

Municipal Council/Finance Committee Workshop Minutes  
Tuesday, February 27, 2007  
Town Hall Auditorium  
7:15PM pm

Municipal Council meeting called to order at 7:05 p.m.

Municipal Council members present: Council President Lawrence, Councilor McClure, Councilor King, Councilor Thone, Councilor Benson, Councilor Lindstrom, Councilor Lavoie, Councilor Pinierio

Finance Committee members present: Mr. Neale and Mr. York

Council President Lawrence asked that after the pledge of allegiance everyone remain standing for a moment of silence in memory of Lt. Charles Cloutier, a member of the Amesbury Fire Department for 37 years, who passed away recently.

Council President Lawrence stated that the first item on the agenda was to accept a late file of 2007-018.

Councilor Benson motioned to accept the late file. Councilor McClure seconded and it was voted Unanimous.

**2007-018** An Order that the Municipal Council vote to appropriate the sum of \$305,000 for the FY 2007 Police and Fire Department budgets to cover expenditures through the balance of FY 2007 – Mayor Kezer sponsor

Councilor Thone motioned to refer to the Finance Committee. Councilor Benson seconded and it was voted Unanimous.

Council President Lawrence stated that there was a letter from Councilor Brennick that he has received.

Councilor McClure motioned to suspend the rules to read the letter from Mr. Brennick and act on the same. Councilor Lindstrom seconded and it was voted Unanimous.

Council President Lawrence read the letter from Councilor Brennick resigning from his seat on the Municipal Council and asked for a motion to accept the resignation.

Councilor Benson motioned to accept the resignation of Councilor Brennick. Councilor McClure seconded and the vote was IN FAVOR (7) OPPOSED (1) Thone

Council President Lawrence then asked for a motion to declare the seat vacant.

Councilor Benson motioned to declare the seat vacant. Councilor McClure seconded and the vote was IN FAVOR (6) OPPOSED (2) Thone, Pinierio

Council President Lawrence then asked for a motion to have the Town Clerk post the position as vacant and the filling of the vacancy be placed on the agenda for the March 13, 2007 Municipal Council meeting with a deadline to submit applications of Friday, March 9, 2007 at noon.

Councilor McClure made the motion to have the Town Clerk post the position as vacant and the filling of the vacancy be placed on the agenda for the March 13, 2007 Municipal Council meeting with a deadline to submit applications of Friday, March 9, 2007 at noon. Councilor Pinierio seconded and the vote was IN FAVOR (6) OPPOSED (2) Thone, Benson.

Councilor Benson motioned to adjourn at 7:14 p.m. Councilor Pinierio seconded and it was voted Unanimous.

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Finance Committee/Municipal Council workshop was called at 7:26 p.m.

Members of the Finance Committee present at the workshop were Mr. Neale and Mr. York. Members absent were Mr. Grant and Mr. Wesolowski.

Council members present were Council President Lawrence, Councilor McClure, Councilor Thone, Councilor Benson, Councilor Pinierio, Councilor King, Councilor Lavoie and Councilor Lindstrom

Mayor Kezer reviewed the context of the discussion at the last council meeting and that they are looking to transfer \$305,000.00 from Free Cash and the Ambulance fund to cover what is projected to be short falls in both Police and Fire Department budgets. He stated that since the beginning of the year they have been tracking as they go and have made attempts to pull back the level of services as much as possible without compromising public safety. He stated that they got to the point as they headed towards the end of the first six months of the fiscal year to determine what the shortfall was going to be and to come up with a plan in order to cover it and to come up with a funding source to cover it. He stated that they are looking for Police \$185,000.00 and Fire \$120,000.00. They provided back up material for discussion and had the Chiefs and the Lieutenant and the Deputy present to answer questions for the Municipal Council and the Finance Committee.

Councilor Benson asked the opinion of the Council if he should abstain.

Councilor Lawrence stated that there is only discussion and no votes would be taken.

Councilor Benson decided that he would abstain from the discussion.

Councilor Thone asked for Free Cash figures from Mr. Basque.

Mr. Basque stated that the balance would be approximately \$98,000.00.

Councilor Thone asked about Snow and Ice and if it would be overspent.

Mr. Basque stated it is possible.

Councilor Thone asked about a balance in Health benefits and if there would be anything to pull from there.

Mr. Basque stated there may be approximately \$140,000.00 or \$150,000.00.

Councilor Thone asked about the balance on the Ambulance Fund.

Mr. Basque stated there is \$408,000.00 and if they appropriate the \$120,000.00 tonight it would leave a balance of \$288,000.00.

Councilor Thone asked if there will be enough money in the ambulance fund in the next two years to purchase another ambulance.

Chief Shute stated that it would cost approximately \$160,000.00 or \$180,000.00. He also stated that the back up ambulance is starting to show signs of problems and that request could be moving up a year. He stated that they are having major engine problems with it.

Councilor Thone asked what was typically taken out of that fund.

Mr. Basque stated that last year it was \$287,000.00 and the year before \$452,000.00.

Councilor Thone asked if the \$120,000.00 would compromise the ability to purchase a new ambulance.

Mr. Basque said no.

Councilor Pinierio asked how much they were going to get for the ambulance that they were going to surplus.

Chief Shute stated that a minimum of \$20,000.00 which would go into the general fund because anytime you sell property it goes into the general fund.

Councilor McClure asked how long the Ambulance Fund has been around.

Mr. Basque stated that the Ambulance Fund was set up November 8, 1993. It was set up under the Chapter 40 section 5F.

Councilor McClure asked if when it was set up if it came before the council.

Mr. Basque stated that back then it was a town and there was a discussion as to whether it should be an enterprise fund or not and it went to town meeting and was voted down as an enterprise fund and it was instructed that the Selectmen should create it under this section of the law; which they could.

Councilor Pinierio asked how much more is out there that has been billed but has not come back into the fund as of yet and of that billed amount what is the percentage that Comstar gets from what is actually collected

Chief Shute stated that he did not have a figure but Comstar gets 10% of what is collected.

Councilor Thone questioned if all of the maintenance which was a big issue was all unexpected.

Chief Shute stated that there are annual anticipated repairs but they re-assessed the vehicles and there were some unexpected things.

Councilor Thone asked if new vehicles were expected to be purchased in the near future and how are they going to be paid for.

Chief Shute stated that to replace the Ladder Truck you are looking at \$750,000.00. Annual services that are done on that truck to the hydraulics and the ladder usually runs approximately at a minimum of \$3,000.00 but because of it's age has been running approximately at a minimum \$5,000.00 or \$6,000.00. He stated that he and the Mayor have been working on the CIP for the Fire Department and they are in need of two pumps. One has a bent frame and the back up is over 19 years which needs over \$100,000.00 work which is not worth it because after 20 years it is not cost effective.

Councilor Thone asked how they would pay for that.

Chief Shute stated that would have to be discussed with the Mayor and the CFO.

Mayor Kezer stated that the CIP would be released tomorrow and it would lay out the purchase of one fire engine for next year.

Councilor Thone stated that there is an additional projection for a deficit under Fire Vehicle Maintenance of \$10,500.00 and asked what is included in that.

Chief Shute stated that gives him what is normal wear and tear and it should cover the next four months unless something catastrophic happens.

Councilor Thone asked what will be retired when this new truck is purchased.

Chief Shute stated it will be the 1988 Pumper or the 1996 with the bent frame. They will have to have a determination made on which is the more viable one to keep.

Councilor Pinierio asked how the frame was bent on the 1996.

Chief Shute stated that it was backing up to an accident scene during a snow storm and it hit a pole. They had it checked but it fell through the cracks that the frame was bent.

Councilor Pinierio asked if a report was filed about the accident and how long after the accident was it when they found out the frame was bent.

Chief Shute stated yes a report was filed and they found out at a shop in Pepperell when a report was done that the truck wouldn't back up straight about six months after the accident.

Councilor Pinierio asked if our insurance company was ever notified.

Chief Shute stated that at that time he checked into it, and found out that due to the time lapse the insurance could do nothing at the time.

Councilor King asked that they review the personnel services request for the \$60,000.00 and what was the overtime related to. Was it ambulance call back?

Chief Shute stated that it generally all is due to the contract settlements where they didn't compensate for the raise and overtime rates so it was never done in the original transfer.

Councilor King asked if the chief could break out what part of the \$60,000.00 was the contract settlement.

Chief Shute did not know the amount.

Mr. Basque stated that it was hard to break out because it relates to both issues. He stated that he believed the funding of the contract was \$23,000.00 and they also built in enough to get to the end of the year.

Councilor King asked how the sick overtime maxed out.

Chief Shute stated there had been some long term sicknesses and a couple of spikes in sick leave. There has also been some military activation.

Councilor King asked if part of the Amestat if there are trends captured regarding sick calls to see if there are spikes that relate to other communities and that sort of thing.

Mayor Kezer stated that the number of data points so far is not enough that will create a clear trend. At some point they would like to go back in time and plot it but right now they are just starting and there is not enough to show a clear pattern.

Councilor King brought up combining dispatch and her concern about apparatus being dispatched.

Chief Shute reviewed the criteria that are followed now for apparatus dispatch.

Councilor King asked for some conversation at some point about deploying the ambulance outside the community for transport to other facilities and if that is happening.

Mayor Kezer stated that there are conversations ongoing with the Chiefs in regard to looking at dispatch.

Mr. Neale stated that the budget is looking like it is running on track. The only one item he questions is what are intermittent dispatchers?

Chief Shute stated there are per diem dispatchers that can be called in to work at a certain rate with no benefits. They work a certain amount of hours per month to keep up their training and certification and they fill in when they need someone to fill in.

Councilor Pinierio asked about mechanics and rates.

Chief Shute stated they have two regular duty firefighters who are the mechanics and they work on the apparatus on their off time at a special rate as per the contract.

Councilor Thone stated that she was confused to find that some of the \$58,000.00 was due to the new contract that was signed because when it came before the Council she believed it was \$49,000.00 that was taken from the Ambulance Fund to fund that contract and now it has been said that it was actually more than that to fund that contract.

Chief Shute stated that it should have been more because there was not an accounting of the overtime rates.

Councilor Thone stated that she feels deceived that the contract was presented as an additional \$43,000.00 when in fact it was more.

Mayor Kezer stated that when the spreadsheets were calculated it didn't account for the back pay to the overtime adjustment. The contract was signed retro to July 1 and they failed to capture the additional increase in the overtime costs going back.

Councilor Thone asked for an indication of what that amount is of the \$58,000.00. She stated that Councilor King has asked that question but it hasn't been answered.

Mr. Basque estimated \$30,000.00.

Mayor Kezer expressed his frustration with the software systems in municipal government and making projections. The munis system doesn't have the capabilities of presenting the information in the way that he feels it should be presented.

Councilor Thone commented that they would appreciate another look at deployment, staffing and creating more efficiency again.

Councilor McClure asked for a copy of the paper that Mr. Basque read from regarding the ambulance fund and the uses that were specific to the ambulance fund.

Councilor King asked if there could be discussion about the Ambulance Fund and Mr. Basque's interpretation.

Councilor Lavoie asked if the Administration was satisfied that the \$120,000.00 is an appropriate source of funds to transfer from for the Fire Department.

Mayor Kezer stated that he and the Chief are in discussion of what is or should be the established policy for that fund. The MGL includes a list of allowable uses. It is not a case where that specific law allows you the use just for an ambulance fund. Ultimately the final call of the use of funds will end up in the Mayor's Office.

Councilor King stated that while thumbing through prior town reports a couple of years ago she found in the 1995 Town Report something that addresses the Ambulance Fund. She read it into the record:

"Through an initiative of members of the current Board of Selectmen; now retired Fire Chief Arthur Gaudet, Deputy Chief Bill Frost, Firefighter Chuck Gouin, Firefighter and Director of Emergency Management, Richard Clark and other members of the Amesbury Fire Department; a fund was created to ensure that the town run ambulance service revenues would be used to provide our public safety departments with equipment and resources necessary to accomplish their important mission"

Councilor McClure stated that she would like to try to find out what the Selectmen's intent was.

Chief Shute stated that years ago when that account was set up, the town was collecting the receipts and not efficiently and never showed a profit. During the Proposition 2 ½ years, there was discussion whether to keep it or get rid of it. As a Union they came together and decided to go to third party billing outside of town, put down the cost to operate and fund it through a separate course. Show it as a separate service funded by its own source and not a burden on the taxpayers. We approached the Chief, Arthur Gaudet. We came to the Selectmen and we tried to get it through as an Enterprise Fund and it was voted down at town meeting twice so they adopted the law. Chuck Benevento was the Town Accountant and he set the account up. It went out to bid; RFP. Comstar came in as our third party billing and on a monthly basis the receipts came in. We have broken the budget down for the day to day costs and the ambulance fund has pretty much been used to offset the costs to the taxpayers.

Mayor Kezer reviewed the context of the Police budget and why they are here. He stated that the Chief had put in his request at \$3.5 million for Police Services and Mayor Kezer had cut approximately \$200,000.00 from it as part of the process to get the total budget to meet the bottom line that he had set which he believed achieves two objectives which are to provide municipal services and controlling the overall costs which therefore control the taxes.

When the budget went to the Council there was an additional cut of \$255,284.00 from the Police budget. He stated that contrary to belief, he does present a budget that is right at what he believes that we need to provide the services. When the Council cut the budget it was cut below the levels needed for safe staffing for the Police Department. He and the Chief watched it in the first six months and then made an assessment of where they stood and that is why they are here.

Councilor Lawrence stated that the Mayor's cut was not a cut to the Police Department's budget; it was a reduction of the requested increase. That is the same as what the Council did. They did not cut the Police Departments budget they reduced the requested increase. The Mayor mentioned \$255,000.00 when it got to the Council it was \$244,320.00. Of that \$244,000.00; \$97,000.00 was for capital items; \$25,000.00 for tasers; \$72,000.00 for cruisers. So, there was an actual reduction of \$147,302.00 in the operating budget.

Chris York stated that when the Finance Committee went through the budget it was actually based on a recommendation by Mr. Neale and he felt it was very appropriate the way that he did it. It basically took the personnel expenses from the prior year less the cuts that the Mayor had made and then they added 3% to make up for cost increases. That is how they came up with the \$147,302.00. He stated that the numbers don't work and asked even if they had left the personnel costs would there still be a deficit now?

Chief Cronin answered probably not. He then explained that the problem with the calculation was they subtracted two positions that were fiscal 2007 requests which had already been cut to come up with a bottom line figure for 2006 and then added the 3% increase. So really what happened was the 3% raise turned into just a \$12,000.00 increase. So, when you say you didn't really cut the budget, you did in effect because you didn't add in what the town contractually agreed to pay. So, we lost that \$170,000.00 that needed to be covered. You can forget all of those other numbers that Councilor Lawrence talked about because we haven't bought tasers and we didn't buy cruisers. You will see that in the expense portion since we didn't buy cars we had an increased cost in maintenance because we spent a lot more money to maintain them.

Councilor King asked for clarification for herself and that what sounds to her that inadvertently happened was two positions that were not in that current budget, the Police Department were charged for and she asked how much those two positions were.

Chief Cronin stated that he had laid those people off during the year and that was about \$70,000.00.

Councilor King then asked if she was correct that on top of that because of contractual obligations there was clothing, longevity raises and educational incentives that weren't accounted for in the 3%.

Chief Cronin stated that was correct.

Councilor King then asked if she was correct that basically what the Police Department was left with was not being level funded but being at a deficit.

Chief Cronin stated yes, at about \$170,000.00.

Councilor King then stated that the Police Department was inadvertently left \$170,000.00 in the hole with the Finance Committee thinking they were level funding you and what you are coming for now is basically less than what you were level funded as far as on the personnel side of the budget. So you are basically looking to replace the deficit that you started with?

Chief Cronin stated that was correct.

Mr. Neale stated that he thought that was a fair recollection of what happened except that they did partially employ these two people for a year so it was not a full deduction that should have happened. He stated that they did not subtract the cost of those people who were already a part of the actual costs that year and in fact increased that by 3% so it wasn't quite the way Councilor King laid it out but pretty close.

Councilor King said it was not her laying out she was trying to clarify what the Chief said and maybe the Chief can respond to that.

Chief Cronin explained that a letter was sent on 2/15/07 outlining exactly how much was spent on those two people he laid off. It was \$34,000.00. The \$71,000.00 minus the \$34,000.00 left \$2,843,857.00 subtotal and when you add 3% raise to that it's \$85,315.00 not \$12,000.00. When you add the longevity increase that is \$42,307.00 not zero. When you add the educational incentive that is \$41,800.00 not zero and when you add the clothing that is \$11,775.00 not zero so that came to \$3,025,144.00 which was the bottom line that should have been used to level fund.

Mr. Neale stated that he thought they gave the 3% across all of the expenses.

Councilor Thone stated that was her recollection as well.

Mr. Neale stated that they needed to get beyond what happened and get to what needs to be done now.

There was discussion about the personnel line items and how the Munis system does not break out longevity, college incentive, night shift differential, etc.

Mr. Neale stated that it appears to him that the total Police Department personnel services are on track and that at this time he sees spending at the correct rate to meet the budget goal.

Chief Cronin stated that was not true. Overtime is expended at \$124,000.00 of \$139,000.00. The line item was cut but the problem is that when someone is out, I have to replace them contractually and that is going to continue to happen from February through June. Court time is already at 80%. Shift coverage is already expended. I have to cover contractually. We run at minimum levels all the time.

Mr. Neale asked about the vacation line and that it appears to be used up.

Chief Cronin stated that they have limited officers the use of vacation time to try to make up and not use overtime for shifts. Vacation time is deferred compensation. You can tell someone they can't use it but you can't take it away from them.

The Chief then explained how they run the shifts with vacation time. Now they are down to minimum level and have to tell guys they can't go on vacation time. That builds up and we dropped our funding level on vacation to 30% which is not realistic.

Mayor Kezer stated that the Chief is staffing on minimum levels per the contract so there is no tolerance for any sick time or vacation time. On vacation side it just builds up over time and gets carried over a number of years. One of the things we want to do is to fill the two positions they had on the force so that there was some breathing room for when someone is out. Then they are not already at minimum staffing and attributing to overtime costs.

Councilor Thone asked if the approximate \$111,000.00 every two weeks for the payroll includes overtime and all.

Chief stated that was everything except holidays which are paid twice a year.

Councilor Thone asked the Chief what action he has taken to try to control the significant overage in personnel.

Chief Cronin stated that they pulled back all the extra services in July and August and the incidents went up. House breaks went up from 2 to 3 to 10 to 12 in town. There were drug problems downtown. There were older people coming in to town and getting mixed up with young women (13 to 14 year olds) which prompted investigations. That information was presented to the Mayor and a decision was made that needed to be cleaned up. The first week into his budget came in at \$116,000.00 because of town wide events that eat up overtime like the fourth of July at Woodsom Farm, and Fireworks. There was a civil case that cost about \$9,000.00 to defend.

Councilor Thone asked about contractual obligations; and minimum staffing safety standards and if there is something in writing from the state in regards to what the safety standard is or is it what is defined in the contract as minimum staffing.

Chief stated he set the standard not to drop below this level before it was in the contract based on response to calls, injury levels, types of calls that are handled and that type of thing. The town agreed not to drop below that level as far as response. The union wanted to come in and add numbers to that; they were concerned about their own safety. The town did not do that, they agreed not to drop below the standards that were already set and were running. The contract spells out the coverage.

Councilor Thone stated that there were comments made at the last budget that if you were to drop below the minimum staffing that the town could potentially be sued. In a conversation with Chris Henchey from the Department of Revenue, he stated that we are only bound to minimum staffing the first year of a contract. There is case law, appellate cases that support that.

Chief Cronin stated that he is only familiar with the Town of Billerica Firefighters and that case was different than the standards that were set here.

Councilor Thone recommended that the Mayor talk to DOR and get some discussion with Kopelman & Paige relative to an opinion on this.

Mayor Kezer stated that he is familiar to what she is talking about as far as a contract and it's subject to appropriation. There is a difference between the union trying to protect jobs vs. what we have in Amesbury where of setting a minimum staffing level on a shift to ensure the safety of the officers on duty. There is a signed letter on file which is less than a year old that establishes what the minimum safety staffing levels are per the certain hours a day. According to the budget that is what we targeted the funding to; maintaining those levels.

Councilor Thone asked about the deficit in the building maintenance.

Chief stated that a lot of that had to do with the new communication center and some of the problems that they ran into. Lt. Ingham has all of the details on that. They ran into some construction costs that were more than expected; electrical and relocation of video equipment was two of the major issues.

Councilor Pinierio stated that right from the beginning the Chief knew he was short for personnel and at that time, why didn't the Mayor come to the Council and state that right away.

Chief Cronin stated that he did and he also told them the night before they voted it that it was a deficit budget.

Councilor Thone stated that they needed to review what that legal obligation actually is for the second and third year of this contract.

Mr. Neale shared what he thought was the breakdown in deficiencies. He stated that he sees a \$20,000.00 deficit in the Chief's salary line item.

Chief Cronin stated that there is a 25% educational differential, a 15% longevity differential so his share of those items are not equal a percentage to what other people's are.

Mr. Neale stated that overall he came up with a shortfall of about \$90,000.00 in the labor accounts at today's level of spending.

Councilor King stated that the Chief has voiced his concerns and would like to see the data that the numbers came from because it could change the basis of discussion if it is found that the figure was inadvertently not factored in and then it would be understandable that the Chief is in the position that he is. She stated that she feels they need to go back to where the source of the deficit initiated.

Councilor Pinierio asked the Mayor if there were any other departments that would have a shortfall because their budgets were cut.

Mayor Kezer stated all indications at this time seem that everything is manageable. He is not aware of anything as of now that is offline.

Mr. Basque stated that the only thing he sees is Veterans is going to need about \$15,000.00 for some benefits he has picked up. Other than that he didn't see anything.

Councilor McClure asked Mr. Basque about the grants and how much we actually spent in the Police Department. There is \$3.1 million on the books and there is also grant money that comes in that is attached to the Police Department and she would like that number.

Mr. Basque stated that in fiscal 07 they spent \$22,000.00 this fiscal year. There is an outstanding balance of somewhere near \$45,000.00 in Community policing but that doesn't reflect as an expenditure.

Councilor Thone asked if she could have the information on the building maintenance that the Lieutenant has on why we are \$15,000.00 over and also under Police vehicle maintenance there is a deficit of \$18,500.00 she would like to know if it was because of one specific issue or if it was just a lot of maintenance; not information on every single car.

Lt. Ingham stated that it was overall maintenance of the vehicles. The building maintenance; once they starting cracking the floors and the walls to run the wiring for the system they had a hard time hooking it up and they starting running more wire and the electric bills came in. The whole project actually ran about \$30,000.00 above and beyond the capital acquisition which was \$250,000.00. This whole project with construction and overages was about 10% to 12% over which wasn't bad and we assumed when the

project started it would be in that area and we thought we would pick up in the budget at that point but obviously the last two years have precluded us from doing that.

There was discussion about what the appropriation was actually for. The Chief stated that in his presentation he stated that he knew he was responsible for the preparation of the new site before the project started and that was what caused part of the problem. They also had to build a temporary communications center which they had to twice relocate old wiring into while rebuilding the new site. They had \$2,000.00 in the budget to move the cameras and then move them back and by the time they were done the guy had charged them \$8,000.00. By the time we were all said and done the construction costs had reached close to the \$50,000.00 mark.

Councilor Thone commented that she believed the appropriation itself was worded that the \$250,000.00 was just for the communications center and it did not state that it was for installation.

Chief Cronin stated that it should have if it didn't. It was presented to purchase and install a communications center.

Councilor Thone stated that she would have to check on it.

Chief Cronin also stated that part of this project was that the Fire Department also has an offsite location with the third terminal so if there is a problem there is an offsite location for them to locate to. That portion of the bid amounted to \$23,074.00 and he suggested that portion be shared and reimbursed to his budget and it didn't go over well. The bottom line is that it's installed in the Fire Department; it is working today; they use it. It is a shared operation between the Police and Fire Department and the most efficient and best way to run the communications center is to put them together. It is not the fact that you can't do it physically anymore, it is not the fact that it shouldn't be done, it is just political.

Mr. Neale asked for the actual spent on vacations last year.

Mr. Basque stated it was \$69,000.00 in fiscal 05.

Chief Cronin stated that you would have to also look at overtime too. Some vacation is charged overtime depending on who took the day off and how.

Councilor Thone stated that they would need the number of employees as well for fiscal 2005.

Chief Cronin stated that they had 29 plus the Lieutenant and himself.

Mr. York stated that he felt that the Ambulance Fund would have been a more appropriate use for the communications center.

Both the Chief and Lieutenant stated that they agreed with that.

The meeting was adjourned at 10:00 p.m.

Respectfully submitted,

Sharon Dunning  
Administrative Assistant