

**Saugus Board of Selectmen
February 22, 2016**

The Saugus Board of Selectmen met on Monday February 22nd at 7:00 PM in the Town Hall Conference Room, 298 Central Street. Present: Selectmen Mitchell, Selectmen Cicolini, Selectmen D'Eon, Selectman Vice-Chairman Brazis, the Selectman Chairman, Debra Panetta. Also present was Town Manager, Scott Crabtree, Collector/Treasurer Wendy Hatch, and Town Accountant, Joanne Gayron.

Chairman Panetta welcomed everyone, and discussed the timeframe of the budget process, per the Town Charter. She said that the Board needed to submit its recommendations to the Finance Committee no later than March 1st. She turned the meeting over to the Town Manager to discuss the highlights of the budget.

The Town Manager summarized his recommendations to the Board. He explained that this is a preliminary budget based on what he believes the revenue and expenditures will be for Fiscal Year 2017. He said that the numbers will be updated as the process continues. He explained that fixed costs increased by \$1,751,596 before factoring in any contractual wage adjustments, which are currently under negotiation. Health insurance is increasing by almost \$1M, assuming an 11% increase. Pension increases, regional school assessments, and other insurance are all increasing significantly. Mr. Crabtree mentioned that he was recommending \$400K in additional funding for the operations of the schools, but it was important to mention that a large percentage of the fixed expense increase (especially the health insurance) is attributed to the Schools. For example, about 69% of the people on health insurance are teachers. So out of the \$1M increase, approximately \$690K would be for the teachers.

Mr. Crabtree explained that all departments have needs, and Saugus has always struggled with not having enough funds to satisfy all these needs. Crabtree said, "We're in the process of trying to bring additional revenue into the levy by way of economic development." He explained that our Economic Development Director left for another job where he's going to be making more money and have a staff of 8 people. He stressed that we needed to have somebody in this position that is strong in planning, and he's added another position in the budget in this department. The new hire will help Saugus find grants the town could tap into and will help with procurement.

He stated that he is restoring an engineering position to manager the town's facilities. We are working with the MSBA on a new school, and they recommended that the town have somebody in the facilities management as well as assisting with inspectional services. A position was added for an employee to handle the FOG (Fats, Oils, Grease) regulations that were recently adopted by the Board of Health. This employee will serve as back-up for the health director. Park and Playgrounds increased by approximately \$100K. The town needs to repair and maintain the fencing, hot top, playgrounds, and fields. Chairman Panetta mentioned that Parks and Playgrounds was a priority of the Board's.

A position was also added for an employee to handle all Fats, Oils, and Greases (FOG) regulations. The employee will also serve as a backup for the health director.

Wendy Hatch reviewed the Source and Uses of Funds document. The Board discussed the new growth estimate of \$350K. Ms. Hatch mentioned that the \$350K figure was a three-year average. The Town Manager mentioned that there is no assumption for Collins Ave. new revenue in these figures since they are still in the early phases of this development. Chairman Panetta asked if the debt exclusions were pass-thru items, and Ms. Hatch said “yes.” Selectman Cicolini asked if the ‘Allowance for Abatements and Exemptions’ was also a three year average. Ms. Hatch said, “Yes.” The Cherry Street data was estimates based on recommendations from the state.

The Board reviewed each of the Town’s budgets, and asked questions along the way. There was a discussion regarding Information Technology, where the town is now outsourcing this service instead of hiring a Director. The Board asked how much we spent in snow and ice so far in FY ’16. Ms. Hatch thought it was about \$100K over the \$165K budget, but we haven’t received all the invoices yet. The Board discussed the Street lighting Division, where the Town Manager mentioned that the streetlights go out to bid. The Board discussed the Waste Collection and Disposal department, where it was asked when we’d be negotiating our new rate. The Town Manager thought 2018. There was a discussion around single-stream recycling, and the Town Manager explained that the town receives more money for ‘virgin-recycling’ vs. single-stream. There was a decrease in the debt service-principal LTD in debt limits line item. Ms. Hatch explained that line item represents the capital improvement plan (which was under Ed Collins). Under debt services – interest, the FY 2017 increases to \$65K, where Ms. Hatch explained that would be used for BAN feasibility. Under employee benefits, it was noted that the workers comp for the schools increased \$74,350 over FY ’16. Under other insurance, the Board discussed the auto insurance and how the town just finished audit of the vehicles.

Chairman Panetta said if the Board said if the Board voted to recommend that Town Manager’s budget, she would write a letter to the Finance Committee with the Board’s recommendations. She asked the Board if they had any updates/changes they would like to be considered. Selectman Cicolini asked about adding \$5,000 to the Finance Committee budget. He proposed \$1,000 would be provided to the Finance Committee chairperson and \$500 would be given to each of the eight members. He wanted to recognize their hard work and dedication to the town, and this would be a nice way to show our appreciation. Mr. Crabtree agreed that the \$5,000 would be a minor adjustment in the grand scheme of the overall budget. The Board members all agreed that the Finance Committee does a great job for the town.

Selectman Cicolini made a motion to recommend the Town Manager’s budget to be sent to the Finance Committee, with considerations of a \$5K stipend to the Finance Committee.

Voted: In Favor, 5; Opposed, 0

The budget will next go before the Finance Committee, who will discuss its details over a period of weeks to months, before going before Town Meeting, Crabtree said. "I'm pleased that, at this early stage, we are able to present a preliminary, estimated, balanced budget that does not include any override or trash fee," he said.

The Board thanked the Town Manager, Collector/Treasurer, and Town Accountant for all their hard-work and for attending the meeting.

Selectman Brazis moved to go into Executive Session for the purpose of contract negotiations with non-union personnel / Town Manager. People to go into Executive Session will be: Selectman Mitchell, Selectman Cicolini, Selectman D'Eon, Selectman Brazis, Selectman Panetta, and Town Manager, Scott Crabtree, not to come back into opens session:

Roll Call: Selectman Mitchell; yes, Selectman Cicolini; yes, Selectman D'Eon; yes, Selectman Brazis; yes, Selectman Panetta; yes.

Vote: 5-0.

Meeting adjourned at 9:16 PM.

Respectfully submitted,

Debra Panetta
Chairman, Board of Selectmen