

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

FEBRUARY 27, 2019 7:00 P.M
TOWN HALL CONFERENCE ROOM

The regular meeting of the Finance Committee was held on Wednesday evening, February 27, 2019, at 7:00 P.M. in the Town Hall Conference Room.

Members present: Chairman Kenneth DePatto, Vice-Chairman George DeDomenico, Frank Perella, Terri Katsos, Steve Horlick, Rocky Jepson, Stacy Billingsley

Absent from the meeting: Steven DiVirgilio and Steve Verone

Minutes: The Committee voted 6-0 to accept the minutes from October 17, 2018 with one abstention.

Chairman's Update: The Chairman welcomed new member Stacy Billingsley and thanked Carl Mirabello for his service to the Committee. The Chairman told the Committee that next week they will take up the budget, and the budget season agenda will be finalized soon.

Manager's Update: The Manager told the Committee that his administration has been busy meeting with department heads and gaining an understanding of each department's needs. In regards to the 6-month review, the Manager said this review does not automatically ready on December 31st. He explained that this information needs to be inputted, reconciled, and closed out in order to be ready to report to the Committee. He said for the most part, we are pretty consistent. He said nothing raises any major concerns from a budgetary standpoint. The Town Manager updated that we are doing well so far this year regarding the snow budget.

6-Month Review

Town Moderator

Chairman DePatto stated that there is nothing here.

Board of Selectmen

Mr. Jepson asked if any salaries are greater than 50%, if the Manager could provide an explanation. He noted this salary is 58%. The Manager explained that this means that 58% of the salaries have not been expended at this point. The Manager explained there is additional money in the clerk's salary in case additional evening meetings are needed.

Town Manager

Mr. Horlick asked about the temporary positions. He said there is about \$1,700 left out of about \$25,000. He asked if this needed to be looked at. The Manager said this is OK. He said some of these positions may need to be re-classified. For example, someone is covering the planning department and it is coming out of here and should be coming out of the planning department budget.

Finance Committee

The Chairman said they have not expended anything out of here except for salaries. He noted the reserve fund has not been accessed.

Accounting

No comments

Assessors

Chairman DePatto said the percentages are very helpful to use as a starting point. The Town Manager explained some percentages may vary if positions have been left unfilled.

Treasurer/Collector

Chairman DePatto said everything looks in line.

Legal

The Town Manager said for next year's budget we may look at this line item as we expend more in legal. He noted that historically, people did not want to spend on legal matters. There's a lot more litigation and issues now, whether it be the Planning Board dealing with developments or the Conservation Commission dealing with wetland matters or Board of Appeals dealing with a 40B development and hiring a consultant who specializes in that field. He said this line item is important to provide everyone with resources they may need to make the best decisions on behalf of the Town. May look to increase this next year.

Vice-Chairman DeDomenico noted that the lion's share has been spent on the line item for legal and litigation. He asked for any specifics. The Town Manager noted that much of it has to do with boards and commissions and providing resources for them. Vice-Chairman DeDomenico asked if this year is higher than most. The Town Manager said no. He said he is taking a closer look at how boards and commissions communicate and he is looking to improve that. Moving into the next fiscal year, he will look at bringing in a consultant to help improve and streamline communication between boards and committees. The Manager also noted that employment issues are much more prominent now. Mr. Horlick noted that specialized law firms are necessary depending on the issue. Mr. Jepson asked for a sheet on current contract negotiation statuses. The Town Manager said no sheet is necessary. He said all contracts are up now and we are in the process of negotiating all 6 unions on the Town side. He said most are 3-year contracts, and this will be the third time he has settled them. Mr. Jepson asked if there is any attempt to spread them out over a 3-year period. The Town Manager said the benefit is that he can dedicate his time to other matters once the negotiations are settled.

Human Resources

Chairman DePatto reminded the Committee that the Director position is unfilled right now.

Data Processing

Chairman DePatto asked if this is outsourced. Finance Director Wendy Hatch confirmed yes. Mr. Jepson asked if we would have enough to finish the year. The Manager said some of that is encumbered. Ms. Hatch said some is frontloaded expenses.

Town Clerk

Chairman DePatto noted the salaries are right on target and expenses are the same.

Election

Mr. Horlick asked if all the new voting equipment is in. The Manager said yes, and that we used it in the last election.

Conservation

No comments

Planning Board

No comments

Board of Appeals

No comments

Planning and Development

The Town Manager reiterated that there is currently coverage of this office. Vice-Chairman DeDomenico asked if we are closer to hiring anyone. The Town Manager told the Committee that he has been getting candidates who are either overqualified or just finishing receiving their degree. Mr. Jepson asked how many positions are in this department. The Town Manager answered two. Mr. Perella noted there is a lot going on in Town and that this position is important to have. The Town Manager told the Committee that they have assistance from consultant Paul Rupp who has years of experience in economic development. Mr. Horlick asked how all the development translates to inspectional services. He said it must be strain to have one building inspector. The Manager responded that there is an outside person who comes in on bigger developments, which is paid by the developer.

Police Department

Regarding salaries, Mr. Jepson asked if career incentive is paid at the beginning of the year. He was told yes. Ms. Hatch said this is paid in July, while the education incentive is paid weekly. Chairman DePatto said expenses are in line.

Fire Department

Chairman DePatto noted salaries are at 50%.

Building

Chairman DePatto noted salaries look to be in good shape.

Plumbing

No comments

Weights and Measures

No comments

Electrical

No comments

Emergency Management

No comments

Canine Control

No comments

Harbormaster

No comments

Dispatchers

Mr. Jepson asked if there is anything they should be aware of regarding overtime. The Town Manager clarified that there is a PSAP grant that supplements that. The Manager also said there is high turnover for dispatchers, as it is a stepping stone for some, and high stress for others. He said we are always looking for qualified people.

Building Maintenance

Chairman DePatto noted professional and technical ed. training is in the negative under expenses. Mr. Jepson noted Repair and Maintenance Buildings of the Grounds is almost exhausted and he asked for clarification as to what this was spent on. Ms. Hatch said that is maintenance related items to any one of the Town buildings that we own. Much of maintenance work is done over the summer. The Town Manager noted this is always a difficult item as there are always maintenance needs in buildings. He did note that the Green Communities grants have been a big help for building repairs.

Forestry

Mr. Jepson commented that this department is doing a really good job.

DPW Administration

No comments

Engineering

Chairman DePatto said this is an unfilled position.

Highway

No comments

Capital

No comments

Snow and Ice

The Chairman said we're at \$168K out of \$189K.

Street Lighting

No comments

Motor Vehicle Maintenance

No comments

Waste Collection Disposal

Town Manager Crabtree said this is one of the items that we will be looking at increasing as the burden is on the Town. Mr. Horlick asked if we are up on the hauling contract. The Town Manager said we are up on both – hauling and recycling. He noted that even recycling collection costs are almost as expensive as trash now.

Cemetery

No comments

Parks

No comments

Health Department

No comments

Council on Aging

No comments

Veterans Services

Mr. Jepson asked how many towns our representative represents. The Manager said Wakefield, Melrose, and Saugus. Under expenses, the Chairman asked the percentage reimbursement we get back from the State. He was told it is 75%.

Handicapped Commission

No comments

Fair Housing

No comments

Library

No comments

Recreation

The Chairman commented that expenses must be front-loaded.

Lobsterman's Landing

Mr. Jepson asked what is going on with expenses. The Town Manager said these expenses are coming out of building maintenance.

Celebration

No comments

Debt Principal

No comments

Interest of Long-Term Debt

Chairman DePatto asked if this is the Belmonte. Ms. Hatch said this is all of the capital projects debt.

Interest Short-Term Debt

No comments

Employee Benefits

Chairman DePatto clarified if this is health insurance. Ms. Hatch said it's health insurance, workman's comp, life insurance, 111F, etc.

Insurance

Mr. Horlick asked about the premiums general liability on the schools. The Town Manager said these are paid quarterly. Ms. Hatch said this is an estimate based on certain variables. Mr. Horlick asked if this line item may be increased, to which the Town Manager said it is likely.

Revenue

Chairman DePatto asked if there are any areas that may be coming in less than projected. Ms. Hatch said motor vehicle excise may be lower because bills just went out. Ms. Hatch noted other taxes are not paid

until the second half of the year. Overall, she said the revenue budget is right on target for where it should be. Some additional discussion on revenue took place. The Town Manager advised that we need to be careful with revenues, and that we can't make expense decisions based on projected revenues.

In conclusion, the Town Manager reiterated the difficulties of putting together the budget, as everyone "wants a piece of the pie," he said. It is also difficult to build up money in free cash, but that is an important part of continuing to build our bond rating, he said.

Mr. Jepson said he was concerned about growth regarding the upcoming budget. He asked the Town Manager how disappointed he would be. The Town Manager said we are able to maintain our expenses. The Town Manager said the budget should be available by Monday, and it will be online as well. Mr. Jepson also asked the new Deputy Assessor to come in.

Chairman DePatto reminded the Committee that next week they would start the review of the FY2020 budget, beginning with the school department.

The meeting adjourned at 8:17 p.m.