

Town of Bedford Finance Committee

Town Hall, Selectmen's Meeting Room

January 23, 2014

Members in attendance: Rich Bowen, Tom Busa, Stephen Carluccio, Elizabeth McClung, Barbara Perry, Mike Seibert (late arrival), Steve Steele (acting Chair), Ben Thomas.

Others in attendance: Beatrice Brunkhorst, *Board of Health Co-chair*; Ron Cordes, *Board of Assessors*; Victor Garofalo, *Director of Finance and Collector/Treasurer*; Tom Kinzer, *Board of Health Co-chair*; John Linz, *Board of Assessors Chair*; Bill Moonan, *Selectmen Chair*; Bruce Murphy, *Board of Assessors*; Ed Pierce, *School Committee Chair*; Heidi Porter, *Director of Health*; Stephen Poules, *Town Assessor*.

Health Department Budget: FinCom Guideline= 551,941.

Board of Health approved budget= 561,531

Contingency request for school nurse program eval= \$4050

Health Director Heidi Porter reviewed the department's mission and goals, saying since she became Director three years ago, one of the main efforts has been to make the department more efficient by streamlining how information is accessed. For example, it is now easier to retrieve data filed by address— rather than compartmentalized by subject— and easier to direct people to health policies, applications and permits that are posted on the department's webpage.

Ms. Porter also reported the formation of a Hoarding Task Force that includes Health, Police, Fire, Council on Aging, Youth and Family Services as well as professional organizers from the private sector. The Task Force works with individuals and families when hoarding creates hazards for personal and public safety. Ms. Porter said the Town prefers not to take hoarders to court; the goal is to provide the support and resources so that sanitary conditions can improve. However, recidivism and mental health issues can present obstacles to compliance with sanitation codes.

Another goal of the department was to update the Town's recombinant DNA guidelines (rDNA), a project that expanded to encompass a larger biological safety policy. The new policy provides guidance to the eight laboratories currently in Bedford as well as a model for other communities, such as those partnering with Bedford in the Middlesex 3 Coalition.

A new regulation regarding the keeping of animals— such as chickens, goats and other livestock— will be completed by the end of the year, Ms. Porter said.

Mr. Seibert arrived at this point in the meeting.

Mr. Steele asked how the Health department becomes aware of hoarding. Ms. Porter replied that it's usually the result of a notification from either police or fire personnel who have visited a residence. Also, the Council on Aging might develop a concern about someone and ask the department to do a well-being check. Families of hoarders can alert the Health department, but that happens rarely. Ms. Porter said that residents do not have to admit Health staff into their homes. In the case of being refused entrance, police and fire personnel can be tapped to submit an affidavit about a home's condition.

Next year's goals include securing grant money to acquire the services of a case manager to support the work of the Hoarding Task Force. The point of having a case manager would be to alleviate some of the increasing amount of work due to growing instances of hoarding. This work now falls to town departments.

Mr. Thomas commended Ms. Porter on the initiative of forming the Hoarding Task Force and the department's efforts to grapple with this complex issue.

On the subject of tick-borne illnesses, the Health department has secured grant funds to hire speakers and to distribute information about Lyme's Disease and other sicknesses that have become high priority concerns in the community and regional. Working together with other towns allows the Health department access to a larger pool of grant funding to support outreach programming.

The Health department and Board will also do an assessment of their programs, including an evaluation and needs assessment of inspectional services. Ms. Porter identifies the areas of "efficiencies" and "utilization of equipment and staff" as areas for the study's focus. In addition to a Health office evaluation, Ms. Porter said an evaluation of the School Nursing program was needed.

The interview process has commenced to replace a long-serving Health Agent. This is a mid-level hire and it is not yet known whether some salary line savings will be realized from the difference between the out-going and in-coming rates of pay.

Moving to the nuts and bolts of the FY15 Health budget—as approved by the Board of Health at their January 6 meeting— Ms. Porter provided an overview of the department's resource allocation. The FinCom guideline number for FY15 is \$551,941, a 1.5% increase –or about \$8,200— over FY14; however, due to contract-related increases for School Nurses—“(s)alaries represent a \$17,077 or 3.31% increase over FY14.”.... “Exclusive of the contracted salary increases, the BOH FY15 budget would be \$700 or 0.13% over FY14 vs the 1.5% FY15 guideline. Without contracted nurses' increases, FY15 budget request is under guideline by \$7,487.” [Quote taken from *FY15 BOH approved Budget.pdf*]

The expenses line items, Ms. Porter explained, are level funded from FY14 to FY15, with the exception of the “Educational Allowance” for staff that the Board increased from \$1,300 to \$2,000 in the anticipation of hiring a more junior health agent who will require training to obtain necessary professional credentials. Ms. Porter also reported that grant money for emergency preparedness training will be going away.

Ms. Perry asked whether the School department negotiates the nurses' contract. Ms. Porter replied that she sits in on the negotiations but they are conducted by the Town Manager. The most recent negotiations also included a mediator. The contract is between the Selectmen and the nurses.

Mr. Busa said his calculations show that the salary line item is 5.88% higher, not 3.31%. He questioned why anyone would sign a contract with an increase double the Town's revenue sources (through the tax base increase of 2 ½ %.)

Mr. Kinzer said that the entire Health salary line increased 3.31%, not just the school nurses' salary line. In response to Mr. Busa's question of why the nurses' salary increase is higher, he said that prior to the last contract, it was realized—by the nurses and by the Town— that the nurses were not paid commensurate with their counterparts in surrounding towns. An evaluation was done and Bedford's nurses' salaries were well below the median for area school nursing staff.

Ms. Porter, reading from the current contract, said that it shows a 1% COLA increase for the first 93 days of the contract and a step increase of 2.5% for the second 93 days. There's a 4.5% increase from step to step.

Ms. Porter also provided these statistics: In the first half of the first year of the contract, there was a 0% increase, followed by a .5 COLA and a one-step increase (or 4.5%) for the second half of the first year. The Town is now in the second year (FY14) of a three-year contract that will end at the close of FY15. The contract added 3 steps to the salary format for a total of 12 steps, each step an increment of 4.5%.

Ms. Porter said that the current contract was an attempt to bring the nurses up to par with their educational colleagues in the schools. The State considers them to be educators and will evaluate them on that basis in the new Common Core standards.

Ms. McClung said some towns argue that nurses should be paid on par with the educational staff while other towns argue otherwise. Ms. Porter clarified that the nurses are not on the same pay schedule as the teachers and that the contracts are separate.

Ms. Perry asked how a nurse's work week compares to a teacher's work week in terms of numbers of hours. Ms. Porter replied that nurses are at school when students are in school, seven hours a day, although teachers' hours are longer due to conferences, workshops and grading. Mr. Thomas said the budget salary breakdown shows nurses' hours to be 35 hours/week for 22 weeks. There are 4.69 School Nurse FTEs. There is also funding for substitute nurses in the case of staff absences.

Ms. Porter said nurses are not in class but they do review records and need preparation time. They are with students all day. The number of students and the complexity of need impacts the nurses' offices just as it affects the larger school department. Disabilities and a generally larger range of issues add to the difficulty of the job.

Ms. Brunkhorst said the Board is also requesting a contingency of \$4050 to hire someone to evaluate the School Nurse program. The purpose of the evaluation is to better understand what the school nurses do and how they can do it better. Part of the problem is that, even though the Board oversees the school nurses, the nurses work in the schools and "we can't see what's going on." Ms. Brunkhorst added that the Board has sent letters in the past to the School Committee, "trying to get them engaged" but that the Committee doesn't see any problem and believes things are fine as they are.

Ms. Brunkhorst said that relating to the school nurses is difficult without someone on staff to supervise them. Because of changes in the law, the nurses are more and more "under the purview of the schools" and they have to obey school rules.

Ms. Porter administratively oversees the school nurses but, in order to evaluate the quality of the nurses' job performances, Ms. Porter had a conversation with the building Principals. "The feedback is that everything is going great," she said. There is no quantifiable feedback. Mr. Kinzer said this is one of the problems and that it results in an "administratively anomalous situation in which, by law, they report to the school principals but administratively they report to us."

The school nurses once had a community health aspect of their jobs that was under the purview of the Town but that was changed in 1999 when a Community Health Nurse position was added to the department. Ms. Perry recalled that when the school nurses were also community health nurses, they worked year-round.

Ms. Porter said there are only 8 towns in the state where the school nurses work under the Board of Health. In all the other districts, the school nurses work for the Schools.

Ms. Perry said she was trying to understand the rationale for paying school nurses similarly to how teachers are paid. Mr. Kinzer replied that state law categorizes school nurses as educators; the categorization is not something the Town can change.

Mr. Bowen said there is a disconnect having the Town Manager negotiate a contract for employees that the Town doesn't directly oversee.

Mr. Kinzer said that since school nurses became entirely school nurses without the community nurse component, there have been discussions about whether the school nurses should work under the schools. He it was a conscious decision to keep school nurse salaries down by keeping them under the Board of Health. The nurses became aware of this and the complexities of the job have intensified over time. The needs of Special Needs students enrolled in programs like LABBB are one of many factors "that has huge implications."

Ms. McClung asked about the In-State Travel line item. Ms. Porter replied that the funds are used for three staff members: the Director, the Health Agent, and the Community Health Nurse. It covers in-town mileage, mileage to regional meetings outside of town, and tolls. Records are kept.

In response to a question from Mr. Bowen, Mr. Garofalo confirmed that the salary line item with respect to the school nurses' salaries is mathematically correct.

Ms. Porter continued the budget presentation by describing grant funds that supplement the Health budget. Under professional services, for example, emergency preparedness grant funds were secured to hire an emergency planner and a volunteer coordinator who supports emergency sites/ shelters. Another Department of Public Health grant funds tick illness outreach efforts. Additional grant funding from the Community Health Needs Assessment (CHNA) supports Healthy Bedford initiatives such as the evaluation of transportation services in town as well as the creation of a Hoarding Resource booklet. "Sundries" —such as paperwork and supplies for flu clinics— are also supplemented through grant funds. Medical supplies—like needles, Band-Aids, Benadryl— are funded through grants. Flu clinics, Porter explained, prepare staff and create the infrastructure to respond to potential epidemics or bioterrorist

attacks. Grant revenues for the first two quarters of FY14 were \$14,415. For FY13 the total for the year was \$52,098, for FY12 it was \$28,350 and for FY11 the total was \$12,800.

The department applies to insurance companies for reimbursement for flu vaccine inoculations. Those reimbursements go into a Revolving Fund, approved by Town Meeting in 2012.

Ms. Porter also noted revenue that has come in from permit fees. For the years 2011 to 2013, the amounts were between \$23,000 and \$26,000; the most recent figure from the first two quarters of FY14 was \$ 8,747. Intern time, though unpaid—added up to a value of \$4950 (between 2011 and now) when calculated at a rate of \$15/hour.

Returning to the subject of the \$4050 contingency request, several FinCom members felt it would be a waste of money— although the amount is small— to pay someone to tell the Health department what it already knows: that the school nurses should be overseen by the schools .

Ms. Brunkhorst said that just moving the nurses to the School budget does not solve the problem of critical oversight since there is no one at the Schools with the right qualifications to supervise the nurses.

Ms. McClung said it made sense to perform the evaluation of the School Nurse program sooner rather than later in order to be ready for the next round of contract negotiations for FY16. Ms. Brunkhorst said this point was made in a letter first sent to the School Committee two years ago and reiterated last year in a follow up letter. In each case, there was no response, although Ms. Porter said she reached agreement in a recent conversation with Superintendent Sills that an assessment should be done.

From the point of view of the School Committee, the program is working well just the way it is, said Mr. Kinzer. The Committee is already dealing with large budgetary issues like the mushrooming number of ELL students and a more complex student body. The study would pinpoint the issues and form a clear basis upon which a conversation could take place.

School Committee Chair Ed Pierce clarified what the School Committee's position was: a vote was taken to look at the school nurse situation at the end of the current contract term. It is possible that services could be outsourced, managed not by the Board of Health but by an outside service. Expressing his own opinion rather than the opinion of his board, Mr. Pierce said he found it troubling that the money issue—rather than the oversight issue— might be driving the concern, now that the nurses salaries are on the rise.

A general sense prevailed that conducting the evaluation as soon as possible made sense, given that FY15 is the last year of the current school nurse contract. If the contingency fund is approved, the evaluation would begin in the fall of the '14-'15 academic year.

Mr. Seibert asked if the \$4050 was a firm number rather than an estimate. After Ms. Porter confirmed that it was a solid number, Mr. Bowen said he was concerned that the number of hours allotted for the study seemed low and that he'd rather see 40 hours at a \$100/hour than 27 hours at \$150/hour. Ms.

Porter said the person who would be hired to do the study runs the Nursing Institute at Northeastern University.

With that, the discussion closed with the acknowledgement that, without taking the contingency request into account, the budget approved by the Board of Health is \$9590 above the FinCom guideline.

Assessors: FinCom guideline/ Assessor's budget: \$ 265,066.

Associate Assessor Steve Poulos presented the Assessors' budget. In the "Purchase of Service" category, an increase from \$4,500 to \$6,500 for licensing for WebPro software was noted in the Maintenance Agreements line item. For the first two years of the contract, the introductory price was lower ; in FY15, the higher amount will kick in.

The amount needed for the Inspectional Contractor was lowered by \$2,000 due to a shift in staffing so the savings can be diverted to the WebPro license increase. However, Poulos said that \$1,500 was kept in the Inspectional Contractor line item to pay for industrial/commercial work that is anticipated.

Every other line item was level-funded with the exception of Sundries—a category that has been regularly overspent. With this in mind, the allocation for Sundries increased from \$1,900 to \$2,810.

The computer line item went down from \$1,600 to \$1,500 although Mr. Poulos reported that the department is looking at ways to expand technology in the office to improve data collection.

In the category titled "Other Expenses", in-state travel increase from \$1,900 to \$3,000.

Mr. Bowen said that additional money had been voted in the past to allow the department to catch up with onsite inspections. Mr. Poulos reported that the department is on track to get this done. Mr. Murphy noted that the target date for completion is the FY 15 recertification.

As far as overlays go, Chair John Linz said there were no updates on any of the pending decisions. Mr. Poulos said the FY13 cases are still new and in negotiation. A benchmark analyses performed by Mr. Murphy shows that Bedford is in the same position as many other communities.

Mr. Seibert asked how much was in the budget for overlay; Mr. Garofalo replied that \$50,000 has been so earmarked. The Board of Assessors concurred that the placeholder of \$50,000 was "as good as anything". Mr. Linz added that the Town is merely a spectator for these telecommunications/utility overlay cases and not in a position to negotiate. Neither the amounts of the settlements nor the year in which they will be settled can be accurately projected. However, it was noted that a past benefit of settlement agreements has been that cases from preceding years have often been dropped, clearing up a lot of loose ends and uncertainty.

Mr. Linz said that all the overlay accounts prior to 2011 are telecommunications cases of different sizes with different risk estimates. There are some open commercial/industrial cases from the last two years. Nothing has been done yet about open cases from the current fiscal year. Except for the pending MCI case, nothing large is looming on the horizon. At this point, Mr. Murphy said the Assessors were not

concerned about the Town's ability to offset any deficits created by the MCI settlement because earmarked amounts from pending cases that may be dropped can offset the payment obligation.

The new growth number of \$800,000 was confirmed by the Assessors.

It was noted that Chair John Linz will be retiring in March after 25 years on the Board of Assessors. This tenure comes on top of 10 previous years on the Finance Committee.

Model 2.5:

Mr. Garofalo reported that impact aid for the education of Hanscom students has caused the budget surplus to go up by \$190,000 to \$237,645. Because of this, there is now \$290,000 on the impact aid line item that can be transferred to the General Fund at Town Meeting.

Other changes that were made since the 2.4 model are corrections to the Library salary item. Additionally, Mr. Garofalo included a note about the percentage increase (5.8%) on the Planning Board's salary line item.

No other changes were made on model 2.5, however some changes are anticipated for 2.6 due to several recent reversals:

The first—and biggest— piece of bad news is the broken sewer line under Bedford Street in Lexington at the intersection of 95. The line is Bedford's and the Town will have to pay for it to be fixed. The response team includes Bedford, Lexington, Burlington, Hanscom and the MWRA. The MWRA brings in the experts and contractors.

It is unsure whether the Bedford's insurance will cover the damages although the Town has "the best insurance possible." The Reserve Fund, from which money could be drawn to cover the sewer repair costs, stands at \$625,982 but \$300,000 has been earmarked for homeless student transportation, an expense not likely to come down.

Two other problems that Mr. Garofalo reported include added a cost for the Veterans Administration and overages for water due to flushing related to the total coliform bacteria. The Veterans deficit appears to be between \$30,000 and \$50,000 and is 100% reimbursable, but the reimbursement will not be seen until the following year. The water use overage—the extent of which is not yet known— will also require a Reserve Fund transfer. The money could be recouped through water rates going forward. Mr. Garofalo said a complete analysis is being conducted to determine what the cause is and what the response should be to the issue. If bacteria problems are anticipated yearly, the rates may have to change.

Ms. McClung said if flushing needs to occur regularly, the discharged water should be put to some use, like irrigation for recreational fields. Mr. Garofalo said the Selectmen will discuss the elements of the problem and then determine the rates in June or July. The hope is that the work recently done on the water mains will eliminate the bacteria problem.

The snow budget is \$22,000 away from being in deficit although Mr. Garofalo believes the most recent little storm may have wiped that out. The expense “has not been realized on the books yet.” This year, \$220,000 was allotted for snow; last year the amount was \$295,000. Mr. Garofalo suggested bumping up the snow account total for FY14 to \$300,000. He will make that adjustment in the next model.

As far as the Cherry Sheets/Local Aid estimates go, Governor Patrick has released his figures. Most numbers are trending higher than FY14—some, like Veteran’s Benefits and State Owned Land are significantly higher. However, Mr. Garofalo said he wouldn’t recommend using the most optimistic estimates for the Town budget, although he pointed out that in an election year, the numbers usually aren’t monkeyed around with very much. He added that the Veteran’s Benefits don’t substantively change the bottom line because they reflect an exact amount that must be paid out.

Mr. Pierce said that the money for Hanscom students is also from a prior year and is therefore less because of lower Hanscom enrollment a year ago. The money goes directly to the Schools and is used the following year. If the amount that comes in is higher than the Schools have projected, it could offset some of the difference between FinCom’s guideline budget number and the Schools’ request.

For the VocTech tuitions, Mr. Garofalo said \$385,000 is the assessment from Shawsheen and about \$40,000 is the assesment for the two students at Minuteman. If one additional student enrolls at Minuteman, the model number of \$445,000 will hold so he does not recommend lowering the estimates allocation.

Old business:

Mr. Bowen had two items of note. One was that the state pension fund/OPEB fund showed a 15.1% of return for the past year. The second item concerns the approval of \$75M by Congress to build new schools on Hanscom AFB—a decision that shows intent to keep Hanscom open.

Mr. Garofalo noted that Bedford’s money was not in the state pension/OPEB pool for the entire year. However, he agreed that the fund was doing well and added that when he sold the fund off, the Town realized a \$130,000 gain on it; as of December’s figures, there had been another \$60,000 gain.

Meetings attended:

Mr. Carluccio said Superintendent Sills presented another version of the School budget at the most recent School Committee meeting that decreased the distance between FinCom and Schools to about \$300,000-\$400,000. Mr. Pierce clarified that total number of cuts amounted to \$971,000 from the original budget proposed. He added, however, that \$57,000 of those cuts are for the Foreign Language program at Lane School—a cut he indicated was unlikely to be approved by the School Committee.

Mr. Carluccio said that the School budget trade-offs came down to staff versus technology. At least one member of the School Committee said at the meeting that if a choice needs to be made, he would support keeping staff and not continuing in the same trajectory with the ambitious technology program.

Some of the cost savings expected to offset investment in the one-to-one program have not materialized. Mr. Carluccio said he is still unclear what the endgame is with the program. Ms. McClung asked if there was an assessment of the positives aspects of the investment. Mr. Carluccio said at this particular meeting there was no assessment but he knows these discussions have taken place.

Mr. Steels said originally it was thought that tech support needs would diminish and that textbook costs would decrease. He believes that neither of these things has happened as expected. The future of the program remains a question for inquiry and debate at both School Committee and FinCom levels.

Mr. Bowen said that the question of pace concerned him. Bedford shouldn't be the last school to adopt one-to-one but how fast does it have to happen and how can it be done most effectively?

Ms. Perry attended Community Preservation. The state match was in the low 50's this year but the Committee will use a lower estimate when planning for next year because it is unrealistic to consistently expect so high a return. The Committee reviewed some of the requests that are currently on the table—particularly those from Capital Expenditures—although it won't vote until after the upcoming public hearing. It was generally agreed, however, that CP would not approve the request to fund a replacement sidewalk on Springs Road because it should be considered as part of a comprehensive sidewalk plan. Also, because it's a replacement, the Committee isn't sure that the project is eligible for CP. They also generally agreed that the Town Hall MEP project is not yet ready to present because more questions need to be answered.

What is most likely to be funded, Ms. Perry said, is the Police Station cooling tower, the aluminum windows on Town Hall rehab, and the irrigation sprinklers for recreation fields.

Mr. Thomas attended the Board of Health meeting and reiterated that the Board is spending a lot of time on the subject of the school nurses. He also attended the Selectmen's meeting and said it appears that there will be 26 articles for Annual Town Meeting, although few seem controversial. He added that the subject of how to fund capital projects remains a topic for discussion. Mr. Garofalo said one thought is to have Selectmen, Capital Expenditure and FinCom meet together to develop a roadmap for capital funding going forward.

Minutes:

The minutes of January 23 were amended to include Mr. Garofalo in attendance. With that correction, a motion was made by Mr. Busa and seconded by Ms. Perry to approve the minutes. The vote was 7-0-1.

A motion to adjourn was made by Mr. Seibert and seconded by Mr. Bowen. The vote was 8-0-0.

Respectfully submitted,
Kim Siebert, FinCom Recording Secretary