



## **Town of Wilmington**

Finance Committee

121 Glen Road Wilmington, 01887

### **Meeting Minutes**

**Tuesday, November 20, 2018**

Finance Committee Chairman, John F. Doherty III, called the meeting to order at 7:00 pm in Room 9 of Town Hall. Members present were Theresa M. Manganelli, Marianne Gallezzo, Bernard P. Nally, Kevin Stokes, and Secretary, Hira Shah. Michele Kincaid, Leigh Martinson, and Neal Couture were absent.

### **TOWN/SCHOOL DEPARTMENT: IT OPERATIONS AND STRATEGY**

PRESENT IN INTEREST: Jeffrey M. Hull, Town Manager; Michael Morris, Town Accountant; John O'Neil, Town of Wilmington IT Director; Dr. Glenn Brand, Superintendent of Schools; Paul Ruggiero, Assistant Superintendent of Schools; Nate Atwater, Network Administrator School Department.

Documents: Information Technology Department Review & Consolidation Discussion

Mr. Hull stated that at the August meeting there were a number of questions regarding the IT operations for both the School Department and the Town. The committee had an interest in the possibility of combining the two departments. He gave a brief history of the Town's IT Department. He had asked John O'Neil and Paul Ruggiero to create a presentation on this topic. The purpose of this presentation was to review the two departments as they stand today, consider the structure, and review current IT trends in the neighboring communities.

Mr. O'Neil began the presentation with a current general overview of the two departments. The Town's IT personnel includes a Director, Assistant Administrator and a Desktop Support Technician. The School Department's personnel includes a Director (which is currently vacant), a Network Administrator, a Systems Administrator, a Data Specialist and two Desktop Support Technicians. He showed the three year support ticketing reports for both the School Department and the Town. The FY18 data for the school department was inaccurate due to personnel turnover; not all of the support requests were entered into the system. The budget and salaries for the FY19 budget were included. The Capital improvement plans for both departments were compared. The School Department's plans are significantly larger. This is due to the various specific needs of the schools such as projectors and computer labs.

The current inventory and resources were reviewed. When the town switched over to fiber optic they had the foresight to include the school system. This would allow them to share resources in the future if they decided to. Mr. Hull stated that this decision was due to a collaborative effort with the School Department at the time. The hardware inventory of both departments were compared. There were similar hardware manufacturers. Both departments predominantly use Dell Computers for their desktops and laptops. There can be economic purchasing benefits going forward. The software solutions were very different. There will be an obstacle when requesting pricing and quotes because the schools get educational discounts.

There are several town long term plans and strategies. The town has been standardizing the servers, desktops, and laptops with Dell products. For printers they use primarily HP products. For larger multifunction printers they have used Kyocera but they have

started to purchase Ricoh printers. The Town has been virtualizing the servers. One still needs to be virtualized in the Public Safety Building and that will be done in the next few months. Where they can, they have utilized cloud solutions. There is a need to reduce hardcopy paper storage. Documents that don't have to be retained in hard copy can be digitized. There is a redundancy of storage areas, disaster recovery on site back up servers, and offsite backup locations. Security and installation of patching for firmware and software are also redundant. This will need to be addressed. There will be an installation of a new phone system for the Town Hall, Public Safety Building and the Library. They are moving the library's internal resources to the town's infrastructure. The building and health department will need to have an e-permitting system. The MUNIS project will be completed in the next couple years. He would like to find a file structure on the network shares. He has two policy drafts regarding this with Town Council right now. Cyber security training for all municipal employees will be implemented as well.

Mr. Ruggiero presented the School Department's long term plans and strategies. They will continue to grow and expand the robotics program. They just received a \$100,000.00 grant to expand this. They continue to expand on the one to one Chrome Book program. In FY20 grades six through twelve will have chrome books. They plan on updating the network infrastructure, servers, operating systems, disaster recovery sites, backup/archive, and replace the analog intercom systems with new digital unified communication systems. The communities that have MUNIS have table scanning options. This creates the ability to scan invoices, purchase orders and requisitions. This would help to reduce paper and file storage. They will consolidate printers, reduce redundancy, and work on their capital projects when possible.

Mr. O'Neil stated that he and Mr. Ruggiero reached out to communities that have consolidated their IT departments. Lynnfield has had a consolidated IT Department for 5 years and it has not been smooth. John Doherty asked why it did not go well. Paul responded that it was unclear whether the IT Director reported to the School or the Town. Salem also stated that it did not go well. This CIO reported to the Mayor and not the School Department. This caused a conflict. Danvers is just going through the process of consolidating the two departments. There were communities where it is working well. The town of Arlington has had a good experience. They have a Director and an Assistant Director to oversee the staff. They had support technicians that are specific to task. Andover has gone very well. It has a CIO and he replaced the head of three IT departments. There is a platform team, a customer service team, and applications team. The applications team gives support to the four critical functions of an IT department. They maintain and administer all enterprise systems, data management, project management and implement domain specific applications. Mr. Doherty asked for budget numbers for that department. Mr. O'Neil will provide that for him.

There are three communities that have had consolidation studies completed while utilizing grants. The communities were Acushnet, Carver, and Easthampton. Mr. O'Neil recommended looking at grants to create a study for Wilmington.

There are several pros and cons in consolidating. Purchasing, shared knowledge, optimize resources, risk mitigation and shared infrastructure are all beneficial. The cons for this were lost control of budget areas, increased staffing, longer response time, and prioritizing the many needs for multiple departments.

If a consolidation were to occur, a number of things would need to be implemented. A method of understanding would need to be established, we would need a centralized budget,

proper personnel, specifically defined responsibilities, and a transparent chain of command. There are several opportunities for savings. Hardware purchasing would be beneficial. Software will be difficult. Systems (data rooms) could be consolidated down to two data rooms and have one vendor.

There are alternate paths of savings outside of consolidating. Better communication between the School Department, Public Safety, the Town and the Library in the form of a Technology steering committee. They could also benefit from shared vendors, aligning standards/strategies, and centralized purchasing.

The committee had a brief discussion regarding grants and immediate cost effective policies. Marianne Gallezzo asked about the IT Grant. Mr. O'Neil stated that there are grants available. Unfortunately the town just received a grant for financial policies. We would have to wait a year to apply. Theresa Manganelli asked why the increased staffing would be necessary. She asked if we could do this in a more efficient way. When interest was expressed, she was more concerned with eliminating the lack of communication and redundancy's. Her original intent involved streamlining the process and having a strong figure head. Kevin Stokes mentioned that he is more concerned with infrastructure, resources, purchasing, and shared services.

Mr. Doherty asked what would be needed to create a steering committee. Mr. Hull responded that it should consist of representatives from the town, schools, emergency services, and the Library. There was a brief conversation regarding the initial intent or purpose of this committee. They would communicate whatever purchases, projects or challenges they each had. This would help to anticipate or see where there are opportunities for efficient practices. Theresa Manganelli asked if the steering committee would be in lieu of a consolidation. Mr. O'Neil replied it could be used for both. Mr. Hull thought this was a good first step towards this goal.

Mr. Hull stated that he would have a conversation with Dr. Brand, Paul Ruggiero and John O'Neil. They would meet to work on the upcoming budgets and the steering committee. Ed Loud, Town of Wilmington Selectman, would like the Steering Committee to be given direction to keep moving forward. John Doherty and Ed Loud asked to be updated on who is selected and the progress of this committee. Mr. Doherty requested that we look into a grant in a year.

#### FIRE DEPARTMENT: REPLACEMENT OF FIRE SQUAD ONE

PRESENT IN INTEREST: Jeffrey M. Hull, Town Manager; Michael Morris, Town Accountant; Joseph McMahon, Fire Chief; William Cavanaugh, Deputy Chief.

Mr. Hull stated that there was an inspection of the squad pumper back in September by the manufacturer. The vehicle was taken off the road due to a rusted frame. This vehicle is currently on a list for replacement in our capital improvement plan for FY20. It was known that the vehicle needed replacement but they were hoping to get another year of use out of it. In the interim, through the Deputy Chief Cavanaugh efforts, they have been able to utilize a vehicle from North Reading at no cost. They are pursuing different options towards replacing this.

One of the options was to purchase a pumper off of the state list. There is an office in the state government that goes through competitive procurement of equipment for state vehicles and municipalities. The vehicles that are up for bid are all over \$600,000. The town would also put vehicles up to bid that are no longer of use to the town to offset the price of this

cost. This would reduce the net price to under \$600,000 which is what the finance committee has in its reserve. They wanted to look at this option because it takes several months to get an engine to be constructed and this program provides a free loaner engine during this time. After consulting with the town's attorney regarding the procurement law Chapter 34B, it is clear that this would be a violation. The vehicles could be sold by putting them out to bid on the state separately and this amount would go back in the town's capital stabilization account. We would not be able to apply it towards the purchase of the new engine. John Doherty stated that in the past when we went to the Annual Town Meeting to request funds to purchase a vehicle it included a trade in. Mr. Hull explained that it is allowed because when the manufacturers prepared the bid spec, it included the trade in amount. In the state bidding process it is two transactions. There was a brief discussion of the bidding process.

The committee reviewed the costs and challenges of this purchase. Marianne Gallezzo asked if we have received any trade in values from the manufacturers. Deputy Chief Cavanaugh stated that the three manufacturers have given us trade in numbers that range from \$78,000.00 to \$82,000.00. Chief McMahon stated that there are manufacturers that he does not want to purchase from. They have not responded when there have been issues with the vehicles. This has cost the town time and money. Ed Loud, Town of Wilmington Selectman, suggested that you write the spec in a way that will exclude that manufacturer that you wish to avoid. Chief McMahon stated that he needs a bare bones truck and this makes it difficult to keep other manufacturers from matching it. John Doherty asked what the price of the truck is. \$662,018.00 dollars is the cost of the vehicle. There is an option of an added discount to make advance installment payments. Mr. Hull stated that he does not like to make advance payments due to the risk to the town. He referenced the Town of Maynard. They made advance payments to acquire a discount, the company went bankrupt and they were out of the money.

Chief McMahon asked the committee if we could put the purchase of the vehicle out to bid and include the trade in amount. They responded that it sounded like the most expedited solution. Jeff Hull stated that one of the options would be a request for a proposal. You would not have to take the lowest bid. You can make a decision on the product as a whole. You would base your decision on the qualitative package not on the cheapest price. He would like to confirm if he could use this through Town Council. John Doherty asked if this purchase would be bonded. He replied that if this were to go to the Annual Town Meeting he would use free cash as opposed to borrowing.

There is an immediate need to keep a vehicle in the fleet. Chief McMahon stated that he only has two front line engines right now and this presents several problems. He had a tree branch go through the windshield of one and this left the town with only one engine. He also cannot participate in mutual aid with only two trucks. Routine maintenance and repairs present another problem.

Mr. Hull reviewed the different options towards replacing this vehicle. You could put out an invitation to bid or to put in a request for a proposal. Another option, which is the least palatable, is to lease or rent a vehicle. This is a more expensive option and you would not own the vehicle. Marianne Gallezzo stated that the only option would be to lease. Jeff Hull replied that the options would be to look at a lease or to expedite our own bid and include the trade in vehicles. It's clear that they can't purchase off of the state bid list because we don't have the money available to us. It would take a year to build the truck. Mr. Hull stated that the approach would be to issue an RFP and include in the spec that we request a loaner. Deputy Cavanaugh stated that at least \$50,000.00 would be needed to get it functioning after the

initial purchase. The bid time line would end around the first week in January. Deputy Chief Cavanaugh stated that he was informed that there is going to be an increase in price and these numbers are subject to change. Marianne Gallezzo suggested that as we go through this process, we should also look at leases and rentals. Deputy Chief Cavanaugh said the price of a rental is around \$7500.00 a month. It does not come fully equipped. He explained that the town has some equipment to make it functional. Ed Loud asked if we could set a minimum trade in amount in the RFP. This would ensure that we get the additional funds to fit the truck. Mr. Hull confirmed that we will be able to set a minimum amount. He cautioned that the price of the vehicle could be adjusted to offset the price of the trade in value. Mr. Doherty asked Mr. Hull to get the request to bid out and to update him on this.

#### FIRE DEPARTMENT: BUDGET AND STAFFING

PRESENT IN INTEREST: Jeffrey M. Hull, Town Manager; Michael Morris, Town Accountant; Joseph McMahon, Fire Chief; William Cavanaugh, Deputy Chief.

At the last meeting there was a discussion regarding the Fire Department's staffing and budgeted overtime. Mr. Hull updated the committee on the progress made since that time. Chief McMahon stated the 4 new hires have started at the academy, which will replace employee's that have retired. There are 5 employees out on extended sick leave. When one returns to duty, another goes out on extended sick leave. That has been consistent. Mr. Doherty asked if they would be adding additional members to the staff. Mr. Hull replied that he is looking at increasing the staff by 4. Chief McMahon stated that this would not change overtime amount budgeted for FY 2019. The process of going through the civil service process and sending them to the academy takes time. The chief stated that the continued discussion of the substation in North Wilmington has been constant. Increasing the new hires to eight would help to man this station. Mr. Hull stated that in the past, we would add an additional employee each year for a number of years. He feels this is too large of an increase in the budget in one year. He briefly reviewed the additional costs involved in an increase of eight people. Ms. Manganelli does not feel that four new hires would address the problem of the overtime. She does not want to make a decision that does not address the overtime charges.

They asked about available grants. Deputy Chief replied that he can apply for a FEMA Safety grant in January and it would fund salaries and benefits for new employees for 3 years. He is working with a deputy that has successfully written 3 of the grants in the past. There is no guarantee that they will get it.

Mr. Hull stated that there are really two issues that we are dealing with right now. One is span of control. There is one Lieutenant and they oversee 8 firefighters. It should be 1 to 5 in terms of supervisory oversight. The other is the overtime issue. This increase in staff would require that the town address the span of control. In order to address it we talked about adding captains. The challenge is that the overtime issue will not be resolved by adding the captains. If a Captain is out, they would need to be replaced.

There was a discussion regarding the span of control in neighboring communities. The span of control in Woburn is 1 to 2 because of multiple stations. Burlington has a Captain and a Lieutenant at their central station and the substations have a Lieutenant and 2 Firefighters. Wilmington and North Reading are the only communities with just one station. North Reading has a Captain and 4 Firefighters.

#### REVIEW OF THE REVOLVING ACCOUNTS

PRESENT IN INTEREST: Jeffrey M. Hull, Town Manager; Michael Morris, Town Accountant; Dr. Glenn Brand, Superintendent of Schools; Paul Ruggiero, Assistant Superintendent of Schools.

Documents: Town of Wilmington Special Revenue-Revolving funds in Excess of \$100,000.00  
Fiscal Year 2014-Fiscal Year 2018.

Mike Morris, Town Accountant stated the he was requested to bring a list of revolving funds in excess of \$100,000.00. This document is attached to the minutes. The first account was the Reading Resource Housing Rehabilitation account. This fund is being used to fund the housing coordinator. This coordinator tracks our affordable units. We pay 20 or 25 thousand a year for this service. The next fund is the Recreation Revolving fund. Mr. Morris cautioned on this amount because they haven't paid for the pickle ball court and there will be additional costs coming up in June. Mr. Doherty asked Mr. Hull if he has any plans for this. He stated that he has not met with the director on this yet. He knows of the ice skating rink that will be built. The amount will be significantly lower.

The next three accounts are all School Department related. Mr. Ruggiero described the Extended Daycare Program. They have the school vacation program and the summer program. They have an enrollment increase in the morning program of 51%. The evening enrollment has increased by 20%. The summer program increased by 54%. They have increased tuition in FY 2004 and FY 2015. In 2014 they looked at 14 community's tuition\hourly rate comparison. The average hourly rate in the morning was at \$5.11 and the average hourly rate in the evening was \$5.63. The high was 7 dollars in the morning. The low was 3 dollars in the morning and 3.75 in the evening. We were at \$3.25 per hour in the morning and \$3.75 per hour in the evening. The rate right now is around \$3.50 to \$4.00. The Town of Burlington pays a much higher rate and we lost staff to them. The pay rate was not competitive. They increased the pay rate in January of 2018. They increased professional development. They plan to add additional enrichment programs. Mr. Doherty asked what Mr. Ruggiero would do to bring down this balance. Additional staff will be added. They are looking to add additional staff to help with the children with special needs. A plan to bring additional services at the Middle school program is being coordinated. Different after school programs for the older children. They pay electricity and the town custodians from these funds. This account also pays for the IT Technician support. There was a discussion regarding when tuition is due and how it affects his ability to lower the account balance this year. He does not expect it to be all the way down. He expects to get it down to 4 or 5 months of operating expenses in fiscal year 2020.

The next account is the School Lunch Program. Paul Ruggiero felt that this amount is appropriate. It covers three months of operating expenses and that is what he needs in the account. This account is used for air conditioning for the summer programs. It is also used to replace the stoves and kitchen equipment. No additional spending is necessary.

Mr. Ruggeiro gave a brief description of the programs that are funded by the School Gift Account. Marianne Gallezzo stated that this account has been going up. Mr. Ruggeiro stated that part of that was the timing of this report. When money may come in and when money is paid out. He will work on lowering this account.

#### ACCOUNTANT DEPARTMENT: RESTRUCTURING OF THE TOWN ACCOUNTANT POSITION

PRESENT IN INTEREST: Jeffrey M. Hull, Town Manager; Michael Morris, Town Accountant.

DOCUMENTS: Revenue and Expenditure forecast Model and Financial Management Structure Review November 13, 2018 presentation Edward J. Collins Jr. Center for Public Management

Mr. Hull presented the report that the town had received from the Edward J. Collins Center for Public Management. This was paid for by a Community Compact Grant. This report covers three categories. Evaluate the finance structure of the positions that we have in town, expenses/revenue forecasting, and reviewing our financial policies.

There was a discussion regarding recommendation of creating a Town Accountant/Financial Director position. This position would be overseeing the Accountant, Treasurer/Collector and Assessor's office. This would provide the opportunity of a greater level of long term financial planning and forecasting. The Town Accountant is retiring in July and this is a good opportunity to implement this change. Mr. Hull suggested that the Board of Selectmen authorize this position. The other option would be to change the Town Manager act. That would require an article at the Annual Town Meeting and would then be sent to the legislature.

The Assistant Town Accountant is retiring in March. This position is in the union. She would have confidential information regarding union negotiations. He is working with the union to change this position. One of the suggestions in the study is that they need to evaluate the salary to be competitive.

Mr. Doherty asked if there are other towns that have done this. Mr. Hull replied that Chelmsford, Dracut, Reading, Tewksbury, and North Andover have done this. He asked if they have talked to these towns. Mike Morris stated that he has and it is an effective methodology.

The pay roll benefits coordinator would fall under this director as well. Theresa Manganelli asked how the current Assessor, Treasurer/Collector, and Mr. Morris feels about the change. Mr. Morris was in favor of the change. Mr. Hull stated that he has had conversations with the Assessor and Treasurer/Collector regarding this and they have not expressed any reservations.

Theresa Manganelli expressed concern is that there isn't a plan to increase the number of employees in the Accounting department. Mr. Hull explained that there is an expectation that the new MUNIS system would help remove some of the work that is currently being done in regards to payroll.

Mr. Hull suggested that we address the other recommendations in the report at another meeting. The Board of Selectmen wanted a recommendation on the Finance Directors position from the Committee. He would like to have them vote to make the change at the next meeting to the Town Accountants position. Kevin Ciara, Town of Wilmington Selectman, suggested that the request to the Board of Selectmen be specific to this change and not the report as a whole. It was the consensus of the committee to give a favorable recommendation to the Board of Selectmen.

#### APPROVAL OF MINUTES

The Finance Committee reviewed the Minutes from August 14, 2018. A motion was made by Theresa M. Manganelli, seconded by Marianne Gallezzo, it was unanimously:

VOTED: To approve the minutes from August 14, 2018.

#### NEW BUSINESS

No new business.

#### OLD BUSINESS


No old business.

At the conclusion of the discussion, and there being no further business to come before the Committee, a motion was made by Marianne Gallezzo, and seconded by, Bernard Nally it was unanimously:

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 9:45 pm

Respectfully Submitted,

  
Recording Secretary



**TOWN OF WILMINGTON**  
**SPECIAL REVENUE-REVOLVING FUNDS IN EXCESS OF \$100,000**  
**FISCAL YEAR 2014-FISCAL YEAR 2018**

		FY2014	FY2015	FY2016	FY2017	FY2018
		Balance	Balance	Balance	Balance	Balance
29-040	RDY					
	READY RESOURCE HOUSING REHAB	336,285.07	302,817.05	305,444.97	316,389.00	305,565.80
29-040	RECR					
	RECREATION REVOLVING	733,682.25	766,401.00	847,991.94	776,052.94	814,740.78
29-040	SCH					
	EXTENDED DAYCARE PROGRAM	363,790.59	589,526.86	716,927.06	918,842.22	1,015,423.11
29-040	SCH					
	SCHOOL LUNCH PROGRAM	525,070.95	503,155.23	443,301.52	392,787.62	326,760.45
29-040	SCH					
	WILMINGTON SCHOOLS GIFT ACCOUNT	78,078.74	118,235.60	124,732.03	169,381.25	196,030.16
	29-040 SUBTOTAL	2,036,907.60	2,280,135.74	2,438,397.52	2,573,453.03	2,658,520.30