
**Board of Selectmen and Finance Committee
Joint Meeting of February 27, 2016**

I. Call to Order/Roll Call

Vice Chair Alex Vispoli called the Joint Meeting of the Board of Selectmen to order at 9:00 A.M. in the Meeting Room at Memorial Hall Library. Present from the Board of Selectmen: P. Salafia-Y, A. Vispoli-Y, D. Kowalski-Y, R. Landry-Y. Chair Mary O'Donoghue arrived at noon.

Finance Committee Chair S. Jon Stumpf opened the meeting for the Finance Committee. Present from the Finance Committee: J. Marden-Y, M. Kruse-Y, L. Anderson-Y, E. Moffitt-Y, Y, B. Zahorik-Y, J. Barry-Y, B. Taylor-Y, and S. Jon Stumpf-Y.

Also present: Town Manager Andrew Flanagan, and Finance Director Donna Walsh, and Tom Watkins. The meeting was duly posted and cablecast live.

II. Opening Ceremonies

A. Moment of Silence/Pledge of Allegiance

The Meeting began with a moment of silence followed by the Pledge of Allegiance.

III. Opening Remarks

The Town Manager gave a brief overview of today's agenda and shared the dates for the department budget reviews not included today. Information Technology (March 7th), the School Department Budget (March 9), Water and Sewer Operating Budgets (March 7th) and because they are conducting a comprehensive rate study and there will be two public hearings. Fixed costs will be covered at a future Board of Selectmen's meeting.

The formats of each department's presentation will be an overview of the year over year change, and a comparison of FTE's and a slide on CIP requests. Included in the budget message released on Feb 5th were fundamental budget goals, which the Town Manager reviewed. The FY-17 Budget Goals and FY-17 Revenue Assumptions include the Tax Levy, new Growth, Local Receipts, State Aid, and Free Cash, in the amount of \$3,718,000).

FY-17 Expenditure Assumptions include Town and School operating budgets, retirement contribution increase, OPEB funding based on a percentage of the budget targeted at 0.5% but the Town Manager is recommending 0.4%. The Employee Health Insurance expense will increase by 8% and the Total Appropriation to fund Capital Expenditures increase by @ 0.6% over FY-16.

The Compensation Fund relates to all department budgets and the FY2016 appropriation of \$950,000 with \$268,500 in estimated adjustments based on settlements for FY-15 and FY-16 and assigned and ratified by unions leaving an adjusted balance of \$681,500 which the Town Manager is recommending as the starting balance for FY-17. It is estimated an additional \$428,500 will be needed for the next round of successor agreements for a total appropriation of \$110,000 for FY-17.

IV. FY-2016 Budget Presentations

⊙ Department of Community Services

Kim Stamas, Director of Community Services presented the DCS FY-17 Budget Request (pages 53-58) totaling \$6,831.00. They are not requesting an increase in expenses; instead they are requesting an additional \$36,831 for Personnel Services to compensate for increases in minimum wage with \$30,000 coming from Sales of Service to increase the minimum wage for college age kids who have worked for DCS for several years and can earn more elsewhere. Sale of Service will increase from \$520,000 to \$550,000 due to an increase in the cost all camps. DCS employs three employees paid through the operating budget and two employees funded through the revolving account. They are asking for \$50,000 in CIP funds for improvements to Pomp's Pond. The total FY-17 budget request totals \$188,049.

The Town Manager said there will be a larger discussion on employee minimum wages across the board. Dan Kowalski asked that the Town Manager look at what the cost would be across the board to provide minimum wage to all employees who qualify. Currently DCS, Youth Services, Library workers, poll workers (part time) are paid \$9 per hour.

⊙ Elder Services

Kathy Urquhart, Director of Elder Services (Pages 64-69) has submitted a budget request for \$630,797 for FY-17; the Town Manager is recommending a budget of \$628,284.

Personnel Services for Elder Services is \$2,733 less than requested due to changes made within the department. The Town Manager is recommending an increase of \$220 for a total of \$153,990 for expenses. Personnel Summary: The total FTE's for Elder Services is 11.80 with 9.75 FTE's budgeted through the General Fund, and 2.05 FTE's paid through the revolving fund.

There are a number of people who attend functions at the Center at Punchard, provide services for in-home residents, services for families, and the Boomer Venture Program has great attendance. People would like to see more evening and weekend events, but it is not possible without extra staff. Peggy Kruse said it would be nice to see changes in the number of people involved in the various programs over the past ten years. Alex Vispoli, liaison to Council on Aging, agreed that there is a lot of activity at The Center and they have an active Council on Aging.

⊙ Youth Services

Bill Fahey, Director of Youth Services (pgs 59-63)

Budget Summary: The Town Manager's budget recommendation for FY-17 is \$357,305 a change of \$6,833.00 over FY-16. Youth Services is requesting an additional \$4,000 in expenses for printing, office supplies and professional development to attend trainings for opiate abuse and other similar opportunities. Paul Salafia said Andover Cares would be willing to help cover expenses for trainings if additional funds are needed. The total recommended budget for FY-17 is \$479,715, which is an increase of \$10,833 over FY-16. The Cormier Youth Center is currently open Tuesday through Friday while they transition from the Pearson Street facility. This budget reflects a five-day 40-hour workweek with the goal to be open

seven days a week. Finance Committee member John Barry said it is an incredible facility, and asked if over time it would develop into a place that can be used by other organizations to offset revenues. Bill Fahey said they would have to increase staff.

Bob Landry wants to know what this budget compensates for and what the schedule is for the public to use the building? Dan Kowalski commented that the plan has always been to get the building built and then figure out how to best use the building; we are not at that point yet; they are trying to determine programming and then they can figure that out. Bonnie Zahorik said this budget is a level services budget for now, but staffing is based on the old model and if they change the model to be an open community center and offer programs, it has to be a different staffing model, the building is designed to be very functional. Jon Stumpf agreed that this is a transition year and it is important to have an open house for the public to see and to showcase the building.

Bill Fahey said they will continue to fundraise for the additional \$8M needed to finish the building, and to purchase technology, without using taxpayer money. Their first priority is developing youth programs for the kids and they are willing to meet with anyone to discuss other uses. They fully expect to make this building something Andover will be very proud of and involving kids in the community; however the gym, lobby and Phillips Room are all that are available now. Maintenance of the building is important with all the requests to use it coming in. Youth Services is responsible for safety of the building, maintenance, and how it works. It is very exciting, but they have to work out the details before they can open the building out to outside requests. . They plan to have a 2-3 day open house event in May and a senior event on May 6th with a volunteer luncheon; there have been a lot of conversations on using the building.

The Town Manager said our goal and expectation is to have the building open 7 days a week and used by all groups and factions of Andover. We are growing into it. Last week was a very challenging week for residents of Andover and Bill opened the Youth Center to help kids and parents deal emotionally with recent incidents in town.

The challenge is how to raise revenue, manage programs, and to create a neighborhood in the community for everybody, but starting with the kids. Dan Kowalski acknowledged the Andover Youth Foundation for their annual gift of \$30,000 to offset the maintenance of this building. Joanne Marden said the whole community benefits from having good solid youth programs.

⊙ Library Services

Beth Mazin, Director of Library Services and John Hess, Director of Library Board of Trustees presented the FY-17 Budget for Memorial Hall Library. Personal Services budget decreased by \$15,061 and expenses rose by \$2,216 for a basic level service budget. Currently they have a full time staff of 20 employees and are requesting an increase of one FTE which will be offset by the reduction in part-time positions. The request for \$25,000 in CIP funds is to complete the renovations in the Children's Room. The roof deck project has been quite complicated and is still in process but will be finished in the spring. Full time and part-time employees are classified employees with minimum wage paid to library aides, pages, etc.

John Hess said the Trustees are very pleased with the way they worked out the budget with an employee leaving and reorganizing the staff to not have a benefits impact.

B. Public Safety

◎ Police Department

Chief Keefe presented the FY-17 Budget Request (pgs. 76-86)

Personnel Services for FY-16 was 7,029,772 and for FY-17 it is \$7,32,601 an increase of \$298,829. Expenses for FY-16 were \$1,094,976 and they are requesting an increase of \$24,550 for increases in maintenance agreements for computer programs for a total FY-17 budget of \$1,119,526. The budget request of \$8,163,127 for detail fees and parking receipts for FY-17 is an increase of \$328,379 over FY-16. Personnel Services remains the same at 73.

The CIP request of \$275,000 is for replacement of police vehicles. The Town Manager is recommending \$195,000. Marked vehicles are in good shape, but the unmarked vehicles are older; however, maintenance crew has been doing a great job of maintaining the vehicles. The Town Manager said recommendations from the Parking Study and next year's CIP will include some capital output requests.

Elements of the job descriptions for the Community Support Coordinator position and Clinical position have been merged into one and the position will be filled in FY16. Bob Landry said even though he was opposed to this position there is still the issue of the Board of Selectmen voting on two positions. Does the Board have to vote again to approve the change and will they be budgeting this year for one position or should it be both positions; he suggested this discussion be added as an agenda item for the Board of Selectmen. Paul Salafia said they will be evaluating the position and when the Community Support position is in place they will reevaluate and may hire an additional person if there is a need. Andrew Flanagan said they will maintain flexibility to keep the approval for two positions, he is recommending the funding for one position for the FY-17 budget. If a second position is needed they will have to figure out how to fund the position.

◎ Fire Rescue Department

Chief Mansfield presented the Fire Rescue Budget for FY-17 (pgs.87-95).

The increase in Personal Services of \$13,821 is due to contractual items (longevity, step increases, educational incentive). Expense increases of \$2,638 are related to training costs, and hiring outside trainers to keep costs down. The reduction in ambulance revenue of \$50,000 is a result of the Affordable Care Act but they are projecting to bring in approximately \$1,361,700 for next year now that the changes in the ACA have been ironed out. If there were an increase above the projected amount for sale of service, the additional revenue would go into free cash. The recommended budget for FY-17 is \$6,274,056; for a total additional budget request of \$66,459.00.

In 2009-2010 to meet the \$300,000 reduction in the budget due to the economy at that time, the Department eliminated the 2nd person on the aerial ladder truck and reverted to overtime assistance for coverage. Finding the coverage for the second person on the aerial ladder has been difficult; they have been tracking the statistics of that position since it was reduced from

2 to 1. The aerial ladder goes up approximately 3-4 times a week and you need two people for safety of navigating the truck and setting it up. National Standards recommends a minimum of 4 people manning the aerial ladder.

Dan Kowalski asked what the ambulance revenue will look like if we bill for gross? Chief Mansfield said they are anticipating about \$2M because of the reimbursement rates of the payers. The Department is doing a good job of capturing most of what we bill out.

John Barry asked if the Department has the plan and design for entering new buildings in Andover. The Chief said they work with property developers to develop a plan on how to attack possible issues that could come up.

Peggy Kruse, why do you continue to request moving from Basic Life Support to Advanced Life Support? The Chief feels Andover is not being serviced as efficiently as they should be. There are issues with response times waiting for outside Advanced Life Support services from Lawrence General Hospital for intervention services. We would not be relying on someone else to deliver these services; we would be handling the response time ourselves. To equip two ambulances would cost approximately \$9,000; the additional costs comes in with personnel and training to move to the paramedic level. Moving from BLS to ALS increases revenue reimbursements for services.

FTE's of 72.0 for FY-16 has not changed for FY-17.

The Chief is requesting \$575,000 in CIP funds to replace Engine 4 located at the Ballardvale Fire Station. The Town Manager supports the use of the \$575K from the General Fund Budget for this request. Additionally, the Chief is requesting \$20,000 for Emergency Service Call Boxes for the playing fields at upper and lower Shawsheen. The Town Manager supports this request.

C. General Government

⊙ Community Development and Planning (CDP)

Paul Materazzo, Bob Douglas, and Tom Carbone, Chris Clemente presented the budget for their departments. The FY-17 budget request is on pages 44-52 of the Budget Book.

Personal Services: Requesting an increase of \$22,243 over FY-16 attributed to actual positions and step increases. To provide for continuity of services and compliment existing department services for the Customer Service Component, they are requesting an additional person.

Expenses: Request for an additional \$4,225 for general increase in costs.

Salaries (\$25,000)

The request for one additional person fulltime employee will be accomplished by combining 2 part time positions into one full time office assistant, to enhance customer service for a zero net increase in personnel. The 2.7 part time positions will be decreased to 1.7.

There are several new developments and large-scale projects that are shovel ready which will increase the productivity and activity in the CDP office.

John Barry asked if there is something we can do from a program/training process that

would mitigate adding a full time employee. Can you metric what you will yield by having a fulltime person vs. part-time person. Has this been vetted completely and properly?

Tom Carbone said they have tried different ways to accomplish the needs of the office but it ends up becoming more work at the back end and they lose the continuity by having part-time help. Paul Materazzo said they have a hard time retaining staff in the part-time positions, lose time, and causes a decrease in customer service by continually educating new staff.

Bob Landry suggested they look at other ideas on how to deliver customer service and then staff to that. Alex Vispoli asked about an automated tracking system. Tom Carbone talked about the software system they installed about 5 years ago which is being used for permitting across the departments and has the capability to do online permitting but was costing them more time. Permitting is a tedious process, dealing with all different levels of consumers, commercial, homeowners, etc. Tom is disappointed in the program, as he had hoped it would do more for them. Alex asked what the best practices of larger communities are. Bob Douglas said the streamlining process has been helpful and the intern put a video together for Conservation and it was well received. They are looking to expand on this. A key component is having someone in the office full time who knows who goes where to do what.

The Town Manager said there are areas to improve but Andover is far more advanced than other communities. Having primary points of contact is very important, and you can't always automate that. In his estimation, CMP is the busiest office at Town Hall and the demand for permits is increasing. This is the perfect example of where we are taking a level service approach in a department whose services are increasing. His goal is to have a primary information center at Town Hall.

Peggy Kruse pointed out that prior to the budget cuts, the CDP used to have a full time person that was changed to two part-time positions to save money, but it isn't working.

CMP estimates an increase in services of \$50,000 and budgeted as a local receipt. The Finance Committee wants to know what the total compensation for a full time employee would cost. The Board will include a discussion about departments financially covering the projected cost of additional employees as a future agenda item. Paul Salafia said good customer service is good for the community

© General Government

Donna Walsh presented the budget for General Government that consists of 17 departments with a total budget increase request of \$51,721. Andrew Flanagan is proposing to bring in internal town counsel to reduce the yearly legal fees and to support the work of town departments in real time, which would go a long way in the efficiency of the organization. The budget reduction reflects the addition of the position for in-house counsel and the reduction of outside legal fees. The nature of the work in the community to make sense to have counsel in-house and would be basically for general contract work. The salary would be \$135,000.

John Barry - continuing with the theme what is the total compensation how will this position impact the budget. Does the \$50,000 cover the full cost of this position and will they need an Administrative Assistant or paralegal? Andrew said their thought is to let the individual come in and then decide how to take the next step.

Bob Landry said the Town Manager is rethinking his executive team and he defers to this request of the Town Manager. We have a model for total compensation that he drafted and no matter what position, total compensation is important and because we always bring it up, shows you the need to reform. Bonnie Zahorik feels it is a good practice to look at what the cost is going to be even when there is a savings and to look at both sides of the equations to make sure you are accounting for the full cost, and to include supporting / associated costs for the position.

Finance Administration increase is due to the purchase of the Munis component for Open Checkbook to provide transparency for residents. and other increases in general support for Munis. The Assessing Office budget is reduced by (\$18,252) as the result of a retirement of a long-term employee. The Town Clerk's budget has an increase of \$40,000 to cover the three additional elections being held next year. The Employee Benefits budget increase is due to Medicare payments, and for possible retirement they have to budget for. Personnel Summary: One additional FTE is being requested for FY-17 for a total of 28.6.

General Government CIP Requests:

- Town Clerks Office requests to purchase new voting booths for \$37,000.
- Finance Department requests \$35,000 to purchase Munis Software for applicant tracking. Total new investments in Munis this year includes \$100,000 for support services, which increases as new modules are added.
- Lighting at Deyermund Fields for \$200,000 from Free Cash to replace exactly what was lost in the move from Chandler Road to maintain the same level of services. Not funding will reduce the capacity of the use of the fields. The Town Manager will be reaching out to the athletic groups for contributions and will let us know what, if any, amount that could be.
- Town Yard/Municipal Services Design: TM-2: an appropriation of \$900K for the purposes of designing the Municipal Services Facility. TM-3: Purchase of 5 Campanelli Drive to support the \$2.5M of Free Cash to be used for this purpose and also establishing a mitigation fund to maintain flexibility to maintain any funds received from the sale of Lewis Street.

An additional Joint Session is tentatively being scheduled for March 14 to further discuss the CIP requests for the Town Yard.

Municipal Services

Chris Cronin explained the FY-17 Municipal Services Budget.

Personnel Services \$5,228,929 an increase of \$64,280 over FY-16

Expenses; \$5,927,979 which is an increase of \$259,670 over FY-16

In the Personnel Summary they are requesting an increase of \$64,280 and an increase of a .05 position for a custodial supervisor for the Town/School. Ed Ataide and Paul Szymanski, Director of Finance and Administration for the School Department currently share the position. Currently, there are nine Town custodians (in addition to outsourcing) and 39.5 school department custodians. There are cleanliness issues that are turning into maintenance issues, with unsupervised employees with fragmented management. The request for the 0.5 position would change the total personnel for FY-17 to 71.5. The town and school would separately fund ½ a position.

Bob Landry said this seems to be the type of service that has plenty of check and balances within each department. Why do you need someone to supervise these positions if there are administrators within each building? Mr. Cronin explained that the position would supervise the day crew for four hours and the night crew for four hours. There has been discussion on combining all custodians under one group, and this would be the first stepping-stone. The new agreement signed allows them to share a substitute custodian.

Chapter 90 Road Maintenance in the amount of \$1,389,000 for FY-17 for Annual Major Road Maintenance (chapter 90) no property tax money involved.

Minor Sidewalk Repairs in the amount of \$100,000. No major repairs planned this year. They have the ability to use Chapter 90 funds for sidewalks, which they use on occasion. There is a priority to support new sidewalks around the schools. The Planning Board may require sidewalks around new developments as well.

	<u>Requesting</u>
DPW-5: Drainage Infrastructure Inspection	\$ 50,000
The request is for outsourcing a comprehensive inspection in a few areas in Town.	
DPW-7a Small Vehicle Replacement	\$288,000
DPW-7b Large Vehicle Replacement	\$350,000
Two of the big trucks that were scheduled to be replaced five years ago	
DPW-28 Spring Grove Cemetery	\$ 20,000
P & F 1 Town Projects- Building	\$275,000
P & F 2 Mechanical and Electrical	\$170,000
P & F 4 Vehicle Replacement	\$ 78,000
P & F 6 Town Major Projects	\$700,000
Library windows, replacement of bathrooms, town underground fuel tank	
P & F 7 Energy Initiatives Town/School	\$400,000
To keep buildings up-to-date they are starting a program for VFD pumps (Variable Frequency Device) which reduces energy use, re-insulating hot water pipes at all buildings, replacing pneumatic controls at AHS with digital controls, and to finish improvements on CO2 levels by modernizing technology at South School.	

		<u>Requesting</u>
P & F 9	Time Keeping System Town & School Talks to Munis, replaces older practices	\$ 80,000
DPW-12	Water & Sewer Vehicles	\$ 207,500
DPW-14	Water Main Replacements Funded through W& S Enterprise Funds	\$1,500,000
DPW-18	Water Treatment GAC Replacement	\$ 250,000
DPW-20	Water Storage Tank Rehabilitation From Water & Sewer Enterprise Funds	\$1,450,000
DPW-26	Window Replacement at Water Treatment Plant	\$ 80,000

Initial presentation of the Comprehensive Water and Sewer Rate Study will be given in March and they expect to have four meetings on water and sewer in March.

Solid Waste	Increase in trash removal	\$ 40,000
Recycling	Contract has not met all the requirements. Vendor will keep price through July 1 st Andover is actively investigating other alternatives.	

Purchasing Street Lights: Purchase of all lights for \$1 to be completed in March. The changeover to LED's will cost \$80K a year for the next five years when they all be paid for.

Mary O'Donoghue thanked Andrew Flanagan and Staff for a very efficient budget presentation this year.

V. Adjournment

At 2 P.M. on a motion by Dan Kowalski and seconded by Paul Salafia, the Board of Selectmen voted 5-0 to adjourn from the Joint Session Meeting of February 27, 2016.

Roll call: P. Salafia-Y, A. Vispoli-Y, D. Kowalski-Y, R. Landry-Y, and M. O'Donoghue-Y.

On a motion by John Barry and seconded by Linn Anderson, the Finance Committee voted to adjourn. Roll call: J. Marden-Y, M. Kruse-Y, L. Anderson-Y, E. Moffitt-Y, Y, B. Zahorik-Y, J. Barry-Y, B. Taylor-Y, and S. Jon Stumpf-Y.

Respectfully submitted,

Dee DeLorenzo
Recording Secretary

Documents: Town Manager's Recommended FY-2017 Budget