

Town Manager responses to Advisory Committee questions.

- 1) What is driving the \$36,000 decrease in labor costs?

The Town Manager's budget supports 100% of the Town Manager's salary, 100% of the Executive Assistant/Licensing Coordinator, 25% of the Assistant Town Manager, and 0% of the Communications Specialist. The remainder of the Assistant Town Manager's salary comes from the CDMI budget (50%) and PEG (25%), and 100% of the Communications Specialist is supported by PEG. Compared to FY2021 we adjusted the impact of the Assistant Town Manager's salary on the operating budget by shifting 5% from the Town Manager's budget to PEG.

FY2021's budget supported the Passport Agent. That program is not currently provided for by the Town and is not budgeted for in FY2022, per direction provided by the Board of Selectmen.

The primary reasons for the decrease to this line is the elimination of the Passport Agent, tighter budgeting for the Town Manager's salary based on his new contract (Spring 2020) with some of his pay transferring from salary to deferred compensation (town-wide expenditures), and shifting more of the Assistant Town Manager's salary to PEG.

Additionally, I noticed there is a discrepancy between the Town Manager's offices' budgeted labor amount included in the Town Meeting Warrant and 'Victor's Budget' document posted online. I double checked the figures prior to the Advisory Committee meeting and the number included in the Annual Town Meeting Warrant is accurate.

- 2) Central Office Supplies?

No questions

- 3) Is \$120K enough to budget given the ongoing Fireworks site work, the pending Fire Station work and the open Sylvester School / Salmond School planning/work? Historically, this expense area has neared \$180K.

I believe the historical expenditure of +/- \$180,000 was prior when I took the job as Town Manager and I do not anticipate a return to that level of legal services spending at this time. This line-item is purposefully slightly over budgeted based on (more recent) historical trends and known future expectations. Necessary legal work for the proposed fire station, if passed at Town Meeting, should come from the monies approved by voters; same with Sylvester/Salmond. At this point in time I do not envision substantive legal bills associated with the Fireworks site. Undoubtedly, an unanticipated issue (or issues) could decimate this line-item very quickly.

- 4) Overall, I like the streamlining of positions impacts on the budget numbers; however, with many staff wearing 2 hats (including Finance), are we exposed to depth of experience issues and raw workload gaps if key personnel leave. To that end, are we sure compensation packages for these dual role positions are competitive?

In my assessment we are properly staffed, employees have responded positively to their expanded roles, and we have provided market-rate, competitive compensation packages to our employees.

Creating/strengthening the Director of Human Resources role, improving hiring practices, prioritizing friendly and supportive working conditions, and spending time attending to employee needs have been a focus of this administration. My observation is that employee satisfaction and morale are at an all-time high (since the start of my tenure in Hanover).

The most pressing need for additional staffing within the entire organization is in the Town Manager's office for a strictly administrative/secretarial position now that Ann and Janet have both moved into new roles. At this point in time I'm not proposing or requesting such an addition to the budget; however, I will continue to monitor the need closely in the future.

- 5) Any planned significant expenditures known at this time for FY '22?

If this question is concerning “legal services” my answer is no.

- 6) Risk Management: What is triggering the additional \$75K (32%) P&C expense?

We underfunded this line-item last year and the increase brings the budgeted amount in line with anticipated expenditure(s).

Janet spoke to our MIAA rep yesterday. He said we are looking at a 2.7% increase overall, (including property and casualty), which amounts to about \$14,050. If we use our prepay option, which we typically do, we will get a 2.5% discount, bringing us down to a 0.2% increase. However, these figures would not include deductible amounts that could come in as a result of unexpected damages, or endorsement amounts for new property acquired or built and added to our coverage during the year.

There has also been an increase in the cost associated with adding companies under our coverage as additionally insured. It is \$500 to add them as additionally insured and then \$1,500 per million for a waiver of subrogation under general liability, with an additional \$1,500 per million under umbrella coverage. We could try to negotiate out of it, or for a mutual waiver, but the larger utility companies like National Grid or Verizon typically will not allow it. I am not certain if the current contracts are up for renewal or if the Town is looking to sign any new agreements of this sort. If so, this expense will more than likely come into play.