

BOARD OF SELECTMEN
Budget Workshop Meeting
Tuesday, January 19, 2016

A budget workshop of the Board of Selectmen was held at 7pm on Tuesday, January 19, 2016 at 7pm in Conference Room A in Town Hall with five Selectpersons, the Town Administrator and the Asst. Town Administrator.

Finance Committee members present: W. Wagner, L. Wessel, W. Hess, I. Crown, J. Michaels.

DPW Commissioners present: P. Sena, J. Gardner, B. Reed as well as Director J. Parisi.

CIPC members present: W. Wagner, E. Battistelli, J. Michaels, M. Sheedy, C. Arnaud, W. Hess, L. Sanders.

Police Chief, J. Horvath and Supt. of Schools, R. Liebow, were also in attendance.

6:45 p.m. Board of Selectmen Photo for Annual Report and Selection of Photos for Front & Back Covers

7:00 p.m. Meeting Called to Order

FY17 Capital Budget

CIPC: Bill Wagner, Finance Committee, showed a schedule showing debt service, principal and interest payments, existing debt, new debt (temporary borrowings); this does not pertain to any projects under consideration. Total debt service for FY '16 was \$1.687 and FY '17 was \$1.666. Received capital requests from all departments totaling general fund \$10M (includes \$7M DPW bldg. and the Pigeon Hill Fire Station). They now have \$550,000 in projects that could be funded this year. One half of that would be in free cash \$294,000, parking meter fund \$70,000, transfer from other projects \$34,000 that are open but are not going to require any more work, one truck purchase would be borrowed. We don't know the free cash yet for the Enterprise Funds (water and sewer), it is approximately \$250,000 water, \$166,000 sewer. They approved small projects, (bathroom upgrades for the schools, a greenhouse, parking meters, DPW projects for replacement of vehicles and roadway improvements \$294,000) still depends on free cash. Pigeon Cove seawall, full cost is \$4M, we expect some reimbursement from FEMA. Priority rating on CIPC items: 1-4, #1 is to eliminate a proven hazard or is mandated by some authority; #2 is projects required to maintain services, #3 is cost justified (i.e. lighting upgrades, save electricity, etc.), #4 are things that would be good to do if the funds were available; those are usually deferred.

The Town Administrator said we may have more information on free cash, but she believes the \$200,000 and the \$294,000 reserve may be all we are going to end up with; she doesn't know about the Enterprises. The CIPC will know by 1/25, they can make their final recommendations to the Board of Selectmen next Tuesday night.

Chairperson Battistelli said the largest request is the DPW facility; there is a presentation tonight. If that moves to town meeting, it will be a debt exclusion. The town would adopt a tax increase for the period of time that it would take to pay for that particular project (similar to the schools and the police station several years ago).

7:30 p.m. Discussion of DPW Facility:

Jeff Alberti from Weston and Sampson provided a history of the project, the responsibilities of the DPW, why the town needs a new facility, what is proposed, and a summary of the project costs.

- The original facility was built in 1956.
- In the late 1990's the town realized the need to upgrade the facility.
- In 2004 an initial feasibility study was conducted;
- In 2007 Weston and Sampson was hired to prepare a new feasibility study. The updated study was completed in 2015/2016.

The DPW's responsibilities include:

- maintenance of all public roads,
- maintenance of storm water drainage system,
- mowing, cleaning and upkeep of town cemeteries,
- maintenance of town-owned buildings,
- maintenance of town parks, beaches,
- maintenance of DPW fleet,
- management of drinking water filtration and reservoir,
- maintain plans (wetland, water, sewerage and drainage plans),
- management of town transportation fuel system as well as water level records and the GIS program,
- maintenance of water distribution and sanitary sewer collection,
- treatment of wastewater from the town's sewer system.

Public Works staff is considered the first responders that are there until the emergency is over.

Why is a new facility needed? The current facility is 60 years old with no major upgrades. Vehicles are very different now; they are larger and multi-purposed. There is a need to store as many vehicles as possible. Also there is a need to get the vehicles out quickly because it can cost significantly more if there is a delay to get the vehicles out of the building.

The building needs to be 22,000 square feet; the original plan was a little over 30,000 square feet. A wash bay is now mandated. Vehicle storage is the largest area; there is an open canopy to cover some vehicles; it's the most cost effective design. The current building does not comply with current code requirements (ventilation, ADA, sprinkler systems, etc.) All of this contributes to inefficiencies.

Benefits of improved facility:

Code compliance

Protect vehicles and equipment

More efficient work space

Room for expansion

Eliminates need for band-aid repairs (costly to repair old bldg.)

Chairperson Battistelli said we need to educate voters before town meeting.

Wally Hess, Finance Committee, said it would cost 4% for 20 years.

B. Reed said it's costly to continue to make repairs to the old building, the longer we wait it's just getting more expensive.

Selectperson Wilkinson asked if the board could get the figures of when the police station will be paid off and how much additionally it costs tax payers each year. C. Arnaud said she will get the information to the Board.

Moderator – no change

Board of Selectmen – Town Manager contract increase

Youth Center, ask that they come in and make presentation to the board with utilization, etc.

Economic Dev Committee expenses (see Community Development)

Town Art Committee, no change

Reserve fund – Finance committee \$285,000, \$200,000 buffer from free cash

Town Accountant budget – new and temporary acct support specialist, decreased contractual costs

Assessor's budget: no changes

Treasurer/Collector: -\$312

Legal Services: we are currently halfway through the year and the cost is for the full year, this year \$106,000. The recommended FY '17 costs are \$263,000. A large amount is Long Beach litigation.

Personnel Board: no changes

Human Resources: shifting funds from a wage line to an expense line

IS&T: less by \$21,000 than previous year

Tax possessed land: \$3,100, Marmion Way – need to sell, this is the cost to insure the property

Town Clerk, request went up \$10,237, the wages were reduced to previous year

Elections: 3 voting locations, Pigeon Cove, South End, and Downtown, reducing this to 2 voting locations is being discussed, current cost is approx. \$30,000 for 3 locations

Conservation Commission: salary increase, the Agent was paid as part time employee for many years in error and she is full time employee, there is a remedial adjustment to correct this

Millbrook Meadow: \$275

ROW: expenses that grants would not cover

Beautification Committee: expenses

Planning Board: \$5,000 more than previous year. A new planner was hired, that contracted individual is at a lower rate than the prior individual; they feel it's appropriate to increase the rate.

Zoning Board of Appeals: no change

Community Development: funding from Economic Development Committee, request is for \$52,000. Selectperson Lucas said \$52,000 isn't even sufficient. She said it doesn't make sense to reduce the funds in the middle of a program, J. Michaels questioned a potential conflict here for Selectperson Lucas. Chairperson Battiselli commented that Selectperson Lucas could complete the form that would allow her to participate in this discussion if there is a question about a potential conflict of interest. Selectperson Wilkinson said the efforts are really to attract families to move to Rockport. Lana Razdan said Community Development is more than Economic Development, it's about lifestyle, and culture, people move someplace based on these issues. She said if we want to increase the tax base, this should be a town-wide effort.

Police Dept: looked for specific line items that could be reduced without compromising safety. Chief Horvath said 90% of the budget is for labor and 10% covers expenses, there were 19 fulltime employees in FY '16, cut to 18 full time for FY 17. He said this budget gets them to the minimum needed. Chief Horvath said he would like to meet with the Finance Committee to discuss the budget in greater detail.

Traffic and Parking: \$17,900 wages and Sgt. stipends

Lifeguards

Fire Dept: some cuts in fuel and power, gas costs have decreased

Selectperson Wilkinson said we should see if it is feasible to combine the fire and forestry depts.

Ambulance: reduced budget in labor, the actual costs are generally below budget

Inspectional Services:

Animal inspector

Emergency Management

Animal Control, vehicle maintenance was reduced, added cell phone expense, the Asst. Town Administrator said grant money is being sought

Parking Clerk: preliminary discussions about restructuring the position that could save funds

Harbormaster/Shellfish: reduced a little from last year

Harbor Advisory Committee:

Library: the certification process is critical

Schools: \$10,964,000 approx., projection of sustainability, 3% or less going forward (this is lower than the average school increase), they could try to work within that model. Total budget is 2.99%, able to hold to the 3% or less. This is a status quo budget with nothing additional. The schools would need to request an override next year or the year after of between \$800,000 to \$1,000,000. The reserve should remain in the neighborhood of \$400,000.

T. Arsenian, inquired about the reimbursement from the state. R. Liebow said 34% of the budget is Spec. Ed., the Circuit Breaker is supposed to provide 75% reimbursement over what is called the foundation, this year the state is at 73% reimbursement. He said transportation is a huge expense as well for a van and a staff member to go along with the student.

DPW: level funded line items with some movement between line items. There were some contractual increases (unions), an increase to the community House Manager stipend has been requested from \$10,000 to \$15,000, the building hosts up to 5 events on one weekend, maintenance costs have increased, there were 189 rentals in one year, 126 paid, 63 were unpaid by 18 community groups. Selectperson Wilkinson said we need to review the fee schedule. Hopefully the fees could cover the stipend increase. Overtime, snow plowing \$20,000 and sanding; the Town Administrator said we should put in more realistic numbers. J. Parisi is concerned if the price of oil goes up the budget can't support it. If electricity costs increase, again he doesn't know if the budget can be met.

DPW Chairman Sena said expenses come up throughout the year that the DPW has to respond to and the department is not compensated. This added expense, (approx. 26 items totaling 1,850 hrs. equals \$160,000. DPW helps out the Conservation Commission, the Beautification Committee, Granite Pier, Front Beach, projects that if the town put them out to bid, would be double the cost. These projects delay other scheduled projects. They do more than just what is seen here. The requests have increased over the years and the scope is larger. Water and sewer budgets are level funded except for contractual increases (unions).

Veteran's Services, merged, costs reduced

Recreation – same

Granite Pier

Thatcher Island

Straitsmouth Island

Memorial Day Committee

Insurance – still unknown, 10% increase is in the budget, hopefully it will come in lower than that - meetings have started with the unions

W. Hess said they've had this budget since last Friday; they've done a lot of work on it. He said if we fully funded the schools, we are \$565,000 out of balance with all of the cuts in the budget.

Next DPW meeting is 2/10/16 at the Police Station

L. Sanders moved to adjourn the CIPC meeting, seconded by Bill Wagner, all in favor.

10:45pm: Selectperson Wilkinson moved to adjourn the Board of Selectmen workshop meeting, seconded by Selectperson Murphy, Vote: 5-0, all in favor.