

Minutes, January 7, 2020

FINANCE COMMITTEE

Meeting, January 7, 2020

A scheduled meeting convened at 7:00 p.m. at Town Hall in Room 5.

Members of the Committee in attendance: Mr. Creighton, Mr. Pratt, Ms. Mellish, Ms. Harrison, Mr. Oldeman and Mr. Weld

Staff Present: Town Administrator, Mr. Federspiel, Finance Committee Clerk, Ms. Hunter, DPW Director Mr. Dam and DPW Project Manager, Mr. Desrosiers

Mr. Creighton called the Finance Committee meeting to order at 7:03 p.m.

Review and Approve Meeting Minutes – December 9, 2019 and December 18, 2019

Mr. Creighton moved to approve the minutes of December 9, 2019; Mr. Pratt seconded the motion. The motion passed with Ms. Mellish and Mr. Weld abstaining.

Ms. Harrison moved to approve the minutes of December 18, 2019; Mr. Pratt seconded the motion. The motion passed unanimously.

Review of New Proposed DPW Budget –

Mr. Dam stated the FY20 DPW budget was going according to plan and he anticipates no issues requiring spending beyond the approved budget. Planning and bids have been submitted for work projected to begin in spring 2020 including paving projects, storm water work and the next stage of water pipe work.

Mr. Federspiel stated the current DPW project management process is under control and well supervised by Mr. Dam and Mr. Desrosiers.

Mr. Dam stated he is requesting 3 new employees in the DPW FY21 budget. One employee for each department Highway, Wastewater and Water. The requests are made in anticipation of retirements of key employees in the coming years and the need for employees in both the Wastewater and Water Departments to be fully licensed to operate Town plants.

Currently the Water Plant is managed by Woodward and Curran at an annual cost of \$370K. Operation of the Water Plant may change to Town management in the future.

While in training and in the process of becoming licensed new hires will work in all divisions of DPW. Allowing the Department to complete additional work in house saving on contracting projects with 3rd parties.

Mr. Desrosiers stated it takes several years for an employee to become fully licensed. Training and licensing is a process of course work and on-the-job training. Trainees are apprentices

working through levels of licensing (licenses range from T1 to T4). Mr. Pratt asked how much it cost to become licensed. Mr. Desrosiers stated course work was \$600; Mr. Federspiel stated the licensing costs for water plants are significantly less than Public Safety.

Ms. Mellish asked how many employees were required to operate the Wastewater Plant. Mr. Dam stated the Plant operates with 4 employees primary and secondary licensed operators and employees are on call when not working on site.

Ms. Mellish asked which of the three positions Mr. Dam is requesting is the least important. Mr. Dam stated he is interested in completing catch basin work (Highway) and would like to train an operator for the Wastewater Plant those positions are the priority.

Ms. Mellish stated she had a concern with DPW's budget as it related to Black Earth working on site. Ms. Mellish indicated there has never been a decrease in the DPW budget that reflects the work done by Black Earth. Mr. Federspiel stated the work not being done at the compost site frees up labor time for other projects.

Mr. Dam stated he is plans to address some immediate needs; complete work on catch basins and initiate work on curbing and sidewalks. Mr. Dam stated in year one with new employees he would address highway and water needs.

Mr. Oldeman clarified that Mr. Dam was asking for an apprentice he was not replacing the principal operator until he retires. Mr. Dam confirmed that was his plan. Until the retirement there would be 5 employees assigned to the Wastewater Plant.

Ms. Mellish stated the water and sewer enterprise funds appeared to have a short fall in revenue collected. Mr. Federspiel stated there is a delay in collections and both funds were running a surplus. Ms. Mellish asked if the funds would be able to cover the higher costs projected in the budget. Mr. Federspiel stated the funds will be able to cover the higher costs with a rate increase and have historically taken in more than expended.

Mr. Dam indicated with additional staff the Committee will likely see cost savings in contract work and additional maintenance work completed throughout Town.

Mr. Creighton asked if the Department used the same contractors on a regular basis. Mr. Dam stated the Department had good working relationships with contractors who were paid on time for completed work. Contractors like working for the Town, contractors believe the Town is well run and that works to the Town's benefit.

Recently the Town hired an HVAC contractor from Salem. The contractor had previously worked for the school District, had a good experience and was happy to work with the Town.

Mr. Weld stated he had two questions for Mr. Dam. Do you have what your need for every project? And how do we fund maintenance projects? Mr. Weld would like to see the Town develop a maintenance fund like an enterprise fund. Mr. Desrosiers stated maintenance requires staffing and there is more maintenance work than staff.

Mr. Desrosiers went onto to say DPW is reviewing GIS (graphic information system) programs for major work like water, sewer and drainage hard assets and vertical assets like the Chowder House roof, glazing at Crowel Chapel, faucets at Singing Beach House and paint for decks. These programs, once data is input, identify timelines for needed maintenance work on Town assets.

Mr. Weld was happy to see there were additional funds in the budget for tree maintenance. Mr. Weld would like to see the Town figure out a proper maintenance fund. Mr. Creighton agreed stating that seems like a good goal.

Ms. Mellish asked about National Grid and the requirement that following their work the area be returned to the same or better condition. Is someone from DPW supervising those projects to assure that the areas are returned to the same or better condition? DPW has language in their contracted projects and enforces the terms of the contract. Mr. Dam stated BOS approves National Grid work and DPW is not always aware of the terms of National Grid's projects and does not supervise the completed projects. In the future following approval of National Grid projects, the project work will be forwarded to DPW for supervision.

Mr. Weld asked if there was still only one outside contractor for snow removal. Mr. Dam replied there are a couple outside contractors.

Mr. Weld asked about the budget for a cold storage space. Mr. Dam explained DPW had such a structure that needed to be raised and there was no space for cold storage of equipment. It is a space to protect assets from the elements. FY21 the proposals is for a structure like a Butler Building, in FY22 there is \$50K in the budget for general exploration of where DPW should be located, in FY23 \$900K for full design with building projected for FY24/FY25.

Mr. Creighton asked about hydrants and what percentage of hydrant work had been completed. Mr. Dam stated he had worked off a list provided by the previous DPW Director and the list has been completed. He believes the hydrant work is more than 50% completed but not as high as 80%; completion of hydrant work is on schedule for spring 2020.

Review of New Proposed DPW Capital Spending –

Mr. Creighton thanked Mr. Dam for the rolling stock inventory. Ms. Mellish asked if the \$130K request was for a new truck. Mr. Dam confirmed it is for a new 750 truck. Ms. Mellish stated the vehicle list was long and asked if there was staff to use all the equipment. Mr. Dam replied there is more equipment than people, but the equipment is used as needed and assigned to specific jobs.

Mr. Oldeman asked if the fleet is what it needs to be. Mr. Dam replied the 2013 freight liner will be replaced and traded in following the purchase of the new 750 truck. It is a large unwieldy vehicle and difficult to drive and maneuver.

Mr. Pratt asked what percentage of maintenance work was done on site. Mr. Dam replied about 75% of the work is completed on site with DPW also doing maintenance on Police Department and Council on Aging vehicles.

Mr. Creighton stated there was a lot of capital in the fleet and asked if there was a 5-year plan for replacement. Mr. Dam stated a new garage would go a long way in maintaining the life of DPW vehicles overall one replacement annually is a good plan.

Mr. Weld asked about the current thinking on the Central Street culvert. Mr. Dam gave a brief history of the project for which the Town received a \$500K grant from the State. The project was initially projected at a cost of \$750K, additional review increased the number to \$1.5M and final assessment by State engineers has increased the cost of the project to \$4.5M - \$5M.

To receive additional funding for the project DPW has requested assistance from the Federal TIP (Transportation Improvement Program), however this program has a wait period of up to 7-years. Assuming funds come in from the Federal Government and the bridge holds the project will result in closing Central St. for a significant period of time up to one year. If there is a failure between now and when TIP funding is provided the Town will need to address the challenge. During the wait period initial permitting is in process. Consideration for a pedestrian bridge is planned for the period of time when the road would be closed.

Mr. Oldeman asked if the studies completed and the plan developed by Tate and Howard was still being implemented. Mr. Desrosiers stated it was and if the Committee members had seen the Green Mountain trucks around Town that was part of the assessment project.

Mr. Federspiel stated the Town has received a grant to study the possibility of converting the Wastewater Plant to a Pump Station; sending waste to Beverly's plant for processing.

Ms. Harrison asked if it was possible to have one new employee who would float between the Water and Wastewater plants. Mr. Desrosiers stated the licensing was different for employees in the each of the plants.

Mr. Weld proposed approving the budget with 2 hires and postponing the 3rd hire for a year or two.

Ms. Mellish asked what the \$30K was in the professional services budget line. Mr. Federspiel stated it was for road engineering and drainage related to MS4 storm water regulations. Mr. Federspiel stated some Towns have an enterprise fund for storm water funding based on the property's frontage to the road.

Mr. Creighton asked if the Committee had a consensus regarding the number of new employees and if the Committee was ready to vote on the budget. Ms. Mellish stated we cannot vote on the budget because we require new numbers for reducing the number of employees from 3 to 2 new hires.

Mr. Bodmer-Turner returned to Mr. Weld's comment regarding tree maintenance and questioned if the budget line was for maintenance or removal. He believes it is primarily for tree removal based on previous years budgets. Mr. Bodmer-Turner proposed moving \$10K from vehicle repair to tree maintenance; noting that historically vehicle repair had been budgeted at \$65K but consistently came in significantly under the budgeted request.

The Committee discussed the recommendation and agreed to move \$10K from vehicle repair to tree maintenance.

Mr. Bodmer-Turner stated the BOS is reviewing a new Town tree policy and inventorying trees. Ms. Mellish asked if there were additional legal cost in determining the boundaries because legally every property in Town would need to be surveyed to establish the boundaries. Mr. Federspiel indicated the proposed Town policy is 5-feet back from the sidewalk or paved road. The discussion was ended without resolution.

Mr. Creighton concluded the Committee has consensus on the tree maintenance fund and two employees instead of three. Mr. Federspiel will modify the budget sheets for next weeks meeting and the Committee will vote on the DPW budget following the MERSD presentation.

Review of Multi-Year Capital Projects –

Additional rolling inventory summary will be available along with projects lasting from year to year in February 2020.

Review of FY 2020 Receipts and Recommendations –

Continued to next Finance Committee meeting.

Other Business, as may not have been reasonably anticipated by the chair (discussion only).

Mr. Oldeman moved to adjourn the meeting; Ms. Mellish seconded the motion. The motion passed unanimously.

Meeting Materials:

Minutes for January 7, 2019

FY 21 Preliminary FY 21 Budget

Upcoming Meetings:

January 15, 2019 – MERSD Budget Presentation

January 22, 2019 – Public Safety Departments

January 29, 2019 – Joint Meeting with BOS review of Capital Budget

