



MANCHESTER-BY-THE-SEA

FINANCE COMMITTEE • TOWN HALL
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Minutes of the Finance Committee

February 5, 2025 7:00 p.m.

Room 5 and on Zoom

MEMBERS PRESENT: Sarah Mellish, Chair, Andy Oldeman, Mory Creighton, Gar Morce, Tom Parking, Peter Twining, and Dean Nahatis

MEMBERS ONLINE: N/A

MEMBERS NOT PRESENT: N/A

STAFF PRESENT: Town Administrator, Greg Federspiel, Fire Chief, James McNeilly, Accountant, Andrea Mainville

SELECT BOARD MEMBER PRESENT: N/A

Call to Order – Ms. Mellish called the Committee meeting to order at 7:00 p.m.

- **Discuss FY26 Operating and Capital Budgets and Staff Needs**



Fire Dept. Power
Point Pres..pdf

Chief McNeilly prepared a comprehensive Power Point presentation for the Finance Committee. The presentation started with an overview of services provided.

The Fire Department is a multi-response agency with goals of assuring Life Safety, Incident Stabilization, and Property Conservation.

Firefighting for Structures, Vehicles, and Woodlands all have occurred in the past quarter.

Emergency Medical Services are provided where needed and account for 78% to 80% of services provided by the Department. Rescues take place on land, water, ice and include auto extractions and wilderness rescues.

Hazardous Materials including gas leaks and carbon monoxide

Public Education and Outreach including car seat installations, playground inspections, and senior outreach programs for at risk populations.

Specialized training includes active shooter protocols.

There were 1,067 emergency responses during the past year. This does not include other calls that are received by the Department.

The Department has a “Heat Map” which tracks all call by address and highlights the areas in Town with the most calls. There were 181 simultaneous calls last year.

The Department also has electric vehicle shut-off capabilities and special blankets to place over electric vehicles to stop fires. This capability was supported with a grant. Mr. Oldeman asked about the solar panels. Chief McNeilly replied that the Department has the ability to stop a fire in a single panel by using a rhino lining.

Ambulance billing has been compiled over the past annual year. There were 308 transports in the past year. The bills are all out-of-network, which allows the Department to charge a higher rate. The Chief is considering putting ambulance billing out for bid. BC/BS covers the full costs Medicare does not cover the full costs. The slide in the presentation addresses all fees for ambulance services.

Mr. Nahatis asked if a simultaneous call triggers overtime. Chief McNeilly responded yes. Mr. Nahatis asked if there was a way to manage that additional expense. The Chief replied that at this time the Department does not have a second ambulance so we do not have the ability to transport, however, we can provide care while waiting for transport.

Ms. Mellish asked about towns with no ALS trained personnel and how much does that cost the Town. Chief McNeilly stated that the Town can bill for ALS care, but the billing is completed by the town providing transport and the Town will receive 60% for ALS transport care. This level of care and service is based on State Law. If the Town receives a call the Town is mandated to respond.

Mr. Nahatis asked if Manchester provided mutual aid for the Middleton Forest Fires. Chief McNeilly replied we did, and they provided help with the Town's recent fire. Manchester had mutual aid from 7 Towns. The Committee asked about the Call Fire Fighters, during the recent event the Chief replied that they are doing great and more than half responded to the recent fire.

Mr. Creighton asked about the Beauport ambulance that is parked at the end of Pine Street. Chief McNeilly stated that Beauport is the Town's back up ambulance for ALS services and also provides services for Hamilton, Rockport and Gloucester. When one of their ambulances is on a call the second ambulance moves to the end of Pine Street to be in a position to take calls for other towns.

Permit Fees Revenue from permit fees is \$270,146.28. The Chief pointed out that some of the fees are covered by MGL, however, it is allowed to add an administrative fee many towns add a \$25.00 fee. The Chief will submit that request to the Select Board.

Mr. Creighton asked about the commercial plan review and how that fee was determined. The Chief indicated that he had reached out to multiple communities and the proposed fee reflects an average. Mr. Creighton also asked about heated driveways and propane tanks. The chief replied that the older things like a 30-year-old heated driveway he does not know about, but for new builds are that information is part of the property description on record with the Department.

Chief McNeilly spoke to Community Risk Reduction and the need for the Department to be aware of things like extremely long and steep driveways and the type of vehicle the Department can bring to the site. At this point he is accessing about 20 homes a year.

Mr. Twining asked about the conclusion around fees and are there fees that need to be increased. Mr. Federspiel replied that the Chief will need to go before the Select Board to address increasing fees. The Town just started reporting on residences over 5K sq. ft.

Apparatus Replacement Plan is on target:

Engine 1 – 2011 should be reserve, trying to use less. The Department uses the ladder truck more to get firefighters comfortable with driving the larger truck and to understand where the truck will fit and not fit.

Engine 2 – is Lynnfield's engine. The Department is taking excellent care of it. The Town's goal is to purchase 7/1/2027.

Ambulance 1 – is working well

Ambulance 2 – will arrive at end of calendar year 2026

Squad – pickup truck fully loaded with paramedic equipment

Car 2 – used as transport for 3-person crew and car when paramedics go on location without the ambulance.

Chief McNeilly recommended allocating \$350K for vehicle replacement for the next few years given the increase in costs for new vehicles.

FY 25 – Salary \$1,667,475.00 – 55.59% expended and 44.41% remaining.

FY25 Operating \$209,950.00 62.2% expended and 38.30% remaining.

FY 25 – Overtime \$100K budgeted \$61,954.11 expended and 38.05% remaining. The Chief stated that with full shift staffing the Department is well with Overtime.

Mr. Twining asked about the percentage of overtime between the December numbers and the numbers reflected by the Chief, noting that the percentage of overtime was higher. The Chief stated that one Fire Fighter was deployed with FEMA and the Department was reimbursed \$13K. Ms. Mainville stated that money was deposited in January and was not reflected in current numbers. Overtime hours for the recent fire event are not reflected in the current total.

The Chief stated that during a snow event he has 4 people working. He is not comfortable relying on Call Fire Fighters to get into Town during a snow event.

Capital Budget Requests

Mobile Radio Upgrades – \$7,175.00

Cardiac Monitors – \$54K

Fire Engine Year 1 of 3 – \$300K

SCBA Breathing – \$245K and SCBA Fill Station \$75,748.00

The Chief anticipates applying for FEMA grants for Breathing and Fill Station requests. The Breathing equipment and fill station usually lasts 15 to 20 years.

Mr. Nahatis asked about the impact of rising tides on the basement of the Fire Station. Chief McNeilly stated that he is concerned about the mechanical support for the building which is all located in the basement.

FY26 Operating Budget

\$198,950.00 (\$2,950) without Deputy Chief position.

\$217,200.00 Increase of \$16,250 includes hiring a Deputy Chief

Mr. Federspiel and Chief McNeilly did not discuss the Deputy position and Mr. Federspiel chose the lower proposed number.

Mr. Creighton asked about \$30K for vehicle maintenance and was that enough given the value of the vehicles on site. The Chief stated that much of maintenance is done by the staff on site and he is comfortable with the \$30K figure.

Ms. Mellish asked what college added references. Chief McNeilly stated that line covers books, and he hopes that books will become part of the Department library. Ms. Mellish asked if the Town is paying for tuition. That is also paid and is part of the contractual agreement.

Emergency Management FY26

Chief Fitzgerald proposes replacing the current drone and developing a first responder volunteer team.

Current Emergency Management team is Chief Fitzgerald and Chief McNeilly. There is special training specifically for Emergency Management and the Chiefs are proposing working with Ipswich to develop a viable team for the Town. Ipswich has a trained team and Plan. Chief Fitzgerald stated that in the event of an emergency both he and Chief McNeilly will be directing staff responders, and the Town needs a trained team of first responders.

Drone infra-red heat seeking and one that meets public safety standards. Chief McNeilly stated that the Fire Department used the drone when they were called in to support the forest fires and the drone support was a time saving tool.

Deputy Fire Chief

The role of the Deputy Fire Chief would focus on Fire Prevention, Incident Safety Officer, Citizen Representative, Inspection and Investigations, OSHA's Emergency Response Rule, Continuity of Operations, and the current Chief Needs Help! Chief McNeilly walked through all the roles he is currently fulfilling as the Chief, and he needs help. He noted that the Town is not doing what it needs to be doing for Fire Prevention. For an Incident Safety Officer during the recent fire, he relied on the Essex Fire Chief to support that role. Citizen Representative takes a lot of time in Town! OSHA Rule based on 1980 NFPA standards proposing bringing up to 2018 standards all at once if enforced the National Fire Protection Association standards will require additional training and focus on best practices.

Chief McNeilly asked what residents expect from the Fire Department. The 911 response times are excellent. Other departments have 15–17-minute response time. A Deputy Chief would allow for flexibility. He clearly stated he needs help. All comparable Towns have Deputy Fire Chiefs.

Chief McNeilly is proposing a full-time position Mon – Fri with no overtime. One of the slides in the presentation lists the comparable towns all of whom have a Deputy Chief with a salary in the range proposed by the Chief. The Chief pointed out that DPW and the Police Department have a second lead person in place. The Fire Department is the only Department without a second person.

Mr. Nahatis asked if the Safer Grant was still available. The Chief replied it was and if the Town received the grant it would be like winning the lottery. Chief McNeilly noted that 2 fire fighters will be retiring in the next 5 years and with the Safer Grant the Town would be in a position to have trained officers ready to step in. Additionally, the additional officers would be able to support shared services. The Town is currently sharing EMS trained employees.

Ms. Mellish stated she was reluctant to add a person to support another town noting that the Deputy position should be looked at unrelated to shared services. Mr. Nahatis stated he sees the need for a Deputy Chief and proposed adjusting schedules and overtime to make that happen. Chief McNeilly stated that contractually the Department cannot do what Mr. Nahatis is proposing. Mr. Oldeman stated that he sees the need for the position and the flexibility would be good.

Mr. Morse stated the Town government is efficient and cost effective and no one has directed the Committee to improve services suggesting that was not the Committee's role. He sees the Finance Committee's role as improving services without driving up costs. Mr. Morse is not in favor of adding \$115K to the Town budget.

Ms. Mellish asked if the Chief needs a Captain. He replied he did that person is in the chain of command. The Captain interacts directly with firefighters not the Chief. The Deputy Chief would not be part of the union and would provide continuity in dealing with the public. There are 4 working groups led by one Captain and three Lieutenants each group works on shifts. The Chief is the only nonunion employee in the Department.

Mr. Parkins noted that the Deputy would add to the level of service for the Department, and he believes fire prevention is essential and not currently being addressed.

Mr. Creighton stated as a supervisor he is concerned when he hears an employee is struggling and burning out. He added that the Chief has transformed the Department, and the Town has an excellent level of service. The salary increase would be hard to sell and proposed having 3 firefighters on duty more often and increasing the Deputy Chief from within the Department.

Ms. Mellish requested two budgets one with the Deputy Chief position and one without the Deputy Chief position.

Mr. Federspiel suggested an alternative to reduce the Chief's work by contracting out inspectional services and possibly other services.

- **Discuss Revenue Projections**

Ms. Mellish is working on revenue projections using a 2-year average and adjusting the projection to a higher average.

- **Investment Income**

Ms. Mellish stated that she had a meeting with Ms. Mainville and Ms. Yaskell. Ms. Mainville is working on compiling bank balances year over year related to investment income and clarifying which funds are in Money Markets at what rate of earnings. She understands there are discrepancies in the revenue from accounts and she believes that it is related to the amount of cash deposited and needed. Mr. Parkins asked about the Town investing in MMDT. There are a few reasons that historically the Town has kept funds in Money Market accounts over investing in MMDT. The funds are more readily available with Money Market and MMDT does not have the level of insurance as bank Money Market accounts.

Additional information will be provided when Ms. Mainville has completed her historical review.

- **Town Administrator's Update**

Mr. Federspiel indicated that the Health Insurance rate for FY26 was not looking good. He adjusted the budget to reflect a 10% increase but that increase could be as high as 15%. He noted that the Town's utilization rate is good.

Operational Audit results have been provided in a rough draft and indicate that the Town is too lean in operations. Some departments are understaffed and there is no full-time Human Resource person on staff. The Select Board will need to develop a five-year plan to address the highest priorities. The challenge is the Town is small.

- **Approve Meeting Minutes**

Mr. Twining moved to approve the meeting minutes of January 23, 2025 and January 29, 2025; Mr. Oldeman seconded the motion. The motion passed unanimously.

- **Schedule FY26 Budget Review**

February 12, 2025 – Library and Town

February 19, 2025 –CPC and complete Town

February 27, 2025 – Capital and discuss capital with department heads during review of Operating Budgets.

March 5, 2025 – Auditor's report and OPEB

Remaining March and April meetings are scheduled and will take place as needed.

- **Adjourn** *Mr. Morse moved to adjourn the meeting; Mr. Parkins seconded the motion. The motion passed unanimously.*