procurement agent, and will change over products to a safer, greener, hydrogen peroxide based cleaner.

Mike asked about the combining of the departments, Chris said about 70% of his facilities related work is with the schools. The previous manager had wanted to combine the departments. Michael S. asked about the preventative maintenance and asked if they are caught up. Chris said he doesn't think they will ever be truly caught up but the asset management program has been very helpful. Michael also asked about the geothermal conversions feasibility study and asked if they consider long term savings vs. just short term. Chris said the studies just gave a brief overview of what it would take to implement and also an idea of what it would cost. They are looking to do a more in-depth feasibility study as well. Stephen said they plan to bring in ESCO (Energy Savings Corporation) which is a company that comes in and presents a series of changes that could help the town pay less for energy. We would borrow money for the installation and during that time the town would not be saving money, but would produce less carbon. Once the term is done on the bond, the town would also see a cost savings. Stephen said the idea is that we would use the savings to pay the bond off and once its paid we get to keep the savings.

Rob asked about School Dude for the inventory system. Chris said the company was sold and is now called Brightly. The software is called Asset Essentials. Chris said it works well and is continuing to evolve. Rob also asked if there is a day-time custodian at the fire station. Chris said the day time custodians all move around throughout the day but they do not go to the fire station. He said he would assume that will change when the public safety building is done and he will likely talk to FinCom about adding a position for that. Rob also asked for an update on the school roofs and the ventilation at the high school. Chris said ventilation is much better and is not a problem. The vents are working well and getting serviced. Two of the roofs are failing. We have to add modified overlays for insurance reasons and the third roof at Doyon is close to failing. The overlays will get us 5-7 years to buy enough time for the schools to decide what will be

done.

Ken said the audit revealed there were issues with purchasing and asked if that has been mitigated so it won't continue to happen. Stephen said that is more of an overall financial question and said there were already policies in place, so they needed to remind the staff to follow those. Ken also asked if there is Green Communities money available for the LED lights. Chris said he has money set aside for the tennis court lights. He has not heard about the school field lights. Ken asked about the upkeep of the gym floors in the HS. Chris said they were very understaffed this year but they are about to be fully staffed again so that should no longer be a problem.

Chris then went over budget increases and changes. Electricity went up because they raised their rate by 25%. Gas is up \$2,000 just to account for fluctuations in cost. The "other" line item is for uniforms and the printing line item is for the special town report. Mike said there seems to be an over \$40k discrepancy in what Chris asked for and what Stephen gave. Stephen said a higher amount was requested for salaries in certain line items and almost \$22k is for the part-time admin purchasing. Michael asked Chris why he didn't receive what he had asked for. Chris said he had written a letter to Stephen and Dr. Blake requesting a salary increase to bring him more in line with where he should be. He also submitted a salary increase for Brad. Stephen said they are trying to stick to salary increases for increased job responsibility.

Rob asked about the extra overtime expenses. Chris said it is because the town hall is being rented out a lot on the weekends now, so they need to be available to clean for those times. They also do a deep clean once a month now on weekends. Rob asked Sarah where that money goes to. Sarah said it is in the rentals section of the general fund revenue. They bring in about \$5,300 and most of that comes from the veteran's office. Emily asked about the Linebrook Road fire station which they rent out for ambulances. Stephen said they use it and it shortens their response time to our community, but they do not pay us for it. Walter asked if there is anything missing from the 5-year plan for the schools. Chris said no. For the major systems, they have been addressing those as they come up. Down the line the HS will need a new roof for the arts wing, and they will need updated heating systems.

#### **5. Human Resources/ FTE's/ Organizational Chart – M. Gallivan**

Mary Gallivan, Assistant Town Manager and Human Resources Director, went over the goals and objectives as highlighted in the budget book. Mary does the payroll functions, the benefits administration for the town, and human resources. This past year a lot of positions turned over and they also added some new positions and concepts. This past year they negotiated with the unions, and focused on employee health and wellness by offering safety and wellness classes through MAIA. Attending trainings gives the town a credit back from the insurance. They also did in-house ALICE training, and CPR courses and refreshers. Mary said they also like to encourage community involvement and have food drives and blood drives through Next Door and the Red Cross. Mary said she saw an uptick in substance abuse and mental health recourses. The department has a lot of retirements coming up so they are trying to identify people earlier in their careers to teach them how to do a certain position to help plan for the future. Mary said she is continuing to make sure she is up to date with her training, and will attend the Suffolk MMA Leadership program. She is also looking at doing the purchasing designation as well.

Mike asked how employees like the health plan, Mary said they offer a very good plan. It's expensive but employees really like it. They are also going to add a subset of the plan which will have a lower deductible for people who don't use it as much. Rob asked Mary what the metrics are for turnovers and hires. Mary said from key positions it was down, this year it was more union positions. She can look at it and get exact numbers. Rob asked Mary if she does exit interviews and asked what the top reasons are for leaving. Mary said she offers them but they are not required. The trend is that it is due to pay, and because of the union agreements their hands are tied. Rob C. asked about disputes and how that works. Mary said disputes are usually because of COLA's and they have a good process for dealing with that. They try to streamline all of their processes to make it easier. Rob asked what the typical length of a contract is. It is 3 years and the negotiation process can be very quick or very long but typically takes about 3 months.

#### **6. Miscellaneous Finance and Expenses/Utilities Allocation – S. Johnson**

Benefits are small because they don't cover much for life insurance. Health insurance is one of the big-ticket items. Sarah did an analysis in January to look at each department to see who has what coverage and make sure it's in the correct spot. She also cross-checked it through the staffing sheet to see which employees took insurance and what plan they have. Currently 32 employees do not take insurance and there are 7 employees that they are actively recruiting for. Sarah said she keeps \$100k in reserves for health insurance. Sarah also looked into the retirement fund and the appropriation. The appropriation from Essex Regional Retirement will be funded by 2035 and they have an actuarial report. They were told by MAIA to carry an extra 5% for workers comp and if we don't use it, it can be extra if we need

it. Unemployment is level funded. The management transfer fund has \$90k and Sarah went over the increases. There is a new contract with the auditors which has gone up a little. Repair and replace is level funded; postage went up because of rates; office supplies increased slightly because of inflation; training increased because of more training opportunities.

Rob asked if we are keeping the same audit firm,. Sarah said yes. Rob said sometimes it can be good to change it up. Sarah said they rotate partners so it's new eyes on it. It can be difficult to change firms completely because the first year the firm is just learning the town so it feels like a waste. Stephen said he has been in towns where they change auditors and it hasn't made much of a difference. It has just been more expensive. Sarah said the total auditors bill is \$57k but it's split between the town, the schools, the ELD, and water and sewers. Michael S. said he agrees that it could be helpful to get a different set of eyes on things. Stephen said in the private sector that can be helpful, but what they do in town isn't that difficult and sticking with the same auditor gives them the benefit of having a company that knows and understands the way the town works. Stephen also said there is a shortage in auditors so sometimes audit firms will not take new customers or will let customers go if it's not worth their while, so they are lucky to be with this firm. Rob asked if there was an audit committee meeting, Walter said he doesn't think so. Michael D. asked if there would be a presentation on Mary's presentation on the ESCO recommendation. Stephen said she was mainly working on the ESCO recommendation and was also working on some public safety recommendations. Stephen said he will present the ESCO recommendation once they decide. Michael S. asked about the personnel summary. Stephen said it is in the budget but the chart is wrong.

## **7. Town Manager Budget – S. Crane**

Stephen went over the structure of the budget; the change was Mary becoming the assistant town manager as well as the human resources director. He also went over the goals and objectives, as outlined in the budget book. Significant changes include a part-time climate resiliency manager which is funded three ways, a third to the town, a third to the schools, and the a third to the ELD. Mike asked about this position and said it was originally grant funded and they were told it wouldn't become a salaried position. Stephen said he wouldn't have sold it that way, but he does think it's a good position and we will begin to see cost savings because of it. Salaries have gone up for the Town Manager and the Assistant Town Manager. There is also another line item for the Climate Resiliency Manager which was previously in a different budget. Some line items that were reduced were the town manager phone allowance and civic overtime. They are taking a different approach now to civic overtime.

Michael S. asked if there are any projects for regionalization. Stephen said currently just animal control, but there are a lot of opportunities. Stephen said he thinks regionalization is the only way towns are going to stay afloat. Michael also asked about the use of ARPA funds for the public safety building. Stephen said he is just waiting for approval. The plan is to use ARPA funds to restore the fourth bay since we had to eliminate it, along with a lot of other square footage, due to inflation. They will use the rest of the funds to ensure no additional cuts need to be made. Rob asked if the town manager and assistant town manager lines are fully encumbered. Stephen pointed out an area of the budget book to show this. Rob asked Michael if the Select Board's goals work well with this budget. Stephen said they are having a goal setting meeting soon because they haven't changed their goals in a few years. Next year we will see the Select Board's goals more updated and in line with the budget.

Michael D. asked Stephen why he raised Mary's position and salary so quickly after he started. Walter said when they were considering Stephen's position there was a lot of talk about bumping Mary's position up since she did so much as the interim town manager and will continue to do a lot. Stephen said typically in most other towns, a town manager does have an assistant and this position is usually combined with a HR manager position. Stephen said he did it quickly because he saw the need for the position and also quickly saw how capable Mary was. Michael also asked if we are keeping track of the management transfer fund to make sure we are using it the way we had thought we would. Stephen said Sarah keeps track of it. Stephen also said he thinks in the future this should be more personnel related, and the reserve fund should be used more for expenses. Stephen said the first thing he used management transfer for was the index map, but in the future, he wouldn't do that because he wants it to be more personnel expense related. An example might be to use it for training. The current balance of the fund is \$98,707 and this past year they moved \$41,292. This was for the town manager recruiter, some Illuminations details, communications tower, DPW, a guard rail, advertising for planning, and in IT consultant.

## **8. Select Board Budget – S. Crane**

The Select Board budget is level funded. Rob asked about the Select Board's administrative assistant for 35 hours per week. Stephen said its Leah and it's combined with Stephen's administrative assistant position. They also made a market adjustment for the recording secretary position to make it more attractive.

## **9. Moderator Budget – S. Crane**

The moderator budget is level funded.

## **10. Finance Committee Budget/Reserve Fund – S. Crane**

The Finance Committee budget went up \$2,000 due to postage. Michael said the current recording secretary position line item is \$3,190 per year. They average 24 meetings per year, so that averages out to be \$132 per meeting. Michael said he would like to see that go up to something more competitive which would reflect what the Select Board have done. \$4,000 per year would be about \$180 per meeting. Michael S. asked how that compares with the secretary for the Select Board. Stephen said it would be way more. He also said the budget is already done. The Select Board was able to raise their pay because when there is an issue with a shortage, you can transfer money to cover it. But since there isn't a shortage with this position, it's harder to do that. Sarah said the current FinCom recording secretary position makes \$145 per meeting and the Select Board makes \$130, so they are raising the Select Board position to bring it in line with the FinCom recording secretary. The FinCom recording secretary makes \$145 per meeting due to extra responsibilities. Michael said they had a recording secretary prior to the current secretary that was not able to do the job well. Since we are not getting any applicants for the Select Board posting, we want to make sure we hold on to the secretary we have and perhaps the rate is not enough for the work. Usually a meeting takes at least 4 hours. Joe said maybe Mary could look at other towns. We experienced a secretary this past year that did not produce quality work, and that fell back on the board members to fix it. We have someone now that is doing a good job and is reliable and we should pay higher for retention. Stephen said it is a combined issue with the Select Board and we will look into it.

Michael also asked about the FinCom reserve fund and thought it would make sense to increase it slightly from \$45,000. Rob said he thinks it's a good idea to have it be a larger number, but it needs to be used strategically. The past two town managers haven't really used it so it doesn't make sense to have it just sit there. The last time they used it was 2018. A discussion ensued about how this money is used and accessed.

## **11. Legal Services – S. Crane**

There is a minor adjustment. There may be a rate increase but not sure yet. Stephen doesn't anticipate it to change too much but he put in \$5K as a cushion as they anticipate the rate increase.

## **12. New/Old Business – Michael Dougherty**

- none

## **13. Adjourn – Michael Dougherty**

- Motion to adjourn made Emily and seconded by Ken.  
→ *Motion passed unanimously, 8-0*

Respectfully Submitted By  
Alyson von der Esch  
2-24-23