



Finance Committee
 Town of Halifax
 499 Plymouth St.
 Halifax, MA 02338

Meeting Minutes
 Monday, February 11, 2019

		Frederick McGovern	Leonard Teceno	Bill McAvoy	Melinda Tarsi	Vacant	Vacant
Present		✓	✓	✓	✓		

Also in attendance was Sandy Nolan, Town Accountant, Charlie Seelig, Town Administrator; Kim Roy, Selectman

Melinda opened the meeting at 7:00 pm by reading the agenda.

The meeting was recorded by Area 58.

Mail: inventory from the Municipal School Building Committee, copy of the Beacon and Powers and Sullivan’s report on examination of basic financial statements for the Town of Halifax, and a management letter for the Town of Halifax.

Melinda gave everyone a few minutes to read over the meeting minutes from January 14, 2019. Melinda entertained a motion to accept meeting minutes.

Motion: Bill McAvoy

Second: Len Teceno

AIF

Budget discussion: Melinda stated we are still waiting for the assessment for Silver Lake Regional.

Calendar: Melinda stated that we will not have quorum on 02/13; however, the committee will still meet, but no voting will take place. Len stated he can discuss the fire and police budget tonight if the chief’s come in. There won’t be a meeting on 02/18/19 due to the holiday. The committee will meet on 02/25/19 at 6:00pm before the special town meeting.

Len asked when the warrants are coming out. Sandy and Kim stated they went to print today, and they were waiting for the bid to come back for the fire suppression system info. Kim stated we needed to finish doors for the highway department, and Sandy stated money will be used from the leftover money in another article for the HVAC for the Police Department. Sandy stated we need to transfer it through town meeting. Kim stated there are no other new appropriations.

Melinda asked that in terms of March, should we hold every Monday and Wednesday for meeting. Kim stated we should. Any departments that the committee hasn't heard from yet, will be scheduled for the beginning of march.

Next on the agenda: The Water Department. Keith Swanson, the Water Superintendent and Cathy O'Neil, Administrative Assistant introduced themselves. Bill advised everyone should tour the water department's two facilities if they have a chance to. Melinda stated they looked at everything that was level funded and that they voted to recommend a few lines in the Water Department budget because they were level funded or lower. She stated we have a few questions about a couple of lines that had differences from the previous year. One line is #101 - Water, Gas and Oil. Melinda stated the committee has questions as to why there is a differential. The amount allotted in FY19 was \$13,750.00 and the amount expended was \$4,828.00 in FY18. Why have they been expending less than they've been voted. Keith stated they never know what the cost of fuel will be. Sandy stated FY16 and FY17 is almost double than what he spent in FY18. He probably hasn't gotten his bill for the second half of the year. FY 19's bill will probably be about \$10,000.00. Keith stated they are trying to get away from the heavy duty vehicles. They are expensive to run. Keith is requesting a half ton four wheel drive pickup truck instead. They are better on fuel, and cheaper on maintenance. This would have to be a line item transfer amount per Sandy. Keith stated that they only spend what they need to spend. Sandy stated the water department is a self enterprise. Their money comes from their revenues and retained earnings. Bill asked what the point of reviewing the department is. Sandy stated they are the finance committee over the general fund and the water department funding. She stated that the committee would have a say if there was an unusual request for a high amount of money.

Len asked how the water rates are determined. Do they increase every year? Keith stated no. Rates have not gone up in three years and there are no plans to raise them.

Kim stated that an increase would be need based or for a project. Kim stated the water department is looking at a capital plan for their infrastructure. Keith stated that is "well into the wind" and the engineer is coming in tomorrow night and a discussion will be started then. Kim stated that would come out of their budget. Sandy stated all their debt is paid off and they have a healthy retained earnings amount for future projects. Keith stated that it is very uncommon for a water dept to be this debt free; however, they may need to borrow some money sometime in the future. Melinda stated that is why they voted for the cushion for Line #103, Tower, Wells and Maintenance because the requested amounts are always varied.

Len asked about the increase in wages, and if it was due to hours. Sandy stated we have an extra day this year so some of it is because of that. Melinda stated Wage and Personnel has not come out with recommendations yet. Bill had a question about the insurance line. Sandy stated it is property and liability insurance and that is tied to what Charlie does.

Kim stated it is an enterprise account and that is a shared service account. Melinda asked if we want to entertain a motion to recommend on line #101, Water Gas and Oil for FY20 for \$13,750.00 which is level funded.

Motion: Fred McGovern

Second: Len Teceno

AIF

The only lines left in the Water Department are wage and personnel lines and insurance. Bill asked about making a motion on Line #97 – Water Insurance, for \$60,579.00. Melinda entertained a motion to recommend Line #97. Melinda asked if there were any questions, and there were none.

Motion: Fred McGovern

Second: Len Teceno

AIF

Kim talked about Monponsett Pond, and stated we're getting matching funds from the state in a grant for \$10,000.00. Also, the doors for the Highway Department, approval of a pilot for the River St. solar project, and approval to enter into negotiations for a different pilot program for Franklin St., and the website, are all items that Charlie can answer.

Next on the agenda: Solid Waste and Recycle (and HWY):

Melinda made introductions and informed Steve that we recommended level funded and decreased items but asked departments to come in to discuss any line items that were not level funded.

Line #104 and #106 are wage lines.

Line #105 – Recycling Office Expense: FY20 request is \$3,460.00 which is an increase over FY19's budget of \$3,190.00. Melinda asked Steve if he knew the reason for the increase. Melinda stated the internet expense is going up \$200.00, equipment and uniforms are going up, supplies goes up a little bit and clothing allowance is going up a little. Steve did not have an answer as to why those lines went up, but he knows they had to buy new vests. Internet costs went up but is more in line with 2016, and 2017. Melinda asked him to check on these so we can be sure of figures and what is being asked for. Melinda states we will hold on this line.

Line #107 - Recycling Center Expense: Recycling price is going up per Steve. The disposal costs are going up. Melinda asked if all the advertising regarding making sure there is no contamination of the recycling is having any effect on it? Steve stated yes, it's more difficult to get rid of it, so costs increase. Bill asked if an increase in tonnage disposal is expected as well. Kim stated that at some point this is going to have to be analyzed. People are upset with the recycling fees. This may be a service that the town no longer provides because it is not cost effective. The town has never made a profit. Bill pointed out that the tonnage went from \$60.00 a ton to \$90.00. Len and Bill questioned the tipping costs. Melinda asked when the tipping prices are set. Steve stated the contract is up; also, we can't budget until we know the costs. Melinda asked if this figure takes that into account. Sandy pointed out that we might not even make it through this year. Melinda asked if we caught the tipping cycle out of cycle and that's why it looks so much higher. Sandy stated Line #109 will cover that. Bill wants to make sure the numbers presented are correct. Sandy will check with Sue. This is paid for by their revenues and retained earnings. Kim stated we should have a board of selectman person, finance person, etc. look at this. She will talk to Charlie. Sandy stated that they work very hard to keep costs down to make sure revenues pay for expenses. Kim stated we need to discuss this further with a subcommittee so we can get ahead of it.

Melinda recommends holding on Line #107 for further clarification. Bill recommended holding on Line #109 as well.

Line #108: level funded request at \$12,335.00 for FY20, but \$14,016.00 was expended in FY18. Melinda wants to make sure this request is adequate. Bill asked Sandy how that is trending. Sandy stated that is difficult. It will depend on how much hazardous waste comes in so we are going to do a hazardous waste day to keep costs down. Sue is gathering information from other towns as to how much they pay for this, but she level funded for now. Melinda entertained a motion to recommend Line #108.

Motion: Bill McAvoy

Second: Len Teceno

AIF

Steve stated that they are looking to adjust two containers. They are looking to remove the tops of these themselves so the town can have all the scrap metal money.

Regarding Highway:

Line #77, #78, #79, #87 are technically wage lines so they will not be discussed tonight. Sandy stated the information for the other line items that are level funded just came in. Len asked about the wage lines. Kim stated the finance committee does need to talk about the requested increase in hours. Sandy asked Steve about an article request for additional labor he has on his budget sheet. Sandy stated that is not usually asked for in an article. It is brought before the Finance Committee.

Line #78 – there is a request for \$45,011.00 for a new position. Steve stated this new position would be for a truck driver/laborer. They are short handed at the moment. Steve would eventually like to eliminate the part time secretary and use that money to go to a full time position. He would eventually like to go with a full time cemetery, but for now this number is based on a part time cemetery person and full time truck/driver/laborer. Steve will hold off on Line #78 and clarify. The union position will have to be taken out of this discussion. Melinda asked Steve if she thinks the one full time position is sufficient. Steve answered yes. Len asked if decreasing brush pick up had been looked at. Steve stated that the brush pick up is only one day a month, but if they see something on the side of the road, they pick it up. They also use the chipper for residents if they drop it off. Len asked if there was anything else we do that we don't charge for and are under no obligation to do? Steve stated that the townspeople pay a lot in taxes and he doesn't think this service is costing a lot. Melinda asked if a lot of this is driven by stormwater management demands. Steve said yes, because of the increase in labor, but a specialist is not needed. Len wants to make sure that nothing is getting backlogged that is required for the town to do for things that we do that are not required. Melinda stated we will not recommend on this line. We will await clarification. She asked if anyone had questions on the new position request. Bill asked if adding a laborer would provide us with the ability to do more vehicle maintenance work in house. Steve stated probably. It always helps to have another person to do various tasks.

There were no more questions.

Line #80 - Highway Expense – There is a small increase of \$550.00 over FY19. Melinda asked if this was due to stormwater costs. Steve said no, it is due to OSHA training. He is going to stagger people to attend the trainings, possibly twice a year. He sends them to free courses whenever available, but there are courses they are mandated to take.

Melinda entertained a motion to recommend \$6,771.00

Motion: Bill

Second: Len

AIF

Line #81- Barn Maintenance – FY20 request is for \$12,600.00. FY19 was \$10,100.00. Steve stated this is part of OSHA again. It is now mandated to pump basins and floor drains and maintain them on a regular basis. It must be done quarterly. Charlie stated down the road, these types of things may go under a separate line item instead of being under each department's maintenance budget. Melinda stated it would be a good idea to have a separate OSHA line item. Melinda entertained a motion to recommend Line #81.

Motion: Bill McAvoy

Second: Len Teceno

AIF

Line #82 - Highway Equipment – There is an increase of \$10,000.00. Steve stated this is for sandblasting and painting of trucks, oil, tires, car parts, etc. Steve wants to start a preventative maintenance program. The trucks are getting a lot of salt damage. Bill asked if this would be done in house. Steve stated the painting would not be done in house. The trucks need to be sandblasted and painted. The cost will be \$2,000.00 to \$3,000.00 per smaller trucks, and bigger trucks will be \$4,000.00 to \$5,000.00 per truck. He would like to rotate trucks so that every 5th year, a truck is getting done. Melinda asked if the \$10,000.00 is a reasonable amount to cover the costs of this and the other needed items. Melinda asked if this was a place we had to hold back funds, what happens if we don't approve? Steve stated he'll just keep trying to keep things together. Is there a minimum amount of increase he could consider if finance can't recommend \$10,000.00? Is there a minimal amount of increase you could ask for to cover oil ,tires, and car parts? Steve stated he might be able to cut it in half. Len recommended to table this discussion until we get an idea about remainder further into the budget. Bill asked if it could be taken out of Chapter 90. Steve stated yes, but he can't keep taking money out of Chapter 90. Sandy stated maybe the sandblasting could be taken out of that. Fred asked if sandblasting extends the life of a truck. Steve stated yes, approximately 7-10 years. Melinda asked Steve to provide a bullet list of items and associated costs so they can see the request broken down. Melinda stated the committee will hold on Line #82.

Line #83 – Highway, Towns and Roads is level funded over FY19 in the amount of \$74,355.00. Melinda entertained a motion to recommend Line #83.

Motion: Bill McAvoy

Second: Len Teceno

AIF

Line #84 – Highway, Snow and Ice is level funded in the amount of \$177,509.00.
Melinda entertained a motion to recommend Line #84.

Motion: Bill McAvoy

Second: Len Teceno

AIF

Line #85 – Street Lights – Sandy asked Steve if this is level funded as it was not filled out and she didn't want to assume. Len asked what we do with street lights? Charlie stated we will be looking at purchasing the street lights. Part of looking at the cost of street lights is thinking about the mortgage. We still pay for electricity etc, but we have to use a third party for maintenance etc. Melinda asked Steve if Line #85 for FY20 is level funded at \$27,300.00. He stated yes. Bill asked if he could make a motion to recommend Line #86, Traffic Lights, Line #87, Tree Warden Salary, Line #88, Tree Maintenance, and Line #89, Insect and Pest Control. Len asked if we still need these lines as they are only \$1.00. Charlie stated that by appropriating the \$1.00 amount, we could go before the Finance Committee for transfer for these lines if needed. Melinda entertained a motion to recommend Line #85 for \$27,300.00, Line #86 for \$5,500.00, Line #87 for \$1.00, Line #88 for \$3,500.00, and Line #89 for \$1.00.

Motion: Bill McAvoy

Second: Fred McGovern

AIF

Sandy pointed out the note on Highway Surveyor salary request. Steve overseas the recycling but receives no stipend for it. Charlie revisited the request for Line #82. He clarified that roadbuilding machinery, equipment and tools can't be done as general maintenance. Sandy stated that Steve is asking for a stipend in the amount of \$5,524.00 for overseeing the Recycling Department. Right now, he is the department head for recycling and some of the reasons he gets called is for disciplinary issues. Melinda asked if this is a reclassification request. Sandy stated that the Highway Superintendent is an elected position. He is also the Cemetery Superintendent which is an appointed position. Charlie clarified that it is also a separate position and does not have to be the same person. He is performing duties he is not getting paid for. Melinda asked if this amount would be sufficient to pay a "new position" if we were to take it out of his job description. Len asked if we could pay the stipend out of the recycling fund instead of putting it in the Highway Surveyor salary line. Charlie stated we could look at that. Len stated that it is a very specific number and asked how Steve determined it. Steve stated he tried to figure out how many hours he worked and that's how he came up with the number. Len stated he feels more comfortable if the money came out of the Recycling fund. Melinda stated that for Line #77 – Highway Surveyor Salary – the committee could take a vote on \$79,264.00 with the stipulation that the Finance Committee recommends a funding scheme of the stipend coming from the recycling fund. Bill asked if we can just vote the stipend for now. Melinda entertained a motion to approve the request for \$5,524.00 to assign a stipend to compensate the highway department head for the co-acting role as the head of recycling.

Motion: Bill McAvoy

Second: Len Teceno

AIF

Len asked that the committee make sure to clarify that the stipend will be coming out of the recycling budget and that we are not voting on Line #77 at this time.

Line #92 – Cemetery Supplies and Equipment is level funded for FY20 for \$6,020.00. Melinda entertained a motion to recommend Line #92.

Motion: Bill McAvoy

Second: Len Teceno

AIF

Melinda stated we will hold on Line #90 and Line #91 because they are wage lines.

Next on the agenda: Website Development. Len asked if there is a warrant article for the website? Charlie stated yes. He stated that he's been told April 1st is the end of life for the software platform. He stated that some of the need for the website is legal. It provides links to other places like pay your bills online. The alternative is to stay with Civic Plus and pay them \$3,000.00 for a template website or and \$4,500.00 for a redo. We'd still be charged an annual fee. Civic plus has been fine for maintaining the site but have been non proactive regarding improvements to the site. Fred asked if both were proprietary. Charlie stated he believed so. Melinda stated she believes the new website was easier in terms of functionality. It would be easier to use on mobile devices as well. Charlie asked if the committee could give him an idea of where they stand. Len asked him to go back over the numbers again. Charlie stated that Granticus is \$7,500.00, but provides free service the first year. Service for the second year \$4,000.00 and for the third year \$4,200.00, etc. He thinks there would be approximately a 2% increase per year. He thinks we'd be in for a five year contract. Virtual Town Hall is \$3,000.00 or \$4,500.00 for a redo and we spend a little over \$3,000.00 a year in service costs. Sandy asked if that means we would not need a budget line for FY20. Charlie stated he needs to have the budget there. Len asked for usage metrics – how many clicks per month. Len stated that it is not exorbitant to ask for it if it's used. He wants to make sure it is used. Fred stated if we go with an open source contract software provider, we may be better off in terms of flexibility. Fred stated he hoped we would not go with a proprietary software. Charlie stated he will go back and get exact numbers for the finance committee. The biggest problem per Charlie is that someone has to take the time to keep the website up to date. Melinda suggested we table the discussion until we see fee schedule and metrics for usage of the website. Bill asked if there are open source options available. Fred stated it will cost more up front to get it designed, but the cost to maintain is lower. We would have to take into consideration the expected life of the software.

Len asked if the committee should go over police and fire. Len stated he just wanted to go over the increases he talked to them about. He spoke to the Chief about wages. The Chief stated that the town pays a salary to those who get sent to the academy. He has a \$30,000.00 contingency which looks like it's now built in. Charlie would want to check with the labor council about that. Charlie believes it's a condition of their employment. Len stated the chief asked other towns and they do not do that. Charlie stated that we garnish their paycheck for a certain amount of money for three years to pay for the

academy. If they don't stay for three years as an employee of the town, they would have to pay us back.

He will have to check with council regarding this issue and how our letter of employment is worded.

Sandy stated she will speak with the chief and look closely at his budget and break down what he is requesting. Len stated he will also check his spreadsheet to clarify. The other piece is additional overtime due to a retirement. There is an open position that will be filled but the overtime is needed until then. Both Sandy and Len will check on their notes and revisit the increase request.

Melinda stated the committee could vote on Line #48 - Police Expense - which is level funded for \$62,485.00. She entertained a motion to recommend Line #48.

Motion: Fred

Second: Bill

AIF

The committee will hold on the other line items until we talk to the Chiefs.

Len asked if Capital Planning decided to roll in the maintenance for the Police Chief's car every five years. Bill stated yes. He stated the Fire Department is having to have external sources perform mechanical maintenance we should do in house. The Public safety piece for emergency management is we are going to have regional warming shelters, but if we had to have one for one day or one night this would cover it. Sandy stated that to have an EMT there, we need to budget. Len then stated the town approved a 12.5% increase in salary over three years, for the Fire Chief's salary, which was contentious. Len thought asking for another 4% could get contentious. Len thought we only voted on one year. Melinda and Charlie stated that the three year increase was approved. Len stated that the additional years were not on the warrant.

Charlie said in the past, when we had union contracts, we did three year contracts but the only amount shown on the warrant was the actual sum. It was not detailed over the three years. Len asked what happens if the townspeople see the increase and have a problem with it or don't vote for it. Charlie said he believes one possible scenario is the chief could leave, and the other is he could sue for violating the contract because the contract involves only one person. If that happened with the police officers, because its more than one person, the town could lay off officers. Len stated that this seems like a major disconnect from our other processes. Charlie agrees but stated that it was necessary. Len stated the process still doesn't make any sense to him. He is worried about it being contentious at town meeting. Charlie stated that if the townspeople don't vote for it, we will suffer the consequences and Charlie stated this was discussed at town meeting and people were made aware that it was a three year increase.

Len again stated that he was not comfortable with how we handle this. Charlie advised the committee that moving forward, they have every right to say that they are not in agreement to give automatic wage increases over three years, and then bring it to town meeting.

Melinda entertained a motion to adjourn at 9:31p.m.

Motion: Bill McAvoy

Second: Fred McGovern

AIF

Respectfully submitted,
Kathy Clark, Secretary

Len Teceno, Clerk