Finance Committee

TOWN OF HALIFAX

499 Plymouth Street

Halifax, MA 02338

**Meeting Minutes**

**Monday , March 21, 2022**

**Committee Members Present**: Michael Bennett, Cheryll Zarella Burke, Jon Schmaling and Todd Dargie.

Also, in attendance in the audience were: Cesar Calouro, Sandy Nolan, Chief Viveiros, Jean Gallant, Sue Lawless, Darlene Regan, Steve Hayward, Susan Johnston, Alan Dias, Ashley Disesa, Jim Perry and Roger Croke

**Tom called the meeting to order at 6:00pm**

Tom asked Chief Viveiros to speak about the Reserve Fund Transfer Request for 638 Monponsett ST. The Chief said the home is collapsing and the it is very close to the street. He said it does not appear the owner will take it down. He said they are requesting that $12,000 be transferred to the Unsafe Property account in order to demolish the building. He said Pam Adduci, the Treasurer, was looking into filing a demolition lien on the property so the Town could maybe recoup the money. The chief said the current low bid was in and around $11,000 but they were looking for a bit of extra money in case there was more waste than anticipated. Tom asked Sandy what accounts would this effect. Sandy said the Unsafe Property account usually does require a Reserve Fund Transfer because it is not something you can foresee. She said currently there is a balance of a little over $3,000 in that account only because we did actually get reimbursed by one company for work we had to do on one of their properties.

**Tom entertained a motion to approve the Reserve Fund Transfer request in the amount of $12,000 to be put into the Secure Unsafe Properties account.**

Motion: Michael

Second: Cheryll

**AIF**

Tom mentioned that Pamela Adduci had requested to have her meeting moved until next Monday 3/28/22

Tom asked Steve Hayward to discuss the Recycling, Cemetery and Highway budgets. Steve said that Susan Johnston was with him also and could speak to the Recycling budget. Sue said that normally we would go out to bid for trash collection services but this year she and the former Town Administrator had decided not to go out to bid for the services because he was leaving and he felt the new Town Administrator might want to be part of that process. She said unfortunately that Waste Management came back with a price that was up by 68%. Tom asked if it had to do with tipping fees. Sus said that Waste Management was saying it was mostly due to prevailing wage issues. They are having a hard time finding help and so are having to pay top dollar and offer signing incentives and so they are passing that on to their customers. Sue said she had a RFP ready to go and would now be using it but at this time she doesn’t have any other figures. Tom asked if the RFP would be back before ATM. Sue said she was hopeful to have the RFP process done by the end of April. Sandy said they could print the current amount in the warrant and then if the RFP comes back with a better price they can adjust it on town meeting floor. Sandy said the Hazardous Waste line was also up $3400. Sue said she asked for that amount last year but didn’t get it. She said their Hazardous Waste days have not been well received and not many people are using the service. She said it costs them about $12,000 to run a hazardous waste day and only 62 residents participated so she is wondering if they should even do one this year and if not, that money would be put back in the overall budget. She said she needed to discuss with Steve about not doing one this year and in the future maybe doing one only every other year. Tom asked if it was statutory for the town to offer one. Sue said it is not and residents can always take their Hazardous Waste to Clean Harbors if they want. Tom said this may be a good place to save money since not many residents are using the service. Jean Gallant said a patron recently asked her about it in the library. Sue said she had spoken to that person about the gas issue and if it is a gallon or less the Highway can take it but otherwise, they would have to reach out to Clean Harbors.

Steve asked what the committee wanted to go through on his budget since it was mostly level funded. Tom asked Steve what kind of questions he anticipated at Town Meeting because that is what the committee wants to make sure they have answers to. Steve said he went up on the Traffic Light maintenance account and tree removal accounts and then also Road Maintenance. He said the traffic lights increase is due to maintenance on the current traffic lights. He said the recent windstorm have caused some serious damage, but they have to hire someone to come work on them because they can’t be fixed by us. He said the same problem of windstorms is the issue with the Tree removal line. He said there have been a lot more windstorms. They had to have one tree removed in an emergency situation this year that they couldn’t handle, and it cost the town $3,000 to remove one tree. He said that would just about wipe out the budget. He said the Road Maintenance was increasing because they have been trying to fund an increase every year. He said it is one of the things he made as a campaign promise that he would try to improve the roads. He said currently it cost $382,000 to just repair one mile of road, he recently got an estimate. He said he is trying to use Chapter 90 money to redo sections of the really bad roads because repaving is a lot more expensive than repairing. Tom asked how much Chapter 90 money we get each year. Sandy said it is about $265,000 for about the last three years. Cheryll asked about he Biden infrastructure bills and what Governor Baker had been speaking about. Sandy said ARPA money specifically said it was not for roads, only other infrastructure like water. Cheryll said she understood that but she was wondering about what Governor Baker had spoken about with the infrastructure bill. Steve said his understanding was that money would stay at the State level to repair State Roads. Tom asked if 58 and 106 were state roads. Steve said they are State numbered roads, but not roads owned by the State. He said they basically only replace them signs for them. Steve talked about the capital articles he had submitted. He said he asked for a new midsize dump truck. He got a quote 3 months ago and it was for $80,000 for the truck plus another $65,000 for the dump body. The same truck is now $120,-$130,000 for the truck and another $70,000 for the body. He said that was even using the State bid list. He thought buying a medium truck would save money at least. It will replace the 1995 dump truck that they have been babying for a few years. The second request is for $75,000 for the new wash bay at the barn. The current one stopped working in 2003 only 3 years after being installed. Steve said with the new Stormwater rules, there is no way they can use a pump out trapped water into the ground. He said he looked at the cost to fix the current one, but it costs almost as much as just buying a new one. He does think that the Town can save some money though because he is going to try and demolish the existing one himself. He said it also requires a roof over the new wash bay so that rainwater can’t get into it. Scott Materna will help build that. He said it is about $62,000 for the wash bay and another $12,000 for the roof over it. Tom asked what the working life of the wash ay is. Steve said about 15-20 years but the existing one was broken before he took office, so he doesn’t know why no one ever tried to fix it. Steve said the waste oil tank is another article. The current one is single walled, and they need double walled ones to be up to code. He said that they can put another wall around the outside of one existing part and then the new part will be double walled. He said it is a safer and more compliant system then what they currently have. He got a bid, but then found out that he could add an oil recovery system, so he is trying to get that price. He said really big trucks can’t go up on the lift and so the way they have to get the oil removed, is through an open-air system. This does not meet State requirements for safety. The new system would allow them to recover and move the oil through a funnel system that would not expose it to the open ari. It would cost about $2600 more but be well worth it. Tom said it makes sense to order all of it at once. Steve said he level funded everything in the Cemetery budget so there was no discussion there.

Cesar said the budget attached was his final revision. Cesar ran through the budget and discussed that some increases were contractual for services. He said the only new line was for the $1500 for Printer/Copiers for the Highway and Library. He said in his opinion he wants those machines to be leased and not purchased outright and so that line is in his operating budget. He noted that the Committee and town accountant had previously stated they did not think a lease was a favorable idea. He said if we buy them outright, we would probably have to replace them in three to four years whereas if we lease them at the end of three years we automatically would get new machines. He said this machine is not the most popular on the State bid list for Ricoh. Cesar said the overall operational increase was for $3877. Tom said that given there was an individual increase of over $4,000 the $3877 didn’t seem to add up and the numbers didn’t make sense. It seemed the overall increase should be much higher. Cesar said he had only shown the increases in the “difference” column and not the decreases because he felt it might confuse the committee. Tom said he should have showed the plusses and minuses, and this was more confusing. He said it would be better if Cesar could present a budget in the same format that everyone else presents it to the committee. Sandy suggested the committee look at the budget sheet that is normally used by departments (see attached). Sandy questioned on that sheet why the maintenance line went from $37,500 to $1,000. Cesar said that line had previously been used to reflect the cost of the Softright software program. He said the former Town Admin had always put it under there but he thought it made more sense to put it in the Licensing and software line. He said the $1,000 is for actual server maintenance or calling in outside help when he needs it. Michael said he was concerned that the $1,000 is too low. Cesar said everything in his budget is too low. Cesar said he uses the $1,000 as a second set of eyes on a problem he doesn’t understand. However, the cost to bring someone in is $160 per hour so he tries not to do it much. Michael asked what is the average number of hours per year that Cesar calls someone in for help. Cesar said he couldn’t really provide that answer. He said sometimes he has departments pay that bill out of their expense lines and he really didn’t know how often he called for help but he tries to avoid it at all costs. Tom said the overall budget increase was about 2.7%. Cesar reiterated that he believed the printers/copiers should be leased but if you don’t lease them, then that would take down his operating budget line. Tom said leasing the printer/copers may be a problem. Sandy asked some questions about leasing the machines. Sandy said we can not commit to a 3 year lease with a company but only pay for one year at a time because town meeting might not vote it through the next year. Sandy said the Town of Halifax has never done leases because of this issue. Sandy said if the total for the machines was about $2,000 per machine it would be about $500 a year if the expected life of the machine was 4 years. She couldn’t see the advantage to leasing over buying it outright when we have the money in the capital. Sandy said Cesar should come see her during the week and she could offer him better advice if she saw the contract terms. Cesar asked if the commitment is the problem, can we request it all up front in an article and then just pay it out over the years. Tom asked what the warranty on the new machines would be. Cesar said he wasn’t sure there was a warranty on them if we buy them outright. Tom said we shouldn’t be purchasing machines that don’t even come with a warranty. Michael said even if you go to Best Buy and buy one, they have a warranty, it doesn’t seem likely these ones wouldn’t have a warranty. Cesar said in his professional opinion doing a lease is a better idea. Tom said it is a question of lease vs buy and what the advantages are and Fin Com needs to know if there is a warranty on the printer/copiers. Sandy said even if they are leased the whole thing should be under capital and just paid for in this year. Cesar said because these are smaller machines then the ones used in Town Hall as copiers, he doesn’t think they have a warranty. Sand ys aid the money is in the capital budget to buy them outright but it must have a warranty on it because that is standard.

Cesar said the Network Refresh Upgrades for Police and Fire are not needed under capital now because the Board of Selectmen approved the use of $25,000 from ARPA money to pay for it. Sandy said she was not aware of that. Cesar said that was his understanding. He said the Library and Water departments would get the upgrade but not as much is involved. He said the water department would only be about $2500 of it because he is just replacing some parts and updating it to get it ot the pump houses. Sandy clarified if the rest of the money ($9900) would then be for the library and Cesar said he thought so. Sandy said then $9900 would come from Free Cash and $2500 from Water Retained Earnings, she just wanted to make sure she had it right. Tom asked Cesar if he figured the access points for the Water or if he hired someone to come in and do it. Cesar said it was basically just swapping out existing ones. Jean said she appreciated Sandy’s knowledge about leasing but the cost of ink is killing her at the library and she thought the leases included the ink. Tom said if the ink is included in the lease, it could make a difference. Cesar said the cost of the ink is not in the lease, it is in the maintenance contract and whether you lease or buy, you get the maintenance contract. Sandy asked Cesar to come to her office and go through the article and talk it all through with her and then maybe they could get better information for the Fin Com. She asked him to come some time this week.

Cesar said there are three options for security cameras. Option 1 is all 56 cameras for $77,000. Tom asked if the Police Chief had requested outside cameras because he thought he wanted inside cameras. Cesar said he had asked for inside cameras for the cells. Sandy agreed the Chief was only looking for inside cameras. Option 2 was 30 cameras and did not include outside cameras for the Police and it was $51,500. Todd asked what are the installation costs on the cameras. Cesar said he didn’t that but the $15,000 line was specific to the installation of only new cameras and did not include replacements. Todd asked if there was a bidding process for this work. Cesar said he had no bids for this. He said he just talked to the company that could make the existing cameras work with the new cameras. He said if he bids he has to ask for a price for all including the new ones. Tom said it is more transparent process if you ask for bids and that is important. Tom sand Sandy said all Cesar would need to do is put together and RFP and include in it that the work must be compatible with the existing system. Tom said he was hung up on what the $15,000 actually covered. He said based on ATM last year Fin Com could expect to get questions on if there was a bidding process around that $15,000. He understands the camera adds but labor costs are negotiable. Cesar said only about $5,000 of the $15,000 is for labor. Sand said maybe not og out to bid bu at least Cesar needs to show the full breakdown of that money. Cesar said he is doing the best he can, that he is only one person, and he can only try to do things.

Tom said it looked as if there were new Silver Lake budget figures but questioned if there were any from Halifax Elementary (HES). Sandy said not that she is aware of and she doesn’t know of any changes being made at this point. Sandy said the HES on the One Drive is the updated and is down about $44,000 from the original request. She said she will make sure she puts the new budget in the One Drive if she hasn’t already, but the numbers are updated on her sheet.

Sandy said she updated all the wage lines for Wage and Personnel to reflect the retroactive 1% increase and she also updated local receipts. She is increasing the local Receipts overall by $250,000. She said if we do that alnd lower the Police wages by the lieutenant amount and drop $30,000 from the health insurance (estimated as we get closer to ATM) than that would put the Town $44,000 in the black. Sandy went over where she had increased the local revenue. She went up $150,000 on the excise amount and said that figure it supported given historic data. She said one of the local unions had pointed out through an audit that Halifax historically underestimates its local receipts. She said she is going up $20,000 on the meals tax because we are doing much better since Covid. She is going up $50,000 on he ambulance revenue. She has been estimating it the Medicaid Reimbursement and put that up to $30,000. Sandy said she has been keeping a 17 years spreadsheet on local receipts and the history is there to support these numbers.

Sandy reviewed the wage lines. Cheryll asked how many people work under Selectmen Clerical. Sandy said the number was reflective of the pay of two employees.

**Tom entertained a motion to recommend the Wage Increase (1% retro for FY22) only**

Motion: Michael

Second: Cheryll

**AIF**

Tom said the items left to be voted would be those with increases or those with contracts. Tom said Fin Com could vote recommendations on the contractual ones. Tom asked if the Town Administrator line could be changed if one was hired. Sandy said it could be done in a special town meeting.

**Tom entertained a motion to recommend the lines for the Police Chief, Fire Chief, and Town Administrator wages**

Motion: Cheryll

Second: Michael

**AIF**

Tom said they would skip IT expense for now as they waited for more information from Cesar.

**Tom entertained a motion to recommend the following lines as printed:**

|  |  |  |  |
| --- | --- | --- | --- |
| Assessor Expense | Michael | Cheryll | **AIF** |
| Banking/Payroll expense | Mchael | Cheryll | **AIF** |
| Elections/Regsitration | Cheryll | Michael | **AIF** |
| Town Building Wages  | Michael | Cheryll | **AIF** |
| Police wages lineLowered to $1,240765 to remove lieutenant | Cheryll | Michael | **AIF** |
| Fire Wages | Michael | Cheryll | **AIF** |
| Fire Training | Cheryll | Michael | **AIF** |
| Fire Medical Supplies | Michael | Cheryll | **AIF** |
| Building Inspector Wages | HOLD FOR BOS DISCUSS |  |  |
| Animal control Salary | HOLD for Sandy to check |  |  |
| Animal Expense Line | Michael | Cheryll | **AIF** |
| Dispatch Services | Michael | Cheryll | **AIF** |
| Schools  | HOLD to Meet 4/4/22 |  |  |
| Highway Wages | Michael | Jon | **AIF** |
| Traffic Lights | Michael | Cheryll | **AIF** |
| Tree Maintenance | Michael | Cheryll | **AIF** |
| Cemetery Wages | Michael | Cheryll | **AIF** |
| Water Wages | Michael | Cheryll | **AIF** |
| Water Supply | Michael | Cheryll | **AIF** |
| Water Gas and Oil | Michael | Cheryll | **AIF** |
| Recycling Wages | HOLD for Sandy to check |  |  |
| Recycling Expense | Michael | Cheryll | **AIF** |
| Hazardous Waster | HOLD for Steve and Sue |  |  |
| Trash Collection\*\*\*\*\*\* | HOLD for RFP |  |  |

**\*\*\*\*\*\*\* Tom asked if the blue bags were an offsetting item. Sandy said yes they are but that if there is not a new contract, Sue has said the price will increase dramatically. Linda said Sue told her it would be over a dollar more. Sandy said the Recycling retained earnings is not healthy enough to handle that kind of increase**

**Tom entertained a motion to adjourn at 8:00pm**

Motion: Michael Bennett

Second: Cheryll

**AIF**

**Respectfully submitted,**

Linda Cole, Secretary \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Michael Bennett, Clerk