

**Finance Committee
Minutes of March 30, 2015**

Present for the Finance Committee meeting was: Chairman Louise Tremblay, Helen Hamel, Ed Pitta, Bob Corey, John Zimini and Gerald D'Avolio. Also present were: James A. Duggan, Town Manager, Ann Vandal, Assistant Town Manager/Finance, Linda Wright, Town Accountant and Recording Secretary Samantha Carver. The meeting was held at 62 Arlington Street, 2nd Floor conference room.

The Chairman opened the meeting at 6:00 p.m. and welcomed Mr. Michael Buxton of the Department of Public Works.

Mr. Buxton began the explanation of the budgets that fall under his direction. The first budget discussed was 410 Engineering. He stated that it is level funded and there are some contractual payroll increases and some software licensing increases. He stated that 90% of this budget is salary so when the Manager had asked all the departments to give back 5% they were limited on where they could cut.

There was a discussion on the snow deficit which is currently at \$821,000 and Mr. Buxton reported it could be more if they get more snow. Mr. Buxton stated that he asked for additional plows in this year's Capital Plan.

Ms. Tremblay asked how many pieces of equipment the Town has to plow with. Mr. Buxton stated they hire Subcontractors which is 60 hired pieces of equipment and 20 additional pieces are from the Town.

Mr. Buxton moved onto 420 Public Works Administration budget which shows level funded except for contractual payroll. Mr. Zimini asked whether any thought had been given to outsourcing the Engineering function. Mr. Duggan stated that he is familiar with outsourcing however was not familiar with outsourcing Engineering functions. Mr. Buxton stated that because the Town Employees in each department wear different hats and do multiple tasks he would find it not cost effective to outsource engineering. He stated that once you contract with a firm and their contract is over, then you'd have to contract with another and there would be another learning curve for the new firm. The Engineering Department is also responsible for the Town's GIS Program which is an essential tool for the Assessors, the Building Department and the Planning and Zoning Boards.

Mr. Corey commented that outsourcing is not good sometimes because you can lose control of the process. He is not in favor of outsourcing.

Mr. Zimini commented that thought has to be given to cost savings because he does not envision the Town voting for an override for the operating budget.

Ms. Hamel commented on her experience with outsourcing but stated it is normally not technical jobs that are outsourced.

Mr. Duggan discussed his vision for the industrial section of Town and his goal to try to increase the revenue in this area. He stated that Dracut is mostly residential and that this town will never be an 80% to 20% industrial town and that it takes a \$50 million dollar investment to increase by 1% on your industrial base.

There was a discussion about a split tax rate. Mr. Duggan noted that when you split the tax rate especially in a Town like Dracut, all your small businesses are burdened with the higher tax rate. He does not foresee Dracut splitting its tax rate.

Mr. Buxton went onto discuss budget 421 Highway Maintenance and stated that it is level funded and the only changes are employee buyback and contract commitments. He stated they have started to do some items in-house such as making street signs and other signs.

Mr. Pitta questioned line item 5312 Maintenance Other Professional Fees. Mr. Buxton explained that this is for storm water runoff mandated by the D.E.P.

423 Snow and Ice – Mr. Buxton explained that this budget is a moving target and most towns do not put a lot of money in the budget. This is the only budget that you can run in a deficit to be made up later. Mr. Buxton gave a lot of credit to his two mechanics on his staff that kept the fleet of trucks in working order during this difficult winter.

Ms. Vandal explained the Street Lighting budget and Mr. Duggan stated they are trying for a grant from National Grid to change lights to LED lighting which should be cost savings.

428 Tree Department – Ms. Vandal noted that Public Works Annex and Tree Department have been combined in this year's budget book going forward so the changes you'll see are due to combining the two. Mr. Buxton added that he has four men in this division who take care of all the parks in Town and the upkeep for the parks has increased. The activity at these parks is very heavy and the trash volume has also increased. This year they will be implementing recycling containers to try and cut down on some of the trash.

429 Vehicle Maintenance – Mr. Buxton stated they also do some of the Fire Department equipment maintenance and use to have three mechanics however they have not filled the third mechanic position. Mr. Buxton discussed the fuel costs and stated that this is provided for Police, Fire, School, Council on Aging, Sewer Department, Dracut Housing and Dracut Water Supply District. He stated that Dracut Water, Dracut Housing and Sewer pay the Town back their portion of the fuel usage.

Solid Waste – Ms. Vandal explained that this budget is contractual and there is not a lot that changes in this budget.

491 Cemetery Department – Mr. Buxton explained that he is now the Cemetery Director and there are two part time employees that work in this division from April to December. There are seven cemeteries they are responsible for maintaining.

The Finance Committee thanked Mr. Buxton for coming in.

School Department

Superintendent Steve Stone, Business Manager William Frangiamore, School Committee Chair Michael McNamara and Joseph Wilkie were present for this portion of the meeting.

Superintendent Stone began the discussion with a handout for the Committee. The handout showed three slides the first being entitled "Dracut Per Pupil Expenditures (all funds)", the second page entitled "Staffing Trends by Category" and third "Free/Reduced Rates FY04-Present". Superintendent Stone briefly discussed these slides and discussed the number of students that are going to Charter Schools. In FY12 they had 53 going to Charter schools and currently they have 128 students.

Superintendent Stone discussed the mandates that the State requires the school district to have. There are software requirements for mandatory surveys mandated by the State. These mandates are not supported by Legislation providing any additional funding for the school districts to meet these mandates which adds a burden to the school district in their budgets.

Superintendent Stone reported that the Kindergarten grant is being cut by the State and they are lobbying the State not to cut this program. The Circuit Breaker program is also in peril which would be a \$115,000 loss to their budget. He talked about Dracut having the largest class size in kindergarten with 29 students without paraprofessionals.

Superintendent Stone discussed the Special Education students and how currently Dracut has 51 students currently. They will be getting four additional special education students at a cost of \$536,174.

There have been health insurance increases and losses of revenue. This budget is built with the transportation budget being outside the operating budget. He talked about ridership being in decline and they try to balance it with encouraging students to take the bus so there is less traffic coming into the complex. To try and keep the cost down of transportation they have increased the volume on the bus to eighty students on an eight-four capacity bus. With ridership increases, it increases the route times. Some routes being a forty-five minute ride to get to school within your own community which is pretty significant.

Mr. Corey asked how many students drive to school. Superintendent Stone stated there are between 110 - 115 students that drive. Mr. Corey asked if they were charged for parking. Superintendent Stone stated they were not but the School Committee is looking at avenues. The problem becomes they have athletic, performing art fees there is a diminishing point you get to with fees.

Ms. Tremblay asked Superintendent Stone if he did not receive the total funding where would he look to cut. Superintendent Stone stated they are putting together a list of potential cuts. He noted that these will be more difficult than in FY12 and that these cuts would impact class size without a doubt.

Mr. McNamara stated they would like to provide for a level service budget but the mandated costs are so incredibly expensive that it's difficult.

Superintendent Stone mentioned that part of their dilemma is that the budget as constructed now will leave them with a \$400,000 deficit in transportation and they will have to tap into School Choice and they would usually use School Choice for capital needs such as the computer needs of the schools.

The Finance Committee thanked the School Superintendent and Committee for their time.

The Finance Committee continued their discussions on the trust funds in the budget book. Ms. Vandal went through the funds and stated these funds don't change much from year to year. These are found in Section E of the budget book.

Mr. Duggan briefly mentioned the Richardson parcel that the CPC is looking at. He also mentioned the housing project that he is trying to get developed at either the Spring Park property or Greenmont Avenue property for senior housing.

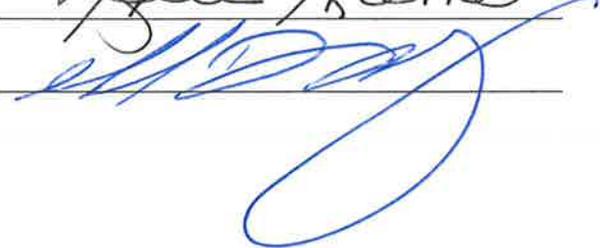
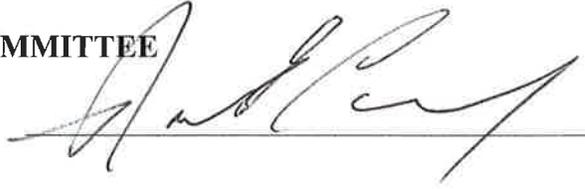
Minutes

Mr. Pitta made a motion to approve the minutes of 03/23/2015 as presented. Ms. Hamel seconded the motion. The motion carried unanimously.

Adjourn

Mr. Corey made a motion to adjourn the meeting at 8:04 p.m. Ms. Hamel seconded the motion. The motion carried unanimously.

FINANCE COMMITTEE

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