

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

January 28, 2015

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Meeting Date: January 28, 2015

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Sharon Kennaugh, Michael Naughton and Greg Garrison. Lynn Reynolds arrived at 6:22. Lisa Adams was absent.

Selectmen Present: Mark Fairbrother, Christopher Boutwell, and Michael Nelson. Christopher Boutwell arrived at 7:00 PM. Michael Nelson left at 7:45 PM.

Others Present: Town Accountant Carolyn Olsen, WPCF Superintendent Bob Trombley, Police Chief Chip Dodge, Dispatch Supervisor Marsha Odle. Town Administrator Frank Abbondanzio was absent.

Minutes

Selectmen Moved:

To approve the minutes of January 14, 2015.

Vote: 2 In Favor 0 Opposed 1 Abstained

Finance Committee Moved:

To approve the minutes of January 21, 2015.

Vote: 4 In Favor 0 Opposed 0 Abstained

WPCF Budget

Additional information provided by Mr. Trombley:

- Mr. Trombley provided a flow chart of the sewer treatment process, as well as a monthly report of thickened sludge volume and revenue for calendar year 2014.
- The sludge volume report is to show that the additional revenue received from treating thickened sludge would more than cover the cost of the additional person requested in the Fiscal Year 2016 budget.
- Mr. Naughton asked whether there was a direct relationship between the additional loads being received and the presence of an additional person. Mr. Trombley replied that if the extra person was not hired, the plant would not be able to take in the same number of sludge loads. Having the additional person also allows the Superintendent to reassign work to other more skilled personnel to tasks that require a greater skill level.
- It would take an extra 14 loads a month at the lowest cost per load to cover the estimated cost of an additional full-time employee.
- Mr. Hanold asked about the future of the sludge composting project. Mr. Trombley said we're about a year and a half into the process. DEP has reviewed that process and asked some questions. If the sludge can be used for anything, more analysis and evaluation is done.
- Mr. Naughton asked about what happens to the residual sludge. There currently isn't any, because the process used makes the sludge almost completely disappear. The solid that used to be left is now consumed by organisms, which

oxidize the food, creating carbon dioxide and water. The process results in a 90-100% reduction in the volume of sludge.

- Mr. Hanold asked about the DPW Subsidiary Budget, which has not changed in memory and is consistently under-spent, and asked if it would be possible to reduce that budget. He asked if spending more from the DPW Subsidiary Budget would reduce some of the special article requests, such as the cleanout of the 1868 storm drain. The Subsidiary department is the responsibility of DPW Superintendent Bergeron, and Mr. Trombley thinks there needs to be a good look at this matter. He suggested the question be referred to Mr. Bergeron.
- There is a new federal requirement on the horizon which will regulate the maintenance of the gravity portion of the collection system. This will be a part of the new NPDES permit
- Mr. Trombley also said that there needs to be a discussion regarding how to use some or all of the revenues from taking in sludge, and the savings from reducing expenditures for solid waste removal, for capital expenditures rather than only for reducing or maintaining sewer rates.
- Another view of work at the plant is if they had to stop the new process there would be a \$300,000 hit to the budget from increased expenses and reduced revenues. This would translate to a 1.5% increase to sewer rates.
- Ms. Olsen pointed out that the increased revenues and cost savings from the new sludge process have been used almost entirely to stabilize sewer rates. Ms. Olsen suggested planning on modest, 1-1.5% increases to the sewer rate, reducing the estimated revenues for sludge, and then allocating that portion of retained earnings to the WPCF Capital Stabilization Fund.
- Mr. Hanold noted that we tend to lump all varieties of sewer revenues into one stream, when there are really several separate and distinct sources. These are residential users, industrial users, and sludge disposal. Suggested we be more aware of this distinction. Ms. Olsen will add revenue tab to budget file that shows the different line items for sewer revenues.

Advance questions in regular font, answers underlined

Other-Than-Core Departments

The DPW Subsidiary department is never utilized to the extent budgeted - whether because of no appropriate tasks or other priorities in DPW or your department. Suggest you and Tom make a specific decision on a realistic level of effort. Special Town Meetings can address truly unforeseen matters, as they did in the last year.

I have discussed with Frank and Tom the need to meet and review exactly the point you have brought up concerning the Highway Subsidiary budget. Given history over the last 2 years some changes need to be made in my estimation.

A reference to the Capacity Management O & M appears in a couple places: will adoption/compliance require more recurring DPW involvement, provided from this Subsidiary department?

The CMOM program will require consistent planning, maintenance, repair and record keeping of these efforts. Whether this is accomplished by a review of existing DPW operations, staffing levels, equipment or via contracting with outside vendors is up for debate.

How immediate is the impact?

The immediacy from a regulatory perspective depends upon when the Town receives the draft National Pollution Discharge Elimination System Permit (NPDES). We applied for a renewal over a year ago but have not heard from the EPA yet. We have been told that there will be CMOM requirements in the permit.

Core Operating Department

I would guess your revenue forecasts, as well as spending plans, depend on understanding the expected volume/input from major industries and sludge providers.

Yes.

Do you survey these major customers in planning user-inputs and revenue and sludge-handling fees?

I am in regular contact with the 3 major industries, Southworth, Lightlife and Australis. Monthly reports as required by the Town Industrial Pretreatment Program are received and reviewed. We are in daily contact with the paper mill as their discharge can significantly affect how we operate the WWTP; we also quarterly contact 8 other industries. As concerns sludge providers there is no lack of servicing their need for disposal for the foreseeable future.

We could use reassurance that these revenue sources are firm, since they are part of your support for the staff increase.

Revenue stability from the 3 major industries can vary greatly. As an example, the existing surcharge agreement between the Town and Southworth provides the mechanism by which we charge them for industrial waste strength that is greater than average domestic waste strength. As part of the agreement we develop an estimated total suspended solids surcharge rate per pound, then at the close of the books for the respective fiscal year (FY) the actual rate is developed, then a comparison between estimated & actual is done. For FY 2014 we returned a credit of about \$44,000 to Southworth. We have at times also charged them for under-billing in a previous FY. This makes revenue estimates that much more fun!

The comment about “no sludge removal since June 2013” begs the question of where the residue still is, and what will eventually happen to it and at what cost.

There has been no excess residual to be disposed of. What we have done and continue to do amazes me daily. Often I am at a loss for words for what the staff has accomplished and more so when comments from other operators in the field tell us that it is not possible though, there are a number of other facilities beginning to use our sludge minimization techniques with some measure of success.

There is still some uncertainty about the justification of an added head -- is it to meet a formal determination from the DEP evaluators (e.g., are they no longer flexible on your testing frequency) or is it to enable processing of other-town sludge, or a combination?

The request for adding another team member, Town employee, is to allow other staff to receive added loads of thickened sludge. Our request to the Selectboard for extending the period of seasonal employment was based on supporting an increase in the number of loads, and hence revenue, received by the WWTP. The hope then was that the added revenue would more than support the position cost. For the month of December we received approximately \$44,000 in revenue from outside loads of sludge alone. That the State DEP is interested in adding staff is secondary.

If other-town volume decreases would you no longer need the head?

Should other Town volume decrease, whether the added position would be maintained or not is subject to review at that time.

The Narrative marks in blue a number of line-items that will fall in Fiscal Year 2016 if a head is added, but the cause/connection is not clear: Does this mean Repair & Maintenance work formerly done by outsiders will now be done by a new Laborer - and if so, does this reduce his contribution to inspecting, sludge-handling, composting, etc.? Is this the most economical way to meet your R & M needs?

The added laborer will make it possible for more highly trained and experienced staff to accomplish some of the work historically done via outside services. The long term goal is for the existing staff to work towards the expertise to perform major restoration and replacement with minimal use of outside engineering and mechanical and electrical services. We hope to reduce Town cost via reduced debt service and the payment of debt interest. It is hoped that this will be more economical for the Town while involving team members to reap the benefits of greater system ownership and knowledge that is paramount in staff longevity, future planning and consistent safe and efficient WWTP operations.

Part of the above: We recall there was to be an evaluation of whether there were process-improvement initiatives, beyond those pursued in Fiscal Year 2015, to support the added head. Has that been determined?

The added head has allowed more experienced staff to proceed with the process of continual testing & improvement by performing less complex time consuming duties.

Or is the addition simply short-term support of the Special Articles for surveying, mapping, one-time clean-outs, etc., which may lead to lower work-load in a year?

No.

Or is it connected to the new Composting program, in which case will there be an additional revenue stream to consider? The inter-relation of all these plans and reasons is not completely clear.

The new position is not, at this time, connected to the composting program. We have applied to the DEP for review of the composting operations and sampling plans and have received comments and will be responding. Once the sampling plan is approved we will have a compost analysis and classification done. Should we be successful in meeting Type I DEP criteria then we will take the next step to evaluate further costs and estimated revenue and personnel requirements to determine project viability.

In spite of staff increases over recent years the overtime request continues to rise each year, which seems inconsistent.

The staff increase is not associated with the increase of overtime. The major overtime components are after hours alarm response, combined sewer overflow system operation and added process control monitoring as the result of our continued efforts. It is a concern that overtime has increased and we continue to be aware of this.

The Inter-Municipal Agreement with Erving seems to have increased the assessment to us, rather than stabilizing or reducing it. How did this come about?

The agreement with Erving is not yet a year old. The agreement was written to aide in stabilizing cost for Montague as well as providing Erving with the ability to more closely estimate revenue, which will become evident as time passes. The previous agreement was based on a calculation whose components could cause the assessment to vary in excess of the new agreement. Should Montague become successful in reducing significant inflow and infiltration that flows to the Erving facility then a discussion would be held with Erving concerning the assessment.

We understand your request assumes one new head (Est. #2) but the end of the Narrative says you are actually recommending Est. #3. Is the Est. #3 alternative simply a “perfect world” situation?

Estimate #3 addresses what I believe to be the equitable compensation rates for the WWTP operations team members, the Waste Water Treatment Plant Operators.

You refer to creation of a Chief Operator position, which we assume involves responsibilities clearly different from those of regular Operators (and not just "time in grade"), but it is not part of the funding request.

Correct.

If this was not contemplated when the Pay & Classification study was conducted, what has changed since, and has the Sewer Commission asked for a new job description for evaluation?

What has changed is the increase in the number of team members. There has been no job description submitted at this time to the Selectboard/Personnel Board. I want to see what the response to my request for the added laborer position would be.

It may be premature to consider this as part of the current budget cycle.

It may be premature but I feel a discussion needs to begin. The WWTP Operations Manual, 1982, when the facility was upgraded by the addition of secondary treatment provided a staffing plan. When the Assistant Superintendent retired in 1994, I received a call from Town Hall that the position would not be filled. At that time I had been with the Town for 14 months. In that plan there were two management positions, Superintendent and Assistant Superintendent. I believe that as staff is increased, the facility ages and regulatory burdens grow there is a need to provide for the future.

Police/Dispatch Budget/Special Town Meeting request

New information provided:

- The Per-Diem Dispatchers were very pleased with the hourly increases, and more shifts have been filled by Per-Diems since the pay raise.
- Mr. Hanold asked to what extent training can be spread out over time. Mandatory training is required every year for both dispatchers and police officers. The training can not even be spread out over the year, because required courses are limited in both offerings and the times that they are offered. Additionally, some courses must be taken in a certain order. A significant amount of training can now be done in-house as employees are certified as instructors for some courses, but the continuing increase in new requirements eliminates the possibility for decreasing the total training costs.
- Ms. Kennaugh asked if the School Resource Officer would be useful to fill shifts during school vacations. Chief Dodge expects that the officer will use his vacation and owed time during the same vacations. Additionally, the Chief expects to use that officer for community policing projects during school vacations when he's available.
- Ms. Odle reiterated that the state may not continue providing the 911 grant and the training grant, which is why overtime, seminar, and travel budgets were increased. The grants generally total around \$21,000 per year. The information of availability of these grants for Fiscal Year 2016 will not be known until May.

- Mr. Naughton asked if it's possible to show the number of per diem hours worked, regular hours, and overtime hours on a fiscal year basis to be used during the budget process. Ms. Olsen will provide that information. Ms. Odle noted that the only shifts available to Per Diem dispatchers are the two open shifts each week, and they cannot be used to fill in for vacation or other vacancies.
- Mr. Boutwell asked about the condition of the cruisers. The three main patrol cars consistently travel 20,000 miles per year, and the lowest mileage cars are used for patrols. The high mileage vehicles are designated for specific uses such as court use and transporting juveniles.
- Supplemental statistics will be e-mailed to Ms. Olsen and she will distribute them.

Advance questions in regular font, answers underlined

Animal Control

Is the Shared Animal Control Officer (ACO) assessment subject to revision by mid-April, or is it final?

This is the best figure available right now based on the current contract with the Town of Greenfield. This figure indicates what the ACO is expected to be paid in Fiscal Year 2016. There may be a small (a couple hundred dollars) increase to the budgeted amount but that depends on the outcome of a contract settlement in Greenfield, and won't be known until then.

Dispatch (answers by Marsha Odle)

When we endorsed your proposal to change the per diem salary ranges we asked for a later report on how they compare to other towns (and the State), and how they have affected recruitment, retention and staffing (the "staffing" element). Please tell us how things have worked out.

From the Towns I spoke with earlier, there are very few that actually use Per Diems, and they have found that they cannot get them to take hours easily due to low pay, so that is a big reason why we asked for the increase, to hopefully get per diems to take more shifts. Just as a comparison, Athol only pays around \$10 per hour and that is why they can't get the Per Diems to work, Easthampton is between \$13-15 per hour, and Hadley is between \$13-15 per hour. Greenfield pays anywhere from \$18-25 per hour depending on dispatch experience.

We have not hired any new Per Diems as of yet due to our budget being so tight this Fiscal year which was caused by a retirement in April of 2014. We have not been able to find anyone who could do the job fulltime until now.

We have had more shifts worked by Per Diems in the last month or so since the increase, and this has kept the overtime costs down a bit. We are hoping this continues.

Where in the new ranges are part-time Dispatchers paid - are we saving money relative to full-time rates?

Per Diem dispatchers are paid from \$17-\$19 per hour depending on their time on the job and their experience. Our full-time overtime rates range from \$24.32 - \$32.33. So the answer is YES, having a per diem work an OPEN shift instead of a full timer does help to save us money. Just remember that per diems only have first dibs on the two weekly scheduled OPEN 1pm-7am shifts, not the open shifts that are caused by vacation, personal, or sick days and this is per contract.

Related to the above: full-time overtime continues to rise, year by year. Shouldn't this level off or drop?

Overtime will continue to rise every year due to step raises. We are hoping to keep our current staff for the entire 2016 Fiscal Year, but you never know what may happen. We should hopefully see it somewhat level off soon if everyone stays healthy and happy with their position here and nobody leaves.

The requirement for added training is noted, and we recall that shift-coverage for this was a basis for an article at October 2014 Special Town Meeting, but the requested level is double the Fiscal Year 2015 budget and the Narrative cites grants as a funding source - and nothing spent in first half of year. Is the increase overly cautious?

To answer the training question, we have budgeted for the cost of covering 5 full timers and per diems to complete their State Mandated continuing education training for FY16. The money being budgeted is a **JUST IN CASE** we **do not** receive the training grant from the State 911 Department. There has been rumor that they are not doing the grant for Fiscal Year 2016, therefore the Dispatch budget would have to cover the cost of all of this mandated training. We have to wait and see what happens and we should know by May 2015 if we can apply for any grants. As I stated, if we don't get the grant then the cost is back on the Town to cover for the training classes, the overtime for the training, etc.

Another reason for the increase in this area over last year is because we are going to have to send all of our Dispatchers to an additional 8 hour training class above and beyond what they did last year. This training is for the Next Gen 911 system.

Training classes are not all held locally and sometimes we must wait until we can send someone to a much closer class. There are times we have to travel as far as 2 hours to get to class. The good news is we are hosting a class here in Montague on February 17th and 18th which will help to keep the cost of travel down. The training isn't necessarily spread out evenly throughout the year, it is sort of we get it when we can, but it has to be done by the end of the year.

The TFFD Shift figure is going up; comment on request sheet says that they are paying less but the Narrative says they pay full cost. Reassure us on this, and remind us where the reimbursement shows up (don't find it in Local Receipts).

The Turners Falls Fire Department has agreed to pay the Dispatchers an additional \$1.00 an hour in Fiscal Year 2016 as opposed to the \$0.75 they pay now. We budget for the \$1.00 an hour for the whole year, and the Fire Department will pay the town when we bill them. This shows up in the Local Receipts as part of Miscellaneous Recurring.

The new \$3,000 for "EMD Services - MedCare" was not explained in your analysis.

The new \$3,000 EMD service fee is a necessary contractual fee which covers the EMD (Emergency Medical Dispatch) service that Med Care provides to the Town. We are required to provide EMD Services through 911. Because none of our dispatchers are trained to do this, and because for liability reasons we choose to not do this, we must contract this out to Med Care. We have a signed contract with Med Care to provide this service and the Board of Selectmen are the signers on the contract. We have been lucky enough to receive a grant from the State 911 Department. to cover this \$3000 fee in the past, however if we **don't** receive the Grant, then the fee must be paid from the Dispatch Budget. This is why we budgeted for the \$3,000.

The \$3000 annual fee is very minimal compared to the cost of having 2 dispatchers working in dispatch at all times to handle the EMD portion of a 911 call. This is why we still have Med Care providing the service, just as Greenfield Dispatch does.

Police

Plans for resignation of a current officer affect several lines. Where do you stand on accelerating recruitment and training of replacement - if likely in Fiscal Year 2015, replacement at lower step seems likely in Fiscal Year 2016 and academy expense should not occur.

I looked into hiring an officer now and sending them to an academy during Fiscal Year 2015, but unfortunately there are no academies scheduled until Fiscal Year 2016. It looks like the next academy will be in August or September. Because of this delay, we will need to pay overtime to cover an officer's shift during the summer and fall while the recruit is at the academy. I kept the overtime cost down as much as I could by assuming I would try to cover some of the open shifts by reorganizing our staffing levels. The best case scenario for us is the officer changes his mind and stays, however that is very unlikely to happen.

Related consideration: at what point does hiring an additional officer become more desirable than incurring substantial overtime? Perhaps not this year, but at some point?

I have looked into hiring an additional officer to help reduce our overtime costs. What I found are a few things:

- a) It seems to be frowned upon by some, including the Town Administrator.
- b) From a cost approach, it wouldn't completely solve our problem.
- c) It would cost the town about \$75,000 (or more if the new hire has a Bachelor's Degree) the first year to hire an additional officer.
- d) Because we have several shift schedules there would be no way to schedule the new officer to cover all of the open shifts created by officers taking time off. So all or most overtime would be unavoidable.

Don't get take me wrong though, I would love to hire an additional officer in the future and I would do my best to make it work for us in as many ways as I could.

Similar issue: overtime connected with replacement-overlap should not appear in Fiscal Year 2016 if it occurs in Fiscal Year 2015. And coverage for sick/injured officers should not be as high as recent experience. Can you break the \$140,000 down among 111F coverage, sick or vacant-shift coverage, training coverage? How does this break-down compare to prior years?

Using an average overtime rate of \$40, 4 days of personal day per year for 15 officers, actual vacation time granted by contract, and an estimated 650 hours of sick leave per year (based on 5 days per year per person, then increased to more accurately reflect recent use), and coverage for the new officer at the Police Academy, the breakdown of the \$140,000 is as follows:

| | |
|-------------------------|-----------------------------------|
| Vacation Coverage: | 2320 hours |
| Personal Time Coverage: | 480 hours |
| Sick Time Coverage: | 650 hours |
| Academy Coverage: | <u>800 hours</u> |
| Total shifts to fill: | 4250 hours times \$40 = \$170,000 |

Only \$140,000 is requested because some vacant shifts may not be filled, depending on the shift and existing coverage.

Prior year actual amounts are lower, in spite of the long-term vacancies due to illness and injury, primarily because the shifts of the officers that were out could be left vacant more frequently, but also because the pay rates were lower.

The overtime for training is segregated into a separate line item (001-5-211-5195). When an officer attends training on his time off, he is paid overtime from this line item. When an officer attends training during his normal shift, the officer replacing him is paid overtime from this line item.

To answer a question that wasn't asked, it is infrequent that a part-time officer fills a vacant shift, so this line item can't often be used to offset the overtime costs. The part-time wage budget of \$36,000 is almost entirely used by having Reserve Officers fill 2 shifts each weekend when activity is high and more officers are needed.

Some smaller items: Gasoline increase seems cautious in view of spending-to-date and current forecasts, Cell stipend grows without a staff increase, and Other Supplies seems heavy in face of unusual spending being in earlier years.

Gasoline prices are dropping and I am hoping they continue to stay lower than in the past. Because we can't count on this happening I am budgeting based on past usage.

Cell phone stipends: We added the School Resource Officer position in Fiscal Year 2015, but the budget did not reflect the cost for the full year. The actual cost for Fiscal Year 2016 will be \$3,600 (\$300 each for the 12 officers that are not issued a town-owned cell phone). The Tech School reimburses the town for the additional cell phone stipend.

Other Supplies: This item is level funded from Fiscal Year 2015 because we recognize that there were heavier than usual costs in Fiscal Years 2013 and 2014. We are also shopping much smarter now and trying to plan ahead with our purchases. We actually clip coupons now and shop when things are on sale. This has saved us a significant amount of money.

Insurance increase seems quite cautious. Is this necessary if loss & risk avoidance practices are in place?

I'm not sure I understand your comment about loss & risk avoidance practices. Our insurance is as low as I can get it without placing the Town in harm's way. I have looked at other options and each increases our insurance significantly.

Every time an Officer goes out on Injured On Duty leave, we can expect an increase in our premium next year. Unfortunately there is no way to prevent this even with safe practices in place. We have a very physical job and officers will get hurt.

There is no way to predict what our next year's amount will be until the bill arrives. I have tried to get an answer but it is impossible. I have budgeted for what I expect based on past practice.

What is the impact on the Department of the county's rising opiate-related addiction?

There is really no impact on our agency as a whole. I have a Detective involved with an Anti Crime Task Force, sponsored by the DA's Office, and occasionally we get reimbursements back from the DA's Office when money is available for our officer's time with the task force.

As far as arrest go for this offense it is business as usual for us.

A quick summary of cruiser condition would be nice. Are we on a path to successful repair-cost control?

We are working on having a fleet of good, conditioned cruisers. If we can continue to replace a cruiser a year we will be fine. If we could afford to buy 2 cruisers in one year for one year only we would be better served. No matter what I do we will always have cruisers with over 100,000 miles on them.

We average 20,000 miles on our main line cruisers a year. That means they last us 5 years tops. For the first 3 years they are in usually good shape (up to 60,000 miles) however in only a year and a half our warranty runs out due to the high mileage put on them. We are then stuck with the repair bills. As long as cars are built, they will break. Of course the older cars with the most miles break much more often. That is why we are constantly trying to keep our fleet updated.

We also have to take into consideration officer and public safety. We try to keep our officers from having to use old, beat up, and unsafe cruisers to patrol and transport in.

I will have a mileage break down of our current cruisers with me at the Finance Committee meeting on January 28th.

Would you expand the table of Arrests, Summons, and Protec. Custody so as to cover all semi-annual periods from January 1, 2013 through December 31, 2014?

See Attached Stats for this time period.

Discretionary Fund

What is current fund balance, and how do future plans fit with it in support of the same request as in Fiscal Year 2015?

Currently, as of January 20, 2015, \$10,313.83 remains in the discretionary account. I am in the process of receiving quotes for cameras to be worn on our patrol officers when they are on duty. I have been speaking with the union about this and reaching out to vendors. This will be very costly if implemented and we will need all of this money and more. I am holding onto this money until I reach a decision. The cost of a camera for each officer could be as much as \$895 each. This is why the money is still available. If it weren't for the camera idea I would have spent some of the money on other needed items. We are also looking into replacing our 15 year old firearms, however something else always seems to come up that takes priority over this. For these reasons I continue to ask for the discretionary money.

This discretionary account has proven to be very valuable throughout the last few years because many times were are unable to predict what I will need or what will need repair. It is nice to have the funds available without having to hold or wait for a special meeting.

Police Special Article Request - \$15,000 additional appropriation for the Fiscal Year 2015 budget.

Since the original 2015 budget was drafted, the Police Department experienced some unanticipated costs:

- 1) One of the Patrol Supervisors was injured while off duty and he was out of work for 3 months. The open shift had to be filled during the supervisor's absence and the funding came from the Police Department Overtime line item. This put the Overtime line item behind by **\$12,000**.
- 2) One of the older police cruisers, Car #6, required a new transmission in December at a total cost of **\$3,452**. The repair was necessary because the cruiser is assigned to our Reserve Police Officers and this cruiser is used to transport the newest recruit Police Officer back and forth to the academy in Springfield each day. This was a very large and unanticipated expense. So far the rest of our cruiser maintenance is going as expected.

Legal Budget/Special Town Meeting request.

Questions in regular font, answers underlined.

Billings from outside counsel tend to lag, so it's hard to judge the remaining capacity for ongoing or unforeseen demands. Would you encourage both firms to "get current" by January 28th? This may substantiate the STM request for more funds, and provide a better baseline for judging Fiscal Year 2016.

With regard to the legal billings: Sullivan and Hayes are usually prompt in submitting their billings. It is a little easier for them to do this as their bill is essentially the monthly retainer, and only occasionally something else. Kopelman and Paige billings do tend to lag, but they are much more complex. I will try to see if they can be expedited in the future. I did send a copy of this email to Attorney Corbo. I should have billings through December 31st by the end of the day on January 20th. I am not sure how quickly the bill for January can be processed by the legal firm.

Our impression is that Labor Negotiations activity was unusual this year; with all contracts now settled, are actual expenditures of ~\$15,000 in earlier years adequate for S & H support in Fiscal Year 2016?

The Labor legal costs deal primarily with the monthly retainer. The retainer also includes administration of the contracts once they have been settled. The only other costs that could be incurred relate to any actions filed with the labor relations board. For example, the UE personnel at the WPCF recently filed papers with the labor relations board to separate their personnel from the union, and to form a separate unit. That filing required the town, through its labor attorneys, to file a response. UE subsequently withdrew that request. We also have an outstanding action before the MCAD that may require legal representation. That matter is not currently scheduled for MCAD action. This is the only unknown that could impact the legal budget from the labor relations side; and it will probably not happen until next year if at all.

Current actual expenditures should reflect considerable recent activity on completed Homesteading efforts (Montague Center School and Millers Falls) and Sales of Land. However, we assume the newer Receivership work and some lower level of Homesteading will occur, per Narratives, and perhaps Industrial Park activity will expand. Is the net of all this steady-state or increased Legal cost?

I would assume that the town will see an overall reduction in the legal budget relating to real estate matters in Fiscal Year 2016. There is unlikely to be much activity relating to direct sale of real estate and the related agreements (purchase and sale, land development etc.) which must be processed. We are not anticipating activity at the industrial park; and once the East Main Street, Millers Falls and Montague Center School projects are finalized (likely to occur in the current fiscal year), we are not anticipating a lot of activity in the Commercial Homesteading area. It is possible that we could see movement on Strathmore and St. Anne's Rectory, but there is nothing brewing right now. In fact, we are currently doing a library feasibility study for St. Anne's Rectory. I would anticipate a continuation of legal expenditures for the Attorney General's Receivership Program. That program has been very successful so far; and I don't believe we have exhausted the supply of derelict buildings that could be put into this program. I believe the worst of them are currently being addressed, so the overall cost will probably go down somewhat. I would defer to the Health Director for a more definitive evaluation of that. Overall, I think we should see real estate related legal costs stabilize somewhat in Fiscal Year 2016.

The Narratives mention unusual effort by Kopelman & Paige related to Open Meeting Law and public record issues — and the consequent revision of related policies. If the requested increase of the Selectmen's Executive Assistant's hours is approved, do you think these issues will no longer require unusual Counsel attention? Are there other ways the town might reduce the variety or amount of legal services?

With respect to costs of dealing with the open meeting law and public records complaints, I do believe that the ability of the Selectmen's Office to keep current on statutory requirements will be greatly enhanced with the additional hours for the Selectmen's Executive Assistant. You may remember that the department used to have an additional person working 10 hours a week; and her main duty was to prepare regular and executive meeting minutes.

Are there ways the town might reduce the variety or amount of legal services? I think much of the legal expenses fall into the category of "uncontrollable" costs. They vary from year to year, and they are totally unpredictable. It is difficult to avoid the costs — and these costs are significant - of defending the town in cases that are often initiated by others, and frequently found to involve frivolous claims against the town. This is evidenced by the high level of success that Town Counsel has had defending the town in recent years. But cases such as these also tend to be the ones that consume the highest percentage of the legal budget. We could save money having Counsel only attend the

most complicated town meetings, as his attendance is a costly item, but from my experience, I think his presence at town meeting is money well spent. We try to do as much of the administrative work for town meetings as possible (preparing warrants and suggesting wording for motions) but ultimately we think it is important to have town counsel weigh in.

With respect to the legal scorecard for the remainder of this year and for Fiscal Year 2016, I will try to include a summary of each case when I do my analysis. Note: A breakdown of costs by case was provided at the meeting.

Make recommendations on Special Town Meeting Articles:

Mr. Nelson left the meeting.

Fiscal Year 2014 UE Contract – appropriate \$10,078 for Fiscal Year 2014, accept new contract

Finance Committee Moved:

To recommend \$10,078 for the Fiscal Year 2014 costs of settling the new UE contract to be funded with \$5,851 from Sewer Retained Earnings and \$4,227 from Free Cash.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$10,078 for the Fiscal Year 2014 costs of settling the new UE contract to be funded with \$5,851 from Sewer Retained Earnings and \$4,227 from Free Cash.

Vote: 2 In Favor 0 Opposed 0 Abstained

Police request \$15,000 for Fiscal Year 2015 budget

Finance Committee Moved:

To recommend \$15,000 to increase the Fiscal Year 2015 Police budget, to be funded from Free Cash.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$15,000 to increase the Fiscal Year 2015 Police budget, to be funded from Free Cash.

Vote: 2 In Favor 0 Opposed 0 Abstained

Selectmen request \$22,500 for Fiscal Year 2015 Legal Budget

Finance Committee Moved:

To recommend \$22,500 to increase the Fiscal Year 2015 Legal budget, to be funded from Free Cash.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$22,500 to increase the Fiscal Year 2015 Legal budget, to be funded from Free Cash.

Vote: 2 In Favor 0 Opposed 0 Abstained

DPW is requesting \$40,000 for a plow, sander, and miscellaneous items for the new 6 wheel dump truck.

The truck is being purchased with recently released Chapter 90 funds that have to be spent by June 30th. Chapter 90 will purchase the truck, but not plows, sanders, radios, decals, or other needed items.

Finance Committee Moved:

To recommend \$40,000 to purchase a plow, sander and miscellaneous items for the new 6 wheel dump truck, to be funded from the Town Capital Stabilization Fund.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To recommend \$40,000 to purchase a plow, sander and miscellaneous items for the new 6 wheel dump truck, to be funded from the Town Capital Stabilization Fund.

Vote: 2 In Favor 0 Opposed 0 Abstained

Purchase of the Senior Center building for \$1.

Mr. Fairbrother noted that if the Town does not buy this, we could be without a Senior Center until another location is found.

Finance Committee Moved:

To recommend \$1 to purchase the property located at 62 5th Street, Turners Falls MA, to be funded from Free Cash.

Vote: 3 In Favor 0 Opposed 1 Abstained

Selectmen Moved:

To recommend \$1 to purchase the property located at 62 5th Street, Turners Falls MA, to be funded from Free Cash.

Vote: 2 In Favor 0 Opposed 0 Abstained

Topics not anticipated within in the 48 hour posting requirements

- Mr. Hanold would like to put the response to Ms. Golrick's letter on the next agenda.
- Mr. Naughton was disappointed to find that the Town had to be sued by Ms. Golrick for her to receive copies of Selectmen's minutes.
- Mr. Hanold noted that the Capital Improvements Committee and the FCTS will meet with us on February 25th, which allows us to cancel the February 11, 2015 meeting.

- Mr. Naughton asked when we will be receiving a narrative from the Building Inspector. Mr Naughton further requested that if we don't receive one, that we requests a budget hearing with him.

Meeting adjourned at 8:38 PM

Next Meetings:

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|-------------------|---|
| February 4, 2015 | Assessors, Parks & Recreation, DPW budgets, Golrick response |
| February 11, 2015 | No meeting |
| February 18, 2015 | Special Town Meeting |
| February 25, 2015 | Libraries and FCTS budgets and Capital Improvements Committee |
| March 4, 2015 | GMRSD and Board of Selectmen budgets |
| March 11, 2015 | Final Use of Reserves, Final Schedules I and II |
| March 18, 2015 | Special & Annual Town Meeting Special Articles |
| March 25, 2015 | Vote Budget with sources of funding |
| April 1, 2015 | Draft Finance Committee Report to Town Meeting |
| April 8, 2015 | Revenue updates |
| April 15, 2015 | Final votes/re-votes for recommendations, final report |

List of Documents and Exhibits

- Minutes for January 14, 2015
- Minutes for January 21, 2015
- Special Town Meeting Warrant
- Breakdown of Legal Expenses for Fiscal Year 2015