



Town of Wilmington

Finance Committee

Meeting Minutes

Tuesday, June 27, 2017

Chairman Theresa M. Manganelli called the meeting to order at 7:00pm. Members present were Neal Couture, Kevin Stokes, John F. Doherty, Bernard P. Nally, Marianne Gallezzo, Michele Kincaid, Leigh Martinson, and Jonathan Eaton. Excused: None

Ms. Manganelli introduced the newest member of the Committee, Mr. Neal Couture.

Present: Jeffrey Hull, Town Manager
Denise Casey, Assistant Town Manager
Michael Morris, Town Accountant
Kendra McCormick, Director of Information Technology

Ms. Manganelli introduced Ms. Denise Casey to present answers to questions regarding business practices raised by the Finance Committee at previous meetings. Ms. Casey provided information on procurement, emphasizing key points including: how the Town follows all Massachusetts General procurement laws Chapter 30B, how Town departments join purchasing consortiums to maintain and maximize cost efficiency (e.g. DPW for gas, diesel, salt, etc.; Library is a member of the Merrimack Valley Library Consortium), and specified employees who are Massachusetts Certified Public Purchasing Officials (MCPPO): Jeffrey Hull, Town Manager, Joseph Lobao, DPW Business and Utilities Manager, and Dennis Kelley, Public Buildings Building Systems Manager. Currently in training for certification are George Hooper, Public Buildings Superintendent, and Denise Casey, Assistant Town Manager.

Ms. Casey stated that the Town participates in regional partnerships such as the Metropolitan Area Planning Council (MAPC), and a Regional Housing Coordinator who assists with housing in Saugus, Reading, and North Reading.

Mr. Stokes asked if there are any partnership opportunities the Town is currently exploring. Mr. Hull responded that there have been limited conversations on the prospect of a unified dispatch.

Mr. Stokes then asked if there is a Chief Procurement Officer role that can be shared. Mr. Hull indicated that the administration of the procurement process is centralized through the Town Manager's Office. There is the potential to share purchasing resources with the School Department. That possibility would need to be discussed with Paul Ruggiero, Director of Administration and Finance/Interim Superintendent of Schools.

Ms. Gallezzo asked if the Town was still a part of Northeastern Massachusetts Law Enforcement Council (NEMLEC). Mr. Hull confirmed the Town is a member of NEMLEC.

Ms. Casey provided information on the efforts the Town has made to connect with residents through E-government. Projects and accomplishments include: redesign of the Town's website (www.wilmingtonma.gov), Town Twitter (@TownWilmMA), Recreation online payments and registration, Library website (www.wilmlibrary.org) with push feature, department specific Facebook pages (e.g.

Recreation), increased information available on the website, and creation of interactive online applications (e.g. employment application). Bid documents are available on the Town's Purchasing Department web page.

Mr. Stokes asked about programs like "Open Checkbook" and whether the Town is considering similar programs. Mr. Hull stated that kind of technology is being considered, but programs like that are still "down the road."

Ms. Casey added that the Treasurer/Tax Collector is able to receive payments online, and the Assessor has Vision software for people to look up their property values. Projects currently under review include: converting to electronic permitting, establishing an employee intranet for employee self-service access to insurance forms or submit changes to Human Resources, and for new hires to submit paperwork electronically. The current payroll software, SoftRight, is no longer supported to the level needed. Ms. Casey is consulting with other communities who have also used and transitioned away from SoftRight to explore new vendors and software, including Munis software.

Ms. Casey provided an explanation on Human Capital Management (Human Resources) initiatives. She explained the need for succession planning as members of the "Baby Boom" generation are now of age and retiring. The succession plan will help to back-fill those positions and put processes in place to assist with such transitions. The annual budget process is an opportunity to evaluate current personnel status and ensure staffing levels and assignments are appropriate. Some contracts include notice requirement provisions, which give the Town time to fill positions. For example, a Police Officer retired last spring, but did not provide extended notice of his retirement. According to the Chief of Police, the position was covered for several months with overtime by other officers at a cost of approximately \$60,000. With a year's notice, the Town is able to plan ahead, and recruit and train a new officer, thus preventing a need to staff with overtime. It is a complex process to fill a position in Public Safety as it is done through the Massachusetts Civil Service.

Additional Human Capital initiatives include on-going trainings to keep staff current on the skills needed to perform their duties. The Town is also working on a classification and compensation study to ensure that positions are paid in line with the market rate to attract and retain the right level of employee. When collective bargaining agreements come up for negotiations, market reviews are performed.

TECHNOLOGY PLAN

Ms. Casey introduced Ms. Kendra McCormick, Director of Information Technology, to give a summary on the state of Town and School IT. Ms. McCormick noted challenges and constraints with integrated School and Town IT Departments. Challenges include: physical space, because Town and Schools occupy different physical spaces, a larger space is needed for the infrastructure (temperature control, power, security, etc.) to support both segments; support for the different types and experience of users; support for the different types of platforms, such as Apple products, mobile devices, tablets, etc.; different security level requirements, because Schools are a bigger target for threats like hackers and viruses.

Ms. McCormick stated that Schools tend to be technologically ahead of Town Government as they strive to reach goals and stay current with educational requirements. Trying to align the two would require a significant capital investment. Typical objectives for consolidation are to spend less money on common

needs like servers or internet service. Consolidating two environments can result in a larger environment with a smaller staff, responsible for supporting a larger number of users, causing service levels to diminish.

Ms. McCormick commented that IT consolidation has been on the radar in Wilmington. She has reached out to the Schools over time to explore opportunities to cooperate and gain benefits. Such opportunities have not yet existed. It remains a future possibility as technology continues to get pushed out on the government side.

There has been some successful consolidation between Town government and Public Safety. Consolidation with the Library, which has operated in its own environment with its own infrastructure, is slated for the upcoming fiscal year. The IT Department is working closely with Tina Stewart, Library Director, and Brad McKenna, Technology Librarian, to include them into the Town infrastructure. This will enable Brad to spend less time on maintaining infrastructure and allow him to spend more time on services for the users of the Library.

Other IT accomplishments include the implementation of a single fiber loop, which connects all Town Buildings, including the Schools. This was an opportunity where Government and Schools were able to combine infrastructure and funds to benefit both. This provides one core network the two are able to share which divides out to support Schools and Town separately.

Ms. McCormick stated that she is moving on to a new community. She leaves the current state of the IT Department with a capable staff, and equipment and software that functions properly. Network servers have been replaced and expanded, and server operating systems have been updated. This created reliability, redundancy, scalability, and the ability to create backups. This also provides protection against malware and viruses.

Capital investments scheduled for this upcoming fiscal year include network switches, shared storage, and a server project, which will increase reliability and scalability and help with creating disaster recovery. Ms. McCormick leaves a strong and capable staff that will continue pushing forward with these initiatives.

Mr. Stokes asked whether Town government and the Schools have their own internet connections. Ms. McCormick responded that they do, and the Town has several internet connections. Public Safety has their own, and the Town has two: one for Fire and one for Town government.

Mr. Stokes inquired if this is an opportunity for consolidation between Town government and Schools. Ms. McCormick stated that it was considered in the network switch project, however it was decided to leave them separate as redundant paths. Public Safety needs its own because of security in connecting to the state for criminal records as the state only approves certain connections. There is one FiOS box at Public Safety for Fire, and one at Town Hall. One FiOS box runs the Voice over Internet Protocol service, and having two ensures business can still be conducted should one of them go down.

Mr. Stokes asked if there was a fix or replacement schedule for desktop computers because he noticed on the last Capital Improvement Plan request, some of the desktops appeared to be somewhat dated. Ms. McCormick indicated that over the last two years, 98% of desktops have been replaced and are still protected under warranty. Approximately 15% are planned to be replaced every year.

Mr. Stokes asked if the goal is to replace machines every five to six years. Ms. McCormick stated machines are replaced every four to six years depending on the user. If a department head's computer is replaced after four years, that machine can repurposed for another two years before being taken out of service.

Ms. Manganelli thanked Ms. McCormick for her presentation and for all the good work she accomplished in her time here.

REQUEST FOR TRANSFERS

Mr. Hull stated the Town is requesting two transfers of funds to address fiscal year 17 issues. Mr. Morris requested the first transfer for \$150,000 for Police salary adjustments due to salary increases and the settlement for longevity of the arbitration case. The funds will be distributed to various budget line items for the Police Department.

Mr. Hull provided background on the negotiation processes for both the Police superiors' and patrolmen's contracts. Bargaining with the Police Patrolmen began in November 2015 for a three-year contract that was slated to run from July 1, 2016 through June 30, 2019. There was limited progress through winter and spring 2016 and a hiatus was taken from negotiations through the summer. In September 2016, the union indicated they were seeking to file with Joint Labor Management Committee, a state agency which arbitrates and settles Police and Fire cases. These JLMC panels, which tend to be employee-oriented, consist of a representative from the management side, a representative from Police or Fire, depending on which group files the matter, and an arbitrator.

Before a case goes before the JLMC, participation in mediation sessions is required where a mediator determines if there is any agreement between the parties. One issue brought up by the Patrol group was the awareness that their compensation was less than that of the Fire Department and the union was seeking some parity. The starting salary of a starting Patrolman was approximately \$10,000 less than that of a starting Firefighter.

Another issue was the loss of the Quinn Bill. The Quinn Bill was adopted by a Town Meeting vote in 1995, which required the Town to pay for education for Police Officers. An officer with an Associate's Degree would earn 10% in addition to his/her base pay, 20% for a Bachelor's Degree, and 25% for a Master's Degree. The state funded 50% of this incentive. Due to the financial distress from the recession in 2009, the state eliminated its funding of the Quinn Bill. This left the burden solely on the Town to fund this incentive. A negotiating point in 2009 eliminated the education incentive pay for individuals hired after September 2009. This was brought up in the current negotiations as those hired after 2009 were receiving less money and looking to receive an incentive for education. Mr. Hull added that an education element was granted for Patrolmen in the amount of \$5,000 for an Associate's Degree, \$7,500 for a Bachelor's Degree, but nothing additional granted for a Master's Degree. Unlike the Quinn Bill, which was a percentage system, this new element is a flat rate system.

The Town was trying to modify longevity. Since the 1960's, the Town included longevity incentives (which gives employees an increase of 3% after five years, 6% after ten years, 9% after fifteen years, 12% after twenty years, and 15% after twenty-five years) in collective bargaining agreements. The Town was able to reach an agreement with the Patrol Officers with a cost of living adjustment (COLA) of 2%, retroactive to FY 17 (effective July 1, 2016), plus 2% for FY 18, and an additional 2% for FY 19.

To address issues with compensation, the six step pay system was modified. The difference between each step is 4%. By eliminating the current step one, and adding another step at the top end, the scale was moved up 4%, thus giving Police Patrolmen who were at the top step, a one-time, 6% increase, when factoring in the additional 2% COLA, for FY 17. A provision was added requiring someone to work for the Town for ten years prior to receiving his/her first longevity increment of 3%, which is then capped at 12%.

Mr. Doherty asked whether or not grandfathering was included in the longevity language. Mr. Hull stated that individuals hired prior to the effective date of the new contract will continue to be compensated under the provisions of the previous contract. New hires will be affected.

Another piece of the contract includes allowing the Town to conduct Assessment Centers for hiring and promotion. Civil Service conducts a test, which is run by the Human Resources Division (HRD) of the state. As part of an Assessment Center, a consultant provides an assessment which gauges someone's ability to make a decision in difficult situations, an element critical for these types of promotions. This was important, as the cost of the contract was more than was initially anticipated.

The contract negotiations between the Police Superiors (Sergeants and Lieutenants) were similar to that of the Patrol group, except Superiors will receive a 2% increase for FY 17, plus another .5% increase on June 30, 2017, plus 2% on July 1, 2017, effectively giving them a 2.5% increase for FY 18. The final year of the contract gives them another 2% increase. Unlike Patrol, a Police Superior with a Master's Degree would receive an educational incentive of \$10,000.

A provision was added that grants a retiring Superior Officer with a one-time, \$7,500 payment if he/she has worked for the Town for fifteen years, is 64 years of age, and provides notice at least twelve months prior to the retirement date. This is intended to reduce the amount of money that might have been needed to cover the position with overtime by enabling the Town to go through the processes with Civil Service and Assessment Centers and have someone prepared to fill the position.

Mr. Hull stated that the Superiors filed a wage claim arguing that longevity pay should be included when calculating educational incentive. The wage claim could potentially go back three years, and the union would be eligible for treble damages if it went to arbitration. After conferring with Town Counsel and reviewing similar cases, it was decided the best course of action was to settle.

Factoring in the collective bargaining agreement and the costs associated with the arbitration of the wage claim, the total cost for the Police Superiors contract for FY 17 was \$275,000. As a result, the Town is seeking this \$150,000 for salary adjustments.

A motion was made by Mr. Doherty, seconded by Mr. Eaton, and by the affirmative vote of all it was

VOTED: That \$150,000 will be transferred from the reserve account to the salary adjustment account for the purpose of compensating Police Patrol and Superior Officers as a result of newly executed contracts and wage claim settlement. Mr. Couture abstained from voting as he was not part of the Committee when these events occurred.

Mr. Nally asked where the Town stands on contracts as of right now. Mr. Hull indicated that both Police contracts are settled through FY 19. This is the last year of the Fire contract and he anticipates conversations with Fire representatives later this year.

Mr. Doherty asked how the new contracts compare with those of neighboring communities. Mr. Hull responded that the Town is now in the middle of the range.

Ms. Casey stated that the total cost of the employee, including salary and all other components such as health insurance, vacation, personal leave, etc., is considered when performing comparability analysis. When going into arbitration, an arbitrator looks at three factors: internal equity, external equity, and the “health of the community” (free cash). If a community is strong in any of these areas, an arbitrator is likely to decide in favor of the union.

Mr. Morris requested a second transfer of funds in the amount \$25,000, for Sewer Contractual Services to repair four pumps that failed over the past year. Every year, money is budgeted for repair and maintenance for the ten treatment stations which each have two pumps. In an average year, it is typical for two pumps to fail and require repair. This year four pumps failed, so additional funds are needed to cover those repair costs.

A motion was made by Mr. Doherty, seconded by Ms. Gallezzo, and by the affirmative vote of all it was VOTED: That \$25,000 will be transferred from the reserve account to the Sewer Contractual Services account for repair costs for four sewer pumps.

Ms. Manganelli asked how old the sewer pumps are. Mr. Morris stated that the pumps vary in age. Mr. Morris cited a conversation he had with Michael Woods, Director of the Department of Public Works, where Mr. Woods explained that some pumps fail at a younger age than others and cannot really be predicted. Mr. Hull stated that the pumps are checked every day. However, depending on the type of waste being treated through a pump, substances can get stuck and create issues. Mr. Morris added that the pumps are maintained and inspected once a year.

Mr. Couture asked how many pumps there are. Mr. Morris stated there are twenty pumps at ten stations throughout the Town.

APPROVAL OF MINUTES

Ms. Casey stated that she and Jackie LaVerde, Sr. Clerk to the Asst. Town Manager, had reviewed sets of minutes from previous meetings and recommended that the Committee vote on the minutes from January, 31, 2017, February 2, 2017, February 7, 2017, February 16, 2017, February 21, 2017, February 23, 2017, February 28, 2017, April 29, 2017. Four sets of minutes from March 2, 2017, March 21, 2017, March 23, 2017, and April 4, 2017 would still need to be reviewed at the next meeting.

After discussing of the state of all of the minutes, it was determined that more corrections were necessary. Ms. Casey and the Committee agreed that all minutes will be prepared for review and distributed to the Committee by Friday, June 30th. The Committee will have one week to provide input and request changes. Ms. Casey and Ms. LaVerde will make all recommended changes and provide finished drafts for the Committee to approve. A future meeting will be scheduled for the sole purpose of approving minutes, and to discuss any urgent matters that may arise in the meantime.

NEW BUSINESS

Ms. Manganelli asked everyone to introduce him/herself to the Committee's newest member, Mr. Couture. She then asked for feedback from Committee Members who attended the Facility Master Plan Committee Meeting on Tuesday, June 20th.

Ms. Kincaid expressed the need for a financing plan if residents are going to accept the proposed changes of the Facility Master Plan. The best way is to educate the community on how these changes will affect them. She noted that people in the community are concerned, as many elderly residents live on a fixed income and do not want to pay higher taxes to provide these changes.

Mr. Eaton shared Ms. Kincaid's sentiments, and stated that he was pleased to see such attention paid to senior housing and a new senior center. He noted this is a significant need and priority for the Town. He emphasized that a "road map" would be needed for financing due to the number and scale of the projects proposed. It is also important to explain to the community that this is not going to happen in 2019, but rather over the next several years. He noted that the tour the Committee received of the Senior Center made it clear that a new Senior Center is a priority.

Ms. Gallezzo asked if the Facility Master Plan would be voted on at Town Meeting next year. Mr. Hull stated that the Plan will be a guiding document and will not require a vote. As the proposed projects arise, they will be vetted before the Finance Committee and voted upon at Town Meeting. A synopsis of the project will be presented at Town Meeting next April.

Mr. Couture stated that some residents may not understand the reason for these proposed changes. It can appear to them that pieces are just being moved around, but the intent of each proposed change is to solve a problem, which needs to be clearly articulated to the community.

Ms. Manganelli noted that the St. Dorothy's land was purchased for the potential use for construction of a new Town Hall. It is now being considered for use as transitional or age-restricted housing. Senior housing is an immediate need.

Mr. Hull stated that each item needs to have its own compelling outline as to why it is important, what problem it is solving, and what the consequences might be if it is not addressed.

REORGANIZATION

Ms. Manganelli stated that positions to be voted upon are chairmanship, vice chairmanship, and secretary.

A motion was made by Mr. Doherty to name Ms. Theresa Manganelli as Chair, seconded by Ms. Gallezzo, and by the affirmative vote of eight with Ms. Manganelli abstaining, it was

VOTED: That Ms. Manganelli will continue as Chairman of the Finance Committee.

A motion was made by Ms. Manganelli to name Mr. Bernard Nally as Vice Chairman, seconded by Mr. Doherty, and by the affirmative vote of eight with Mr. Nally abstaining, it was

VOTED: That Mr. Nally will continue as Vice Chairman of the Finance Committee.

A motion was made by Mr. Doherty to name Mr. Jonathan Eaton as Secretary, seconded by Ms. Manganelli, and by the affirmative vote of eight with Mr. Eaton abstaining, it was

VOTED: That Mr. Eaton will continue to serve as Secretary of the Finance Committee.

Ms. Manganelli asked for any further discussions. Mr. Doherty reminded everyone of the upcoming 4th of July celebrations.

There being no further business to come before the Committee, a motion was made by Mr. Doherty, seconded by Mr. Eaton, and by the affirmative vote of all, it was

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 8:23pm

Respectfully submitted,

Recording Secretary