

Minutes Approved Unanimously on February 15, 2017

FINANCE COMMITTEE

MEETING, November 22, 2016

A scheduled meeting convened at 7:00 pm in Room 7.

Members of the committee in attendance: Mr. Creighton, Ms. Mellish, Ms. Thorne, Mr. Oldeman, Ms. Kaneb, Mr. Croft, Mr. Susko and Mr. Furlong. Mr. Evans was not in attendance.

Board of Selectmen: Mr. Kehoe and Ms. Driscoll.

Town Administrator, Mr. Federspiel

Mr. Creighton presided.

Agenda items scheduled for discussion:

- Review of Facilities, CDR MAGUIRE Report
- Progress with Budget Liaisons
- Budget Planning
- Capital Update
- Report on School Budget and Building Committee
- Review of Findings for Harbor Dredging
- Other business that comes before the Committee
- Approval of Minutes

Mr. Creighton introduced and welcomed Mr. Furlong to the Committee. Mr. Furlong will be serving out Ms. Harrison's term on the Finance Committee.

Mr. Federspiel summarized the facilities report presented by CDR MAGUIRE at the previous evening's BOS meeting. CDR MAGUIRE, an engineering firm, focused their draft report on Town Hall, Public Safety and DPW, presenting the following options:

Option one: keep everyone where they are currently. Expand and renovate Town Hall and expand and renovate current structures at DPW site.

Option two: Move DPW to Water Plant or Compost site. There are significant environmental and zoning hurdles to overcome with the Water Plant site. The Compost site would be an easier move. Old burn dump is big enough for a Police Station but it may be tight for a Public Safety facility. If the Police Department moves out of Town Hall that opens the possibility of fortification to the basement to prevent flooding and further development of Town Hall.

Home Station and Elementary School present possibilities for Parks & Recreation and Senior Center. Home Station is located in Zone 1 and near a water-well head which presents challenges for vehicle

parking. Possible use of current Elementary School will depend on finalization of new school construction plan.

Mr. Federspiel indicated that renovation costs were estimated at \$8M to \$9M with new construction for DPW and Police Department estimated at \$9.5M to \$11M. CDR MAGUIRE is asking for feedback from the community.

Mr. Oldeman asked if MAGUIRE had come up with a ranking regarding the work needed to update facilities. Mr. Federspiel stated that MAGUIRE indicated DPW is in the worse shape of current facilities. The current site and condition of the buildings is hampering operations. Police Station is second with the current configuration of the station violating many standards. Town Hall would be the final area to address.

Mr. Furlong asked where Zone One began and ended. Mr. Federspiel answered; within a 300 to 400-foot radius from the water-well head. In relation to Home Station, Zone One encompasses the building and extends across the street from the High School near the pedestrian bridge, however, the High School is not in Zone One.

Mr. Creighton inquired about Pleasant Street DPW site as a residential site and if there was information available on the preliminary investigation into pockets of contamination. Mr. Federspiel stated there were some pockets of contaminated soil to be dug up and hauled off and it appeared to be an easy fix to the site. Ms. Mellish stated there are two phases to an Environmental Site Assessment and the Pleasant Street site was a good site for residential development. MAGUIRE had developed preliminary plans for multiple units on the site. Mr. Croft asked if operating costs and tax revenues had been estimated. Those projections have not been developed but that analysis would help to direct the Town's final decisions, per Mr. Federspiel.

The Committee further discussed Old Burn Site, Home Station, Compost Site, Old Elementary School, Sweeney Park and the Transfer Station. The consensus of the Committee is the plan requires additional consideration and analysis of costs and revenues. Additionally, it will be important to hear from the Master Plan Committee to understand their perspective on the proposed plan. Planning for 5 to 10 years and 10 to 20 years and balancing the new school construction will be challenging. Further discussion with BOS and Master Planning Committee will be scheduled for January 2017.

Mr. Oldeman asked what was next on the **infrastructure** improvement calendar. Mr. Federspiel indicated there were several projects:

- Rebuild Sewer Pump Stations \$500K
- The Town has 60 fire hydrants that are currently not operational and need to be repaired.
- Water Line Valves need to be fixed in the event of a water line break; with working valves the break can be limited to a specific area.
- Road paving following all underground work.

- MS-4 storm drain and storm water management changes to meet Federal standards. First step inventory drains and map out plan for repairing – demonstrate progress on improving to avoid regulation issues.
- Underground pipes with an analysis of all pipes, replace pipes, a 30-year effort at a cost of \$40M.
- More I.I. work essential, the sewer system crashes especially during times of low flow when there is too much salt water getting into the system.

Mr. Creighton inquired about Water Revenues due to the Water Ban. Mr. Federspiel indicated that due to high water use in the months of May, June and July the revenues were good.

Budget Liaison Meetings:

Police – Ms. Mellish met with Police Chief Conley and Mr. Federspiel, they had a productive meeting. The Chief is flexible about replacing 1 car instead of 2. He has implemented new procedures for tracking time off. Additionally, the Chief has reviewed staffing for Dispatch. There are currently 3 full time dispatchers working Monday through Friday. During weekends Dispatch is staffed by duty officers. He proposes hiring a fourth dispatcher and moving to a 4-2 schedule. Ms. Mellish believes Dispatch is an issue that needs to go before the Town – the question is; do we hire another employee or change to a regional dispatch system? Although central dispatch has been successful on the South Shore, implementation on the North Shore has not gone smoothly. Currently Middleton Central Dispatch is processing all cell phone calls. Ms. Kaneb indicated the technology is better and many communities believe overall the system is well run and getting better. Ms. Driscoll indicated the newly elected Sheriff will be charged with getting the system running better and State funding will likely remain in place for the central dispatch system. Further discussion was tabled to the budget meeting with Chief Conley and full Committee.

Fire – Mr. Croft met with Fire Chief Kramlinger and Mr. Federspiel. Staffing continues to be a challenge for the Fire Department. Mr. Federspiel indicated that the Chief is concerned about the dwindling pool of call fire fighters and the inability to meet the minimum staffing of four for active fires (2 in/2 out standard.) While we schedule 3 career Fire Fighters for each shift, with leave time there is often only 2 on duty. Response to the tones going off for additional crew members often produce no response. The Chief indicated when a member of the community makes the 911 call it is their worst day. Further discussion was tabled to the budget meeting with Chief Kramlinger and full Committee.

Parks & Recreation – Ms. Kaneb met with the Ms. Marshall Director of Parks & Recreation and Mr. Federspiel. Buildings and Grounds which is currently in the Parks & Recreation budget is likely to be moved back to DPW – this move will impact the budget for Parks & Recreation Ms. Kaneb indicated she would like to review the 100 plus programs managed by Parks & Recreation to develop a comprehensive understanding of fee structures for the many programs; fees vary for residents, non-residents and Town employees. Parks & Recreation manages a wide range of Town sites, annual events and programs including: Singing Beach, Tuck's Point, July Fourth Parade, Crowell Chapel and more.

DPW – Mr. Oldeman met with Ms. Murray, Interim Director of DPW, Mr. McLean, Operations Manager and Mr. Federspiel. Mr. Oldeman stated the Town is in good hands with current management of DPW. Mr. McLean has reorganized the management of snow removal working with 2 outside contractors and improved Town equipment; plowing this winter will run more cost efficiently. Management of the Water Treatment facility with Woodward and Curran is not great. Further discussions about bringing this back under Town management needs to move forward. Water meters are still an issue. Current meters do not read low flow thus the Town is under billing. To replace current water meters to a fully automated system would likely cost \$750K per Mr. Federspiel. Additional discussions for DPW will be addressed during Capital Budget discussions.

Town Hall – Mr. Furlong met with Town Clerk, Ms. Samolchuk, Collector/Treasurer, Ms. Yaskell and the Health Department. Mr. Furlong's meetings went well. He was impressed with Ms. Yaskell and her well managed department. The Health Department is running smoothly with no significant budget increases. The Town Clerk's office is working with the new Town Meeting electronic voting process and the annual challenge of managing residential Beach Stickers. Mr. Furlong recommends a computer process to assist the Town Clerk's office with processing 3,700 beach stickers. Additional discussion focused on the low cost of an Annual Beach Pass for non-residents of \$17.50. Review of the cost for non-resident beach passes at other Cape Ann communities was recommended. Mr. Creighton met with Assessor, Ms. Thompson, Harbormaster, Mr. Pike and Council on Aging Director, Ms. Hammond. He stated his meetings went well; expenses are low with most departments seeking less than a 2% increase. Town Assessor is making a few adjustments to her budget. Council on Aging budget is up 4.6% due to additional expenses for the vans and wage adjustments.

Library – Mr. Susko met with Ms. Collins. He stated the Library has a small budget with the operations budget remaining flat. The Library for the past few years has operated Sunday hours with funds from grants. This year the library requests that the Town pick up the cost of the Sunday hours. Alternatively, other hours could be reduced to cover the cost of opening on Sundays. Mr. Susko indicated Ms. Collins data on library usage was sound and reallocating for Sunday hours will not disrupt the community's use of the library.

Community Preservation – Ms. Thorne indicated the state match for Community Preservation is likely to be 10% for FY 18. The decrease in matching funds is due to the addition of 11 cities and towns to the state's Community Preservation program.

MERSD – Mr. Creighton hopes to schedule a joint meeting with school officials. In the past, the Finance Committee has been asked to provide questions in advance of the meeting. Mr. Federspiel has indicated the school's goal is to provide a budget keeping services level.

Budget Planning:

Budget books will be ready for distribution on 12/5/2016 with first walk through in detail on 12/12/2016. Ms. Kanab asked if benefits (health and pensions) and revenues would be available for each department. Mr. Federspiel indicated that information would be provided. Committees will meet with select departments Fire, Police and DPW and additional departments as needed. Ms. Mellish asked if

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liaisons were to follow up on open issues from their meetings with department heads. Mr. Federspiel answered yes or he would move forward with assumptions.

Capital Update:

In addition to capital projects previously discussed additional capital issues raised were:

- DPW fleet schedule revamped with savings.
- Facilities decision as related to DPW – where to locate and funding – not sure the Town will be ready for the upcoming Town Meeting.
- Fire Trucks in Chief Kramlinger's budget – Chief has developed a new schedule for replacement of equipment.

School Building:

Mr. Oldeman indicated the committee is in an in between stage – completed all the documentation requirements. Next step identifies a Project Manager and Architect. A year from now there would be a specific proposal to bring forward to Town Meeting. At this point in the process the committee is ready to begin the Feasibility Study.

Harbor Dredging: Report submitted in June, there will be additional information coming forward at a Community Forum in January.

Affordable Housing Trust:

Ms. Mellish is the Finance Committee member serving as a Trustee on the Affordable Housing Trust. Ms. Mellish stated the Trust has met several times; most recently with representatives from Habitat for Humanity and Harborlight Community Partners.

Habitat for Humanity works with the community on small projects. The Town would purchase land for the project while Habitat would fund and hold the mortgage on a constructed home.

Harborlight Community Partners works on larger projects buying available land with a minimal contribution from the community. Harborlight is currently looking at two parcels of land off Kings Way for development. This development could be 50 to 60 units, 1, 2 and 3 bedrooms for seniors and families. Part of Harborlight Community Partners goal is to work collaboratively with the community for approval from the Town and residents. Additionally, Harborlight works on Senior Housing Rehabilitation addressing deferred maintenance issues underfunded by the state. Discussions are in the initial phases and consideration needs to be given to the impact on Town services.

The Trust will continue to work with Habitat and Harborlight with a possible proposal ready for Town Meeting.

Ms. Thorne moved to adjourn the meeting. The motion passed unanimously.

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