

FINAL MINUTES – approved March 21, 2023
February 27, 2023

Meeting between DPW and Finance Subcommittee of Public Works

6:30

Roll Call

Dirk Coburn – present in person
Grace Keeney – present remotely
Toby Metcalf – present remotely
Betty Yobaccio – present remotely
Daniel Zitnick – present remotely

6:35

Brief introductions between Finance Committee members and DPW

6:40

DPW budget overview by Bill Spratt

In his overview, Mr. Spratt explained that the biggest part of the budget is the salaries and that they have been CBA-driven. Energy is also a big driver of the proposed budget. Energy supply costs have doubled, but DPW has worked hard to use more sustainable energy in the department and be strategic with energy purchasing. Another driver in the budget is the cost of maintenance and repair. Supply chain costs have risen dramatically. Additionally, changing regulations at the state-level also impact the budget. DPW has to react when new regulations are changed or new ones added. This is non-negotiable.

6:50

Line by line discussion of the DPW budget

Questions/discussion focused primarily on all the line items where the increase from FY23 to proposed FY24 was over 10%.

Municipal Energy Section

- A question was asked about why the line item for heating and cooling did not change. Mr. Spratt explained that the previous amount in FY23 was inflated.
- A member asked about what DPW was doing to keep/attract labor. Mr. Spratt stated that there is a labor shortage and keeping employees is challenging - especially with higher/competitive wages in other industries. A lot of the new employees are looking at hourly rates and not necessarily the pensions. The turnover is unsustainable. To stay competitive, DPW now supports commercial drivers license training for employees and the department is looking into an apprenticeship program with Keefe Tech.
- A member asked if bonuses and merit performance benefits have been taken out of the budget. Mr. Spratt explained that they are not gone, but renamed in other part of the budget. All pay is established through the CBA. A follow up question asked if the CBA

are “in a good place” and Mr. Spratt responded that one of the bid changes was with the pay steps. They were changed to bump up the lower wages.

Engineering Section

Mr. Spratt reiterated that this section is salary driven and the increase reflects a new safety coordinator that will support DPW and Facilities. They will assist with safety trainings, help with workers’ compensation and make sure that safety is put first.

- A member asked if an in-house safety coordinator is cheaper than outside training. Mr. Spratt stressed the importance of this position for improved in-house training.
- A question was asked if the “storm water master plan” under expenses was on a cycle. Mr. Spratt explained that when one plan ends, a new one begins.

Administration Section

Mr. Spratt said that most of this section is salary driven and noted the title change from the director position to “executive director.” He also noted that there were no changes to the expenses as they were comfortable with current funding.

Snow and Ice Section

For the benefit of new Finance Committee members, a member explained that DPW budgets for a light snow season because they cannot budget for less than the previous year by law. After the season any overages can be funded ex post facto. A member of DPW confirmed this and commented that they are already over this budget this year.

Equipment Maintenance Section

Mr. Spratt explained that this section of the budget is CBA driven and that the expense increases are driven by supply chain costs. These rising costs will inform future purchases and the department is making an effort to standardize the fleet. Keeping vehicles for longer periods means that more money is spent on repairs and maintenance.

- A member asked if an asset manager could help here. Mr. Spratt answered that it would. Currently, they do not have an asset/repair tracking system. This would really help with efficiently assigning labor too. Another member asked if the department will prioritize asset management moving forward. Mr. Spratt noted that they would use some of the funds to find an asset/repair tracking system in 18-24 months.

Land Fac and Nat Resources Section

Mr. Spratt said this section of the budget was driven by tree and mowing services. With Kennedy Middle School and Fire Station 4 coming online, these services are increasing. High O/T budgeted due to looking at historical data and CBA increases. It is also due to labor shortage.

Highway and Sanitation Section

Mr. Spratt explained that the salaries are again CBA driven here. They reviewed the historical data of the expenses and arrived at these numbers. Bush grinding has increased due to contract fees going up.

- A member asked if Mr. Spratt could speak to public concerns about the quality of the “blue bags” and the PAYT system. He explained that the quality of the bags was by design to control how much can be placed into them. The agreement with the bag provider also ensures distribution and stock maintenance for the many stores in Natick where the bags are available.

7:40

Motions

Recommend favorable action by the full Finance Committee on the DPW budget for \$10,844,516. Motion made by Mr. Zitnick and seconded by Ms. Yobaccio.

Roll Call Vote:

Dirk Coburn – yes

Grace Keeney – yes

Toby Metcalf – yes

Betty Yobaccio – yes

Daniel Zitnick – yes

7:45

Water and Sewer budget overview

Answering a question from a member, Mr. Spratt explained that Water and Sewer is not experiencing the same labor shortage as DPW. He also made note that the EPA was going to be putting out new regulations soon - especially around PFAS - and that the department would have to make some adjustments to conform.

7:55

Line by line discussion of the Water and Sewer budget

Water and Sewer Billing Section

Mr. Spratt explained that it was largely CBA driven and that expenses had been determined through a historical look back at previous years.

Sewer Section

Again, Mr. Spratt reiterated that salaries were mostly CBA driven. Under expenses, the MWRA assessment is based on anticipated usage numbers. It typically increases by 4%.

Water Section

Mr. Spratt reiterated that salaries were largely CBA driven. “Salaries supervisory” also includes a compliance coordinator for the changing regulations. The increased budget for clothing is due to the CBA and turnover in the department. With respect to expenses, licenses are needed to keep up with requirements and the increase in service connection has to do with supply chain issues. Additionally, an update to the water meter reading system - which will now be done by radio communication - impacted the software servicing line item. The miscellaneous construction repairs and maintenance has to do with fire hydrant maintenance and waterline

maintenance. The cost of renewing PFAS filtration medium has been moved into the operating budget from the capital budget as the frequency of needed replacement has become clear the cycles are too short to justify capital financing.

- A member asked why the electricity budget line did not go up. Mr. Spratt explained that historically it was previously over budgeted.

Shared Expenses Section

Mr. Spratt explained that the FICA/Medicare increase was due to onboarding additional staff. The total costs for insurance and life insurance is still a guestimate and may be adjusted later.

- From a member's question, Mr. Spratt confirmed that the insurance and life insurance rates will be the same rates for other departments.

Interest and Maturing Debt Section

Mr. Spratt explained that it is expected to go up 30% this year. They will borrow more and pay more in interest and for the principle.

Other Financing Issues Section

Mr. Spratt explained - with respect to transfers to the general fund - that the indirects are tied to costs within specific departments.

- In answering a members question, it was confirmed that all of this is in compliance with state regulations and reviewed/audited.

8:20

Motions

Recommend favorable action by the full Finance Committee on the Water and Sewer budget for \$19,960,263. Motion made by Mr. Coburn and seconded by Mr. Zitnick.

Roll Call Vote:

Dirk Coburn – yes

Grace Keeney – yes

Betty Yobaccio – yes

Daniel Zitnick – yes

8:25

Move to Adjourn by Ms. Keeney and seconded by Mr. Zitnick

Dirk Coburn – yes

Grace Keeney – yes

Betty Yobaccio – yes

Daniel Zitnick – yes