

## ***Town of Saugus Finance Committee***

### ***Kenneth DePatto, Chairman***

Ronald Jepson  
Stacy Billingsley  
Theresa Katsos

### ***George DeDomenico, Vice-Chairman***

Steve Verone  
Frank Perella  
Steven DiVirgilio  
Stephen Horlick

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**MARCH 20, 2019 7:00 P.M**  
**TOWN HALL CONFERENCE ROOM**

The regular meeting of the Finance Committee was held on Wednesday evening, March 20, 2019, at 7:00 P.M. in the Town Hall Conference Room.

**Members present:** Chairman Kenneth DePatto, Vice-Chairman George DeDomenico, Terri Katsos, Steve Horlick, Rocky Jepson, Stacy Billingsley, and Steve Verone.

**Absent from the meeting:** Steven DiVirgilio and Frank Perella

**Minutes:** The Committee voted 5-0 to accept the minutes from March 6, 2019 with one abstention.

**Chairman's Update:** The Chairman told the Committee that tonight is DPW. He said we are trying to stay on schedule, if possible.

**Manager's Update:** The Town Manager informed the Committee that he will have to run upstairs to do business at the Selectmen's meeting that is ongoing. He told the Committee about an upcoming milestone for the new Middle-High School where they're topping off the steel. He said the members are all more than welcome and we will reach out once we lock in that date.

Chairman DePatto told the Manager that a Finance Committee member asked him if there's a timeline for when the Committee will receive the Powers & Sullivan audit. It was confirmed that the audit is complete, but they just need to send it to the Town Manager and Finance Director. The Town Manager noted that every year the management letter gets smaller and smaller.

Chairman DePatto welcomed DPW Director Brendan O'Regan and thanked him for coming.

The Town Manager said that overall he's very pleased with the DPW staff and leadership. He said Mr. O'Regan has brought in external structure, created workflow, planned out work, and requested funding. He said these improvements have a direct impact on the residents, whether the work is trees, potholes, sidewalks, etc. He said the work the DPW is doing is measurable and it keeps increasing each year and he's putting taxpayer dollars to work.

### **Forestry**

Salaries - Chairman DePatto asked if there are any new employees, to which the Town Manager confirmed there are none. Mr. Jepson asked why the Manager and Selectmen's request is higher than the department request. The Town Manager said that over conversations and compromise, we were able to provide more money in those areas. Mr. Jepson also asked about contracts. The Town Manager said they expire June 30, 2019.

Expenses - The Chairman said forestry expenses are basically level funded. Mr. Jepson asked for an explanation of what professional and technical general encompasses. Mr. O'Regan said it's vendors that assist us, such as stump grinding. Mr. Jepson asked if they plant trees after stump grinding. Mr. O'Regan said the DPW works with the Tree Committee, which tells us where they want the trees.

The Town Manager said we have gotten a lot smarter with places such as the Tree Farm and locations around Town, in that we've gotten more strategic with the types of trees we plant in which locations. He told the Committee that there were 11 or so trees cut in front of businesses on Central Street and that they must have been cut in the middle of the night because someone didn't want them blocking the business signs. The Town Manager said that even at Belmonte, a tree was so large it blocked the school sign. He noted that there's an architectural method to plant trees now.

Mr. Horlick asked if it is more financially feasible to use a vendor for stump grinding. The Town Manager said yes. Mr. O'Regan said the vendor comes out anywhere between 2-4 times a year. He said the service costs anywhere from \$3,600 to \$5,000. He also noted that to buy the machine is \$40,000 or \$50,000. The Town Manager noted that number isn't even including the real cost of labor.

### **DPW Administration**

Salaries – Chairman DePatto noted there's an increase. He surmised that's for the assistant that we're looking to hire and for the director. Town Manager said yes. Chairman DePatto asked how many clerks there are. The Town Manager said 1 ½. The Chairman thanked the Director for his commitment to our community.

Expenses – The Chairman noted DPW administration expenses are basically level-funded.

### **Engineering**

Chairman DePatto asked if we can hire someone at this salary level now. The Town Manager said we have a couple candidates that we're looking at. He told the Committee that the Town has had people who have applied who aren't actually engineers, so it's been a struggle. The Town Manager said he's trying to bring in technical people to assist in these types of positions. Chairman DePatto said there is a great demand for engineers. The Town Manager said the companies we work with on the Middle-High School project are hiring engineers for future jobs they haven't even started yet because that's how great the demand is for engineers.

Chairman DePatto said this is a very competitive position, but that he hopes we can get a qualified assistant DPW director and someone in engineering.

### **Highway and DPW Capitol**

Salaries - Chairman DePatto commented that the salary adjustment looks like it's just a cost of living increase. Mr. Jepson said it's the last year of their contract, so he was sure that includes an increase. George DeDomenico said it looks like 6%. Chairman DePatto said let's not forget this is for 52.3 weeks, and Ms. Hatch said it's 5 positions. Mr. Horlick said they took \$5,000 out of overtime and put it into salaries.

Expenses – Mr. Jepson asked if these expenses are paid through Chapter 90. The Manager said it's paid through our money. Mr. Jepson asked how Chapter 90 assistance is looking. The Town Manager said it's between the \$600,000 and \$700,000 range the last few years. Mr. Jepson asked what the State funding does. The Town Manager said this funding helps with work on a lot of the work on roadways, sidewalk work, and traffic studies.

The Chairman asked if we have any major roadwork planned. The Town Manager said not yet, but that Walnut Street is in pretty rough shape. He said we have a list of unaccepted roads that will go into the formula. The Manager continued that we've had a street repaving plan in place that takes into consideration the water sewer master plan in which Mr. O'Regan determines what street needs water, because we don't want to pave a roadway only to rip it up.

Chairman DePatto asked if the patch currently on Main Street is the finished product. The Town Manager said it has not been signed off and it's unacceptable. The Town Manager said if you remember, it wasn't done and was filled in and now it's too high and humped. Chairman DePatto said they did a nice cut and now it's an entire patch, calling it frightening. Chairman DePatto asked if anything is going on at Ballard Street. The Town Manager said there's a water main that needs to be replaced and we are doing design work. Mr. Jepson noted that it's a heavily traveled road that takes abuse from trucks.

Vice-Chairman DeDomenico asked what the large request was in professional technical and general. Mr. O'Regan said it's for brook cleaning. He said we spend \$20,000-\$25,000 a year on brook cleaning, but that there is well over \$100,000 worth of work that needs to be done. He said we are now only working on emergencies. The Town Manager said he's looking at ways to fund this work, such as from free cash. Mr. Jepson said he didn't know if he liked free cash being spent on this. The Town Manager said some of it could be a one-time thing, such as installing new catch basins.

Mr. Horlick said there's millions of dollars of damage done when those brooks aren't cleaned. The Town Manager said when there's a flood, people try to blame the Town. He reminded everyone to look at the development. Mr. Horlick said many areas used to be plugged up have been cleaned.

### **DPW Capitol**

The Chairman asked if this is for a specific piece of equipment. Mr. O'Regan answered culverts repairs and replacements.

### **Snow and Ice**

The Chairman said the expenses are level funded. The Chairman asked what snow and ice is this year so far. The Town Manager said we had another event since we last met. He said we were \$163 over \$185,000.

### **Street Lighting**

The Town Manager said we are looking at a grant through the MAPC right now for assistance toward construction and rebates. He said they offer a program that costs almost a million dollars, then the return through incentives and grant is around \$400,000 and we'd be responsible for the rest, but within 2.4 years we'd recover that and we'd have LED streetlights. The Town Manager said that with LED, there's

probably a warrantee involved. He reiterated that it would cost us half a million up front, but then there would be savings.

Mr. Horlick mentioned that if you look at Melrose, Lynn, and Stoneham, they use a different type of light. The Town Manager said some communities use a different style of light in just the downtown area.

## **Motor Vehicle**

Salary – Chairman DePatto noted the increase is just a cost of living adjustment.

Expenses – Chairman DePatto said expenses have gone down a little bit.

## **Waste Collection**

Salaries – Chairman DePatto said there's an increase in overtime. He asked if there have been more inspections. The Town Manager said the increase is for the overtime for hazardous waste day. Mr. Jepson said we have waste collection salary and wage, then in DPW he doesn't see that salary and that breakdown of positions. Ms. Hatch clarified that the position is called Recycling Coordinator.

Expenses – Ms. Katsos said there are increases in hauling and disposal. The Town Manager said we're paying to dispose of a lot of recyclables now, so recyclables disposal is almost the same as the incineration fee. The Town Manager explained that there is a lot of instability with the market, especially in China. He said that the Town had negotiated a one year contract and we are now in the process of negotiating another one.

The Chairman asked if this is the new contract. The Town Manager said this is in anticipation of it, it could be more or less.

Mr. Jepson asked if it costs us more to recycle the waste than to send to RESCO. The Town Manager said it's not costing more. He said it's \$77 per ton to incinerate, and \$65 per ton for recycling.

Chairman DePatto said some are forgoing what environmentalists say and incinerating everything. Ms. Katsos said we should recycle food products, and that we could probably save more on tonnage if we recycle the food product to a composting site or piggery or something like that. The Town Manager said the Town has 100% of the burden on that bill. He said we have no trash fees, but it is a significant impact on our operating budget.

## **Cemetery**

Salaries – Chairman DePatto said cemetery salaries are pretty straight forward.

Expenses – Chairman DePatto said expenses are level funded. He asked Ms. Hatch where the outsourcing is for all the grass cutting for the cemetery. Mr. O'Regan said it's under Parks.

The Chairman asked if they'll need any new equipment this year. Mr. O'Regan said this would come under capitol. He said they got one new truck this year. He noted that they tried to spread it out so it wouldn't all fall on one year.

## **Parks**

Salaries – Mr. Jepson asked if this is the line item that they do all the grass cutting. Chairman DePatto said that should be under expenses.

Expenses – Mr. Jepson commented that most of the expense would be the labor portion. He said maintenance on playgrounds would be things like replacing parts of fences, or fixing something broken. Chairman DePatto said maintenance of playgrounds would be just that, and fields would be under field maintenance. Mr. Jepson asked what the fields use for money besides cutting grass. Ms. Billingsley noted cleanup. Mr. O'Regan said the vendor cuts the fields and cemetery as well, and the cemetery is \$40,000 in cuts each year. He said the remaining funds are used to improve fields at Waybright, Lynnhurst, and getting fields ready for Lacrosse, Softball, and baseball. He said other costs include infield mix, line painting machines, various other equipment we have to rent, and weed preventer. Mr. O'Regan said all this is under maintenance of the fields.

Ms. Katsos asked about the big jump in professional technical environmental. Mr. O'Regan said that's the ponds at Golden Hills. Mr. O'Regan said we need to do a better job on weed control in those ponds. He said the last summer was the worst since he's been here. He said there is only one or two vendors that do this type of work in the state. He said the vendor has been recommending for some time now that we should do more than we have been doing by controlling 4 or 5 different weeds with multiple applications each year. Ms. Katsos said the biggest problem is the ponds eutrophication and going from 12 feet to 4 feet in some spots. Ms. Katsos said we really should be looking into grants. She also said she knows people don't seem that concerned, but when water comes down their streets because those ponds are choked out, it will seek its own water level and we will have bigger problems downstream.

Chairman DePatto thanked Mr. O'Regan, Ms. Hatch, and Ms. Matarazzo. He said next week we will take the Town Boards, as well as the Moderator's budget.

The meeting adjourned at 8 p.m.