



TOWN OF EAST LONGMEADOW
60 CENTER SQUARE
EAST LONGMEADOW, MA 01028

TOWN COUNCIL

(413) 525-5400 ext. 1001

Kathleen G. Hill, President
Michael J. Kane, Vice President *Joseph A. Ford*
Donald J. Anderson Kevin M. Manley
Paul L. Federici Thomas C. O'Connor

FINANCIAL OVERSIGHT COMMITTEE MEETING MINUTES

April 18, 2019 at 2:00 P.M.

Town Manager's Conference Room, 60 Center Square
East Longmeadow, Massachusetts 01028

Present: Committee Chair Christine Saulnier, Jim Broderick, Council Vice President Michael Kane, and Councilor Thomas O'Connor

Chair Saulnier called the meeting to order at 2:00 p.m. and announced that at this meeting the Financial Oversight Committee will discuss the capital projects that were presented to the Town Council.

Mr. Broderick said there was a Capital Planning Budget Committee created that was led by Town Manager Denise Menard and assisted by Finance Director Sara Menard. There were three members that were residents, including himself, and in March that Committee's recommendations for capital projects was presented to the Town Council in the proposed budget for FY20. Mr. Broderick said obviously there were a lot of projects requested, and now it's a matter of paring down the requests to those that seem to be the most reasonable and necessary to fund for the coming fiscal year.

Mr. Broderick said there was \$1,237,292 of recommended capital planning projects to come out of the operating budget for FY20; then several others recommended to be bonded from enterprise funds. He did notice in the summary of the operating budget the \$1,237,292 of proposed capital projects is incorporated in the general fund draft budget. He assumed that the anticipated debt and interest from those projects thought to be bonded are probably included in that budget.

During discussions at a Council meeting, Mr. Broderick took notes of what he thought were big budget items. One was the number of vehicles requested for replacing and adding to the fleet of the police department. The request was for two cruisers and a pickup truck, which is not necessarily a first responder vehicle. He said the Capital Planning Budget Committee recommended the two cruisers in efforts to maintain the budget at some level. Mr. Broderick said a second item is the feasibility study for the police department, and a third is the paving challenge the Town has for road improvements.

The Oversight Committee proceeded to review the capital requests, and discussed the requests for two police cruisers and a pickup truck, totaling \$132K. Mr. Broderick said Police Chief Jeff Dalessio did more research since submitting his initial request for the pickup truck, suggesting purchasing a Chevrolet Silverado instead of the Ford F150, which would be \$5,800 less. Chair Saulnier said they would mark that item for discussion.

Councilor O'Connor discussed the Recreation Department request for paving the upper lot at Pine Knoll for \$55K. He said the lot has been serviceable for many years and they want it paved to be more ADA (American Disabilities Act) compliant. Councilor O'Connor feels there is nothing wrong with the current

lot and there are other ways to unload and load potential ADA individuals, such as a curb cut with a platform.

Chair Saulnier noted IT's request for Chromebooks, and Mr. Broderick commented that the original request was for \$315K. The recommended amount is \$200K and IT Director Ryan Quimby has a plan to phase in the new devices and replacements at the recommended cost.

The sidewalk construction request was discussed which continues the Town's Sidewalk Master Plan. The requested amount is \$150K, and the recommended amount is \$75K. Councilor O'Connor said he mentioned a number of times over the last few years that the Town should make better use of those funds than continue to put \$75K into the addition of sidewalks. He feels that instead of developers paying for sidewalks in areas that have limited use, they should pay into this fund. Councilor O'Connor added that \$75K has been added every year for the last seven years and it isn't sufficient. Mr. Broderick commented on Councilor O'Connor's suggestion of having developers contribute towards the sidewalks. He thought this was a creative idea and is worth looking into. However, the impact will take a while to implement.

The roadway improvement request of \$600K was discussed, and \$100K was the recommended amount. Mr. Broderick said the study, as referred to in the proposed capital budget, was quite comprehensive, but looked at what it would take to keep the streets at a satisfactory level. The study also showed you'd have to spend \$600K a year and keep spending that each year, which would slow the decline of road conditions. Mr. Broderick feels that was a big undertaking and a liability that just keeps going. He added that it is extremely difficult to fit \$600K in the budget this year, and there was discussion by Town Council to look at other ways to fund this. Councilor O'Connor said that there was a lot of interest with regards to trying to increase that fund, since \$600K wouldn't go that far. He said Councilor Joe Ford had challenged the DPW to look at other way to fund the improvement of the roads. Chair Saulnier will mark the roadway improvement request for further discussion.

The DPW request for a trailer mounted generator was discussed. IT has back up at the Town Hall for the server, but the remainder of the Town Hall does not back up for day to day operations. The Town Hall does not have critical services like public safety, and Councilor O'Connor would like to have the police department looked at for outside connections since they do not have back up capability. Vice President Kane suggested this could be included with the police department's feasibility study. Mr. Broderick said one of the reasons the request is for a generator to be trailer mounted is because we do not have the square footage to add to the footprint of the Town Hall because of the restrictions we're under with the shopping center. Vice President Kane said it's a simple modification in order to have a generator interface with a building.

With Vice President Kane having to leave the meeting, the Oversight Committee discussed their next meeting date. Chair Saulnier said the next meeting would be Monday, April 22, 2019 at 10:00 a.m. Mr. Broderick said maybe they should tentatively schedule something for Tuesday, April 23, since they had to present to the Town Council Tuesday evening, and the Town Manager and Finance Director had both been unavailable for this meeting. Chair Saulnier said she would contact Council President Kathy Hill to see what the Council's expectations are for the Committee at Tuesday evening's Council meeting.

Regarding the school's budget, Chair Saulnier said she had a conversation with Superintendent Gordon Smith and asked him if the State Department of Education still issues a school foundation guideline, and he said, yes, they do. East Longmeadow has always funded at 120%; however, the minimum appropriation this year would be \$28,745,626.

Chair Saulnier also asked Superintendent Smith why the financial impact is only \$130K for seven teachers retiring. He said there are seven retirements, but they are not all teachers. The salary for the new teachers

was estimated and put in the projected budget, but some of the positions required more funding. Therefore, it's not just an average of \$25K, for example, especially if they are replacing a higher paid position with a lower salary.

Lastly, Chair Saulnier said she and Superintendent Smith had both received the latest House Ways and Means budget and they've increased the Chapter 70 funds by another \$20K. They have also increased the charter tuition reimbursement by \$25,833. She discussed the Meadowbrook Elementary School roof project, and Superintendent Smith told her this is strictly a FY19 issue, and there is no money other than the debt service to be raised this year. Therefore, there is not \$2M to raise for FY20, as they had previously thought. Chair Saulnier has emailed Finance Director Sara Menard to confirm that the bonding for the project is already in the current budget proposal. That will be another question for next week since Ms. S. Menard is out sick and unable to attend this meeting.

Chair Saulnier then addressed the remaining capital requests to be funded from other sources than the FY20 budget, totaling \$1,362,715. Regarding the recommendation of \$0 for the \$579,064 requested for LED Street Light Purchase/Conversion, there would be no cost to the Town for this. Mr. Broderick said the vendor is providing the financing based on 80% of the savings in energy costs that the Town would experience by converting to the LED bulbs. They would use that to service the lease and the Town would experience 20% of the savings. At the end of the debt service payments, it belongs to the Town. Based on this explanation, Mr. Broderick doesn't see any impact on the budget.

The vehicle replacements for the Building and IT Departments will be accomplished by repurposing police vehicles, which is a common practice.

Regarding the Lifepak Monitor/Defibrillator request for \$47,159, the funds from the ambulance account will pay for that.

The replacement of the portable modular trailer classroom at Mountain View Elementary School at \$1.3M is to be bonded in FY20. Mr. Broderick is assuming, since it is recommended in this budget, that the general fund capital projects were in the operating budget. He would think that they are incorporated into the debt and interest. Councilor O'Connor asked what the impact is to the budget through this bonding process, and Mr. Broderick replied that it would be debt and interest. He would assume that Finance Director Sara Menard would know what the useful life would be and will make an estimate of the interest rate. Mr. Broderick said the \$50K being requested for the door replacement at Mapleshade Elementary School will be put together with the \$1.3M for bonding.

Chair Saulnier asked if purchases from the enterprise fund come under the purview of the Oversight Committee, and Mr. Broderick said yes, in terms of whether they think the request is reasonable. Regarding the Inflow & Infiltration/Sewer rehab for \$100K, Councilor O'Connor said he has an issue with this. He said the Town has been doing infiltration evaluations for about five years now and we have a lot of infiltration. This is also part of what we pay for Bondi's Island, but he would like to know what the payback will be, assuming the project is successful.

After discussing the Sewer Enterprise Fund requests, Councilor O'Connor said at the last Town Council meeting DPW Superintendent Bruce Fenney stated that Springfield Water and Sewer will be passing on increased rates for this year and the foreseeable future. Councilor O'Connor asked if the Town has ever used enterprise funds to offset some of those increases.

Mr. Broderick replied that last year or the year before they used some of the water and sewer enterprise funds to smooth out the level of increases. The Committee discussed the water and sewer rates and Mr. Broderick said that part of the budget package included the budget for sewer, water and stormwater. Either

way if the rates are raised, the residents have to pay for it. Councilor O'Connor felt it was better use of those enterprise funds to help reduce the water and sewer rates for the future, and it sounds like it's been done before.

Regarding the DPW's request for a mini-excavator, Chair Saulnier said their explanation of why they want to purchase this sounded reasonable, instead of continuing to rent a machine as in the past. The intent is to share the function and the cost with the water enterprise fund. Mr. Broderick suggested they question Superintendent Fenney to see how much it costs to rent a substitute machine and how many times a year they would need to do that. Chair Saulnier will mark this request for further research.

The Oversight Committee next discussed the Water Enterprise Fund and the request to bond for the Maple Street water project. The Committee members discussed the District Improvement Financing (DIF) that was created for the Maple Street and Dwight Road area. Chair Saulnier questioned if the project would be that extensive if the new nursing home wasn't there. Mr. Broderick felt the DPW thought this project through in that it would be easier and better done before they start paving.

Chair Saulnier said, as a former assessor, she is concerned the Town isn't getting any taxes from the nursing home since they are claiming exempt status. Therefore, seeing \$835K for this project that the Town has to absorb is bothersome to her.

The Maple Street water project and \$1.3M requested Prospect Street water tank painting, total \$2.1M, and is recommended to be bonded from the water enterprise budget.

An F250 truck for \$45K is being requested from the Stormwater Enterprise Fund. The Stormwater Enterprise Fund is from the new state mandate and Chair Saulnier said DPW will need a new truck. Councilor O'Connor said there may be another vehicle available if they approve three cruisers. If the use is for a foreman to go from site to site and direct employees, Councilor O'Connor feels they could use a repurposed vehicle. Chair Saulnier said they can discuss this further.

Chair Saulnier said since they are not able to review budget topics with the Finance Director, she asked if there was any further discussion on the positions requested. Mr. Broderick said it is difficult to make decisions without the input from those departments that are requesting additional positions. He added that both the police and fire departments have requested "second in command" positions, and he felt that type of positions is awkward, organizational wise.

Councilor O'Connor said the total of the positions equal over \$900K and would be built into the operating budget and increase OPEB responsibilities. He can't ever recall adding that many positions in one year. Councilor O'Connor is hoping to have that discussion with Finance Director Sarah Menard, and have hers and the Town Manager's input on what they may want to cut. He is still waiting for information to make an informed decision.

Mr. Broderick said when you look at the summary of the operating budget, one of the smallest increases is for the school and everything else is much higher. He said the higher increases have a lot to do with the minimum wage increase, and the wage study increases, as well as the fact that none of the increases in salaries were budgeted last year for those positions in contract negotiations. In looking at the difference between last year's budget and this year's budget for comparison purposes, it doesn't make sense. In that regard, Mr. Broderick thought that Ms. S. Menard was going to separate out the increases that were budgeted last year and show how much of the increases were from the wage study adjustments so they could normalize between the two years

Councilor O'Connor said they had also asked for the two outstanding employee contracts and what the financial impact of those contracts is for this year's budget. Chair Saulnier said another question they had from their last meeting was how many cases of litigation are still on the books, and that information would come from the Town Manager.

The Committee felt at their next meeting on Monday, April 22, they could give the Finance Director Sara Menard and Town Manager Denise Menard highlights of what they've found, but also agreed they couldn't make any solid recommendations now since they were missing information.

The Committee then discussed capital items that had been requested but did not appear on the capital list, one of those being the feasibility study for the police department. Another request was voting machines submitted by the Town Clerk. Councilor O'Connor said having worked in elections for many years, he thought that was a reasonable request. The voting machines currently used are out of date and are starting to have issues. He feels they need to look at this request and discuss it. Mr. Broderick said the Capital Budget Committee felt it didn't sound like the machines would face failure, and perhaps you could phase in by purchasing two at a time. Councilor O'Connor said with four elections coming up, they would not want to have a machine fail and have to count ballots by hand causing lines of voters out the door. Mr. Broderick said they were trying to be reasonable and prioritize when not including the voting machines; however, the Committee will discuss further.

Regarding questions for the school, Councilor O'Connor referred to the replacement of the HVAC units at Meadowbrook Elementary School for just under \$1M. He feels it would make more sense to replace those units before the roof is replaced so as not to damage the new roof.

In conclusion, Chair Saulnier said there didn't seem to be any unusual non-salary numbers from departments. However, the Committee agreed they would need more information regarding the impact of the wage study and contract settlements because of the way the numbers are currently presented.

Chair Saulnier made a motion to adjourn at 3:17 p.m. Councilor O'Connor seconded and all were in favor.

Respectfully submitted,

Jeanne R. Quaglietti
Assistant Town Clerk