

Budget & Finance Committee
 Monday, July 8, 2019 – 5:30 p.m.
1st Fl. Council Conference Room – City Hall
-Minutes-

Present: Chair, Councilor Melissa Cox; Vice Chair, Councilor Scott Memhard, Councilor Ken Hecht
Absent: None.

Also Present: Kenny Costa; Jim Destino; John Dunn; Vanessa Krawczyk

The meeting was called to order at 5:30 p.m.

1. Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor’s Report and other related business for the purpose of any remaining FY19 matters

Kenny Costa, City Auditor, made note of his report to the Committee (on file).

John Dunn, CFO, advised the Committee as follows regarding making whole FY19 accounts. Seventeen of the 28 accounts are Snow & Ice related. **Councilor Cox** highlighted that no Stabilization Funds or Free Cash was used to cover year-end deficits in the General Fund accounts which was confirmed by **Mr. Dunn**.

Councilor Cox asked if there was this much money in these account lines, were they over/under budgeted pointing out the Health Insurance lines that needed backfilling. **Mr. Dunn** noted they run cumulative positive variances, budgeting for a full staff for the DPW but routinely there’s turnover which creates lag money for salaries. **Councilor Cox** pointed out that typically lag money is used to backfill retirement or vacation payouts. **Mr. Costa** recounted there was a Police Chief that retired. Vacancies don’t always get filled, **Mr. Dunn** advised, recounting that the Fire Department had to utilize more overtime, but still stayed within their budget even though fire personnel received raises due to a contract settlement. Again, the impact was kept within that department’s budget. He reported that there were vacancies in the Police Department, and that allowed them to cover Chief McCarthy’s retirement payout within that department’s budget. He touched on the Health Insurance line items briefly saying that funds not needed were used for backfilling certain accounts. **Councilor Cox** expressed her appreciation for the construction of the motion for the information contained within it compared to years past.

Responding to an inquiry by **Councilor Memhard, Jim Destino**, CAO, highlighted that when people retire, in general, they’re replaced with lower salaried personnel although the position would have been funded at the higher level for the entire fiscal year. **Councilor Cox** noted there were incidences where there were unexpected payouts particularly within the DPW. **Mr. Destino** added that in addition to the savings in the Police and Fire Departments, Electricity and Energy line items were budgeted conservatively, responding to an inquiry by **Councilor Cox**, saying that they were pleased to be in the position to make these accounts whole through the city’s budgeted operating funds. **Mr. Costa** added that 60% of this transfer is for the Snow & Ice deficits.

Councilor Hecht mentioned that this is a result of conservative budgeting that works and discussed with **Mr. Costa, Mr. Dunn** and **Mr. Destino** how the School Department through the School Committee manages their bottom line budget as voted by the City Council. It was noted that Mr. Costa provides the overall oversight of that process. **Councilor Cox** pointed out that the School Department if they have left-over funds at year end, beyond covering their deficits, they typically put those funds towards prepaying SPED expense which is the only account they can pay down/pre-pay.

COMMITTEE RECOMMENDATION: On a motion by Councilor Hecht, seconded by Councilor Memhard, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2019-SBT-13 for the purpose of funding and making whole Fiscal Year 2019 accounts totaling \$910,500 as follows:

FROM ACCOUNT			TO ACCOUNT			Amount
ORG	OBJ	Account Name	ORG	OBJ	Account Name	
0112151	511000	Mayor's Salaries	0142351	513002	Snow & Ice OT	\$ 7,000

0114551	511000	T/C Salaries	0142351	513002	Snow & Ice OT	\$	4,000
0114552	530010	T/C Legal Services	0142351	513002	Snow & Ice OT	\$	25,000
0115251	511000	HR Salaries	0142352	529014	Snow & Ice - Plowing	\$	15,000
0115551	511000	IT Salaries	0142352	529014	Snow & Ice - Plowing	\$	15,000
0115552	534008	IT Web Site Costs	0142352	529014	Snow & Ice - Plowing	\$	15,000
0118151	511000	CD Salaries	0142352	529014	Snow & Ice - Plowing	\$	40,000
0121151	511000	Police Uniform Salaries	0121051	511000	Police Admin Salaries	\$	73,000
0121251	511000	Police CID - Salaries	0121651	513000	Police Harbor OT	\$	4,500
0124151	511300	Inspectional Services Hourly	0142352	529014	Snow & Ice - Plowing	\$	25,000
0140352	529004	DPW Solid Waste Disp	0142352	529014	Snow & Ice - Plowing	\$	80,000
0142152	530008	DPW Admin Training	0142151	511000	DPW Admin Salaries	\$	4,000
0142358	585000	Snow & Ice Equipment	0142352	529014	Snow & Ice - Plowing	\$	19,000
0147252	521001	DPW - Facilities - Electricity	0147251	513002	DPW - Facilities - OT	\$	85,000
0147252	521001	DPW - Facilities - Electricity	0142352	553010	Snow & Ice - Salt	\$	17,000
0149952	521000	DPW - Central - Energy	0149951	513000	DPW - Central - OT	\$	4,000
0149952	521000	DPW - Central - Energy	0142352	553010	Snow & Ice - Salt	\$	75,000
0154352	577000	Veterans – Benefits-OB	0151051	511300	BOH Wages - Hourly	\$	4,000
0154352	577000	Veterans – Benefits-OB	0142352	553010	Snow & Ice - Salt	\$	56,000
0161051	511000	Library Salaries	0142352	529014	Snow & Ice - Plowing	\$	38,000
0190151	517003	Health Insurance	0190351	517008	Medicare	\$	53,000
0190151	517003	Health Insurance	0191051	517001	Worker's Comp	\$	45,000

0190151	517003	Health Insurance	0191551	517002	Unemployment	\$ 10,000
0190151	517003	Health Insurance	0142352	553010	Snow & Ice - Salt	\$ 42,000
0194252	569001	Vocational School	0142352	553010	Snow & Ice - Salt	\$ 34,000
0194552	574001	Building Insurance	0142352	553010	Snow & Ice - Salt	\$ 20,000
0640058	580000	Sewer Capital Outlay	640059	592500	Sewer Note Interest	\$ 43,000
0182052	565004	School Choice Sending	0170059	591500	Interest on LTD	\$ 58,000
TOTAL						\$ 910,500

A motion was made, seconded and voted unanimously to adjourn the meeting at 5:41 p.m.

Respectfully submitted,

Dana C. Jorgensson

Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.