

TOWN OF IPSWICH
Finance Committee
Meeting of February 20th, 2020
Town Hall, 25 Green Street

With a quorum present, the Chair called the meeting to order at 7:32.

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

1. Citizens Queries – Janice Clements-Skelton

- Phil Goguen, King Fisher Road, asked if there will be electronic voting at Town Meeting. Janice said she doesn't know but she will ask the Town Moderator tonight. Phil said last year he had two amendments and three articles and none of them went out on keypad. Phil's request is that they use it for every article or for none of the articles. Phil also asked about the term appropriation and what it means. He wanted to reiterated that when money is appropriated for one thing it has to be used for that thing unless it is voted on again at town meeting.

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

- Motion to accept minutes from 2/11 made by Michael Schaff and seconded by Joe.
→*Vote: Motion passed unanimously, 8-0*

FY21 Budget Reviews: Town Manager, Facilities, HR, General Government

3. Facilities – C. Rais

Chris Rais, Facilities Director for the town, and Brad Orm, Assistant Facilities Director. Chris went over the mission statement of the department as well as the goals for the year, as stated in the budget book. He also went over the org chart. There are three people on the administrator side, 3 full time custodians and one part time custodian. There are also custodians at the schools. Major projects this past year included completing 3 emergency generator installations, completing numerous and extensive roofing repairs at the elementary schools, and updating the fire alarm system and security system at Town Hall. Walter asked how the roofing repairs will help us and for how long. Chris said they have been chasing the problems down as they come. Initially at the Doyon School they found about 4 locations that needed to be repaired immediately as well as three locations at Winthrop. Long term, the repairs will last at least 5 to 10-years, but the roofs need to be replaced. They found many other areas that need to be replaced as they were working. Chris also said the old Police Station generator is going to the DPW. Major accomplishments this past year were being accepted into the Green Communities Grant Funding Program, finalizing the installation of the electric car charging station, and working with Dude Solutions. Janice asked if we have been accepted into Green Communities, Chris said they have received a letter that they were accepted and in the next few days they will submit the projects they want to do. Jamie asked about the electric charging station, Tony said it is only for the new electric town vehicles.

Chris then went over the budget increases. One of the part-time employees will become the primary administrator and will become full-time at 35 hours. Part of that will be paid through Green Communities. Electricity, water and sewer, and gas had increased rates. There was also an increase in the telephone line. Everything has moved from copper lines to fiber lines so that has increased cost. Cell phone plans have had increased costs and most departments have also switched over to smart phones. The Police Department upgraded the equipment that they use inside the vehicles. There were also increases in custodial union contract pay, and an overall increase to repair and maintenance budget line for facilities as buildings are getting older. They would like to do more preventative maintenance. Two additional custodians for schools.

Janice asked what else the FT administrator will be doing with the extra hours other than Green Communities. Chris said she will be shared by the Town and School budget and she will be spending time not only on Green Communities but also town work. She currently works part-time with full-time amount of work. Janice said when we bring someone up to full-time we are adding in benefits and retirement and we had talked about Green Communities, and were assured it would be self-sustaining and wouldn't need additional help. Tony said they would need this increase for the position even without Green Communities. The workload is there. They are just using Green Communities to help pay for it because we can. Jamie asked Chris to talk more about what the position is. Chris said she takes care of payroll, accounts payable and receivable, MEI, utility bills, contractor bills, reservations for the town, data entry. The department is a 24/7 360 days department. There are a lot of contractors they handle daily. Janice said it sounds like a lot of the things

the assistant does could be automated. Walter said it sounds like what they are struggling with are the jobs that are done like accounts payable. If there are 7 FT employees in each department that do accounts payable that all get benefits, they would rather there be one person that does accounts payable for the whole town and save the benefits.

Janice asked how the work has changed now that Dude Solutions has been up and running for a bit. Chris said he has been able to track the ongoing issues with some of the equipment issues. It is beginning to help them establish a good preventative maintenance program. He also said it is helping him track the work that is being done and how much work is going to which contractors. Joe asked which employees were feeding the permanent wages line. Chris said it's the town custodians and Kim, the assistant. The Finance Committee stated concern over the fact that this position is being paid for partially by a grant and that if the grant is lost the town will have to pay for it. Michael said they might find some relief with the overtime budget since there was a shift to permanent wages. Chris said part of it can be for the extra work they encounter but part of it is for events. Michael asked if Chris had the budgeted amount for last year, Chris said he doesn't. Tony said they can definitely look at dropping the overtime budget. Walter asked about the increase in oil. Chris said it's due to the diesel generator. Janice asked if the role goes to full-time will it be eligible for overtime. Tony said it's an assistant position so it would be eligible. Chris said he doesn't think she would need overtime. Jamie asked if there are any chances to be able to work with other departments and get help and share recourses. Chris said he doesn't like to ask other departments for help. It makes it more difficult and is more time consuming. He thinks if it's a Facilities Department matter, Facilities should be handling it. Jamie said facilities and DPW seem to have similar structures, perhaps they could help each other in responsibilities. Walter said they are talking more about administration vs. working with vendors.

Michael asked about asset management. Chris said he likes Dude Solutions and he thinks the system is producing good information on a timely basis. Brad and Chris are on it every day. Michael asked about the department assuming responsibility for managing the custodians at the schools. He said there has been some difficulty sharing custodial work with the schools and asked how it's been going. Chris said he believes that himself and Brad have done a good job of changing the culture and working well with the school department to make sure the work is getting done. There are still improvements to be made but they are doing well and continuing to work at it. He has seen some really good work coming out of there and he expects it to keep improving. Michael asked about the singular structure. Chris said he would prefer a singular structure because it would be easier to manage. The school and the town have different ways of doing things. He thinks you could be more efficient and more effective if it were under one. Michael S. asked about the 5-year energy plan. Tony said it is depending on how the schools play out but they have a 3-year plan for now since we don't know where we are heading with the schools. Tony also showed an updated Capital Plan. Michael said an important goal of Green Communities is to reduce local energy use by 20%, and he asked Chris if we will get there. Chris said he is committed to get there. The largest user of energy is the high school and middle school so they will tackle that first. He said overall it is very attainable and they are looking across the town to see what they can do

Phil Goguen, King Fisher Road, asked Chris a few questions. He asked about the increase of 4.84% and asked if that is with the school. Chris said that is just the town budget, not the school budget. Phil said he thinks that is too high. Janice said that they are going to try to trim the overtime budget to offset the increase. Phil asked about paper usage for payroll. Chris said its paper and payroll. Janice said this is their point, they are adding administrative hours for things they don't need. The fact that they are still using paper to payroll is not efficient. Phil also asked Tony if he could sit with Chris to check out some of the bills. Tony said he can contact him about that.

Janice said if we could move \$15,000 out of the overtime budget to offset some of the other items, the overall increase would come down significantly. Jamie said that gives us a much higher cost administrator and cuts the services that we need. Janice said that if that's how Chris wants to prioritize his department, he can. Michael said Janice isn't saying to eliminate overtime, it's just to look at what has historically been spent. Jamie said we don't want to cut services that we need. Janice said that we are now moving money from an area that directly supports the public, and moving it for administrative help. Jamie said he would prefer to have Tony dig into this deeper. Perhaps we need to get more efficient systems in place, and then when people need a little extra help someone in town hall can jump in and help vs. making someone else full time. Janice also mentioned the senior volunteer program. Tony said they utilize both of those. Jamie said sometimes things can be done more efficiently with more efficient system vs. making someone go full time. Walter said it's not an issue with this department specifically, they just want to look to Tony to keep costs down and perhaps eliminate positions by making more efficient systems. Janice said they should be able to have a well-run department with low administrative burden, especially where they are with the budget this year.

4. Human Resources, FTE's & Organizational Chart – T. Marino, M. Gallivan

Mary gave a recap on what they have been doing this year and went over the employees. This past year they spent a lot of time on compliance, policy, and procedure. They worked on the cohesion of the town and schools, and

implemented contracts. The digitalizing with harpers and the transition to the employee self-service module in Harpers has allowed them to put information, tax documents, and profiles online. This has helped reduce time and paper and has made things easier for employees. It has also saved time for payroll and Human Resources. They are also working on getting electronic time keeping, which cuts down on hours spent by administrative staff as well as time spent by payroll staff. It would also significantly reduce paper. Janice asked how much this module would cost. The current module is \$.25 per active employee per month. Time and attendance is \$2.95 per active employee per month. Mary said she is confident that the overall numbers could be reduced by not having everyone on the module. She also said that although it has a small fee it would reduce a large number of hours being spent by all departments on payroll and some positions may be able to be eliminated or duties can be changed up. Janice said this is exactly the kind of efficiencies they want to see and what they have been talking about. Mary said this system will also help with accuracy and overtime. Mary said they would also like to do electronic onboarding and digitizing all forms. Harpers has a ton of capabilities and we are just scraping the surface of what they can do. Janice asked if Harpers offers an HRES system, Mary said she can check. Sarah said so far Harpers had made everything much easier. Joe said there is a company that he used to use that did time management and payroll and he could be traveling on the road and could approve payroll. Janice said Harpers specializes in municipalities. Joe said that is definitely the way to go, we can gain so many efficiencies and re-task people in the departments. Mary said hopefully the payroll department can do all of the payroll so no other departments have to do it.

Mary said they started re-writing a lot of policies and procedures this past year as well. They also placed a big emphasis on health and wellness this year and offered several programs through MAYA. They have also offered several trainings through the Town Manager's budget. One was Excel training. They have also been sending out quarterly newsletters which inform employees about programs that are offered. Another initiative is a monthly local community give-back initiative. Mary said she would also like to update the HR page on the town Website and work with the new IT director.

Janice asked about salaries expended and budgeted and said the numbers are going down not up. Tony said they have been in flux and there have been some changes within the department. They thought they would have a savings in FY20, they have put some in management transfer. He said his budget will show this in more details and went through the budget. Janice asked Mary if she could do anything to maximize the value that they are getting out of the labor dollars. Mary said going paperless would help. So much of time is spent scanning, filing, and sending things interdepartmentally. Janice asked if they have anything to allow them to collaborate. Mary said no, the schools use Google Docs and they have used that but it has a big learning curve. Jamie asked where Harpers shows up in the budget. Sarah said IT. Sarah said that was part of the \$30,000 increase. Harper's is only \$9,500. Tony said it will go up a bit when we add more modules. Jamie said we have gotten so much for such a small amount of money and its great. Janice asked for a check-in on benefits. Mary said it has been improving and she thinks they need to get away from insurances that self-administer because they don't have much back up if they have questions. Mary would like them to switch to another vendor, potentially Boston Mutual. We also have a lot of fringe policies that only a few people are on which just adds to things that could potentially be overlooked. Mary said they changed to 457B which is much better because its backed by the state and has lower fees. Jamie asked if the department is responsible for advertising vacancies and filling them. Mary said they have had a lot of open positions lately and she has been happy with the talent pool that's out there. Jamie said he was surprised at the level of interest and asked what is making it attractive to people. Mary said they get a strong response from local people because they love the town and want to work there. A lot of people take pay cuts to work there. Michael Schaff said he was surprised by the number of applicants for the Planning Director, he thought there would be more. Tony said there was a good number of applicants and they had a lot of good choices. Janice asked Mary if she is responsible for Workman's Comp. Mary said she is and they are trending down which is great. Walter asked how long bad experience can hurt us. Sarah said it's a 3-year rolling and we still have 1 or 2 years. Janice said for the "payment in lieu of" program, if you offer the contribution for the individual on a per payroll basis you get your money back right away and it is a qualified plan. Tony said Mary does a great job and she's always looking to what's next.

5. Miscellaneous Finance & Expenses, Utilities Allocation – T. Marino, S. Johnson

The first line item is life insurance, health insurance, OBEB, Health Reimbursement Account, Retirement, Medicare, Veteran's Pension. There is a 5% increase overall but they have been advised that there will be 6% increase in health insurance. Jamie asked Sarah to bring them up to date on the health insurance and whether they expect to be on budget this year. Sarah said they had more usage this year because there has been more turn over and more people picked up insurance than had it before. Some people retired so we still carry them on insurance and the new hires are also taking insurance. Once the retirees and their spouses reach 65 they go onto Medics. Sarah said she noticed on the town side last year we had 82 plans for employees and 78 retirees, this year we have 88 employees and 88 plans for retirees. Previously

they had 36 people not taking health insurance and now that's 29. We are tracking for about \$50,000 or \$60,000 under this year. Sarah said she is glad they added more to the budget. Janice said this is when the payment in-leu of will be helpful. Sarah said this year they are expecting 6% changes in total. Jamie asked if that will be adjusted. Sarah said the cushion she started with this year was \$100,000. Tony said they are hopeful the 6% was a worst-case scenario. Sarah said they will have the exact number next week. Sarah said right now she only has a \$50,000 cushion, so if it drops even 1% that would make her feel better. Janice said its hard to look at this one year at a time, you have to look at the three-year trend. Sarah said they saved \$300,000 when they renegotiated the health insurance three years ago. That reset the increase and MAYA gave the 2.5% decrease last year which was another little decrease. We have controlled health insurance costs pretty well over the last few years. Janice asked if there are any plan changes this year, Sarah said no it's a big process. Walter asked if that saving is gone. Sarah said its still there.

Joe asked Sarah about the handout form last meeting, Sarah said there are a few updates. Jamie asked about the 7% retirement increase. Sarah said that is shared across school, town, water, wastewater, and electric. Sarah said it's not a straight 7% because if the schools give a higher salary increase than the town and then the other departments add more employees, it shifts the increases between all of us, so the towns increase ended up only 4 and some of the other entities picked up a little more. We will have higher numbers, but overall it is roughly 7.5%. Jamie also asked about unemployment compensation and he asked if we ever lay anyone off. Tony said they have let people go for cause or because things aren't working out. Sometimes they'll do a settlement agreement. Tony said they haven't eliminated any positions recently but if they have to they will. Tony also said the workman's comp and unemployment isn't up much, the packing insurance is down a little, legal liability insurance is down as well. Sarah said they thought they were going to add some package insurance last year and they ended up not doing it. It turns out they didn't need it, so they had bumped up the budget thinking they would need it and then they didn't so they moved it back down. Jamie asked about the Legal Liability Insurance. Tony said they carry the policy and it fluctuates based on claims. There were a few issues that contributed to it going up. Management transfer was up last year because they hadn't finalized union contracts, but its back down this year now that it is all settled. Michael Schaff asked about "other expenses" that went up 100%. Sarah said she thinks its OpenGov. Jamie asked why Medical Exams is listed here and in Police and Fire and asked if it could be covered through health insurance. Tony said it is before they are hired. Jamie asked about the screening program for fire, Tony said that program is free of cost. This line item is a drug screening and physical for new employees. Some departments have additional screenings like being able to lift heavy items or completing a phycological exams. Janice said by doing the pre-employment physical we are in a lower rate category for workman's comp. Sarah said in this budget it's just the basic pre-employment physical and then anything additional for different departments goes in their departments budget. Tony said the only thing left is debt services and that is going off as we pay it off.

Jamie asked if we are anticipating and bond issues. Sarah said she held off on anticipating public safety, water and sewer are in their own budgets. This is just the town and she checked with all of the department heads and we don't have any unauthorized projects coming on right now. She is waiting on public safety until she knows the number. Chris asked about bonding for roadways and paving and asked about what would it take to tackle the entire thing. Tony said they are looking that on the Strategic Planning Group Level and that will be a topic at Bean Counting.

Tony also passed out a form about the upcoming Town Meeting. Tony said 1-13 are standard, there are 3 from Planning about adult use marijuana, one on a plastic straw ban, Open Space Bond purchase. Tony talked about the purchase and we will be getting a grant as well as help from Green Belt. There will be a TIFF from New England Biolabs. There will also be the Waterways Committee Article from the Government Study Committee. Tony said he also just got a demolition review from John Fisk which will be on there. So far there are no citizens petitions. Jamie asked Tony to confirm that an article doesn't need to be filed to hear a report from the Government Study Committee. Tony said he would double check with Tom. Jamie suggested adding a Capital Budget update to an upcoming meeting. Janice asked Tony if he could attend the meeting on the 27th.

6. Moderator & Select Board Budgets – T. Marino

Tony said he is unsure if the moderator will be there tonight. His budget only has two line-items which is conference registrations and his salary. Poll expenses will be in Tony's budget.

7. Town Manager – T. Marino

Tony said they are continuing to look at regionalization opportunities where we can. Because our HR department is working so well, we may be able to help other towns with their Payroll and HR and get some revenue. The office has been very involved with the business community and will continue to be. The gas line project has been a big project so far this year. Tony is also planning to look downstairs to see if there can be a Municipal Inspections department which would

combine Planning, Conservation, Health, and Building departments to create efficiencies with admin staff. Tony said he came from a town that used this model and it worked well. Jamie said these departments share some things as it is. Tony said right now they share a few things but they will be looking to change the permitting software to incorporate all of the departments. They are also going to utilize the new OpenGov software for performance reviews and are continuing to increase their social media presence. Jamie asked who manages that, Tony said each department has a page but everyone cross-posts.

As far as accomplishments this past year, the Town Manager's Department implemented OpenGov, implemented the new town and school HR department, settled the firetruck lawsuit, negotiated and finalized seven union contracts, and successfully filled 14 open vacancies. Jamie asked if there is a way to track how much OpenGov gets used. Tony said that's one thing they are working on with IT and they want to get better with that. They might use OpenGov to help create the budget book next year.

Tony then went over the budget. Tony had a standard union salary increase. Same number of FTE's as the last three years. Jamie asked about the increase in the executive assistant. Tony said the increase was \$4,500 and it is in the Select Board budget. That is due to increased duties because Mary's position used to be an Assistant Town Manager position, and once they did the combined HR Tony gave that assistant up so Leah has had to do more work to make up for this. Leah has now been bumped from 28 to 32 hours. She was always been eligible for benefits. Leah is the go-to if Tony isn't around. Janice asked if there is an opportunity to bring Leah up to 35 hours and give the Facilities Department some support. Janice said if we already have someone here that is doing a good job and is already getting benefits, why not give her more. Jamie said it looks like the payroll clerks will have some time on their hands in the next few years as well so they can help. Tony said he is trying to look at this holistically so we can do some cross-training and have some shared admins. Janice asked what the benefits threshold is, its 19 hours. Tony said they will take a look at all of this. Joe asked about the previous year's consultant line, Tony said it was to fill the fire chief position and it came out of HR.

8. Finance Committee Budget – T. Marino

Tony said one of the line items covers the part time note taker position. They also have expenses for advertising and special printing. Tony also said they can add an item in the budget for trainings. There is a conference that Tony recommended that Janice has been to. Janice said they should think about it for next year. Michael S. asked if we are okay with the printing budget. Tony said they will come close to the number this year. Sarah said the Fall Town Meeting book is larger than the May Town Meeting book so that's why we haven't use much yet. Sarah said the postage is paid through here or the postage account if needed.

9. Legal Services/ Reserve Fund – T. Marino

Tony said they left the legal budget increase of \$10,000 in there because of the ongoing 40B with Brooney. They are using attorney Whitten. Walter asked how much they spent last year out of the allocated amount. Tony said \$7,000 or \$8,000 total. There has been a lot of delays. It has worked out for the town because they get one bill now due to a merge.

10. New/ Other Business – Janice Clements-Skelton

Jamie gave an update on the Public Safety Facilities. They had a meeting on Tuesday night. They discussed strategic planning on how we get from here to fall town meeting. They are working up a list of organizations that they think they should meet with, and they will also be holding several public meetings in various areas of town. They also talked about engaging with the architect. The two chiefs and Tony are meeting tomorrow to go over the program and they will do a check in after that. Jamie said at some point we have to decide what the building is going to look like and they discussed other buildings in surrounding towns. There has been a series of questions from people in town about why the budget is so high for this project, especially considering that other Public Safety Buildings in surrounding towns have been built for much less. The committee wants to tackle this question and explain to people where the price point is coming from and why the larger budget is needed. Michael S. said we don't know that this building will be supported by the voters and the vote is still a year away, but if this does go through we'll have two downtown parcels that the town controls and we will have to decide what to do with them when the time comes. Chris said it would be nice if this committee were to present ideas about what these parcels could be used for. The committee is saying that is a different committee to decide that, but Chris said it's really hard for people to get on board with making a new building when they don't know what is going to happen with the others. They can still have a committee to tackle specifics but maybe they could just come up with some good ideas during the presentation and would help to sell it easier. Jamie said he will carry it back to the committee. Chris said he thinks one of the concerns will be the high price tag so transparency is good. But he also thinks it's important to say to people that tomorrows dollars aren't the same as today's dollars and if we delay this

it's going to get more expensive just from inflation. Jamie said we are likely to have a building that's bigger than comparable towns for many reasons. They have to educate people on what we need and what it costs.

11. Adjournment – Janice Clements-Skelton

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

Respectfully Submitted By
Alyson von der Esch
3-2-20