



TOWN OF EAST LONGMEADOW
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TOWN COUNCIL

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FINANCIAL OVERSIGHT COMMITTEE MEETING MINUTES

May 15, 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.

Chair Saulnier announced that IT Director Ryan Quimby sent her an email regarding the request for the full time help desk administrator, which the Financial Oversight Committee was considering approving as a part time position. Mr. Quimby said the requested full time position is Tier 2 support and he feels it's one of the most important roles that needs to be filled. With the deployment of the 1:1 program, he is trying to be fiscally responsible, and the student help desk will be of assistance. Mr. Quimby said IT has made due with its current staff since 2003. He is asking the Oversight Committee to reconsider this request which will benefit the school and the Town as a whole.

Chair Saulnier said it appears that this position needs to be full time or "no time", but wants to be sensitive to the people at the Town Council's budget public hearing advocating for a hiring freeze. Vice President Kane said he received calls after the public hearing and labor is the Town's biggest enemy.

The Oversight Committee then revisited DPW's request for a trailer mounted generator. The Committee feels this would be nice to have, but questioned how critical this was. Vice President Kane said the last time a generator was used was in 2011 for the ice storm. The Committee agreed to remove the generator from the list of capital projects.

Regarding the budget request from dispatch, Chair Saulnier said they could possibly remove the \$15-16K for the part time dispatch position since they haven't hired a person yet. She said it seems like they could wait for this. The Committee agreed to remove the part time dispatcher position from the budget.

The Committee next discussed the DPW's request for a truck for stormwater management. Councilor O'Connor feels this is necessary, and Chair Saulnier agreed, especially since it will also be used for plowing. Mr. Broderick commented that it would be purchased with monies from the stormwater fund out of the fees. Vice President Kane said he would feel better if the cost of the truck wasn't part of the mill rate.

Finance Director Sara Menard joined the meeting at this point in time and distributed material to the Committee. Regarding the figures she provided for salary increases, Mr. Broderick asked if the non-union contractual salary increases of \$31K was from the Collins Center wage study. Ms. S. Menard said that is

the impact for FY20 for department heads, DPW managers and the benefits manager. Mr. Broderick then asked if those salary adjustments were done in two years, then one year would total \$15K. Ms. S. Menard said that most of the contracts are eligible for up to 2% increases based on performance, and all of the adjustments for the wage study were made in FY19.

Regarding the union contract settlement increases of \$194K, Ms. S. Menard said they were calculated out by number of weeks, and they are all related to the operating budget only. She added that she will send the Committee the revolving fund information today.

Chair Saulnier asked Ms. S. Menard if she was using the levy limit for her calculations. Ms. S. Menard replied that she calculates out the levy limit, then takes the revenues the Town has minus expenses, and takes that from the levy limit. She used the valuation of the most recent tax recap.

Mr. Broderick said he didn't realize all the adjustments from the wage study were approved and put in place last year. Chair Saulnier said the Town must have had a pocket of money aside. Mr. Broderick said it doesn't help him understand why salaries are up so high. He had thought it was the wage study.

The Oversight Committee then turned to the school's budget for discussion. Present from the school were: Superintendent Gordon Smith; Assistant Superintendent for Business Pam Blair; School Committee Chair Rich Freccero; and School Committee Vice Chair Greg Thompson. Mr. Freccero addressed the Committee and said the school has the largest budget. The school is also the largest landlord in Town and affects the most people. He complimented Town Manager Denise Menard on being very cooperative with the school. Mr. Freccero said he was there to tell the Committee how important the additional positions are, especially the social-emotional teachers. He wanted to explain the school's thinking of how they can be creative to reduce the budget figure.

Chair Saulnier recognized the need for the proposed positions which saves students from being placed out of district, and thought it was a point well taken. President Hill agreed with Chair Saulnier and said the outplacements can be complex, in that the physical and learning pieces are intertwined.

Chair Saulnier asked if there was any new information about Chapter 70 money. Superintendent Smith said the only new information is that the Senate Ways & Means supported an additional \$20K coming to East Longmeadow. The original number was \$828K and it went up to \$848K. The Governor is an advocate for education and is working on the Promise Bill. Superintendent Smith said the Governor will support that Bill and doesn't anticipate him cutting Chapter 70 money.

President Hill asked Superintendent Smith if he had a sense of the circuit breaker money for special education. Superintendent Smith said they get the official notice in July or August, but right now it's staying at 75%. Ms. Blair said that figure generally is between 72-75% and they are always a year behind with the circuit breaker. She added that circuit breaker money helps fund out of district tuitions.

Mr. Broderick said that at the budget public hearing it was stated that the hiring of social-emotional teachers would help reduce the likelihood of sending students out of district and incurring a higher cost. He asked if that could be reflected in the budget; how having a social-emotion teacher would offset the out of district costs by making assumptions. Superintendent Smith said he didn't have those numbers right now.

Mr. Thompson said it's more of a long term strategy to address the students on a personal level. Ms. Blair agreed that it was a long term expectation. Mr. Thompson said the cost of sending students out of district could increase since these issues are more and more common, and you can't put the responsibility on the

teachers. Ms. Blair said it costs \$50K for one out of district placement, and costs \$60-70K for one social-emotional teacher.

Mr. Freccero said they brought back the autism, learning skills and intensive needs programs back into the system. He said the budget would be much larger without keeping those programs. They are asking for two social-emotional teachers, seeing the request as a public safety issue since they are dealing with at risk students. The disruption at Birchland Park Middle School has decreased by 35% due to the presence of one social-emotional teacher, and they want to replicate that success at Meadow Brook Elementary School and the high school. Mr. Thompson said it would be prudent to have four social-emotional teachers since they have five schools, but they still need a technology specialist to support the 1:1 program.

Councilor O'Connor said he wanted to refrain from the conversation since what he has heard is that the Town is not funding school positions. The Town gives the school the money and the school does what they want with it. He said there was a conversation that took place outside the meeting that if the school got \$100K for the budget, with the Chapter 70 money, the school could fund those positions, and be willing to give something away.

Mr. Freccero said the school gave up the request for the modular units at Mountain View Elementary School for this year. DPW Superintendent Bruce Fenney advised that that the units could run another year. Mr. Freccero added that the agreement was if the school held on to the units for another year that would help fund the 1:1 program. He said that he is more creative when it comes to the budget and Mr. Thompson is more "by the book" and is concerned with how the school is perceived if they don't use the funding for what it was proposed for. Mr. Thompson said the school's job is to give justification for their budget requests, but in the end the school lawfully has the authority to switch the direction of the funding.

Chair Saulnier said the school will be having some retirements and asked how that will affect the budget. Ms. Blair replied that in the budget there is always a placeholder for each position, which is \$64,715, and sometimes it is a little higher or lower. Chair Saulnier said there was almost a \$1M increase from FY19 to FY20, and she assumes this covers any increases given out. Ms. Blair said yes, and Medicaid also increased. The representatives from the school then discussed monies, such as those for services for Individualized Education Programs and Accommodations Plan, that eventually come back to the Town.

Mr. Thompson asked if the proposed tax rate of \$22.07 is inflated or is the Town Manager just being safe. He felt this is the healthiest he has seen the Town, and would hate to not take advantage of a healthy situation because the proposed tax rate scared everyone at the public hearing. Chair Saulnier said to remember that even though the rate last year went down, everyone's values went up 6%, so people paid more in taxes. Being mindful of that and how residents are now alarmed, the Oversight Committee is trying to reduce the proposed rate. Mr. Thompson asked the Committee if they have a target for the tax rate, and Chair Saulnier replied they certainly want to stay under \$22.00.

Mr. Thompson said if Finance Director Sara Menard is being conservative and the number of \$22.07 changes, can they then fund full time employees. Chair Saulnier said, besides reconsidering full time positions, they are reviewing capital projects. It doesn't mean that requested full time positions will be eliminated; they are taking a little bit from each department and trying to save the taxpayers. President Hill said that it makes sense for Ms. S. Menard to be conservative, and Ms. S. Menard has said even if the rate was \$22.07, in all likelihood when we get past June 30 and reconcile after home evaluations, that number will most certainly drop but it's difficult to tell how much.

That concluded discussion and questions for the school, and the Committee returned to their prior topic. Ms. Broderick repeated that he had hoped that the big increase in salaries in the budget was a result of the wage study. He was also hoping that the wage study raises could be made in two steps (two years) instead

of all at once in one year, but was told by Ms. S. Menard they were all done last year. Mr. Broderick further commented in the past, under the former form of government, they were barely able to make a budget fit with the 2.5% increase allowed. It is unusual that the school has one of the smallest increases, and the biggest increases are general government and public safety, with an overall increase of 6% which seems high.

Councilor O'Connor asked when the monies were appropriated for the wage study increases. President Hill suggested it was October of 2018, within FY19. Councilor O'Connor said he remembers the presentation by then Human Resources Director Karin Decker, but doesn't recall the appropriation of the funds.

The Committee then discussed the school's requests, and Chair Saulnier asked if the Committee was inclined to fund two of the three requested positions. The requests were for two social-emotional teachers at \$69K a year for each position, which would be a total of \$188K with benefits included. The third position was a technology specialist. President Hill noted that they should expect an increase in Medicaid, and Mr. Broderick commented that would be an increase in revenue to the general fund.

The Committee then discussed IT's request for a help desk administrator at \$79K including benefits. Councilor O'Connor said he is struggling with the full time requested positions since they heard from the residents at the public hearing the desire for a hiring freeze. The Committee discussed other comments from the public regarding younger and older taxpayers having difficulty affording their homes. Also considered was Mr. Freccero's statement that if the tax rate was kept at \$22.07 that would force a "no" vote for a new high school when the Town has already submitted a Statement of Interest to the Massachusetts School Building Authority (MSBA). Chair Saulnier noted that \$1.6M has been invested in public safety in the past two years and this is part of the Town's overhead.

Chair Saulnier said the School Committee had asked for a 167% increase for the School Committee member stipends, and as discussed previously, she suggested they grant them \$8,500 total for a 25% raise. She said while this seems like a small increase, perhaps they could increase those stipends more in increments over a few years, and allocate the stipends as they see fit amongst their members.

Motion: Mr. Broderick made a motion to recommend an \$8,500 increase for the School Committee stipends. Vice President Kane seconded and they were all in favor.

Chair Saulnier said she received something from DPW Superintendent Fenney regarding the John Deere tractor request. Mr. Fenney said the cost would be the same whether it was leased to own for three years versus purchasing. Mr. Broderick said the lease option was \$9,600 a year and \$27K was the total cost to purchase it. Town Manager Denise Menard had joined the meeting, and said a lease is generally not a good idea for a small amount.

Regarding the General Fund Sources, after speaking with the Director of Assessing, Chair Saulnier thought it would be possible to add a little more into new growth, possibly another \$50K. Mr. Broderick thought it was rare that it was that low and didn't think \$50K would be considered less than reasonable. Chair Saulnier said they would then add \$50K to the \$200K of Projected New Growth for a total of \$250K.

Mr. Broderick inquired about the Town's meal tax, and Councilor O'Connor said it was .75%. Mr. Broderick said that meals tax generated about \$100K and wanted to know more about it. He said if it was increased it's a cost to the consumers and not necessarily the taxpayers. After checking this, Ms. D. Menard said the meals tax goes to the state and the state sends it back to the Town.

Regarding the salary increases as a result of the Collins Center wage study, Ms. D. Menard told President Hill that information was in the documents she gave the Committee regarding the wage study. The amount was \$87,702, which was appropriated in October 2018.

Councilor O'Connor asked where the Medicaid payment was. President Hill said, as it relates to special education services, some of the child's services are dependent on specific medical services. It functions like the circuit breaker, in that once you reach a threshold of expenses you can get a piece back. Mr. Broderick felt Medicaid didn't function like the circuit breaker because the school spends the money out of the school's budget, and then the reimbursement from the state is paid to the general fund, in which case you would not see it.

Mr. Broderick asked about the Community Preservation Fund for P & I payments on the General Fund Sources shown as \$106K; however, in expenses there's an amount of \$263K that seems to be included in the general fund. Considering the 1% or property taxes collected for this fund, Mr. Broderick wanted to know where it shows as revenue. Chair Saulnier said it's a different kind of fund with restrictions on the way the money can be spent. Mr. Broderick felt you shouldn't have an expense of \$263K without offsetting revenue.

The Committee then revisited the capital request projects and discussed the request for \$75K to close the Allen Street landfill. Chair Saulnier said this will be a DPW requirement, and Mr. Broderick said he is still thinking the Town needs to show a good faith effort and move forward with some progress.

Regarding the request for three cruiser replacements, the Committee is considering giving the police \$45K of casino mitigation money to help fund that request.

The 1:1 Chromebook devices requested by IT was something that was brought up at the Council meeting the previous night, and Vice President Kane felt a lot of people didn't understand the number of grades this program would impact.

Chair Saulnier then referred to the purchase of the John Deere tractor requested by DPW, and as discussed, purchasing this seems to be more prudent than the lease to purchase option. Councilor O'Connor felt he did not want to recommend this purchase without knowing if they can save money by consolidating equipment purchases from one vendor. However, if he had to vote now he would say yes since that's a critical piece of equipment to help with the fields in Town.

Motion: Mr. Broderick made a motion to recommend funding the following capital items that have been submitted to the Town Council by the Town Manager: \$75,000 for the Allen Street Landfill Closure, \$214,787 for the Ladder Truck Lease-third year; \$91,947 for the Ambulance Lease-third year; \$127K for the Cruiser replacements, with the understanding that \$45K of that amount would be funded with casino mitigation funds; \$24,162 for Asbestos Removal & Carpet Replacement of Athletic Offices; \$70,122 for Town Switch/Router Upgrades; \$300,000 for 1:1 Chromebook Devices; and \$27,510 for a John Deere 3038E Tractor. Vice President Kane seconded and all were in favor.

Continuing discussion on capital projects, Chair Saulnier noted that they are still waiting for more information regarding DPW's request for the Bobcat.

Mr. Broderick commented on the sidewalk construction request of \$75K saying that this does benefit the residents, but is also something that doesn't necessarily have to be funded for next year. President Hill said that DPW Superintendent Tom Christensen had submitted a Complete Streets application to the state and once accepted the Town could apply for grants, which could be a source of funding for the sidewalks.

Ms. D. Menard told the Committee if they are looking to reduce this amount to \$50K it still does not do a lot of sidewalks, but over a couple years, enough money could be gathered to start addressing the sidewalks. She said more sidewalks would reduce the amount of students taking the bus, and there is a lot of demand from the residents for sidewalks.

Mr. Broderick suggested they could recommend more money if there is more room in the budget, or if they know where grant opportunities lie. After more discussion, the following motion was made:

Motion: Vice President Kane made a motion to recommend reducing the amount of \$75,000 to \$50,000 requested for Annual Sidewalk Construction. Mr. Broderick seconded and all were in favor.

Regarding DPW's request for a trailer mounted generator, Chair Saulnier said she heard at the public hearing comments that we are investing money for something for next year that will stand idle most of the year. Mr. Broderick said he was on the Town Manager's capital requests budgeting committee, and they had approved and recommended that item; however, when he heard that same comment at the public hearing, he thought again. Ms. D. Menard said the Town has to plan for emergencies, and to say that the town hall is non-essential is not correct. Mr. Broderick said the Town has gone without it for a number of years. He still thinks having a generator is a good thing to do, but next year the Town may have more money to purchase one.

President Hill said if there was an emergency that effected more than the town hall and effected people, they have the senior center and the middle school, which is designated (emergency) space with generators. If there were an emergency in the town hall as it relates to power, is that compelling enough to spend money now when they are struggling to make the budget work, and hear the public at the same time? Councilor O'Connor said they have rented generators in the past, and he doesn't see purchasing one now as a necessity.

Chair Saulnier said in 2011 the Town and the whole area were shut down, and wondered if the generator was a critical purchase of this year. Ms. D. Menard said in 2011 they used extension cords to keep the town hall running and it wasn't ideal; it was dangerous. President Hill said in 2011 the Town commandeered buildings as shelters, and the faculty dining room in Birchland Park Middle School was turned into an interim town hall. She felt there are ways to deal with emergencies. If the town hall were shut down for two days, does it impact Accounting? Yes it does, but to show good faith to voters, she would support deferring the purchase of a generator.

Motion: Councilor O'Connor made a motion to defer the purchase of a generator to a future year. Mr. Broderick seconded and noted that he would hope and expect to see a generator for the town hall as a capital request for next year. All were in favor and the motion passed.

President Hill said after 2011, towns rethought emergency preparedness, and the police chief at the time was putting forward some paperwork for a grant for a generator, which never materialized. This leads her to wonder if there are grant monies out there for a generator from the Federal Emergency Management Agency (FEMA) or the Massachusetts Emergency Management Agency (MEMA). Ms. D. Menard said she will check with Fire Chief Paul Morrissette.

Formal votes were taken on the remaining capital projects requests as follows:

Motion: Mr. Broderick made a motion to recommend \$30,000 for the funding of Student MacBook Replacements, Student iPad Replacements, Chromebook Replacements and Staff MacBook Replacements; \$38,107 for Phone Upgrades; and a reduction from \$75, 000 to \$50,000 for Annual Sidewalk Construction. Vice President Kane seconded and all were in favor.

Chair Saulnier said the Committee had added two items to capital requests. One was for voting machines at \$26K for either purchasing for FY19, or adding to the budget. The other was for the police station feasibility study for 25K. She said they had discussed taking \$51K from free cash for these purposes.

Mr. Broderick said he did a calculation using the information given to them by Finance Director Sara Menard, based on \$1M being taken out to transfer to Other Post-Employment Benefits (OPEB), which would leave \$700K as remaining surplus. After discussion the Committee agreed to purchase the voting machines and feasibility study out of free cash, and that would still leave free cash remaining healthy.

Motion: Vice President Kane made a motion to add to capital expenditures and purchase from free cash the voting machines for \$26K, and the police station feasibility study for \$25K. Councilor O'Connor seconded and all were in favor.

Regarding the stormwater enterprise fund request for a truck, President Hill said there were two comments asking why a brand new vehicle is needed for a foreman. She understands the concept of stormwater, but is a foreman driven by work at a desk or out in the field? Ms. D. Menard replied that the foreman will be doing a lot of testing in the field. Councilor O'Connor understands that they are doing that now with existing resources and once the funds come in after July 1, they could purchase the truck. Chair Saulnier added that the truck could also be used for plowing purposes, as well as stormwater.

In closing, Chair Saulnier said at their next meeting on Friday, May 17, they could address the line item budgets and the requested positions.

Mr. Broderick asked Ms. D. Menard about the Community Preservation Fund, referring to the \$263K in General Fund Uses. He wanted to know where that number is offset by the revenue collected. Ms. D. Menard said she thought that was all a separate fund, but will ask that question and find out.

Mr. Broderick offered to take the items voted on at this meeting and update his spreadsheet to give to Chair Saulnier.

Motion: Councilor O'Connor made a motion to adjourn at 12:16 p.m. Mr. Broderick seconded and all were in favor.

Respectfully submitted,

Jeanne R. Quaglietti
Assistant Town Clerk