



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

May 8, 2019 at 10:00 A.M.
Library Conference Room, 60 Center Square
East Longmeadow, Massachusetts 01028

Present: Committee Chair Christine Saulnier, Jim Broderick, Council Vice President Michael Kane, Councilor Tom O'Connor, Council President Kathy Hill

Chair Saulnier opened the meeting at 10:00 a.m., and made note that ELCAT was taping the meeting.

Motion: Vice President Kane made a motion to approve the minutes of the April 18, 2019 Town Council Financial Oversight Committee meeting. Councilor O'Connor seconded and all were in favor.

Chair Saulnier announced that DPW Superintendent Fenney was going to attend the Financial Oversight Committee meeting on Monday, May 13, 2019 to discuss his capital requests. In addition, Emergency Dispatch Director Scott Burns will also be attending to discuss his budget requests.

Chair Saulnier then acknowledged that the Oversight Committee received the remaining requested material from the Town Manager at its May 6, 2019 meeting, which was the Collins Center wage study. Chair Saulnier asked the Committee members to go over the study, and noted that the hourly scale did not translate to the annual figure.

220 – Fire

The Committee then continued to discuss the line item budgets submitted by department heads. Fire Chief Paul Morrissette was present to answer questions regarding his request for a deputy chief. Chief Morrissette said this is a brand new position and the fire department has seen growth from seven career firefighters to eight. The department is now running seven days a week with twenty-four hour shifts. A management issue exists where the department doesn't have continuity with a position being present Monday through Friday for administrative duties. Chief Morrissette said it is very difficult to schedule, inspections especially, with the current staff. He thought he could get by without this position, but now finds there are tasks he needs help with.

Chair Saulnier asked how many months he is asking for to budget this position for FY20, and Chief Morrissette replied three months. He said it will take several months to work with the Town Manager to finalize the job description.

Mr. Broderick said there appears to be four captains in the fire department, and there is a pretty good breadth of staff working directly under Chief Morrissette. He asked Chief Morrissette if he was able to delegate more duties to the captains. Chief Morrissette replied that the captains all have specific tasks, and as you go up the scale there are more responsibilities that need to be done on a daily basis, especially

related to inspections. He said they do their best, and they went from 500 runs a year to 3,400 projected runs. Next year he will probably come back with a request for another ambulance and four firefighters to be paid from revenue from the ambulance fund.

Mr. Broderick said he still was unsure, and asked if one of those captains was in the department all day. Chief Morrisette said the captains work for twenty-four hours and off for forty-eight hours. He needs someone in a regular position every day. Chief Morrisette added that Longmeadow, Wilbraham and Easthampton have deputy fire chief positions, and East Longmeadow is projected to have more runs than either Longmeadow or Wilbraham.

Mr. Broderick said that the deputy chief position seems more like an administrative position and asked Chief Morrisette if he could have more administrative assistance versus a deputy chief. Chief Morrisette said he has to have someone that is fire based. He currently has an awesome administrative assistant who is looking for more work; however, the deputy chief would have more management tasks, and not just administrative. He admits it looks odd on an organizational chart, but any fire department structure across the region has that position.

Chair Saulnier asked if this would be a new hire or would he fill the position from someone within the fire department. Chief Morrisette said he has in-house candidates that would be qualified and it is definitely opened up to inside the department. He added that if he is not around and something happens it would be nice to have that extra level at a fire outside and in front of the house.

Councilor O'Connor said there used to be a deputy chief's position, and asked why that was eliminated. Chief Morrisette said that was a union position and the individual was a line officer in charge of a group. The union wanted a level playing field, so the captain and the deputy chief were the same position. When the position changed to captain, it didn't bump the captain's salary up; it decreased the deputy chief's salary down. The captain was okay with that, but it was still an awkward situation.

Councilor O'Connor then asked with the funding the Town will see from the ambulance service, is there a way to pay for that position from that revenue. Chief Morrisette said not this year, but going forward that revenue will pay for some of the current firefighters. He can't fully justify the firefighters being fully paid from that fund. He can use part of the money for an ambulance since all that revenue needs to go to emergency medical services.

Councilor O'Connor said Chief Morrisette is requesting three months of that position for FY20, and when would that job start. Chief Morrisette said April 1, 2020, and he might have some of that money (ambulance fund) accrued, but he can't budget for that today. He can only budget for whatever is in that account when the Town Council approves the budget. Chief Morrisette commented that he knows he will have that money by January 2020.

Councilor O'Connor said there is always the option of budgeting for a portion of the year, and they are trying to balance a huge offset. He told Chief Morrisette that no one on the Oversight Committee would disagree that he has been doing a great job and has brought the fire department up to the modern age. Councilor O'Connor would like to continue to support Chief Morrisette's efforts; however, they are at a point where money is becoming an issue.

Mr. Broderick said he was looking at the revised draft of the fire department's budget request for funding the position for three months. He said there is a \$103K reduction for the three months (from six months). The original increase in the budget was \$387K, and the new recommended increase is \$284K. Even with the \$103K decrease it leaves a 19% increase in the budget. Chair Saulnier commented that they would mark the fire department line item budget for further discussion.

630 – Recreation

Regarding the recreation department's budget, Chair Saulnier asked Recreation Director Donna Prather how much of the Pine Knoll parking lot will be paved. Ms. Prather replied that they are planning to pave the upper level, and said it's the area at the top that washes out badly. If it is paved, improvements will be made to avoid future washouts, with possibly a berm created to redirect the water. Ms. Prather commented that the DPW was a great help last year repairing the damages from washouts.

Councilor O'Connor asked Ms. Prather if there was a way to create an access ramp for handicapped individuals, and asked if the path was handicap accessible. Ms. Prather replied that the field would still have to be navigated, and not just for wheelchairs, but also for canes. She said the whole area is a challenge, including accessing the pool.

Councilor O'Connor asked about the program fees for non-residents. He said some towns won't allow non-residents, and some towns have a much higher non-resident fee than East Longmeadow. He felt the Town's taxpayers shouldn't be supporting non-residents. Ms. Prather said the pool pass is \$5 more for non-residents, and all other program fees for non-residents are \$15 higher than residents' fee. Ms. Prather will look into the fee schedule again to see if the non-resident fees can be increased to more than \$15. She added that there is not a large amount of non-residents who participate in Pine Knoll's programs.

Finance Director Sara Menard said that all the recreation department programs are paid by its revolving fund and doesn't cost the taxpayers any money. Councilor O'Connor agreed, but said the taxpayers are paying for the paving of Pine Knoll, which holds some of recreation's programs.

Chair Saulnier said the Oversight Committee is satisfied with recreation's budget and thanked Ms. Prather for her presence.

541 – Council on Aging

Ms. S. Menard commented that the Oversight Committee had a question on what the Council on Aging's revolving account's balance was. Chair Saulnier replied that the revolving account is not impacting the budget. Council on Aging Director Carolyn Brennan said thirteen years ago the revolving account was used for everything, and all grants, donations and fees went into that account. It had a much higher balance than it does now, at over \$100K. Ms. Brennan said Ms. S. Menard created separate accounts for each program. Now money can be designated easier, and, ethically, that money should not go back to the general fund to respect those who donated years ago. That was the intent; not to treat it like a "slush fund", but help with the expense accounts. There will be excess, but that helps pay for some salaries.

There was more discussion about the revolving account regarding the money left over. Councilor O'Connor felt that money could be used to offset other expenses, but the majority of the Committee felt it may not be necessary to move anything out of the revolving account.

The Financial Oversight Committee then discussed the FY20 new position requests.

135 – Accounting

Ms. S. Menard read her memo dated May 8, 2019 to the Oversight Committee in support of her request for a procurement manager, as shown in Attachment A.

Chair Saulnier commented to Ms. S. Menard that she already is the chief procurement officer, which is in her job description as Finance Director. Ms. S. Menard replied that the Charter named the Town Manager as procurement officer, but also stated the Town Manager could delegate that responsibility, which she did to Ms. S. Menard, as Finance Director.

Mr. Broderick asked Ms. S. Menard what the state law was that she had referred to in her memo, and she replied it is the Municipal Modernization Act which updated many Massachusetts General Laws. Regarding procurement, the Act changed the threshold and requirements for procurement resulting in making some things more complicated.

Chair Saulnier noted the \$150 in the budget for training, and asked if that amount is specific to procurement. Ms. S. Menard said that amount is for any training needed in Accounting. If the procurement position is not approved, she would use those funds for any training needed by the Accounting staff. Chair Saulnier asked if any of the possible training counts toward continuing education credits, and Ms. S. Menard said yes, the majority is. In her position as a certified governmental accountant and certified procurement officer, she requires annual education.

Chair Saulnier questioned \$600 in the budget for training for FY19 and noted the money had not been used as of December 31, 2019. Has any money been used since? Ms. S. Menard replied that some has been used, but it all has not been used because of the scheduling of the schooling and her maternity leave.

Chair Saulnier then asked if the capital outlay for furniture is in anticipation for the new procurement position, and Ms. S. Menard said yes, for a chair and desk.

Mr. Broderick said he couldn't find in the summary of the budget presented on April 27 where the full time requested procurement position was reduced to a part time position. Ms. S. Menard confirmed that this position can be busy enough for full time, but she did reduce the position to part time to help the budget. Mr. Broderick said the budget between the requested amount and the revised amount goes down by \$25K, but doesn't seem to coincide as to what was asked at one of the last meetings. Ms. S. Menard replied that at the last meeting the Oversight Committee asked how many individuals did not have adjustments due to the wage study, and one of them was within her department. This has been finalized so that impacted the salary and offset some of the decrease due to the procurement manager. Ms. S. Menard added there was another adjustment in her department that needed to be made that wasn't in the draft budget. This was finalized between the draft budget submitted on March 26 and the one submitted on April 29.

Chair Saulnier asked if all the contractual increases have been finalized. Town Manager Denise Menard said all the ones approved have been posted. This is an ongoing process through the end of the year due to anniversaries in April and May. Chair Saulnier asked how many employees are affected by this and Ms. D. Menard said she could find out and let them know.

Councilor O'Connor asked about two positions in which the contracts were not renewed. He said there was discussion regarding the vacant Human Resources Director position and the police chief. Ms. D. Menard said the police chief's contract is being extended and will go to the Town Council. Regarding any financial impact, Ms. D. Menard said nothing has increased; that contract ends in June.

She has contracted a service for Human Resources that will be starting, but she doesn't know how much this will cost. She said that last week she had asked the service to reduce some costs. Ms. D. Menard said it will definitely be less money than they have now for Human Resources since there are no benefits. The hourly rate is higher, but the amount of hours is less. The clerical side of Human Resources is being done now by a current administrative position for a \$50 weekly stipend. Ms. D. Menard would like to try this contracted service and put out a Request for Proposal. She believes this will be more cost efficient for both manpower and space.

There was discussion regarding the money currently budgeted for Human Resources for two full time staff members who aren't here. Ms. S. Menard said when the Human Resources Director left, the Town had to

pay out vacation time, and that, plus the stipend, would have come out of that money. She can let them know how much money remains, and Chair Saulnier asked her to do so. Ms. D. Menard said that number would not be difficult to get, and noted that it is all FY19 money anyway.

Chair Saulnier asked Ms. D. Menard if she would have an approximate number of how the Human Resources line item would be impacted if she can settle an agreement with the contracted service. Ms. D. Menard said yes, it comes down to how many hours a week and the rate. She had also asked the service to broaden the search for a Human Resources Director, but they are holding off on that now.

Mr. Broderick said the FY20 budget for Human Resources is in a state of flux since it includes two people. He asked Ms. D. Menard if there was going to be enough of a difference between the estimated cost and the budgeted cost that would make sense to adjust the Human Resources budget, or is she holding off. Ms. D. Menard replied her concern is if she kept the new Human Resources Director at the same salary she may not be attracting candidates since the salary is not competitive.

Regarding Ms. S. Menard's comments regarding a procurement officer, President Hill said that Ms. S. Menard had referenced fifty town hall employees and fifteen school employees whose job descriptions allow them to make procurement decisions without knowledge of the laws. From a legal point, President Hill said that remark makes her nervous. She said to Ms. S. Menard, as the Finance Director, she should take steps to make sure those employees have some type of professional development to avoid missteps.

Ms. S. Menard said she did provide CommBuys training and she tries to "teach as we go", but in her department her staff is wonderful and they give training. She does try to educate staff when there are that many people that are ordering supplies that don't understand the laws. By having a procurement manager responsible for this, that would prevent any missteps.

Chair Saulnier suggested contacting the Attorney General's office who can send their staff to talk to groups of people, and they won't charge as long as they are provided a venue.

Ms. D. Menard said she wants to caution the Oversight Committee that the Town has inherited a culture where everyone does their own purchasing and that mindset needs to be broken. She added that you have to reinforce the correct procedures and it is very time consuming to follow all the purchases, which is sometimes done after the fact. President Hill said individuals need to be trained or have their authority to purchase pulled back. She has seen missteps in the past few years, and individuals need a better understanding of the process, which needs to happen regardless of the procurement position being approved.

Councilor O'Connor said that since the procurement position is delegated to Ms. S. Menard and fifteen of those authorized employees are school employees, can they report to Assistant Superintendent of Business Pam Blair, since she is also a certified procurement officer. Ms. S. Menard replied that she is responsible for what Ms. Blair does, as well, and Ms. Blair does a great job. Therefore, Ms. S. Menard is involved very little on the school side, and it's the town side where a lot more help is needed and there's a bigger risk of noncompliance. She felt that the most efficient way to do this is to have a person dedicated to procurement and alleviate the other departments. She added that if this position isn't approved this year, she will be coming to the Council again next year. Ms. S. Menard said she will have to do additional trainings in the meantime, and will try to keep the Town as much compliance as she can.

Mr. Broderick said if Ms. S. Menard has a handful of people that she can trust, could she delegate them to act as mentors so everything doesn't have to pass through her. Ms. S. Menard replied that is not a part of their job descriptions and they don't report to her. She added that it is not just department heads ordering; it could be their assistants, as well. Department heads might not be there to look through every aspect of

purchasing. Ms. S. Menard said procurement is not her only responsibility, and there is not enough time to do all the other responsibilities her department has.

Councilor O'Connor felt that a lot of this is within the control of the Town Manager and the department heads who report to her. He added that procurement has been delegated to Ms. S. Menard and felt she could delegate key people that she trusts and then the final check could go through Ms. S. Menard.

Chair Saulnier said she was glad to know that Ms. S. Menard was in the process of creating a procurement standard operating procedure for department heads.

After a brief recess the Financial Oversight Committee reconvened at 11:28 a.m.

Chair Saulnier asked Mr. Broderick if he had enough information to begin calculations for recommendations. He replied that he did and can firm those up by the next meeting on Friday, May 10. Chair Saulnier said she would like to cancel that meeting based on a conflict she has. They will meet on May 13 with Messrs. Fenney and Burns. She added that the Town Council's budget public hearing is on May 14, and the Oversight Committee will then meet again on May 15 at 10:00 a.m.

Motion: Mr. Broderick made a motion to adjourn at 11:35 a.m. Vice President Kane seconded and all were in favor.

Respectfully submitted,

Jeanne R. Quaglietti
Assistant Town Clerk

ATTACHMENT A

TOWN OF EAST LONGMEADOW
~ TOWN ACCOUNTANT'S OFFICE ~
60 CENTER SQUARE
EAST LONGMEADOW, MA 01028

Memo

Date: May 8, 2019

To: Denise Menard, Town Manager, and the Town Council

From: Sara Menard, Director of Municipal Finance and Town Accountant

Re: Request for a Procurement Manager

I am requesting a position for a Procurement Manager. I have attached a job description to explain in detail what this individual would do. However, I think it is important to understand what is procurement and why proper procurement is so vital to the Town of East Longmeadow.

In Massachusetts, procurement is the acquisition of supplies or services, the disposition of surplus supplies, and real property acquisitions and dispositions by governmental bodies – in this case, the Town of East Longmeadow. This type of procurement is subject to Massachusetts General Laws (MGL) Chapter 30B – Uniform Procurement Act. Procurement also includes design services for public building projects under MGL Chapter 7C, public building construction services under MGL Chapter 149, and public works construction services and construction materials under MGL Chapter 30 Section 39M. As well as there are certain procurements that are subject to separate statutory requirements. I have attached a letter and charts from the Office of the Inspector General that gives a quick guide to these procurement laws.

The current structure of the Town's government is that the majority of purchasing is done directly by the departments. They are tasked with finding what they need and purchasing it/hiring. They are supposed to meet procurement laws at all times. The problem with this is that the procurement laws are very complex and specific. Even someone with many years of municipal experience within a department would have a hard time, especially since the statutory changes to Chapter 30B which became effective November 7, 2016. Therefore, the state offers certification courses to enable purchasing officials to comply with all of these rules.

Within the Town side, there are 50 people who are authorized within their department to make procurement decisions and there are 15 people on the School side. Within the entire employee population of just over 1,000 individuals, only two are Massachusetts Certified Public Purchasing Officials (MCPPO): Pam Blair, the Assistant Superintendent for Business for ELPS, and myself. Therefore, there is a large population of employees making procurement decisions without knowledge of proper procurement laws.

According to the Office of the Inspector General, if any contract or purchase is made in violation of any of the procurement laws, it is considered invalid. No payments may be made on an invalid contract,

SARA L. M. MENARD • *Town Accountant* • 413. 525.5400 Ext. 1801 • sara.menard@eastlongmeadowma.gov

OLGA BONES • *Assistant Town Accountant* • 413. 525.5400 Ext. 1802 • olga.bones@eastlongmeadowma.gov

TERI CHARETTE-SMITH • *Payroll Administrator* • 413. 525.5400 Ext. 1803 • teri.charette@eastlongmeadowma.gov

even if supplies have been delivered or work has been performed. This opens the Town up to legal action, as well as poor relations with vendors.

Since I became the Director of Municipal Finance two years ago this month, and have assumed the responsibility of Chief Procurement Officer, I have begun the process of improving the Town of East Longmeadow's procurement. For example, I have changed some controls and added others. In the Spring of 2018, for the first time, we held an auction of all surplus equipment. This ensured that the Town promoted competition and fairness to produce the result that was in the best interest of the Town. In May/June 2018, I also rolled out the mandatory use of the state's CommBuys system for the entire Town. This system enables us to use state contracts and ensures we meet procurement law for any of those purchases. Since its inception, we have 27 buyers who have made 219 orders under 7 of the state's contracts totaling \$19,000.

These types of changes have increased our compliance with the state's procurement laws, however, with number of vendors we use and the dollar amount going through these vendors, it is just a drop in the bucket. See attached table.

In the past twelve months, we have received two reviews from the Attorney General on claims that we did not follow procurement law in two instances. We have received at least another ten inquiries from individuals or companies questioning our procurement. There is only a handful of people who know the documentation requirements of procurement and even less who understand that we must maintain that documentation for six years after the final payment on that procurement.

Therefore, it is critical for the Town to have a centralized location and process to ensure that we meet procurement laws. Many other communities within the state have created a procurement department, including our neighbor, Longmeadow, who has a Procurement Manager.

The objective of the Procurement Manager is to support all town and school departments in the procurement of quality goods and services at cost effective prices while promoting fair competition. In additions to procurement, the Procurement Manager would monitor procurement practices by departments and facilitates contract administration to ensure compliance with applicable laws governing procurement of municipal supplies, services, equipment and capital improvements involving public works, building construction and design services. As the Director of Municipal Finance, I would oversee everything.

It takes 1-2 weeks to get the process set for a brand new procurement. If it is a recurring procurement, it takes 1-2 days. This is a significant amount of time that departments are currently spending, presuming they are doing the procurement properly. With the hiring of a Procurement Manager, we would be able to free up a significant amount of time in departments for them to perform their normal duties, while also giving the Town the benefit of uniformity and complete compliance with all procurement laws.

I hope I have explained in enough detail, the critical need that the Town of East Longmeadow has for a Procurement Manager. Just as we wouldn't want to show up to a fire without the proper equipment and training, we don't want to perform procurement without compliance.