

Town Of Bedford
Finance Committee: February 4, 2016
7:30, Selectman's Meeting Room

Members Present: Stephan Steele, Ben Thomas, Elizabeth McClung, Richard Bowen, Thomas Busa, Paul Mortenson, David Powell, Stephen Carluccio, Karen Dunn.

Absent: None

Quorum: Yes

Others Present:

Victor Garofalo: Finance Director/ Treasurer&Collector, Richard Reed: Town Manager, Michael Rosen: Asst. Town Manager, Sue Baldauf: Youth and Family Director, TAC members Soraya Stevens (Chair), Stacy Chandler and Casey Ackerman. School Committee: Michael e. mcallister, Fire Chief: David Grunes, Facilities Director: Taissir Alani, Selectmen: Margot Fleischman, Mark Siegenthaler, William Moonan and Caroline Fedele. Residents: Susan Swanson, Nancy Caicedo, Carol Benoit Reynolds, Gayatri Yadavalli, Deb Edinger and Meridith mccullou.

Proceedings:

- *Meeting called to order at 7:34 by Stephan Steele, Chairman.*

***Motion** made by Ben Thomas to approve meeting minutes of January 14,2016 as amended with minor change, noted below. Seconded by Victor Garofalo.*

In favor: 8 Opposed: 0 Abstain: 1

***Action:** Victor Garofalo will edit quote under list of goals to become "we do not try to manage FTE's"*

***Motion** Made by (David Powell;) to approve meeting minutes of January 21, 2016 seconded by (Paul Mortenson) In Favor: 8 Opposed: 0 Abstain: 0*

***Motion** made by (David Powell) to approve meeting minutes of January 28, 2016 seconded by Elizabeth McClung*

Motion passed with unanimous approval.

Agenda Item A: Selectmen Budgets FY17

FY2017 Operating Budget

- Richard Reed, Town Manager begins presentation regarding recommended Selectmen Budgets FY17
- The proposed Selectmen Budget FY17 is 4% above FY16 totaling \$42,766,164.
- This increase is partially due to the increased costs of health and benefits.
- However, health ins. cost increases have been greatly mitigated due to the 2013 transfer from a Tufts plan to the new GIC- Tufts Navigator plan. Discretionary Selectmen budgets would increase 2.72% totaling \$15,896,722.
- This budget recommendation represents \$33,757 above the Finance committee guideline, due to the request for additional contracted IT services for the Finance Department. (Without this item, the request amount is \$1,243 below The Finance Committee Guidelines.)
- Currently, the town employs two IT members who are charged with managing multiple town servers. Victor Garofalo describes these additional IT services as a necessary expense (full list of project aspirations are noted on slide 17 of PDF.)

The case is specifically made for the following projects:

- Preventative measures regarding the configuration of the network infrastructure, specifically In relation to the need for security improvements such as a reinforced firewall. Recent attacks in nearby towns are noted.
- The need for storage array and backup devices is specified. The array has failed in the past; this implementation would prevent future occurrences, and would provide the option to have a replicated, offsite array.
- IT Specialty services are needed for the support and upgrade of the ambulance services. This is a public safety issue.

- *FY17 Debt budget, Presented by Victor Garofalo.*
- Note: this request does not include projections for the 6yr capital plan; these are expected to be available for review within the upcoming week.
- The FY17 Debt budget is proposed to increase by 3.04% totaling \$7,623,391.
- This budget is subject to change. What is not shown in the accompanying Power point presentation is dependent on what happens with the FY17 planned capital projects.
- A non-exempt amount has been added Impacting the water and sewer category as well as community preservation. Once a final amount is determined, there will be no impact to the tax levy because each category is raised at predetermined rates.
- Total outstanding debt totals \$72,947,825. This amount includes all authorized projects that have yet to be borrowed for.

- *Richard Reed, Town manager describes refuse collections:*

- The current Refuse collection and recycling contract expires FY16; likewise the refuse disposal contract expires in FY17. New contracts for municipal solid waste collection are reflecting dramatic cost increases, and being restructured to shift the market risk for recyclables onto municipalities.
- 50,000 additional funding may be needed for the refuse budget. Suggestion is made that this amount is saved in an un-appropriated reserve fund for the case it is needed. Contract renewal terms will determine the need.
- The FY17 proposed budget has been submitted with an increase of 5.34% over FY16. This is much less than the potential cost of this change, but was made possible by cost reductions in other budgets and mitigated through the use of an existing refuse revolving fund.
- Ben Thomas asked questions regarding specific line items in the Budget, with regards to changes from year to year. Town Manager Reed and Finance Director Garofalo responded to all Ben questions.
- There were other FINCOM members who asked questions regarding the Insurance and Benefit Budget, and past increases and current plan.

Pilot Transit Program

- The Pilot Transit Program is program is being proposed in response to citizen demand for an improved transit system.
 - Selectmen propose that the program be funded outside the FY17 proposed level service budget at an additional cost of \$104,794.00
 - Selectmen request that this cost is accepted as-is, suggesting that afterwards a meeting should be held to consider further increase.
 - During the implementation phase, the program is proposed as a contracted service utilizing one vehicle with flexible scheduling routes.
 - Town Manager, Richard Reed notes that there are no local public transit programs operating without a tax subsidy. In addition, the reasons for providing the service reach beyond profit.
 - A stated goal would be to match or surpass the Acton Dial-A-Ride program's goal of a \$22 cost-per-ride. However, Acton's program has yet to reach this goal itself. Dial-A-Ride implementation cost-per-ride rested at \$71.23 four-years later the cost is \$30.19. This amount is not inclusive of fare revenue.
 - It is stated that services such as Uber and Lyft have not made it into the area of Bedford. This statement is disproven. Non-subsidized Uber is, in fact, available in Bedford. Furthermore, the cost is determined to be dramatically less than the proposed cost-per-ride of the program. It is suggested that this matter is addressed more carefully.
- Further areas of concern as follows:*
- The program is proposed to rely predominately on tax subsidies, however; it is undetermined how many citizens will actually be utilizing the program. (Acton's comparable four-year-old program averages only 12 individuals per day.)
 - Many potential options mentioned in the plan, some of which are contradictory to one another.
 - Too many distinct goals for one van to service.

- Potential competition with bus services which the Town is already paying for
- Measurable success criteria/success plan, target demographic, and total hard funding needed have not been satisfactorily determined at this time.

- Finance Committee Member David Powell suggests that a separate Annual Town Meeting Article be devoted to this topic and that the collective public determines if the associated costs are worth pursuing.

Agenda Item B: Utilities- Facilities

Taissir Alani, Facilities Director presents.

- Contracting the utility budget shields the town from rates that trend a spike in the winter. However, cost increase is expected with a renegotiation of contracts.
- Facilities dpt. Is exploring methods to withhold 2% of expenditures per year. This amount is meant to provide a cushion, preparing for the rising costs between signed contracts, which occur every three years and average a spike between 5-10%.

- Contract renewal will occur in 2018. If the predicted spike occurs, the amount will already be (fully or partially) allocated.
- Allini is collaborating with building managers to keep them informed of power usage and goals for specific locations.
Staggering of utilities is one method being monitored in attempt to mitigate utility spikes
- Alani makes the argument that fiber cable connectivity is necessary between town buildings for safety and efficiency. Copper lines are being phased out and will not be supported in the future.

Agenda Item C: FY2017 Budget Discussion and Unused Levy Capacity (Lets talk about this)

This item was deferred to the next meeting. **Agenda Item D: Business**
(Mainly suspended)

Agenda for the week of the 8th: community preservation, decisions regarding budgets.

- *Motion for adjournment made at 11:35 by Tom Busa, seconded by David Powell. Unanimous decision.*
- *Minutes submitted by Michelle Racette, Recording Secretary.*