



Town of Medway

**FINANCE COMMITTEE**

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March 29, 2017 – 7:00 PM  
Library – Medway High School  
88 Summer Street

Present: Frank Rossi, Chair; Rohith Ashok, Vice Chair; Todd Alessandri, Clerk; Dan Doherty; Ellen Hillery; Jeff O'Neill and Michael Schrader.

Absent: Meghan Hoffman, Jim Sullivan.

Staff Present: Michael Boynton, Town Administrator; Carol Pratt, Finance Director; Bridget Graziano, Conservation Agent; David D'Amico, Director, Department of Public Services; Allen Tingley, Police Chief; Jeff Lynch, Fire Chief; Mary Becotte, Communications Director.

Others Present: Dennis Crowley, Selectman.

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At 7:03 PM Chairman Rossi called the meeting to order. There was a quorum of members present.

**Discussion/Review -- Various Departmental Budgets or Warrant Articles:**

**Storm water Bylaw-Article 29 Annual Town Meeting**

The committee reviewed a hard copy of a PowerPoint presentation.

Present: Bridget Graziano-Conservation Agent; David D'Amico, Director, Department of Public Services.

Ms. Graziano stated she and others have been working with Gino Carlucci to draft a new bylaw, replacing the old one entirely. At the end of 2016 the EPA finally signed off on the NPDES permit. In July 2017 we will start assessing penalties. This bylaw will bring us into compliance. This will be good for the Town's drinking water and environment.

This kind of permit is for people who discharge their runoff on their property but is intended primarily for new development over 1 acre of land disturbance or redevelopment involving more than 1 acre of land disturbance. Construction of a single-family house would likely not trigger this as the bylaw applies to disturbance of land, not the size of the parcel. When this bylaw is triggered, there will be no additional hearings as it will be combined with any existing hearing, and staff will coordinate this with the applicant.

Mr. Boynton reported that the bylaw is posted on line and the warrant directs people where to find it. It is 29 pages long and will also be available at Town Meeting. Town Counsel's review should be ready later this week. Mr. Crowley stated that he opposed the Board of Selectmen recommendation of the article because of the costs involved seem to be yet another unfunded mandate. He added that he preferred to wait until the final word came down from the EPA. Mr. D'Amico theorized that it is likely that the state EPA will manage it, and not out of Washington, DC.

Mr. Schrader wanted to know where people can dispose of their de-chlorinated pool water. Ms. Graziano responded that pool water often contains more chemicals than just the chlorine. Water can be discharged onto the owner's property as long as it does not enter the water system. If the water sits for a while, the chlorine will dissipate. There are companies who will pump the water out of the pool and dispose of it properly. Mr. Schrader also questioned why foundation drains would be prohibited as that discharge would likely be groundwater. Bridget clarified that these kinds of prohibited discharges are similar to those listed in bylaws in other communities.

Selectman Crowley stated that he also voted against it due to the permitting requirements, and the fees are not yet established. Anyone washing their car in the drive with the water flowing into the catch basin would technically be in violation. Ms. Graziano noted that, in another community, municipal vehicles were washed in a dedicated washing area with discharge into a tight tank.

Ms. Graziano explained the flow chart that indicated which board, either Planning Board or Conservation Commission, would review a project based on the amount of land disturbance.

Mr. Schrader asked about prohibiting use of phosphorous as it is a component affecting the Town's storm water situation. It was noted that the Board of Selectmen could develop a Town policy if they decided it was the right move.

#### **Operating Budget- ATM & STM Warrant Articles**

Present: Michael Boynton, Town Administrator; Carol Pratt, Finance Director; David D'Amico, DPS Director.

Committee members utilized FY18 budget books for reviewing various departmental budgets.

#### **Department of Public Services**

Mr. D'Amico reported that Mr. Barry Smith is the new Deputy Director for DPS. He was formerly a Water Supervisor.

Mr. Boynton reported that there is a new Compliance Officer to help with reporting storm water issues, concerns and policies. Every time water samples are taken, they must be recorded and tested. Up to now, there was not sufficient staff to adequately manage it. There is a line item for storm water consultants and other associated expenses totaling \$180,000. The new Compliance Officer will be doing what could be called the "dirty work" with samples and going into catch basins, storm drains, etc. Mr. Boynton explained that sometimes salaries had been allocated to capital projects instead of the general fund, for example, Mr. D'Amico's salary was split between several sources based on his duties. Changing how the salaries are reported in the budget helps administration better track those salaries for budgeting purposes. Brief discussion followed. Mr. Boynton will provide some information from this year to compare to the proposed budget.

Regarding the Snow and Ice Budget, as of last week the expenses were at \$540,000, and only \$525,000 has been allocated. Any deficit will be voted at Special Town Meeting. By then the actual number will be available.

Finance Committee members were encouraged to send additional questions to Mr. Boynton and Mr. D'Amico. Mr. D'Amico will be in the office until Monday, April 3 and then is on vacation. He noted that he does read email every evening while on vacation. Chairman Rossi asked members to forward any additional DPS questions by Friday so he can send them on to Mr. D'Amico.

Responding to a question from Mr. Alessandri, Mr. Boynton stated that the streetlight net metering program went online last January, and it took several months to get it squared away. Instead of the credits being applied to the Town's electric bill as originally thought, Eversource will pay the Town and then the Town will pay its bill. He explained that net metering is basically a program designed to consolidate energy consumption and sell it back to the "grid". The power company is set up to handle large amounts of energy in bulk so it can afford to pay the Town a "credit". Net metering in concept was designed by the State to help build renewable solar energy installations.

Mr. Crowley expressed concern for the MS4 permit and the anticipated costs of that unfunded mandate. The Town has had to allocate nearly \$300,000 each year to begin performing the required tasks. He theorized that the amount will only increase as time goes by. He is concerned about the allocation of the salaries, splitting them between the various funds, which might be placing unnecessary stress on the Enterprise Accounts. The Water and Sewer Enterprise Accounts are important to setting the water and sewer rates based on the associated expenses.

Mr. Boynton stated that this process was carefully reviewed a few years ago, and we do not want to keep tweaking it every year. He suggested that it be evaluated before the budgeting process begins next year. Mr. Schrader expressed concern that he could not find a correlation to how indirect costs were calculated. Ms. Pratt responded that there is no overall methodology and is based on each employee's situation with health insurance costs and other factors. Mr. Schrader noted that some expenses would occur whether or not storm water measures were adopted, such as street cleaning, the elimination of sand in street preparation during snow storms, and other factors. He added that it is difficult to know what is directly related to the new mandate or what was originally going to happen. Mr. Crowley explained that the consultants had originally claimed that the whole process may take 20 years, and the biggest cost will occur in years 5 – 20.

#### Police Department Budget

Present: Allen Tingley, Police Chief

It was noted that the amount budgeted was more than the Chief had requested. Mr. Boynton explained that there was some discussion on how to add funds for an individual but not to actually hire an additional person. Once the health insurance situation was resolved, funds could be added for additional things including a substance abuse program involving transporting individuals as well as training. Chief Tingley reported briefly on the number and kinds of calls the department received for drug overdoses.

Ms. Becotte noted that expenses for communications are relatively modest as the communications program is still being developed. There will be some photography expenses and other expenses relative to the Annual Town Report, but they will be small. Mr. Boynton added that there is nothing substantially different aside from these expenses and the COLA. The communications budget was removed from the Information Technology budget.

With regard to staffing, Chief Tingley stated that 3 people are retiring and people will be promoted to those positions, and new officers will be going to the academy. He has a staff of 25 officers in addition to himself and his office staff.

Responding to a question from Mr. Doherty, Chief Tingley stated that the department placed an order for a vehicle right after Town Meeting last year, and we are still waiting for it. The expectation is that the department will get two vehicles this year, and two vehicles next year. The funds can be encumbered to allow for delivery after the end of the fiscal year.

It was noted that Police-Fire Communications expenses are not split between the departments as Police-Fire Communications is in fact its own department for budgeting purposes. Staff from both departments are trained on the equipment.

#### Fire Department Budget

Present: Jeff Lynch, Fire Chief; Carol Pratt, Finance Director.

Chief Lynch stated that the department's major challenge is the addition of four new staff members due to the ALS provider ceasing operations. The department had been using a service out of Milford in addition to that of another fire department. We tried to organize a regional program that did not come to fruition. We are having an issue complying with our application with the state. We are providing ALS services right now, but it would be better if we had an ALS provider located in Medway. If we hire the personnel ourselves, it is less money than using a service. The way we respond to calls will be different, and there will be overtime savings because we will have more staff to work with. This will also help with mutual aid support. These individuals need to be firefighters as well as qualified medics with ALS certification. This is the majority of the largest increase in the budget.

Contracting with a dedicated provider with appropriate equipment would cost an estimated \$600,000 and that provider keeps the revenue from the ambulance run. The turnout gear costs are one-time and the firefighters can use them for some time. Ms. Pratt directed members to pages in the budget book that break down associated costs. Discussion followed on the use of on-call firefighters. Mr. Boynton pointed out that the four new people translates to one person per shift, not four for every shift. If that staff member is not out on an ambulance run, it is another person available for fire calls. Chief Lynch has a good core group on on-call personnel, but ideally he would like more. Mr. Boynton emphasized that the addition of four additional staff members does not solve all the problems, but it helps. The Fire Department budget will be evaluated each year to see how things are working out for both staffing and equipment.

Discussion followed on ALS staffing and how staff is assigned. Chief Lynch explained that, unless it is a serious medical situation that requires all three staff people in the ambulance, one will stay behind. The department can also request help through the mutual aid agreement. This year they did 1911 calls, up from 1100 last year. Mr. Boynton explained that the paramedic certification will be part of the job description for firefighters in coming years. Ultimately the Town wants to get to a level where the department is not scrambling for staff to return to the station if there are multiple calls.

Mr. Crowley reported that there are several large projects coming into town and it will take a couple of years for the revenue stream to become established. When that happens, these budget will be reviewed to see what improvements can be accomplished.

Chief Lynch noted that there are costs for 6-month mentorship. Because we are not ALS-certified, we have to have supervision. Doctors at Milford Hospital are assigned to use for oversight to be sure our medics are appropriately trained. Mr. Boynton clarified that ideally we want to hire people who already have the ALS training and certification. Responding to a question from Mr. Ashok, Mr. Boynton stated that there is no residency requirement for firefighters or paramedics, but it has to be a reasonably short distance away so that coming in on an emergency call is not impossible. Establishing a residency requirement significantly reduces the pool of eligible candidates.

Projected Revenue Assumptions

Chairman Rossi asked for an explanation of unused levy capacity. Mr. Boynton responded that 2.5% has to be reported, and the Selectmen have tried not to increase the levy by the 2.5% in order to give the residents a small break on their taxes.

Brief discussion followed on debt exclusions. Free cash will never be used for operating expenses or for recurring programs or services. We must be cognizant of the fact that our newest building is 30 years old. Maintenance and repair costs for all our buildings will only increase in the coming years. We need to keep a good cushion in reserve.

For incoming revenue, the first we will see is for permit fees. We should know by this time next year whether the Exelon project is underway. We already know the project has been delayed due to permitting. No PILOT payment is coming in this year. What we could do next year is look at the anticipated amount and make some decisions on how to allocate it on a tentative basis. The majority of the revenue will likely be used for capital projects and now for recurring operational expenses.

Discussion followed on the schools. Health care reimbursement is in negotiation with collective bargaining units utilizing deductibles and higher copayments. We have to consider the annual OPEB contribution. Ms. Pratt stated that the Municipal Modernization Act allows the Town to be more aggressive in finding higher interest-bearing accounts for those funds. Most communities are funding it the way Medway is. Tax abatements and exemptions come in every year and we have to allocate more money than we think we will need. Unused funds from the overlay account have been used to replenish the stabilization account.

The potential renovation at the Tri-County School was initially denied, but they will reapply. All participating schools will share in the expense. Referring to Human Resources, Assistant Town Administrator Allison Potter has assumed duties of Human Resources Director, and the School Human Resources Director is assisting with those duties. The Assistant Town Accountant position was reclassified. Mr. Crowley reminded committee members that union employees have “steps and lanes” identified in their union agreements. Referring to the legal budget, Mr. Boynton reported legal expenses have gone down a little as the Town has cut on how we utilize Town Counsel. He added that he handles much of it on his own.

Information Technology will be reviewed at the next meeting.

Continuing through the summary pages, Ms. Pratt reported that the Conservation Agent was on maternity leave and a short-term replacement was needed while she was out. That expense will not occur this year. State required reporting will be handled under consultancy fees rather than a bona fide salary. Discussion on debt service will occur later with comparison of existing debt vs. proposed debt.

Discussion followed on the “unclassified” budget areas. Small increase in property liability insurance. The reference to Norfolk County Retirement system is its pension; OPEB is health insurance expenses for retirees. Health insurance system is driven by a few very high cost claims. Our obligation is to provide care for the sick individual whether it be an employee or a family member of employee.

As mentioned, Information Technology is coming in next week. None of the other departments have had significant increases. Mr. Boynton reported that there is a new Veterans District Director as John Givner is retiring on Friday. That is a group that has not been discussed and there is an increase of \$17,000. It was noted that the Finance Committee hopes to make recommendations on warrant articles on April 12 following the public hearing.

Chairman Rossi reminded members that they will need to submit reports for the Finance Committee book that is distributed at Town Meeting. He will email last year's report to members. The 2015 and 2016 reports are posted on the Finance Committee page on the Town website. Reports are due the end of next week so that they can be compiled for submission by April 12. Selectman Crowley asked if enterprise accounts will be reviewed at the next meeting, noting that the Board of Selectmen may be contemplating some changes in how the recycling and trash collection is handled with respect to unusual items being picked up that are not considered white goods, i.e., toaster oven or radio. The hauler charges the Town \$25 per pickup for those small items. Brief discussion followed.

**Upcoming Meetings:**

- April 5<sup>th</sup> -- Medway High School Library, 7 PM
- April 12<sup>th</sup> – Public Hearing on Financial Articles included on 2017 Annual Town Meeting  
Warrant, Sanford Hall, Town Hall, 7 PM
- April 12<sup>th</sup> – Regular monthly meeting of Finance Committee, following public hearing.

**At 9:50 PM Mr. Schrader moved to adjourn; Ms. Hillery seconded. No discussion. VOTE: 7-0-0.**

Respectfully submitted,  
Jeanette Galliardt  
Night Board Secretary