

TOWN OF IPSWICH
Finance Committee
Meeting of February 5th, 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, Chris Doucette, Rob White, Michael Schaaf, Michael Dougherty, Jamie Fay, Walter Hartford, and Kevin Murphy

Kevin Murphy arrived at 7:56.

Chris Doucette arrived at 7:57.

1. Citizens Queries – Janice Clements Skelton

- No citizens queries.

2. Acceptance of Finance Committee Minutes – Janice Clements Skelton

- 1/29/19
 - Motion to accept meeting minutes made by Tammy, seconded by Michael D.
- Vote: Motion passed unanimously, 7-0

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

3. Purchasing – Frank Antonucci, Purchasing Director for Town of Ipswich

Frank Antonucci, Purchasing Director for the Town of Ipswich, explained his department as well as went over the goals and accomplishments. Frank runs a small office with a level funded budget that is attached to the Finance Department. His job is to make sure the town of Ipswich and its departments are following the procurement laws. He also handles insurance claims and does a little bit with safety and grant writing. This is a one-person department. Janice asked if Frank is involved in all of the bidding processes. Frank replied that yes, he is in charge of this and uses charts, manuals, and guides, and works closely with departments when they are doing projects in order to make sure they are following the process but also following best business practices. For example, he just worked on a flashing beacon for the school crossing project. This is a high-profile project, so the town wants to make sure it is done properly.

Accomplishments for the department include school collaboration as well as working with departments to use state contracts. Recently the department has been asked by the new Facilities Director to help with their bids for a new gym floor at Winthrop. He has also kept in touch with the Operational Services Division and worked on the sourcing team for playground projects. Another accomplishment was switching to the logic model for the Switch Skate Board grant application. Lastly, the department received money from MIA Insurance Company from both grants and rewards programs. Grant money went to DPW and Facilities equipment, and the rewards program gave us money off of our insurance bill.

Frank reported that Tony is thinking about changing the format of the Town Report. He would like something larger and would like this to become a report that really documents the success of the departments. This book is the official record of the town, and goes into the archives and into the library. Frank wants to make it easier to see, easier to read, more user friendly.

Goals for the upcoming year are to continue previous goals. Frank is also planning on going through old supplies to sell. For example, the library had an old TV in a closet, so Frank was able to sell it online for \$53 instead of having to pay someone to get rid of it. All items for sale will go onto the town website and in the chronicle. Jamie Fay asked about how the rules on Public Bidding have changed and if there have been any downfalls. Frank said you always have the option to go out to bid. If a department doesn't know who's out there in terms of vendors, they will just put it out to bid. It has now moved more to an RFQ process (request for quotes), which is a lot less paperwork. This means there are more bids, so the price goes down. Jamie asked if they are required to take the lowest bid. Frank said they are allowed to do an RFP process, which allows the department to look at the price along with the quality of the work. Michael S. asked about Frank's goal regarding cost savings. Frank said this has been more difficult, but the department is participating in the Boxford Salt Cooperative Bid for the past several years to help with costs. Michael asked if there are other programs like

this in other municipalities to save money. Frank said he isn't sure but it's something he would like to look into. Michael also asked if the office has protocols regarding interviewing or contracts with potential contractors. Frank answered that he keeps records of all of the interviews and contracts. Bid protests usually come down to making sure there is a level playing field and the rules are followed. Robert told Frank he did great job on the grants and then asked for more details on the MIIA rewards. Robert also asked about what training is expected. Frank answered that he is always looking for ways to get MCPPO trainings out of the way because he is required to maintain certification as Public Purchasing Official. Robert asked if Frank has a list of contractors that are administrative, to see if we could get the whole town set up to be digital since all of the departments were talking about digitizing but it's a lot of work to scan. Frank said he isn't sure, but there are companies out there that provide office or administrative support. He could put together an RFP just to see what's out there. Sarah Johnson spoke about Rob's idea regarding the library and digitization. Sarah mentioned someone from the library found a town wide digitization grant.

4. Treasurer – Kevin Merz

Kevin Merz, the Treasurer Collector, presented the budget for the department. The Treasurer's Department consists of the Treasurer Collector, the Assistant Treasurer Collector, and the Collection Clerk. This past year the Assistant Treasurer Collector passed the Treasurers Exam for Massachusetts Treasurers exam, which required three years of classes and multiple years of experience. He noted that this is a huge accomplishment. Another accomplishment was the excellent customer service from the Collection Clerk. Kevin was also president of the Mass Treasurers Association, and he also worked with school and utilities bill to streamline the process. This will save time for the accounts payable clerk and school and utilities department. Kevin has also spent time with Tony over the past few months on the GFOA Budget Book. In November, Kevin had to run for office again for the Retirement Board. He has been on the board now for 9 or 10 years. Kevin went into detail on the Retirement System and how the town was being overcharged. There have been new assessments done, and Ipswich's charges will drop almost \$40,000. This past year, demand notices for Real Estate taxes were sent out on May 15th and then tax liens were placed by June, which saved the town money compared to previous years. Lastly, Kevin has also been working to make sure employees in town understand their 457B plans and how the pensions work.

One goal Kevin has for the department is to look at internal transfers and create a wire transfer policy. Wire transfers are not done frequently, but a policy will be put in place to eliminate fraud. Kevin would also like to continue to support and encourage staff development. The more educated the staff is the better it is for the taxpayer and for the office as a whole.

There are not any major changes in the budget. Operating budget is level funded, there are cost of living increases and union negotiated salary increases for the Collection Clerk. 1.27 overall increase in budget. Janice asked what the full-time parking clerk is. Frank clarified this is Corinna, she works an extra 2 hours every week to do the parking clerk duties. Robert asked how the department did in 2018 for growth in regard to the Essex Retirement Corpus and how the investments did. Frank said they haven't received the returns yet but he can forward this on once he receives the statements. He noted that he was not expecting it to be strong. Robert also asked about the investment portfolio. Kevin said he will send the info that he has to compare the PRIT fund with the FEOFFEES. Michael S. asked Frank to come back to discuss quarterly results. Michael S. also asked about money that is borrowed for utilities and how it affects the town. Kevin mentioned that it is not a significant amount and interest is calculated once a month.

5. Information Technology – Greg Parachojuk

Greg Parachojuk, IT director, reviewed the accomplishments, challenges, and goals for the department. Accomplishments include successfully migrating in-house emails to Microsoft Office 365 cloud, planning the towns first cyber-security audit, and providing MUNIS Dashboard training to users. Properly managing vast amounts of user requests was a challenge.

Goals for the department include improving on cyber security practices, trainings, and procedures as well as improving on interdepartmental trainings and communications to encourage collaboration. The department would also like to upgrade virtual hosts and machines to the latest release and continue timely computer replacement based on capital plan. Recently, the department decommissioned 2 servers due to using the cloud, which saves the town money.

Greg then presented the budget. The largest change was under the maintenance contract, mainly due to the email subscription fees. Full circle software also had an increase. Email subscription fees are less than half of what they were estimated to be last year. IT specialist funding has changed. Janice asked about performance measures because she noticed the department had a few months where there were a lot of requests and then it went down for several months, and wanted to know what went well. Greg said it fluctuates especially when new projects go out because people need help with

projects. Janice also asked if Greg had a sense if the GIS specialist that is needed would be full time or part time. Greg said there has been discussions with other towns about sharing this resource, as he doesn't think it needs to be full time, but doesn't this we would be able to acquire somebody part time for the position. This position would cost between \$40,000 and \$50,000 a year. Jamie said we should look into contracting this, and also asked about the conversion to cloud-based email systems and wanted to know what Greg's experiences have been so far. Greg said they are still working on cutting down the amount of spam, but so far people have been happy and have been able to access email on their phone and at home. Robert asked about security, Greg said there are primary and secondary domain controls. Recently made some updates to technology. Robert also asked if MUNIS is on the cloud, Greg answered yes. 8 server applications now. Utilities are all in the cloud, not police because they have federal restrictions on email. Robert asked about the replacement of technology. Walter asked about sharing resources with the other departments, Greg said nobody has extra resources to share. Janice asked if there is an opportunity in the upcoming year to work with the schools. Greg said it can be difficult to do this because schools get a lot for free, but they could possibly merge something in data. Janice asked Sarah what the FTE equivalent is for the town. Sarah said she would have to get back to her. Sarah said when they are processing payroll they are usually around 197, full time and part time including utilities. Janice mentioned that a few departments said they need a few more hours per week. She wondered if purchasing laptops would be helpful to allow people to get some work down outside of the workday.

6. Accounting – Sarah Johnson, Stephanie Frontiera

Sarah went over the makeup and mission of the Finance Department, and then reviewed the accomplishments and goals. This past year the Finance Department implemented bi-weekly payroll which saves time and money. They also outsourced payroll to Harpers Payroll Service for improved employee customer service and better control of tax liability. This year the department also consolidated the School and Town Payroll Benefits office. The department also implemented the OpenGov webpage, and tested poll pads to accommodate record attendance at the May 2018 Annual Town Meeting. Another accomplishment was creating an OPEB funding policy and receiving support for the Select Board and Finance Committee which assisted in lowering the OPEB liability prior to the implementation of GASB 75. Lastly, the FY18 audit was performed timely and was completed with no material weaknesses and no critical management comments.

Stephanie then went over the makeup and mission of the Accounting Department. One goal is to continue to streamline the processes within the department for vendors and maintenance. Stephanie reported that there used to be a lot of duplicate vendors, so she came up with a process so they are set up the same way. This way they can have a cleaner vendor profile and vendors will be easier to find. Another goal is to monitor financial activities within all Town Departments, as well as to provide financial and accounting information to the outside auditing firm by 8/5/19 for early audit. Lastly, the department hopes to disseminate financial data in a timely, accurate, and comprehensive manner.

One accomplishment of the department was timely preparation of audit schedules and financial statements for early auditing. The department also implemented a new process for uploading W-9's to the towns financial software, which has made it relatively easy to access the financial system. Kevin now streamlines the debt. Jamie asked if the auditors will have a problem of that. Stephanie said no because he is doing the paperwork, but Stephanie still has to sign off on it and process it. Lastly, the department had successful reconciliation of balance sheets across all funds and incorporated a new free cash certification process into DOR.

Jamie asked Stephanie to talk about the payroll process and how that has changed. Sarah explained the Harpers system is used for every department and comes out of the Town Manager's budget. Prior to using Harpers, each department would add their own information and it would then go back to payroll for verification. Now we have outsourced it and streamlined this process. Harper has a system that proofs everything so if something is missed, they know. This helps with tax liability and issuing checks correctly. Next step for next year is getting the employee self-service portal up and running, as well as electronic reports.

There are no significant budget changes this year within the department. All of the accounting staff salaries are allocated. We will see a drop-off in printed forms because some forms are outsourced now. There are a few small changes in allocations of funds. Sarah and Stephanie receive GAAP (Generally Accepted Accounting Principles) guides, which is the subscription. Janice asked about the overtime budget. Stephanie has one union employee that has it in her contract that she can earn comp time or overtime and she will likely need this during audit time. Over 35 hours a week is time and a half. Sarah said this only happens occasionally. Jamie asked about trainings Stephanie has coming up. Stephanie answered that she is a member of the Mass Municipal Auditors and Accounts Association, and is also the MUNIS trainer for the town, so she might do training for that as well. Sarah goes to GFOA. Michael S. asked about which financial policies Sarah wants to update. Sarah said specifically internal controls to reduce fraud as well as a few

other changes. Sarah would like to get a municipalities credit card which would allow for the department to have control over individual limits and timing for use. Michael S. also asked about the wind turbine and which department is responsible for major real estate transactions. Sarah said it seems to be fractioned and it is done differently in each town. Sarah is worried that we don't have the bond for the wind turbine, Michael wants to make sure this doesn't happen again in the future and wants to put a system in place. Janice said we should discuss this with Tony next week. Walter asked about the goal for the Capital Plans and asked what the plan will look like. Sarah said when she first started there was no long-term debt service forecast. She looked at possibly how much would need to be spent over the years, but it wasn't well defined because there was no study. Dude solutions will give us a long-term plan and will see priority listing on all buildings for the next 20-30 years. We will then have a much better idea of what our future looks like and what it is going to take to fund, fix, and address these issues. Sarah already has the spreadsheet prepared, just needs to be tweaked and populated with the estimates from this study, and from there we can move forward. There are also large projects coming down the pipeline for water wastewater. All of those costs are paid by the ratepayer. Jamie noted that he is intrigued by the org chart and asked what Sarah been able to do to integrate departments to share resources and personnel. Sarah said they meet as time permits. Each department has different down times, and they lean on different people when they can.

7. New/Other Business – J. Skelton

- Next week 2/12 and 2/13 for Municipal Budget Hearing
- Sarah noted that she emailed Janice the building inspector spreadsheet.

8. Adjournment – Janice Clements Skelton

- Motion to adjourn made by Tammy, seconded by Michael D.
→*Vote: Motion passed unanimously, 9-0*

Respectfully Submitted By
Alyson von der Esch
2.12.19