

TOWN OF IPSWICH  
Finance Committee Minutes  
March 16, 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, Emilie Smith, Walter Hartford, Ken Swenson, Joseph Bourque, Rob White, Robert Chambers, Jamie Fay, Michael Schaaf

**1. Welcome – Michael Dougherty**

- Michael said this is the second annual post-budget pre-bean counting meeting.

**2. Citizens Queries – Michael Dougherty**

- None

**3. Bean Counting Discussion Topics/Narrative – All**

Rob went over the purpose for Bean Counting. It is a review of all of the budgets and looking at the town as a whole. Walter said the inability to have these discussions about the override makes him feel uncomfortable. Considering the large override, he is not comfortable with the two proposed assistant principal positions. Rob also said he feels uncomfortable with it, although he understands the need. It seems like the kindergarten and first grade are struggling and the need for administrative support is intense. Walter said he understands the need but we also may not have the funding.

Michael S. said he thinks there are some operational issues but the capital issues are more prevalent. Michael D. said if we want to change the agenda to talk about capital on Saturday, we can. Rob said there are small issues, but the overarching issue is we have stabilization funds and he is concerned about the tax increases for residents. The increases, including last years school override, the public safety building, the water department upgrades, and we need the elementary school. Michael asked if the committee has more of an issue with the operating budgets, or with the capital and override requests. Emilie said capital and overrides. Michael S. said he has some significant concerns with the operating budget, but not many. Walter said if you include the school in the override than that is more concerning to him. We may want to put that on the operations day to even out the conversation. Michael S. said his primary concern is the school budget, how much they are increasing it, how sustainable it is, and how we are going to afford these positions when the ESSER funds go away. The principal operating issue is the fire department overtime. Jamie said we can do the two operating budgets on Saturday and we can discuss the issues tonight, and then perhaps recommend something less at Bean Counting. Jamie said he is less concerned with the capital side but he is committed to continuing to spend money on capital. On the school side, we have gone from being significantly below average funding to slightly above average funding and we are not necessarily seeing academic results from that funding. As far as the school budget goes, all FinCom gets to do is provide an appropriated budget, the school gets to decide how they spend it. But we can make recommendations. Joe said the major concerns from this meeting last year were the fire department, the abundance of salary increases, and new positions being created. Joe said his concern is the structural deficit. If we fund the vice principals, are we going to have to get rid of other educational resources. Walter said the first question is, are we focusing the discussion on capital or operating on Saturday. Michael asked who is in favor of doing operational discussion on Saturday, and capital and override discussions on Tuesday. Everyone was in favor.

Beginning with the municipal operating budget, the biggest increase was the overtime request from the fire department. Jamie asked if there were any issues that came up the night, he wasn't there regarding the town manager's budget. Michael said they discussed the fact that the town manager's budget increased because of the new assistant town manager fund. Jamie asked about the salary transfer fund. Michael said that night Stephen said the management transfer fund is also used for other purposes. Jamie suggested that we may want to change the name then, because that's not what it was created for. Jamie asked what is in the reserve fund this year, Emilie said \$45k. Emilie asked if the salary increases

last year were non-union, and if they are union this year. Walter said you'll know what the union increase is. Michael said he doesn't think Tony got to all of the non-union employees last year. Last year town meeting approved \$90k this year, and it is \$90k this year as well. But when they decided on the extra state money they put an additional \$50k to the management transfer fund. Jamie asked if the town manager should be able to create a new position with this budget, or do we think the new positions should be a part of the budget. Emilie said she thinks it should be a part of a budget with approval. Michael S. said perhaps we should look for a definition of the management transfer fund to see what it should be used for. Ken said he doesn't think it should be micromanaged. We shouldn't be creating positions with that account, but we hired the town manager because we believe he is capable of managing this budget and we shouldn't limit it. Rob said he is not in favor of micromanaging the position and if the town manager wants to create a position through that fund, the Select Board would need to approve it.

The fire over-time in the budget is another concern. Ken said using overtime to fund gaps does not seem like an efficient way to handle this. We spend a lot on overtime and there has to be a breakeven point with the math where it makes sense to hire someone else. Michael said from what he understands it would be 4 additional fire fighters. What is more expensive, the \$362,291 that is budgeted for overtime, or four additional FTE's with salaries and benefits. Michael said they will always need some overtime as well. It wouldn't eliminate that budget totally. Right now, the permanent wages are almost \$900k and overtime is one third of that budget. Jamie said the issue is, what level of staffing do we want. For 40 years we have operated on 4 people hired in each group. We added 2 administrative positions that didn't exist originally. We have seen a change in the role of the fire departments, its less about fires and more about responding to medical emergencies. When you call 911 you get a lot of people responding and nobody is concerned about the level of response. He does not think we need additional. Walter asked if the \$362k number is the "fill to 3" number. Jamie said last year's budget had an additional \$25k to sometimes staff to 3, fill to 4. This year's budget is fine but adding another \$100k to the budget is pushing it and does not have enough benefit to the town. Michael said overall, this year's budget is only up 3%. You can only move things around so much before you eventually do have to go up by 5 or 6 %. If this was next year and one of the public safety departments was coming to us with a \$100k increase, it might be hard to move the budget around to keep it under 3%. Rob asked how much additional the firefighters get each year for overtime, is it \$20k? Michael said it's not evenly divided between all of the fire fighters. They can take on overtime if they want to so some get more than others. Jaime said he does not think this is a wise use of funds. Michael said the town spends \$700k annually on overtime. That is a lot and perhaps there is a different approach to take. Emilie said one person in town made an additional \$70k in overtime, and the base salary is \$63k. Jamie said some of the call fire fighters are only making \$12k per year. Why are they not being called? Walter said they only are called for fire, not for medical. Jamie said that seems like a problem. They are only calling OT fire fighters for medical calls and they should be using the on-call fire fighters. Emilie asked if we are coming to a consensus as a group about this. Jamie said he thinks this group needs to recommend to town meeting whether we would be willing to recommend this. Michael said he thinks the new fire chief has a plan and he wonders if it is in their purview to change that if they don't really have a good reason why. Jamie said it is in their purview and he has to do it the way it has always been done, which means he is not staffing to 4. Michael S. asked how this benefits the town if we do staff to 4. Michael D. said its about complying with safety guidelines. With four on a truck, everyone has a partner. Jamie said looking at the calls they go on each year, they usually don't even need 3 people on a truck. Most of the time they are staffed for 4, its only if someone is out that they are staffed to 3. Emilie asked if they have to take the big truck out each time. If we are staffing to 4, could we just send 2 people on a medical call in a smaller vehicle. Michael S. said he would like to keep discussing this but he doesn't know that he is ready to make a recommendation on it. Michael said the deputy fire chief will be at Bean Counting on Saturday. Maybe they should approach this as saying they are concerned with this but are not ready to take a hard stand to vote it down.

Michael S. brought up the substantial capital costs that the town is facing. The town may not accept all of these. Michael S. said he is concerned with all that needs to be done to get the water system up to par. He is quite concerned about the capital investments, and he would like to make sure that we use our funds as efficiently as possible. We are leaving about \$530k on the table. We have an option of regional dispatch that seems to be functioning well. Michael said he thinks we are being irresponsible and should perhaps ask the Select Board for a reason why they did not move forward with the regional dispatch proposal last year. Joe said he shares this concern and he doesn't understand why this didn't go through. Michael D. asked about the possibility of us housing the regional dispatch. Michael S. said when it was voted down, it was suggested to do our own, similar to what we are doing with animal control. Tony didn't move on it and Stephen said we could do it but nothing has happened with it yet. Michael S. said since then the landscape has changed and some surrounding towns have set up their own dispatches. If we can't be a regional dispatch, then it opens up a

discussion for joining the existing regional dispatch. Michael asked when we should discuss this and we want to make sure Bean Counting is used to discuss this fiscal year. This wouldn't be for this fiscal year so perhaps we should discuss this at a different time. Jamie said we could do it any time. Michael S. said he wants to elevate this to a warrant article so it can be moved to the forefront of discussion. Michael D. said he thinks we should discuss it on Tuesday night at the tri-board. If we are trying to keep Saturday's conversation relative to the operational budget for this fiscal year, we shouldn't discuss this. Michael S. said he doesn't think the Select Board wants to discuss this at all. The tax payers are not generally aware of this issue. It came and went so fast with the Select Board and it never even came to the Finance Committee. It is a matter of huge significance for the budget and if the tax payers were aware of this, we may be in a different position. We are creating a lot of new positions but we aren't trying to save money where it can be saved. Michael S. said he would like Bean Counting to examine this as an operating issue and to launch a process to examine the alternatives for this, and perhaps put money in the budget for this purpose to get the process going, consider it, and educate the citizens. Jamie said we need to make a specific request. Michael D. asked if we could have that discussion on Tuesday for free cash or capital. Michael S. said yes but he wouldn't want to go beyond Tuesday. He said he would be happy to put the wording together. Rob asked if Michael has the Select Boards goals for next year. Joe said they are having a Select Board goal setting meeting tonight. Rob said it would be good to know so we can keep the goals in mind while looking at the budget.

The committee discussed schools next. Emilie said she understands that having 80 direct reports to one person is difficult. However, she would like to see them be more creative and perhaps hire just one position at the administrative level that provides support with evaluations to both principals. She doesn't see that two positions are necessarily needed. Walter said he is hesitant to approve the two vice principals with what they are looking ahead at with the schools. Rob said even one shared assistant principal seems like a lot for two schools, although he understands that there is a lot of need right now. Walter said they don't know if they will soon have just one school, and then they'll have four administrators. Michael said next year they'll be negotiating contracts and they'll have 6 positions that need to be funded since ESSER funds are going away. Now doesn't seem like a good time to be adding two highly paid positions. Michael asked if they are on a consensus that the School Committee should reduce the request for just one administrator. Michael S. said yes but that's not going to be enough to get them on track. Jamie said class size has gone down remarkably, there is way more staff, way more specialists, and the schools have not had assistant principals for 40 years and it has been fine. If they want assistant principals, they have to cut something else. We are providing way more help than we ever did in the past. Managing 80 people is a challenge, but in the past, there were team leaders and administrative secretaries that helped. Rob said some students are so disruptive so they have a paraprofessional with them, and when a student has to go home for hurting someone, the process takes a long time. Jamie said their budget isn't sustainable. Walter said they have a 6.8% increase and that does not include needing the funding for the 6 positions. A discussion ensued about the preschool and how much it has grown, and that the majority of the budget conversation with the schools was focused on the preschool. Michael S. said he supports early childhood education and the data show that it is a worthwhile investment.

Michael asked if they wanted to discuss anything else in the school budget. Rob said the theater teacher that they have decided to cut seems like a really small expense for kids who need or want this class. Michael went over each school increase. Walter said overall, it's 5.79% and he thinks we need to focus on the overall increase vs. each school. Michael S. said they need to make it clear that the override budget was supposed to last 5 years and we want that to happen. Jamie said we need to keep in mind the difference between the operating budget and the school budget. Michael S. said we can't reliably be able to support the anticipated increases. Rob asked when we talk about a new school, where does all of the design and overhead of cost come from.

Michael said Tuesday night will be the capital plan and the capital plan on the school side, and the two override requests for the roofs. Ken asked if they have given an answer about the insurance money paid over the last 5 years. Michael said they acknowledged they received the requests but they haven't gotten back to them yet. Ken also said he didn't see a capital plan. The whole point of the capital plan is to know what is coming up over the next 5 years. There wasn't anything on the capital plan about the roof. Walter said the reason the roof is so expensive is because they are trying to do the metal roof with solar and get funding for it. Ken asked why this wasn't in the 5-year capital plan. He also said he would like to see the insurance information for the last 5 years because that will tell a story and let us know if the roofs are needed. Rob said that Ken had mentioned that the School Committee should perhaps just focus on education and not on facilities. Rob said he agrees with that and wanted to hear from the team. Jamie said he doesn't know how they separate the two. The day to day stuff is what the principals know about and it's good to have them involved. Walter said if we are funding it though, then why not have DPW work on it. Michael said maybe tonight we should just focus on the

two override requests for the roofs since we haven't heard the capital plan yet. Jamie said he doesn't think they have a choice, they have to fund them. Jamie said the issue is do we pay for it with a bond or with an override. Rob said perhaps we could pay for some of it with the stabilization fund so that we can protect the tax payer as much as possible. Can we find a way so we don't pay interest and take from the reserves we have? Michael said the consensus is that we need the roofs, but we want to be creative with how we pay for it. Ken said he agrees on the need but he challenges the plan. The two elementary schools are getting a patch job that should last 6 years. Based on the current plan, we are likely to have to fix the roofs again. Michael asked if we want to get into the weeds and recommend which funds we would like used, or should we instead just present the idea of finding a different source of funding. Jamie said it's a warrant article and if they are going to change it to being funded through stabilization it would need to change the warrant article. Rob said he would hope to propose this idea, avoid an override, and use some stabilization money and ask the school if they can borrow \$1M from their stabilization fund and pay it back over the next two years. They are asking for a debt exclusion, Rob is proposing we do not do the debt exclusion and fund it this way instead. Jamie asked where we would pay it back from. Rob said they would dedicate half of their free cash two years in a row. Michael S. said he is concerned about the reliability of that as a source for repayment. Rob said stabilization on the school side is \$4.1M. Michael said it would be good if we can avoid interest on such a big project. Michael said they will float this idea at Bean Counting to see what everyone thinks.

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

- Michael S. said his understanding is that the schools have put forward a ballot question to understand what kind of school configurations the town people would like. There are four options but those options do not have costs associated with them. He thinks it is a huge mistake. Michael D. said he agrees. In the end, people are going to vote based on finances and MSBA funding. Michael D. said this is a finance matter and the Finance Committee should give advice on this. The School Committee seems intent on putting this out, but we should recommend that they include a range of funding. Jamie said we should listen to what they have to say because they have spent a lot of time figuring this out and they obviously think this is a good idea. Michael asked if we should talk about this on Tuesday. It's just on the ballot, not on the warrant.
- Jim Engel said he has been before the School Committee on a few occasions expressing disappointment at their ability to do anything with the listening sessions. He thinks they agree that the listening sessions have been of little value in moving them forward. They haven't been very well attended either. We need to put numbers with the ballot options, otherwise we will get another set of data that doesn't mean anything. Jim also suggested rank choice voting but the town clerk said the machines won't count rank-choice voting, which Jim said he doesn't accept that as an answer. Jim told the School Committee that they should check in with FinCom to get some ballpark numbers, and that they should also put the information about the likelihood of the MSBA funding on the ballot.
- Joe said there was a water / wastewater subcommittee meeting last night and Joe asked Vicki for costs and timeline of major projects. Joe passed out documents with an overview of the capital plan for water and wastewater, the rate structure, the surplus proposed, the sewer debt schedule. They are asking for \$7.2M this year at town meeting for the town wharf pump station upgrade, and it will be done in two parts. \$5M and then \$2M. They are expecting a grant for \$15M.

#### **5. Adjourn – Michael Dougherty**

- Motion to adjourn made by Michael S., seconded by Ken  
→ *Motion passed unanimously, 9-0*

Respectfully Submitted By  
Alyson von der Esch  
3-21-23