

At a Workshop meeting of the Town Council and the Budget Board held on February 26, 2018

I. Call to Order

The meeting was Called to Order at 6:40 p.m.

II. Roll Call

Members Present: George O. (Buster) Steere, Jr., President; Edward C. Burlingame, Vice-President; Patricia Henry and Walter M. O. Steere.

Member Absent: William E. Reichert

Also present: Susan Harris, Deputy Town Clerk; Diane Brennan, Finance Director & Budget Board members: David Steere, Chair, Eric Croft, Vice Chair, David Lohr, Alfred Fuoroli, Charles Poirier, Kevin Lavoie, Michael Morgan.

III. The Pledge of Allegiance was recited.

IV. Review of Budget for FY 2018/2019 - Discussion and/or Action

Councilor G. Steere turned the meeting over to David Steere, Budget Board Chair.

D. Steere stated the copies of the budget he has tonight must be returned to him at the end of the meeting as the budget is subject to change before submitted on March 15th. D. Steere stated Council members could keep their copies.

D. Steere stated that an increase of 10 % for health Care and 4% for dental is factored in to the total budget. D. Steere also stated that also built in to the budget numbers is salaries/benefits for union employees, a 3% increase for non-union employees and any raises Council has approved for "certain" department heads.

D. Steere reviewed the Budget Board's proposals to date by each department.

Town Council: D. Steere explained some potential cuts. Discussion on potential legislation mandating video recording of meetings was discussed.

Members of Council agreed that the funds could be taken out of their contingency if legislation is passed.

Town Clerk: D. Steere again explained a few potential minor cuts. D. Steere also explained the difference in the Board of Canvassers budget from year to year is due to the elections schedule.

Building/Zoning: D. Steere discussed inspection fees.

Councilor G. Steere stated a bump up for the Building/Zoning official, when he receives certification, should be included.

Planning: D. Steere stated there is a change in salary, per Council. D. Steere discussed the funds currently in an account for comprehensive plan updates. D. Steere stated that the Planner has stated that she can do the next comp plan update and that currently there is a balance of approx. \$35,000. D. Steere stated the thought is to possibly assign a portion, to be determined by Council, of those funds into an account for consultants, if needed in the future, for any department.

Councilor W. Steere questioned these funds would be used as opposed to Council Contingency funds for consultant/legal as needed in any department. Councilor Burlingame asked the Finance Director to put this decision into a memo/notation in her records and the budget boards for future explanation of why these funds were moved.

Community Resource: No request rec'd.

Planning Board & Zoning Board: No changes proposed

Conservation Commission: D. Steere stated the Board asked for funds for special projects, Landscape Enhancements for \$500. D. Steere explained the proposed assignment of funds in an existing account (tree planting) to fund their proposed projects.

Councilor G. Steere pointed out that there are two tree funds, seedlings and tree planting (which was allocated in the past but no longer may be necessary).

Councilor W. Steere questioned if a higher stipend should be considered for Planning Board Clerk. D. Steere explained that they only dealt with actual requests, Council can address.

Land Trust: as requested.

Councilor Burlingame questioned the variance from year to year to Land Trust. D. Brennan explained that it has appeared that we have been over budgeting the land trust in the past and this is the amount we actually give them in real-estate tax stamps. P. Henry questioned which account the Land Trust legal fees are paid out of. It was discussed and explained the Land Trust has their own budget.

Legal Services: No request.

An increase included per D. Brennan. Councilor G. Steere agreed it should be bumped up

Finance Administration: No substantial changes proposed.

Tax Assessor: D. Steere stated there is an increase in Education & Training for Assessor and a Clerk to attend training. Fringe benefits was increased for a possible family plan in Assessor's office for a clerk position to be filled.

Public Safety: Changes were explained: Salaries and Benefits, Accreditation incentive. A line item was added to show there was another bonus included in budget.
Increase to electricity.
Mandated training.

EMA: Salary increase by Council

Animal Control: Increase for mandated training

Public Works: Fringe benefits change regarding change in health care plan for one employee

Highway Div.: Fringe benefits reflects change in health care plan. Expenses: change in propane based on usage

Storm Acct.: no change

Building/Grounds: Eliminated GMP grounds support account

Councilor G. Steere asked if a request was rec'd for additional help in summer months. No request received. Councilor Henry questioned this because she believed it has been discussed that additional help would be needed going forward. Councilor G. Steere stated there has been discussion but the Director did not request additional help. D. Steere stated there are funds in the Pavilion line item.

Vehicles & Equipment: Change per Dept. Head

Operating Expenses: Reduction of repair parts fund as it is already included elsewhere

Waste: Litter Corp. funds eliminated based on Dept. Heads recommendation
Additional deductions based on past use

Tipping Fees: Increased based on Dept. Head request

Recreation: Request included "moving around" of funds within the budget.
Budget Board (\$1,300) adjustment made due to math error.

Senior Center: Wages & Benefits: Interim Director, lowered based on formula
Purchased Services: Adjustment made by Budget Board to maintain previous budget.

Human Services: Emergency Fund: small reduction proposed by Budget Board

Other Operational: D. Steere explained a large reduction proposed in Negotiated salaries, line item was \$50,000 last year and to date \$24,900 has been allocated with the other \$25,100 to be allocated ("spread out throughout the budget").

Councilor Burlingame stated that actions taken at a recent Council meeting are to be effective July 1, 2018. D. Steere stated only some of it was effective July 1, 2017. Councilor Burlingame stated the \$ 26,000 plus fringes was effective July 1, 2017 and the balance is open. Councilor Burlingame stated the changes made recently were to be effective in the new budget, July 1, 2018.

Councilor Burlingame stated those changes were for D. Brennan and the Police Chief.

D. Brennan stated these amounts were already “pushed up” to the department heads and reflected in what D. Steere has read.

Councilor Burlingame asked if the \$25,100 reflects the increases and the fringes. D. Brennan explained that the changes for Tax Collector and Senior Center Director are in the current budget and the proposed budget. D. Brennan stated the changes made recently for herself and the Chief are already reflected in the 2019 budget.

D. Steere explained, also under Other Operational Expenses, the insurance increased at a lesser amount than requested. Accrued Compensated absences and health care transfer will both be left at \$5,000.

IT: D. Steere explained changes the Budget Board is proposing to this budget. D. Steere stated that some of the expenses, such as purchasing new software for the Finance Director and the Assessor, were moved to capital expenses. D. Steere stated Vision will be redoing their software and it will cost us approx. \$125,000. D. Steere stated that we have proposed putting away one third of that cost this year, into a fund, and moved it to capital. A reduction also is included due to the creation of an IT Consultant line item.

Councilor Burlingame questioned where the wireless system, previously proposed, is reflected. D. Steere stated it is in capital.

Councilor Burlingame asked if the IT Consultant is for Ed Juaire. Answered in the affirmative.

Councilor Henry questioned if we ever go out to bid or just keep renewing the contract. Councilor Burlingame explained we save a considerable amount for our IT but we should look at the practice of just renewing the contract on Council’s agenda.

Aid Requests/Social Services: D. Steere explained the requests rec’d and what action the Budget Board recommends. Gloucester Manton requested an increase, Harmony Library did not. Light Infantry included at last years amount. No request from Parade Committee was received by the Budget Board, therefore, not included.

Councilor G. Steere stated that Parade discussion is on Council’s next agenda.

D. Steere stated the proposed budget includes a reduction for Heritage Society. D. Steere explained the money in the current budget generated some grant funds.

Councilor Burlingame questioned the amount of Gloucester Little Leagues request. D. Steere stated they had a change in personnel so there was not much detail in request.

D. Steere stated, in review, Municipal Expenses proposed which reflects all items discussed an additional \$471,452. D. Steere spoke regarding F/G Regional school stating that considering debt service decrease, is an increase of \$225,000. D. Steere stated that he had received new information today that the total due to the school is now \$42,925 due to student proration, an approximate \$182,000 swing in our favor.

Councilor Burlingame stated that would go right to the bottom line of expenses. Councilor W. Steere stated we should think about putting more money away for this item in the future.

D. Steere agreed with Councilor W. Steere and stated that if we do nothing the amount to be raised by taxes would be an approximate 1.6% increase.

It was discussed that there is currently \$115,000 - \$117,000 in the proration account, once this years transfer is done, and the budget board recommends adding an additional \$100,000 which will be reflected in the budget to the Council.

Glocester Schools: D. Steere stated that in FY 2017 the school used some of their Fund Balance and expressed his views that if more of that fund is used over time there could be a bump up in maintenance of effort. There was discussion regarding a Special Appropriation of \$200,000 from surplus to be put aside for possible future use for the local school. Use of fund balance, maintenance of effort and future budgets were discussed.

Special Appropriations: D. Steere stated there is a line item of "Additional Capital Expense" for \$164,643.00 which includes \$115,000 (from prior Capital budgets for projects not done or project was completed) and an additional amount of \$49,643.00 from surplus and added it to the paving line item.

Revenues: D. Steere stated there is still some question on the revenue related to MV Tax Phase out. D. Steere stated the only new item is \$72,000 for the School Resource Officer, which reflects the reimbursement from the Region.

D. Steere also noted the Adjustments line item that includes transfers from surplus.

Councilor Henry questioned the amount of revenue from the Town's PILOT agreement with Factory Mutual as to whether we would have additional funds. It was explained the amount for the current year is already calculated and any increase would be in future years budget.

D. Steere stated the amount to be raised by taxes is approximately 2.5% before adjustments.

Councilor Burlingame questioned how the abatements (\$120,000) gets absorbed. Discussion followed on explaining that line item. Councilor Burlingame stated this is just an allowance for taxes not collected or abated.

Capital Budget: D. Steere stated he had the Finance Director run a list of (previously approved) capital projects still being worked on, had never been done, or that had been completed and funds remain. D. Steere stated these funds totaled approx. \$115,000, from the following sources: \$25,000 Fiber Optics (project not to be done); \$10,870 left over from Roll-Off truck purchase; and \$92,000 from the Transfer Station. D. Steere stated from that amount the Budget Board took \$80,000 to reallocate to other projects. Councilor Burlingame asked D. Brennan for a comprehensive list for the future and stressed the importance of someone having this list.

Discussion followed on work to be addressed at the Senior Center for the replacement of the

HVAC system. Councilor G. Steere stated more discussion is necessary to reach the right decision for replacement. It was stated that we should leave or add to the proposed allocation.

D. Steere reviewed proposed funded items: IT software upgrades, CAMA & Vision, including a Tax Assessor's upgrade software upgrade.

Councilor Henry questioned the recreation allocation in the capital budget proposed. Councilor Henry stated the Recreation Director has submitted a list of the improvements that may be needed. D. Steere stated the problem the Budget Board had was what was to be completed from the list submitted by the Recreation Director with the \$70,000 requested. Councilor W. Steere stated Council has not seen a plan at this point and feels Council should have a look at the plan before work is done. Councilor Henry stated she has asked for a plan numerous times and has not received anything at this point. Councilor G. Steere stated if this number is to be adjusted we should get together with Bob Shields and the teams that use the fields. Councilor Henry stated she has asked for a time and action calendar and who is doing the work repeatedly.

Councilor G. Steere asked which vehicle is being replaced in the Public Works line item. D. Steere stated they would like to replace a ford truck with sander/plow.

Councilor W. Steere asked the Finance Director if Council follows through with what is presented here where would we be with our fund balance. Councilor Burlingame stated approximately a little over 15%. Councilor W. Steere stated that means if we need any additional capital items we would have to dip into that fund.

Discussion followed regarding fund balances and their relationship to higher bond ratings.

Councilor Burlingame stated there is also an assigned surplus which is targeted for other things. Councilor Burlingame stated that when our bond rating is reviewed these surplus accounts are also part of our valuation.

Discussion followed on the school's budget and maintenance of effort issue. Councilor W. Steere questioned how the money put aside for the schools (\$200,000) can be spent and not effect the maintenance of effort. D. Steere stated it would show as revenue but not in the bottom line as maintenance of effort. Discussion followed on how these funds would be classified and allocated to eliminate the impact. Councilor W. Steere stated those funds could be considered maintenance of effort. D. Brennan stated in the audit that number would be reflected as committed as opposed to assigned, which is a stronger statement. Discussion followed on a good faith effort to put aside funds without creating a higher maintenance of effort and maintaining good financial practices.

Council thanked the Budget Board for all their hard work preparing this budget.

At this time the Budget Board adjourned their meeting.

Council discussed work to be done at Gloucester Memorial Park. Councilor Henry expressed the need for further accountability. Discussion followed on getting more information and/or a plan for

work that should be considered. Councilor Henry will request a plan from B. Shields, Recreation Director.

Councilor Burlingame stated that the parade plans need to be discussed further.

Discussion followed on the need for summer maintenance and/or building & grounds work to be done for D.P.W. and the fact that there is no budget item proposed.

Discussion followed on the continuing process for the adoption of the budget for 2018/19. It was noted that the Public Hearing date was still to be determined.

Councilor Henry stated she wanted to clarify that she is not casting stones or complaining regarding anyone's work or work to be done by Public Works and/or Recreation, she is just starting discussions.

Councilor G. Steere stated we will discuss the parade on Thursday night and stated the following: there is approximately \$16,000 in that account and it costs roughly \$25,000, with \$8,000 of that for police details. Councilor W. Steere stated we are only referring to the parade and not the other events. Councilor Burlingame questioned if Councilor G. Steere has a list of all the expenses that are included in having the parade. Councilor Henry questioned if the issue of no budget submittal is that there is currently no chair. Councilor G. Steere stated there is a chair but he couldn't get to a budget board meeting. Discussion followed on the funding of the parade. Councilor G. Steere stated the parade committee has worked hard towards fund raising. Councilor W. Steere agreed and stated we can't count on donations. Councilor Burlingame stated he would like an understanding of the costs for the parade. Councilor G. Steere stated that can be obtained from D. Brennan.

V. Adjourn

MOTION was made by Councilor Henry to ADJOURN at 8:40 p.m. ; seconded by Councilor Burlingame

Discussion: None

VOTE: AYES - G. Steere, Burlingame, W. Steere, & Henry

NAYS - 0

MOTION PASSED