

TOWN OF WENHAM

Joint Meeting of the Board of Selectmen & Finance & Advisory Committee
Meeting Minutes of August 2, 2016
Town Hall, 138 Main Street

Pursuant to the Open Meeting Law, M.G.L. Chapter 30 A, §§ 18-25, written notice posted by the Town Clerk delivered to all Committee members, a joint meeting of the Board of Selectmen (BOS) and Finance & Advisory Committee (FinCom) was held on Tuesday August 2, 2016 at 7 PM in the Selectmen Chambers.

Public Information:

Recorded with permission by HWCAM

Budget Recap Memo

Draft Warrant Articles (Budget)

1) Call Meeting to Order

With a quorum present, Chairman Clemenzi called the Board of Selectmen meeting in conjunction with the Finance Committee to order 7:04 PM.

Selectmen present John Clemenzi, Chair; Jack Wilhelm, Vice Chair; Catherine Harrison, Clerk

With a quorum present, Chairman Lucy, called the Finance Committee meeting in conjunction with the Board of Selectmen to order at 7:04 PM.

Committee Members present: Michael Lucy, Chair; Ned Flynn; Rick Quinn; Michael Therrien

Not Present: Alex Begin

Also present: Angel Wills, Finance Director; Peter Lombardi, Town Administrator; Catherine Tinsley, Recording Secretary

2) Shared Services Update / FinCom Working Groups

Mr. Lucy reviewed that a list of potential shared/joint services was drafted over the past few months. The FinCom filtered this list and determined there were seven areas worth consideration of shared/regional services that may have opportunities for savings.

These services were divided into three groups. Two Working Groups will actively consider the top three while the remaining four will be put on hold.

Each of the working groups included the Town Administrator, a FinCom member and the appropriate Department Head.

The Working Groups will provide a preliminary outline of approach by October 1 and the preliminary findings/recommendations for further study by December 1.

Working Group 1 : R. Quinn, N. Flynn, P. Lombardi, Chief Blanchard

Fire Department – evaluate regional merger options; evaluate Wenham Fire Department-based Basic Life Support ambulance service

Working Group 2: M. Lucy, A. Begin, P. Lombardi, J. Reynolds, J. Bresnahan

Evaluate COA Van; Inspectional Services (Building Permits, Electrical, Plumbing, etc.)

Others possible shared services on hold being monitored: Information Technology, Health Insurance, Water, and Emergency Dispatch

Mr. Lucy defined the “Terms of Reference” meaning to review and assess opportunities for cost savings efficiencies and / or services quality improvements that may be secured through regional approaches to certain functions currently performed on a Wenham only basis.

Ms. Harrison suggested these be listed in order of priority.

Fire Department

Fire Chief Blanchard spoke on proposed share services of the fire department

Chief Blanchard observed that the most recent study of a merged fire department was done as recently as three years ago, primarily looking at joint services between Hamilton & Wenham. All the studies done over the years have shown that a merger will not save time or money.

Chief Blanchard recommended the first step is to determine if any other towns are interested in a regional service. He went on to caution that regionalizing brings up many concerns, the most important is the location of the nearest fire station and the response time, and second, would the quality of care be maintained as it is now.

It was the Chief's initial recommendation that the Town continues to focus on improving the department in the Town of Wenham and not on shared services.

Mr. Wilhelm, noting that fire apparatus is very expensive, questioned if there is any merit in sharing equipment. Chief Blanchard responded that this was considered in the last study and was determined not to be practical and potentially more expensive. This also brings up many concerns and questions such as who mans the equipment when responding to calls, what if the apparatus needed at the same time (national protocol is for two apparatus to respond), etc.

Ms. Harrison opined that due to all the many previous studies, regionalizing is not her top priority but instead to focus on looking at providing an ambulance service.

Mr. Flynn suggested that regionalization makes sense only if the Town of Wenham goes to a full time department but that the Town has a model that currently works and agreed this be looked at if things change.

Mr. Quinn observed that a call department is the real problem as fewer people are available in Town to respond during the day and encouraged the Town to start addressing this issue.

Mr. Lucy suggested the ambulance service take priority over a shared department but that regionalization should still be considered and revisited in the future.

It was noted that both Hamilton and Wenham Fire Chief's retire in the next two years and that this may be the time to look into a shared chief.

It was the consensus of the meeting to put the consideration of a regionalized Fire Department on hold and monitor the situation.

Chief Blanchard went on to talk about a potential ambulance service. He clarified that the relationship with Lyons Ambulance is wonderful and this conversation is limited to only provide savings to the Town of Wenham.

Chief Blanchard observed that the Fire Department is a licensed ambulance service without an ambulance and has been providing medical aid for the past 35 years.

The cost of an ambulance:

- New purchase - \$61,000
- Lease is \$20,000 annually
- Purchase refurbished (used) \$30,000. This is the recommended approach.

The Chief was asked to provide the Working Committee with an analysis of the average number of medical calls Wenham responds to, complete a business plan, and provide revenue estimate.

Mr. Flynn observed that since the Fire Department responds to all medical calls and is first on the scene, the only thing left to do is to provide ambulance transportation.

Chief Blanchard noted that an ambulance service would still be needed for paramedic needed calls.

Mr. Lombardi stated he has had extensive conversations with the Chief regarding the implementation of an ambulance service and said that the revenue may not be as good as it looks on paper but since the fire department responds to all medical calls, an onsite ambulance service is worth evaluating.

A lengthy discussion followed. The Chair reiterated the details would be determined by the Working Groups.

Working Group 1 will evaluate an ambulance service.

Council On Aging (COA) Van

Jim Reynolds, COA Director was present and spoke on the COA transportation program.

On average, the COA provides 1200 rides annually at an average cost of \$14 per ride or \$36,000 annually. Compared to contracted services, Mr. Reynolds confirmed that this is a more cost effective program and provides a better, more optimal, service with the best care. Mr. Reynolds offered to be part of a study to research other options.

It was clarified that the concept of a shared service is to share all costs associated with the van, driver, and dispatch. Qualitative issues arise with shared services such as the number of trips and the flexibility, and Mr. Reynolds opined that the relationship between the driver and the seniors is part of the outreach and is best with just Wenham residents. Mr. Reynolds stated that he does not see any real savings with a joint/ regional van service.

Inspectional Services

Mr. Lombardi reviewed that there is an informal shared service arrangement with Hamilton for the permitting department's inspectional services. The inspectors work on a part-time basis and make themselves available for both towns.

Jacki Bresnahan, Permitting Coordinator, provided a Needs Assessment for discussion rather than try to answer those questions the working group would focus on.

Ms. Bresnahan stated that the permitting fees are in the process of being revised to better reflect the actual costs of the department for providing inspectional services such as staffing, record keeping, technology, classes, inspections etc. The new fee scheduled must be approved by the BOS before it goes in effect.

Ms. Bresnahan noted there is not enough work in Wenham for full time inspectors; the current inspectors all have their own full time jobs and work a couple days a week as needed. She went on to say that regional inspectional services could create a full time position and would attract inspectors who would not have to balance their own business with inspectional work. Mr. Flynn questioned how shared services would save money if it doesn't matter what the inspectors are doing when they are not in Wenham.

The Working Group will look carefully at this information.

Emergency Dispatch

Ms. Harrison suggested the Emergency Regional Dispatching warrants a closer look by A Working Group.

Mr. Lombardi suggested this be held until after the Regional Dispatch Director updates the BOS in September/October.

Mr. Wilhelm observed an update to the Board was to have been presented in the spring.

3) FY 2018 Town Budget: Framework / Process & Overview

Ms. Wills referenced a PowerPoint presentation.

Wenham Budget Forecast – Preparing for FY18

Certain assumptions were used to set the stage of how challenging the FY 18 budget is going to be.

The presentation began with an overview of the FY17 budget. The tax rate increased from \$16.98 to \$18.12

FY18 Budget Projection: Expense Assumptions

Level funding of all town expenses – this was further discussed to not include any required increases e.g. salaries, pension, health care

Refuse increased by \$85,000

Funding to OPEB increased \$10,000

HWRHS enrollment shift of 1.2% or \$297,000 and an estimated 2.5% net operating increase of \$246,000

Other assumed Town Expenses Increases

COLA (2%/4% library), pension (7%), health insurance (7%), Capital Needs (\$240,000)

FY18 Budget Projection: Expense Assumptions

Town expenses 4.96 % increase \$414,000

School assessment increase 6.29 % \$563 k

FY18 Budget Forecast: Revenue Assumptions

Level state aid

Increase in new growth \$20,000

Continued use of Free Cash \$750,000 - It was noted that even with the use of Free Cash, there is a \$472,000 budget deficit and usually Free Cash is used to level the tax rate, FY 18 proposes to us it to balance the budget.

There was a lengthy discussion if this budget forecast is a level funding or a level services approach and what the process would like. It was noted that the budget is predominately costs associated with personnel.

FY18 Budget Forecast Implications

Annual estimated revenue - \$17,067,011

Projected Appropriations \$18,289,201

Projected budget deficit (\$472,000)

Use of one time funds \$750,000; the result is a structural deficit of \$1.2 million.

Budget Implications: FY18 & Beyond

Continued reliance on one time revenues to subsidize operating budget

Mr. Wilhelm noted one option to an override is to use the stabilization fund to balance budget; this can only be done by the vote of Town Meeting.

Budget Building Process

Start budget process first week in August to have a clear understanding of Town expenses

Draft guidelines for level service budgeting

Start with level service budget and prepare a level funded budget in the event an override fails

Make cuts, carefully review increases, without carving into staff and services

Understanding how much over the levy limit a level service budget will put the town

Prioritize budget cuts

4) Adjournment - The BOS and Finance Committee unanimously adjourned at 9:12 pm

Respectfully Submitted By

Catherine Tinsley

8.13.16