

ADVISORY AND FINANCE COMMITTEE

MEETING MINUTES

February 24, 2016

A meeting of the Advisory & Finance Committee was held on Wednesday, February 24, 2016. The meeting was called to order by Chairman John Moody at 7:00PM and was conducted in the Mayflower II Meeting Room at the Plymouth Town Hall, 11 Lincoln Street, Plymouth, Massachusetts.

PRESENT **15 members of the committee were present:**

Kevin Canty, Betty Cavacco, Robert Cole, Harry Helm, Shelagh Joyce, Ethan Kusmin, Mike Lincoln, Marcus McGraw, Patricia McPherson, Christopher Merrill, John Moody, Patrick O'Brien, Harry Salerno, Marc Sirrico, Scott Stephenson

ABSENT **0 members of the committee were absent**

Agenda Items

➤ Annual Town Meeting Article

ATM 26 – Public Safety Building Uses

Lee Hartmann, Director of Planning and Development, presented ATM Article 26. Approval of this article will amend Zoning Bylaw Section 205-27 - Special Permit Uses, by pulling public safety out of the Special Uses category. Providing adequate public safety coverage for Town residents is critical. Public safety buildings include fire stations, police stations, and emergency management facilities. The special permit process adds time and significant costs (to the taxpayers) to the construction of public facilities. Such projects are fully vetted through the Town's Building Committee's review process and site plan review through the Planning Board which serve as forums for public participation.

Harry Salerno made a motion to recommend ATM Article 26 to Town Meeting. Betty Cavacco, second. The motion carries unanimously (14-0-0).

➤ Special Town Meeting Article

STM 14 – Electricity Aggregation

Patrick Farah, Planning Technician/Energy Officer, presented STM Article 14. Article 14 will grant the Board of Selectmen authority to initiate the municipal aggregation process pursuant to MGL Chapter 164, Section 134, to enter into a contract to aggregate the electricity load of residents and businesses within the Town of Plymouth. Individuals and businesses will retain the right to opt out if they so choose. Municipal aggregation is the process by which a municipality or a group of municipalities may purchase electricity in bulk from competitive electricity suppliers instead of an investor-owned facility. The electricity is purchased on behalf of the residences and small businesses within their communities. The Old Colony Planning Council (OCPC) is spearheading this initiative with seven municipalities thus far participating in this initiative.

Municipal aggregation provides municipalities with many benefits:

- Lower electricity supply rates via group purchasing power
- Pricing stability – long term budget certainty
- Broader choice for "green products"
- Local control over contract terms
- Plymouth customers will still continue to receive a single bill from their utility (Eversource)
- Customers will continue to contact their utility for service issues (outages, etc.)
- Customers can opt out without termination penalties anytime during the contracted period
- Shelters residents from dubious offers

The average household should see an annual savings of \$68 per year. That is \$1.2 million total that will stay in town. Recently contracts nearby have been signed for 9.49 cents per kwh. 72

municipalities have approved aggregation.

Questions:

- Will this begin July 1st or a year from now? (S Joyce) It depends on the process with DPV and DOER.
- Does OCPC take money off the top? (H Salerno) No, they do not receive any financial benefit. Local districts (like OCPC) receive funds for planning work from the state, they will use that money for this.
- Will this impact alternative energy sources like solar? (M McGraw) No, this will have no effect on solar or other alternative energy sources.
- The aggregate will look at the lowest cost and not the greenest option? (H Salerno) The goal is the best value, the most bang for the buck.
- Are there any case studies from a community that has done this? (H Helm) Ones we looked at were receiving rates of 13 cents before aggregation and 9.4 cents after.
- Is the rate the same for all hours and all days of the year? (K Canty) Yes, for the period of the contract.
- Can residents that opt out opt back in? (J Moody) Yes.

Patrick O'Brien made a motion to recommend STM Article 14 to Town Meeting. Shelagh Joyce, second. The motion carries unanimously (13-0-1). Marc Sirrico, abstained.

The Committee took a 5 minute recess. Meeting was called back to order at 7PM.

➤ 7PM - Public Hearing – FY2017 Budget

Chairman, John Moody, Opened the FY2017 Budget Public Hearing:

ADVISORY & FINANCE COMMITTEE - NOTICE OF PUBLIC HEARING

The Advisory & Finance Committee will hold a Public Hearing in the Mayflower Hearing Room, Town Hall, 11 Lincoln Street, Plymouth, Massachusetts on **Wednesday, February 24, 2016 at 7:30PM** to solicit comments from the general public on the proposed FY2017 operating and capital budgets in accordance with the Town Charter, Chapter 2, Section 12-2. Budgets may be inspected at the Office of the Town Clerk or the Advisory & Finance Committee Office, Town Hall, 11 Lincoln Street, Plymouth, Massachusetts or online at www.plymouth-ma.gov. Any person interested and desiring to be heard on this issue should appear at the time and place designated.

SUB-COMMITTEE A

Overview of Sub-Committee – The committee was chaired by Shelagh Joyce; committee members included Betty Cavacco, Marcus McGraw, John Moody, and Scott Stephenson.

The proposed dollar value of these 11 department budgets = \$14,539,881.

Town Manager

Selectmen Recommended Budget: \$932,539, Sub-Committee Recommends: \$930,118

Reduce budget by \$2,421 due to new staffing that resulted in a reduction of salary dollars.

The Comcast contract is expiring in July 2016. We recommend that the revolving fund be authorized with a spending limit of \$33,000.

The sub committee recommends that the Board of Selectmen work towards minimizing the continuing accrued liability of the town manager's contract benefits. This liability has grown from \$9,000 in FY15 to \$24,826 in FY17. With an assistant town manager now on staff the hope would be that the town manager can use her PTO on a regular basis.

Procurement

Selectmen Recommended Budget: \$397,041, Sub-Committee Recommends: \$405,189

Increase of \$8,148 is a result of 21 furniture items requested by Procurement, various DPW divisions and the Treasurer's office that was inadvertently omitted from the budget book.

Human Resources

Selectmen Recommended Budget: \$369,093, Sub-Committee Recommends: \$326,635

Due to new H/R director, benefits admin and admin assistant salary dollars were reduced by \$25,458. A request to upgrade an A5 admin assistant to an A6 grade (\$3,452 cost) was not recommended by the sub-committee.

H/R requested \$15,000 for an overtime budget to be spent on special projects. The special projects included maintaining a recently combined employee and retiree database. The committee recommends the OT budget be reduced to \$5,000 for coverage that may be needed for sick and vacation coverage.

A reduction of \$7,000 was recommended in technical services. It is projected that there will be 35 assessments conducted in FY17; hence the amount of \$35,000 for this line item vs. the requested \$42,000. Assessment centers are conducted for fire/police staff promotions.

H/R Statistics:

2015 = 2,728 active employees; FT =1,545, PT=429, seasonal/temp/substitute = 754

Attrition rate increased to 47/2015 vs. prior years of 29/2012, 33/2013 and 30 in 2014

New hires in 2015 = 36/75% FT. In 2014 = 42; 45% police and fire. In 2012 & 2013 = 24 each yr

Town Clerk

Selectmen Recommended Budget: \$517,052, Sub-Committee Recommends: \$517,012

In FY17 there are three elections scheduled

The state is requiring towns and cities to provide an early voting opportunity of at least one location for 2 weeks for the election in 11/16. The comm. recommends adding 3-4 hours 1 night each week to help encourage voter participation for an additional staffing cost of \$450.

Animal Control

Selectmen Recommended Budget: \$149,967, Sub-Committee Recommends: \$149,967

The manager requested combining two existing part time animal handler positions into one full time position; this is a salary savings of \$15,956. David Gould, the Animal Control director, believes the 3 FT positions offer him more managerial flexibility for staff coverage and will also help minimize comp time. The financial impact of combining two PT positions into 1 FT position will result in additional \$ benefit expenses as well as increased OPEB dollars. The cost of a FT benefited position is ~\$20,000 a year plus an OPEB liability impact of ~\$5,000 a year. In FY16 the Animal Control department gained one PT animal handler for the purpose of covering staff vacancies. Part time positions under 19hrs/week do not receive benefits.

Harbor Master

Selectmen Recommended Budget: \$367,817, Sub-Committee Recommends: \$367,817

Natural Resources

Selectmen Recommended Budget: \$496,966, Sub-Committee Recommends: \$496,966

This budget contains a request for a third warden; the main focus during the summer season months would be increased patrolling of White Horse Beach and Morton Park.

Discontinue the less than a year utilization of the ParkWatch software which was deployed to help encourage resident reporting of undesirable activities/trash. Less than 64 incidents were reported in 6 months. This \$6,000 line item would be put towards increasing water testing and sampling.

People will be given another tool to report abnormalities; the tool should be mobile accessible. There is no financial penalty from the ParkWatch vendor to discontinue using this system in its' first year.

Airport Enterprise

Selectmen Recommended Budget: \$2,596,146, Sub-Committee Recommends: \$2,596,146

The proposed FY17 budget reflects a decrease of \$179,950 from FY16; largely due to the decreased cost in aviation fuel.

The long time FT vacant position will be filled in the winter of 2016 as a result of the increased activity and revenue gains generated by the improved sales activity at the airport.

An existing 32 hour position (airport officer manager) will be increased to a 40 hr position. This increase in salary dollars is also funded thru the increased sale of aviation fuel.

Consolidated Utilities

Selectmen Recommended Budget: \$1,925,050, Sub-Committee Recommends: \$1,820,050

An in-depth conservative analysis was done of each department's projected utility consumption. This line item was reduced by \$90,000 - \$52,600 in electricity; \$8,630 in heat and \$28,770 in fuel.

A \$15,000 reduction is recommended in heat costs associated with the town's crematory. A recent 35% loss of business at the crematory has occurred. In FY15 the actual heating costs were \$70,511. \$75,000 was requested for the FY17 budget.

These two reductions account for the \$105,000 less proposed utility budget.

Member Benefits

Selectmen Recommended Budget: \$5,638,550, Sub-Committee Recommends: \$5,638,550

The FY17 proposed budget is less than a 1% increase (\$46,906) vs. FY16 \$\$\$

Increases - \$50,000/28% for deferred compensation match; \$63,990/13% for Medicare benefits and \$210,509/23% for Managed Blue expenses

Decreases - \$274,321/18% naturally occurring decrease in Medicare B premiums and penalties (\$20,000); \$90,000 from 100B claims (medical expenses from disabled retired police/fire)

More retirees are electing Managed Blue coverage vs. Medex

111F claims (Workers Comp for fire/police) continue to rise; in 2012 \$284,000 was paid, in 2015 \$705,000 was paid. Hopefully these numbers will decrease with additional staffing, implementation of robust wellness programs for all staff and more comprehensive staff hiring support.

Town Insurance

Selectmen Recommended Budget: \$1,149,660, Sub-Committee Recommends: \$1,140,155

FY17 - \$166,150/16.9% increase in total budget requested

\$9,505 less was recommended by sub committee A due to additional calculations done by Finance Director Lynne Barrett reviewing the actual 2016 bill

Town insures at replacement cost

Town takes advantage of a 4% discount by paying bill in early July

Town participates in MA Interlocal Insurance Association (MIIA); a group that many MA municipalities participate in for competitive pricing

SUB-COMMITTEE B

Committee Members: Chair Harry Salerno, Mike Lincoln, Christopher Merrill, Marc Sirrico

Special thanks to Lynne Barrett and the other Department heads who did all the work of preparing the budget and answering our questions

Finance Department (5 Different areas)

- Moderator
- Finance & Accounting
- Assessing
- Treasury & Collection
- Information & Technology

Fixed Costs (8 Accounts)

- Finance Committee Reserve Fund
- Salary Reserve Fund
- Compensated Absences
- Tax Title Foreclosures
- Pension Contribution
- Member Insurance
- OPEB Trust
- Unemployment Trust

Debt (5 Items)

- Long & Short Term Debt, Interest and Related Costs

Moderator

Selectmen Recommended Budget: \$5,600, Sub-Committee Recommends: \$5,600

Has not changed significantly since 2014. This year includes electronic voting costs of \$3,500 for FY17.

Finance & Accounting

Selectmen Recommended Budget: \$638,946, Sub-Committee Recommends: \$638,946

The department of finance salary contracts have been settled through FY18.

The department continues to use the MUNIS software system to keep improving efficiencies by replacing paper with electronic processing.

Assessing

Selectmen Recommended Budget: \$483,942, Sub-Committee Recommends: \$483,942

Other expenses of \$48,535 includes costs for appraisal services including Entergy

Last year was a revaluation year, this year it is just cyclical inspections

Treasury & Collections

Selectmen Recommended Budget: \$589,749, Sub-Committee Recommends: \$589,749

Budget includes a new part time position to help all areas of Treasury & Collections including the increasing need to post online banking payments.

New Suggestion

More & more people are paying taxes using online banking. Since checks often come in without a copy of the bill or proper parcel ID, they become labor intensive to post. Perhaps the MUNIS system has modules or methods for doing this electronically similar to the way credit card companies get paid.

Information Technology

Selectmen Recommended Budget: \$829,847, Sub-Committee Recommends: \$940,006

The budget includes a proposed reorganization under an initiative from the IT and Finance Directors. The goal is to have all technological support people work under the auspices of the IT Department rather than directly in other Departments.

In addition, the proposed budget anticipates the transfer of responsibility for managing Telephone operations and the budget thereof from the Procurement Department to Information Technology. That makes sense to the Sub-Committee since telephones have become an essential part of technology infrastructure.

While the Subcommittee’s recommendation appears higher. The actual impact of the changes is a reduction of \$2,134 on the overall Town Budget since reductions in the Fire and Police budgets total \$112,293

Fixed Costs – Reserves

Reserves are funds set aside for unanticipated and expected needs

	FinComm	Salary	Compensated Absences
Selectmen/Town Manager	\$130,000	\$575,000	\$150,000
Sub-Committee recommends	\$130,000	\$575,000	\$150,000

FinComm Reserve is used to fund unexpected emergency Town expenses

Balance in FY16 Account is \$60,000

Salary Reserve proposed FY17 budget is to cover next year’s COLA increases

Balance in FY16 is \$639,093, unspent, in anticipation of settling contracts between now and June 30, 2016

This is a new account adopted at the Fall 2013 Town Meeting. It covers costs such as vacation and sick days paid to employees who leave during the fiscal year.

Estimated balance at 6/30/16 is \$11,000

Fixed Costs – Tax Title Foreclosure

Selectmen Recommended Budget: \$365,202, Sub-Committee Recommends: \$315,202

The filings for last year were down and considering the improved economy there doesn’t seem to be a reason to necessarily fund the budget at the same level as it has been for several years.

The Finance Director and Department concur with this conclusion.

These costs, primarily associated with real estate tax liens and foreclosures, are usually recovered by the Town when the taxes are ultimately paid.

Fixed – Pension Contributions

Selectmen Recommended Budget: \$11,397,079, Sub-Committee Recommends: \$11,397,079

This represents the Town’s normal pension funding based on current employees and retirees using actuarial calculations plus an amount needed to amortize the unfunded prior liability.

The actuarial reports (not reviewed by the subcommittee) indicate that the town is on track to have its pension plans fully funded by 2034.

The unfunded liability as of January 1, 2015 is \$142,304,073.

The A&F Committee may create a sub-committee to review the Pension, its funding, management and actuarial assumptions

Fixed – Member Insurance

Selectmen Recommended Budget: \$32,042,763, Sub-Committee Recommends: \$32,042,763

Overall, the Member Insurance budget shows an increase of \$501,673 above the FY2016 appropriation, a 1.6% increase.

The proposed budget anticipates funding the health care expenses for FY2017 while leaving a substantial balance in the Health Insurance Trust Fund.

The Committee recognizes the substantial challenge that projecting health care costs 18 months into the future represents and supports a conservative approach to ensuring adequate funding of the Health Insurance Trust

Fixed Costs – OPEB Trust Funding

OPEB = Other Post Employment Benefits, essentially Medical Insurance for Retirees

Selectmen Recommended Budget: \$653,750, Sub-Committee Recommends: \$789,550

This year the A&F Committee has attempted to tie the OPEB funding to the Town's hiring practices.

The proposed appropriation is a significant increase over FY2016 funding, but remains considerably below the actuarially recommended funding amount of \$39.4 million.

While current laws do not require a municipality to fully pay the current liability, not doing so causes the liability to continue to grow over time

As of January 1, 2015, the Town's estimated unfunded liability for the Fiscal Year ending June 30, 2016 is \$566,844,336 and for June 30, 2017 it is \$592,386,860

Fixed Costs – Unemployment Compensation

Selectmen Recommended Budget: \$125,000, Sub-Committee Recommends: \$125,000

This expenditure represents a transfer to the Unemployment Compensation Trust.

The unemployment trust fund currently has a balance of \$132,000.

The average annual payment in the past has been running around \$200,000 over the past several years although that included a couple of years in which there were layoffs.

In the current fiscal year the Town spent \$107,000 in the first 6 months.

Fixed – Debt & Interest

Cost Center	Selectmen	A& F Revision
Long term Debt - Principal	8,143,721	8,143,721
Long Term Interest	4,652,702	4,652,702
Short Term Interest	1,226,100	996,100
Misc. Interest	5,000	5,000
Bond Issuance Costs	50,000	25,000
Total	14,077,523	13,822,523

In consultation with the Town's Finance Department the Committee determined:

the FY17 budget for short term interest can be reduced by \$230,000.

the FY17 budget for bond issuance costs can be reduced by \$25,000.

Total Outstanding Debt at 6/30/15:

Long Term \$144,002,823

Short Term \$ 8,621,000

Total \$152,623,823

SUB-COMMITTEE F

Chris Merrill – Chair, Shelagh Joyce, Kevin Canty, Harry Helm, Patricia MacPherson

The current staffing levels for the Plymouth Public Schools is at 1,126 members of which instructional staff make up the most in the staffing levels at 632 while Service, Operations and Maintenance make up 121 staffing members. The student population enrolled in FY15 was 7,874 in the Plymouth School District. The Plymouth Public Schools population trends have been in decline such as in FY06 had 8,762; a decline of 10%/888 students over the past 9 years and enrollment is projected to continue to decrease for the next five fiscal years.

The sub-committee applauds the Superintendent and his Administrative office staff in utilizing a site-based budget approach. This provides school leaders and staff the opportunity to give direct input in determining how resources are spent and priorities are determined. Although enrollment is decreasing, the increased unfunded mandates are straining budgets. The budgeting for the Plymouth Schools continues to be a challenge due to continuing variations in State and Local aid

The FY2017 budget for the Plymouth Public Schools incorporates a Full-Day Kindergarten program which is budgeted for \$1,444,563 of the total \$5.0 million increase to the overall school budget. It has become imperative to offer a Full-Day Kindergarten program as early childhood education has been a major initiative for all School Districts in the Commonwealth of Massachusetts. It is a proven statistic that providing a full-day program at the Kindergarten level enhances abilities to read and perform math and establishes a foundation for progress throughout elementary years and beyond. It is anticipated that the Full Day Kindergarten budget in FY18 will be up to \$801,357 after incorporating State aid (Chapter 70).

The Plymouth Public Schools have seen a steady level in Chapter 70 funding from a low of \$21.7 million in 2012 to \$23.8 million in 2016, an increase of 8%. However, compared year over year the increases have been marginal to say the least. This creates major gaps between what the foundation budget says a district's needs are for certain cost categories. Inflation adjustments have not been fully implemented, causing foundation to lag behind true costs. It is recommended that Town officials and the Town's elected delegation strongly support the recommendations of the Foundation Budget Review Commission. Increasing minimum aid and fixing the inadequacies in the foundation formula are essential.

The School Committee and Board of Selectmen have recommended a budget increase for the schools of 5.94% or \$5,058,847 million. The Plymouth Public Schools FY17 budget includes salaries of \$70,442,734 or 6.44% and non-salaries or \$19,815,184 or 4.19%. It should be important to note if health insurance was factored into the school budget for FY17 it would be \$112,913,434 an increase of \$8,567,908 or 8.21%. The cost of health insurance was moved onto the Town's budget a few years ago as it was more cost effective to add all School staff to the Town side for health insurance. The benefits of the solar generation plants across the State of Massachusetts have greatly benefited the Plymouth Public Schools significantly year over year. The Plymouth Public Schools have saved well over \$1 million in cost savings by their implementation of energy conservation measures.

The increase is comprised of the following elements:

Salary: Total \$70,442,734

- Certified Salaries increased by \$3,585,220 or (6.65%)
- Clerical Salaries increase by \$61,729 or (2.50%)
- Other Salaries increased by \$614,512 or (6.26%)

Non-Salary: Total \$19,815,184

- Contracted Services increased by \$852,437 or (5.53%)
- Supplies & Materials decreased by \$65,740 or (2.36%)
- Other Expenses increased by \$10,689 or (1.30%)

The sub-committee is recommending to the Advisory and Finance Committee that the School Committee and School Administration consider the following proposals to alleviate the fiscal burdens the schools are facing for FY17. The sub-committee recommends:

- The Sub-Committee recommends a revised budget total of \$90,007,918 compared to the School Committee Approved budget request of \$90,257,918. The \$250,000 reduction is to be decided by the School Administration as they deem fit on what line item(s) to decrease. The Sub-Committee requested a \$250,000 budget reduction at its sub-committee meeting on January 19th. The Advisory and Finance Committee Chairman followed up with Superintendent Maestas on January 21, 2016 to discuss the request during which Dr. Maestas indicated that staff was working on identifying opportunities, but that confirmation would not be forthcoming until after February 6, 2016, after the Board was able to discuss the reductions. Dr. Maestas appeared to be relatively upbeat about the possibilities. The Sub-Committee remains hopeful that the requested budget reduction will be forthcoming; the School Board is scheduled to meet February 22 at which time, we have been advised, the School Board will further consider the budget reduction.
- Contracted Services (Custodial Services, Building & Maintenance) by having an outside vendor perform these duties for the multiple facilities that the School has under its jurisdiction. It would be beneficial to look for firms that can perform this type of contracted service as it may be more cost effective.
- If there are no such contracted service providers to be contracted it is recommended that a joint evaluation by the School Department and the Town (DPW). By establishing a shared services program for janitorial, vehicle and building maintenance. The potential for overall savings through reduction of baseline and overtime costs may be significant on both the School and Town side of the budget.
- Recommend the Schools look into sharing Information Technology personnel with the town wide services.
- Implementation of employee wellness programs to reduce health benefit costs
- Recommend that the School Administration and School Committee reach out to large industry sector leaders for student learn/work programs and to partner with these large industry sector companies for grant monies to fund Science, Technology, Engineering & Math (STEM) and Vocational programs.

SUB-COMMITTEE C

Public Safety is made up of 4 departments including Police, Fire, Emergency management, and Parking enforcement.

The total cost of the budget for Public Safety, as proposed by the Board of Selectmen, is \$ 21,522,215.

The total cost of the budget for Public Safety, as proposed by the Sub-Committee C, is \$ 21,556,109.

Emergency Management

Selectmen Recommended Budget: \$69,900, Sub-Committee Recommends: \$69,900

The budget is currently level funded for FY 2017. However, due to anticipated changes in funding from Entergy, the projected funding request for FY 2018 is expected to be \$235,713, an increase of more than \$165,000.

The Office of Emergency Management (OEM) is currently managing numerous projects and contracts related to federal disaster public assistance grants and funding received to support federal emergency preparedness performance projects including those required for the Pilgrim Nuclear Power Station Emergency Planning Zone.

Completion of the Town's Hazard Mitigation Plan.

Comprehensive Emergency Operation Plan.

Contingency Infectious Disease Control protective equipment project.

Parking Enforcement

Selectmen Recommended Budget: \$33,361, Sub-Committee Recommends: \$33,361

The Parking Enforcement Department is tasked with the enforcement of parking regulations throughout the Town of Plymouth. There is currently 1 remaining employee in the department. The PGDC is currently responsible for the parking program in Plymouth with after hours assistance from the Plymouth Police Department.

Police

Selectmen Recommended Budget: \$10,581,013, Sub-Committee Recommends: \$10,665,977

Change #1: Add four (3) police officers, with funding for promotional increases representing an additional Sergeant and associated personnel (holiday pay, night differential, uniform allowance, etc.) and equipment (initial department issued uniform and equipment) expenses; personnel expense totals \$58,142 and other expense totals \$26,822 (Total \$84,964).

Change #2: Subtract Systems Administrator salary of \$79,720, which is being transferred to the Information Technology budget. Chief Boteri and Joe Young, IT Director, have agreed to the transfer. The department is currently understaffed based on recommendations for a town the size of Plymouth. The Sub-Committee believes that the above recommendations will allow for safer staffing levels and allow the department to move toward being fully staffed in advance of the Town's 400th. The transfer of the Systems Administrator is intended to provide foundational staffing to meet the growing Informational Technology needs of the Town.

With respect to the staff additions, the Sub-Committee has coordinated with other Sub-Committees to identify budget reductions in other areas that pay the departmental costs of the additional police officers as well as the benefit costs (approximately \$19,000 per employee) and estimated OPEB liability (\$19,400 per employee) associated with them, resulting in no increase to the overall 2017 budget.

Fire Department

Selectmen Recommended Budget: \$10,837,941, Sub-Committee Recommends: \$10,786,871.

Change #1: The Sub-Committee noted an \$18,597 error in the New Initiative total approved by the Board of Selectmen during its review. The error amount represented the salary of a part-time Administrative Assistant requested, but not approved by the Town Manager or the Board of Selectmen.

Change #2: Subtract Systems Administrator salary of \$32,473, which is being transferred to the Information Technology budget. Chief Bradley and Joe Young, IT Director, have agreed to the transfer. The Sub-Committee believes that the additional firefighters requested by Chief Bradley would allow the department to provide the expected and appropriate services required by the town. As the number of calls continues to rise, staffing levels remain dangerously low, adding increased stress and risk of injury due to the extended work hours required to staff each shift.

The transfer of the Systems Administrator is intended to provide foundational staffing to meet the growing Informational Technology needs of the Town.

SUB-COMMITTEE D

Ethan Kusmin (Chair), John Moody, Harry Salerno, Patty MacPherson

DEPARTMENT OF PUBLIC WORKS (Total Department not including enterprise funds and snow & ice):

Proposed Budget – F17 Total: \$6,109,381 Personnel: \$4,840,551 Other: \$1,268,830

Current Budget - FY16 Total: \$5,808,329 Personnel: \$4,593,274 Other: \$1,212,055

Prior Year Actual - FY15 Total: \$5,660,994 Personnel: \$4,484,158 Other: \$1,176,836

The proposed Public Works Department budget for Fiscal Year 2017 has increased by \$301,052 (5.2 percent) from the prior fiscal year. The Sub-committee recommends the approval of the DPW budget in the amount of \$6,107,457 for FY 2017, reflecting the change recommended in the Building Maintenance detail budget.

The Engineering Division budget for FY 2017 has increased by \$16,134 (2.9 percent) from FY 2016. The budget is basically level funded from the previous year, with the only increases coming in standard pay and benefit increases, along with a small increase in drafting supplies. The department had requested the hiring of a new construction supervisor at a salary of \$60,135. The Board of Selectman did not approve this request and removed that line item from its recommended budget.

The Highway Division budget for FY 2017 has decreased by \$6,479 (0.3 percent) from FY 2016. The decrease is due mainly to the freezing of higher step positions OM2 and hiring of two lower step, entry level positions. The idea is to train these two new employees with the long term goal of these new employees working towards the higher step positions. The budget remains basically level funded from the prior year.

The DPW Administration budget for FY 2017 increased by \$20,112 (4.1 percent), which is basically a level funded budget from the prior fiscal year. The increases resulted from contractual pay and benefit increases.

The Building Maintenance Division budget for FY 2017 has increased by \$169,213 (29.2 percent), a majority (\$87,981) is in new initiatives within personnel services. This increase represents the addition of a Building Craftsman and an Administrative Assistant. The Selectmen did not approve the divisional request for a Facilities Manager to provide full-time oversight of the Building Maintenance Division and execution of the recently completed Facilities Management Study.

In addition, the Board of Selectmen recommended hiring (2) new custodians to perform services at seven seasonal, town-managed bathroom facilities, primarily at recreation facilities throughout Town. The division had requested a \$73,000 increase to an existing \$27,000 outsource contract for similar services at the 1749 Court House and the Visitors Services Building (VSB). The DPW management strongly believes that outsourcing the work is a better solution, as they believe the two new hires would be insufficient to handle the workload associated with the seasonal cleanings and, therefore, would not best serve the intention of ensuring public restrooms at the recreational areas are regularly cleaned.

The sub-committee recommends a total budget appropriation of \$746,550 for Facilities Management, a \$1,924 reduction from the Board of Selectmen's recommended budget.

- The sub-committee recommends the town outsource the bathroom maintenance based on feedback from DPW management as well as the cost comparison against the salaries, benefits, and OPEB liability cost of \$124,542 for two custodians, 71% higher cost than the estimated \$73,000 incremental cost of the outsource arrangement. The DPW feels the realistic cost of outsourcing will likely fall between \$70-80,000 although until bids are received, they cannot put a hard number on the cost.

- While the sub-committee believes the Building Maintenance custodial function is understaffed based on a comparison against staffing and facilities within the School Department, it believes a comprehensive staff plan that includes management oversight as well as functional staff should be prepared based on analysis of the Facilities Management Study.

The Fleet Maintenance Division budget for FY 2017 has increased by \$16,709 (2.5 percent). Personal services were increased by \$45,925 in anticipation of filling a currently vacant fleet service mechanic authorized as a new initiative during the FY2016 budget cycle. With the exception a \$5,450 uptick in Purchase of Services for truck and vehicle maintenance and \$10,000 increase in Vehicle Maintenance Supplies, most other line items are essentially level funded when balanced against line item reductions.

The Crematory Division budget has decreased by \$8,797 (5.2 percent) in FY 2017. The reason for the decrease in salaries and wages is the loss of a substantial contract that is expected to severely impact

revenues for the foreseeable future. A large conglomerate of funeral homes based out of Texas has built their own crematory in Rhode Island and therefore is no longer using the Plymouth crematorium for any of their funeral homes. While the exact impact will not be known until the end of the current fiscal year (FY16) it is expected that it could result in lost revenues of between 30-40% compared to the prior year (FY2015). This division generated almost \$350,000 in net revenues in FY 2015, which was returned to the general fund.

The sub-committee obviously has concerns about the drastic drop in revenue. A small increase in advertising dollars last year was a step in the right direction, but with the recent turn of events we believe a larger investment in advertising is likely necessary to stabilize revenues.

The sub-committee also believes the reduced work load along with the drop in energy prices will result in a reduction of the Crematorium's energy needs and costs (budgeted under Account 130 Fuel & Utilities). Actual costs for Heat in FY15 were \$70,511 and YTD FY16 costs, budgeted for \$45,000, appear to be on target at \$20,374, which reflects some of the reduced workload impacts. FY17 has been budgeted for \$75,000, which would appear excessive given an anticipated 30% - 40% reduction in cremation activity. The sub-committee has shared this information with Sub-Committee A, which reviews the consolidated Fuel & Utilities budget and will be proposing a reduction to \$60,000 for Heat at the Crematorium, a \$15,000 reduction.

The Cemetery Division budget has decreased by \$8,905 (3.0 percent) for FY 2017 due to a drop in the number of part time and seasonal employees. Other Expenses have been essentially level funded, with a slight uptick in materials of \$1,600. The Cemetery Division manages one revolving fund called the "Cemetery Repair & Beautification Fund" with an annual spending limit of \$10,000, although Mr. Bubbins has requested to move this limit up to \$12,000 for FY17. He made and received a similar request in FY15 and FY16. The current balance in the fund is \$110,658.31. The revolving fund is created from funds received from sale of cemetery foundations. Expected receipts for FY17 are \$16,000.

The Parks & Forestry budget has increased by \$74,478 (7.4 percent) for FY 2017. Most of this money is in Salary and Wages with the filling of a vacant full time Laborer position (\$36,749) and the addition of two seasonal laborers at Morton Park (\$14,734). The remaining uptick was mainly from equipment rentals of portable toilets at Forges Field and other locations. Other expense line items have been essentially level funded.

The Solid Waste Town and School budget increased by \$28,587 (17.0 percent) over FY16. The majority of the increase was in weekend trash removal services (overtime pay) and in Technical Services (\$10,000) in permitting for the proposed anaerobic digesting facility. There was also an increase in tipping & disposal fees (\$7,112).

Public Works Department: DPW Snow & Ice (423)

Proposed Budget - FY17	Total: \$535,000	Personnel: \$115,000	Other: \$420,000
Current Budget - FY16	Total: \$510,000	Personnel: \$115,000	Other: \$395,000
Prior Year Actual - FY15	Total: \$2,904,314	Personnel: \$472,351	Other: \$2,431,963

The Snow & Ice budget is increased by \$25,000 (4.9 percent) for FY 2017. This increase is due entirely to increases in various expense line items all of which are necessary to keep the snow plowing equipment in good working order. In the past we have supported an annual increase because the base budget is too low based on prior year's expenditures.

The sub-committee is not uncomfortable with the underbudgeting of this account since Snow & Ice is one of few accounts where municipalities are allowed by the state to deficit spend; the additional

costs not covered by the budget are added to the next year's tax rate. It would be fiscally imprudent to budget this account at a realistic number (of, say, \$3 million) since this would reduce resources for other purposes, especially in a gentle winter wherein the budgeted amount is not spent.

ENTERPRISE FUND BUDGETS:

Public Works Department: Sewer Enterprise Account (440)

Proposed Budget –FY17	Total: \$2,391,976	Personnel: \$346,165	Other: \$2,045,811
Current Budget - FY16	Total: \$2,310,959	Personnel: \$285,326	Other: \$2,025,633
Prior Year Actual - FY15	Total: \$2,206,627	Personnel: \$251,118	Other: \$1,955,509

The budget increased by \$81,017 (3.5 percent) mainly from a new initiative to hire a new Wastewater Foreman (\$51,517) and increases due to the costs associated with the opening of two new pump stations expected to come online (next to Walgreens and at new Market Basket complex).

There are expected new revenues of \$216,000 from these new areas being tied into the existing sewer system.

The Sub-committee recommends a reduction of \$21,500 to the BOS Recommended FY17 Budget, for a total budget of \$2,370,476. We believe that the estimated costs of Heat and Electricity of existing and new pump stations are excessive based on past costs and current projected energy costs. We feel comfortable that cutting the Electricity line item from \$30,000 to \$15,000 and the Heat line item from \$13,000 to \$6,500 will have no impact on operations given analysis of historical spending. Even with the cuts, the estimates still far exceed past expenses and leave room for the two new pump stations coming online this year.

Public Works Department: Water Enterprise Account (450)

Proposed Budget –FY17	Total: \$2,369,833	Personnel: \$1,123,375	Other: \$1,246,458
Current Budget - FY16	Total: \$2,303,217	Personnel: \$1,071,607	Other: \$1,231,610
Prior Year Actual - FY15	Total: \$1,984,211	Personnel: \$1,095,551	Other: \$888,660

The Water Enterprise Fund budget has increased by \$66,616 (2.9 percent). The majority of the increase is from the addition of a new full time position, Cross Connection Inspector, at \$44,557. The town has roughly 900 Cross Connections that need to be inspected 2x annually. This position had been previously outsourced at a cost of \$70,000.

Public Works Department: Solid Waste Enterprise Account (433)

Proposed Budget –FY17	Total: \$813,297	Personnel: \$295,046	Other: \$518,251
Current Budget - FY16	Total: \$785,221	Personnel: \$305,330	Other: \$479,881
Prior Year Actual - FY15	Total: \$548,744	Personnel: \$237,686	Other: \$311,058

The Solid Waste Enterprise Fund budget has increased by \$28,076 (3.6 percent) for FY 2017. Increases are found in Recycling Tipping & Services, (combined \$25,000), which at one point was profitable but is now an expense to the town. Other upticks are in PAYT orange bags (\$22,076). There were decreases in salaries of \$10,329 as less manpower is needed to run the Manomet transfer and a saving in tipping fees for trash disposal, as recycling continues to increase, resulting in less trash.

SUB-COMMITTEE E

Committee Members: Marcus McGraw-Co-Chair, Ethan Kusmin-Co-Chair, John Moody, Mike Lincoln
Harry Helm

Division	Departments	Total Budget
Community Resources	6	\$3,480,0181
Planning & Development	2	\$840,787
Inspectional Services	2	\$946,070

Planning & Development

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Plan & Dev.	\$818,810	7.2%	\$818,810	\$818,810

*Contractual salary increases; \$30k for power plant closure preparation

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Redev.	\$21,977	3%	\$21,977	\$21,977

*3% salary increase, 3% admin services increase

Inspectional Services

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Building and Zoning	\$693,771	4.9%	\$693,771	\$693,771

*New Zoning Inspector due to retirement of part-time inspector, higher volume (16% y/y increase in permits)

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Health Department	\$252,299	-3.9%	\$252,299	\$252,299

*Retired inspector replaced with lower grade employees (additional training costs)

Community Resources

	2016	2017	% Change
Library	\$1,789,616.00	\$1,644,193.00	-8%
Veterans	\$970,529.00	\$925,955.00	-5%
COA	\$392,771.00	\$462,553.00	18%
Recreation	\$374,982.00	\$415,370.00	11%
1749 Courthouse	\$19,884.00	\$31,860.00	60%
DC	\$250.00	\$250.00	0%
Total	\$3,548,032.00	\$3,480,181.00	-2%

Reorganization

Community Resources Director now sits outside the library and will oversee all 6 departments, working closely with each director. Therefore, we needed to make some adjustments to the original proposed budgets that were approved by the BOS. The salary of the CRD will be spread

across Library, COA and Recreation

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Library	\$1,644,193	-8%	n/a	\$1,644,193
*Retirement of Library Director/Director of Comm. Resources (Dinah O'Brien) *New Director at lower salary *Use supplies increased 25% (library cards)				

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
COA	\$462,553	18%	n/a	\$462,553
*\$20k for nutrition contract with schools to provide subsidized meals; *12% increase in R&M (\$4k) for equipment repairs * Not Recommending new admin position				

The 2017 "request" is actually the BOS suggested allotment to each budget with a necessary adjustment.

Dinah Obrien retired as both the Library Director and the Director of Community Resources, replaced by Jennifer Harris as the new Library Director and Barry DeBlasio is the Director of Community Resources.

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Veterans	\$925,955.00	-5%	n/a	\$925,955
*Contractual salary increase; Additional use of state and Federal services, \$500 added for Director's continuing education (now a Certified Vet Affairs Administrator.)				

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Recreation	\$415,370	11%	n/a	\$415,370
*7.4% salary increase due to min wage increase; \$5,000 "project expense" is for staff increase staff at Morton Park (may be temporary)				

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
1749 Courthouse	\$31,860	60%	n/a	\$22,000
*Requested increase was to staff expansion of time Courthouse was open. Would I like to see additional evidence of demand before approving.				

	2017 Request	Y/Y % Change	BOS Rec.	Sub E Rec.
Disability Com.	\$250	0 %	n/a	\$250

➤ Annual Town Meeting Articles

ATM 7A-E – Operating Budgets & Enterprise Funds

Changes according to tonight’s recommendations and votes will be made to the proposed budget and Article 7 (A-E) will be voted at the next Advisory & Finance Committee meeting.

ATM 3 – Revolving Funds

Lynne Barrett, Director of Finance, presented ATM Article 3. Sub-committees had a chance to look at the revolving funds and the FY2017 spending cap requests. The packet contains an overview of each revolving fund, a spreadsheet with the spending cap totals, and memos regarding each revolving fund.

Patrick O’Brien made a motion to recommend ATM Article 3 to Town Meeting. Kevin Canty, second. The motion carries unanimously (14-0-0).

ATM 8 – Departmental Equipment

Lynne Barrett, Director of Finance, presented ATM Article 8. Everyone has the spreadsheet showing the Town Manager’s recommended list of equipment as well as the funding sources. We are still identifying the “Other Funds” available from old Article 8s.

Questions:

- Why is the museum vacuum so expensive? (H Salerno) It is a commercial grade vacuum.
- Does the Advisory & Finance Committee receive notification when items are purchased? (B Cavacco) No.
- Has the town looked into leasing some of the equipment instead of purchasing? (C Merrill) No.

Patrick O’Brien made a motion to recommend ATM Article 8 to Town Meeting. Harry Salerno, second. The motion carries unanimously (14-0-0).

ATM 9 – Capital

Capital requests for FY2017 totaled \$37.1 million. The Capital Improvements Committee (CIC) met in early January and ranked the projects. The Town Manager is recommending projects totaling \$19.7 million which are shown in the Town Manager Recommended column on the spreadsheet.

Recommended funding is as follows:

Free Cash	\$ 3,408,158.34
Other Available Funds	\$ 389,432.66
Borrowing	
General Fund	\$ 7,690,000
Sewer	\$ 6,000,000
Water	\$ 820,000
Sewer Retained Earnings	\$ 750,000
Water Retained Earnings	\$ 650,000
	<hr/>
	\$19,707,591

Questions:

There were questions and comments about the following items:

- A37 – Police Dept – Locker Replacement - \$175,755
Seems expensive. They did receive a quote. This is for all of the lockers for officers to store their personal items in while they are on duty. Each officer is assigned a locker so there are a lot of them to be replaced.
- A17 – School/PCIS – Digitize Blake Planetarium - \$230,320
The planetarium equipment has not been updated since the building was built in 1972 and it needs updating/modernizing. Are there grants available?

- B1 – DPW Admin – Water Street Promenade South Phase- \$3,900,000
This is one phase of how many? There was an appropriation for design a couple of years ago and then the work was broken into two phases.
- A23 – DPW Maintenance – Replace ADA Ramp at Manomet Youth Center - \$70,180
There was question about whether or not it was recommended. Yes, it is on the list as being recommended.
- A24 – DPW Maintenance – 1749 Courthouse - Repairs per Facilities Assessment Report - \$118,000
What does this involve? It is in the full report that the consultant developed. It is available online and the report shows all of the recommended projects in detail for each town owned building.

Kevin Canty made a motion to strike Item A17 – School/PCIS – Digitize Blake Planetarium from the list. Harry Helm, second.

There was discussion and questions about how to proceed. Can the Committee strike it? Would the full Town Manager’s recommended list still go to Town Meeting? By Bylaw, the full recommended list will still go to Town Meeting. Striking one item that is \$230,000 really does not affect the bottom line enough to be reflected in the tax rate.

Ethan Kusmin made a motion to postpone making a recommendation on Article 9 until Wednesday, March 2, 2016. Kevin Canty, second.

There was additional discussion about gathering the questions and seeking answers. That it might be better to make a decision tonight.

The motion carries (8-5-1). Patrick O’Brien, Harry Helm, Marcus McGraw, Shelagh Joyce, and Robert Cote, opposed. Harry Salerno, abstained.

Public Comment

Dale Webber said he missed the discussion on outsourcing cleaning restrooms which done by town employees. This should not be outsourced. Employees have always provided this service and would like to continue doing so.

ADJOURNMENT

**Patrick O’Brien made a motion to adjourn. Kevin Canty, second.
The motion for adjournment carries unanimously (14-0-0).
The meeting adjourned at 11:55PM.**

Respectfully submitted,
Kere Gillette