



Town of Wilmington

Finance Committee

121 Glen Road Wilmington, 01887

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TOWN OF WILMINGTON, MA

Meeting Minutes Tuesday, January 31, 2023

Finance Committee Chairman John F. Doherty III called the meeting to order at 7:00 pm. Members present were Theresa Manganelli, Vice-Chairman; Marianne Gallezzo, Secretary; Chris DiOrio, Dr. Brad Jackson, Joseph Lavino, and Scott Neville.

Present in Interest: Town Manager Jeffrey M. Hull, Assistant Town Manager Susal L. Inman, Finance Director Bryan T. Perry, Assessor Karen Rassias, and Treasurer/ Collector Pennilyn Dudley.

Chairman Doherty opened the meeting by requesting Mr. Hull present the FY 24 Budget. Mr. Hull stated that the proposed FY 24 Budget came in at \$129,913,393, which increased by 3.55%. Mr. Hull noted essential factors contributing to the increase. Mr. Hull informed the group that heating costs had been estimated to increase by \$230,000. Changes to the town's Advanced Life Support services, prospectively bringing the service in-house, resulted in the need to increase the budget to \$745,000, which will be further discussed in the future Finance Committee Meeting with the Fire Department. Mr. Hull stated that the Shawsheen Tech adjustment would be difficult to project as their budget cycle runs behind. Based upon discussions with the school superintendent, the Wildwood School Building Committee recommended \$1,100,000 for modifications to the middle school, including a playground, conference room, and bathrooms, based on Architect Dore and Whitter's cost projections. The Board of Selectmen has authorized a recommendation to transfer \$100,000 for the playground from ARPA funds and apply the amount toward the estimated \$1,100,000.

Mr. Hull acknowledged that the school is 23 years old but should have another 25-30 years of use. He would like to see the construction minimized.

BOARD OF SELECTMEN BUDGET

Mr. Hull informed the group that the \$6,500 for Miscellaneous and Contractual would cover expenses for the Board of Selectmen, including their meeting attendance, certifications, memberships, and the usual plaque that is presented to Board Members who decide not to continue serving on the Board. Mr. Hull informed the group that \$3,500 is budgeted for the printing of Town Topics, and \$1,300 is budgeted for the printing and publishing of legal notices.

FINANCE COMMITTEE BUDGET

Mr. Hull stated that the Finance Committee budget would include recording secretary costs, printing and binding, dues for the Mass Finance Association, limited training, and office supplies. Mr. Hull noted that printing costs have increased and thus justified an increase in the budget.

TOWN MANAGER'S BUDGET

Mr. Hull noted that his salary, along with five employees, would be included in the salary portion of the budget. Mr. Perry added that the Sealer of Weights and Measures would be included as well. Mr. Doherty questioned this position as it had been completed by the state previously. Mr. Hull informed the group that due to the population being over 20,000, the town had received notice that we would no longer be eligible for this service.

Ms. Inman noted that Sealer of Weights and Measures, Mr. Leonard Rose, offered to assist with finding applicants to accommodate the need for the Towns Sealer of Weights and Measures Role. Equipment has been purchased, and the Appointed Sealer of Weights and Measures, Richard Evans Schultes, has become independent in his role, performing the necessary duties and reporting to Mr. Thomas Donahue, Senior Clerk of the Town Manager's Office. Ms. Inman noted that Mr. Thomas Donahue had overseen the program thus far. Mr. Donahue spoke to Mr. Schultes' quick acclimation to the position and ability to perform his role efficiently. Mr. Hull clarified that the Sealer of Weights and Measures position had been included in the Town Manager's Salary Budget.

Mr. Hull detailed the budget for postage and printing, which covers issuing tax and excise bills, letterhead, envelopes, and annual reports.

Mr. Hull explained that Miscellaneous and Contractual Services includes his membership to the International City Managers Association, the Massachusetts Municipal Finance Association, amongst other memberships, the Pitney Bowes Machine Maintenance Agreement, the US Postal Service permit fees, and shredding services. This budget would include \$60,000.00 appropriated for the purpose of grant writing services. There is currently a draft of Request for Proposals, which needs to be signed off on and sent out—justified by the idea of attaining a seasoned vendor instead of hiring an employee.

Mr. Hull acknowledged the budgeted \$6,500 for training and conference, which has been used by himself, Ms. Inman, and more recently, Mr. Donahue; for the purpose of staying up to date with procurement training and certifications through the Office of the Inspector General.

Mr. Hull stated that the office supply budget included a range of items, paper pads, notebooks, and anything you could imagine would apply to that category.

TOWN ACCOUNTANT'S BUDGET

Mr. Perry informed the group that from last year's budget, Fire was the only union contract that had been approved. Subsequently, between now and the time of the FY 23 Budget, the town has five of the six unions settled. Mr. Perry clarified that the steps look sizable within the budget; however, they are covering two fiscal years.

Mr. Perry informed the group that in FY 21 and 22 and payroll has been moved to his office. His office is seeing a more seasoned staff for FY 24; longevity, step increases, and a reclassification due to a salary study has increased the salary budget.

Mr. Perry stated that the Accounting Office, Miscellaneous and Contractual Budget, should come in right around \$10,000. Mr. Perry clarified that with payroll in the office, \$1,500 had been budgeted for the check folding machine. Mr. Perry stated that everyone received a paper stub regardless of direct deposit enrollment. Ideally, with Munis, employees will utilize employee self-service and move away from the need for the check folding machine.

Mr. Perry informed that the amount budgeted for Training and Conference was up a bit higher; Andrea Dimitriades was the new Assistance Finance Director; she has become quickly acclimated to the job and is looking to continue education and course work to reach certification. She has a background in mutual funds and accounting. Mr. Perry emphasized her ability to quickly transition into the role.

Mr. Perry informed the group that there had been an additional \$500.00 added to the Accounting Offices Supplies Budget.

TREASURER/ COLLECTOR'S BUDGET

Mr. Hull introduced Pennilyn Dudley to the group, stating she has been an employee for a number of years, taking the helm following the retirement of Pamela Mackenzie.

Ms. Dudley stated that, excluding herself, there are five full-time positions: one paid through the Water and Sewer Receipts. Miscellaneous and Contractual Services, \$31,685, would include jet mail, eastern bank lockbox fees, invoice cloud, and Siegal report. Mr. Hull noted that the Siegal report looks at pension liability, which is important to consider.

Ms. Dudley noted that the next line item would be Printing and Binding; it would cover envelopes, real estate and motor vehicle bill forms, W2 and 1099 forms, and advertisements of tax title detailings.

Ms. Dudley stated the next line item would be Training and Conference, which would cover Amherst, dues, and hotel. Mr. Hull added that in August, the Treasurer Collectors Association has a program at UMASS Amherst for training which is valuable.

ASSESSOR'S BUDGET

Assessor Karen Rassias introduced herself to the group. The budget for the Miscellaneous and Contractual had decreased; most of the decrease is related to the previous year funding a data conversion. This budget also includes evaluation updates and cyclical data collection.

Ms. Rassias stated that the Appraisals and Inventories Budget would include personal property audits. This budget also includes costs associated with the Appellate Tax Board; in FY 22, most of this charge was related to a case involving Walgreens. Mr. Doherty questioned the number of Appellate cases the town currently is facing. Ms. Rassias informed the group that there are currently five cases.

Ms. Rassias informed the group that the Training and Conference budget covers her Assessors Designation and the necessary classes to keep this designation. The office staff has also been taking classes. This budget also includes the fees for the Mass Chapter of the International Assessors Association, and increases in costs would cause this budget to be tight for FY 24.

Ms. Rassias presented that the Printing and Binding Budget included commitment books, noting that the work they do is considered a permanent record and anyone doing historical research CAN VIEW these books, which are stored in the Vault.

Ms. Rassias informed the group that the Office Supplies Budget had been reduced \$300.

Ms. Rassias noted that the Assessor's Office had previously requested Near Maps, and this request had been approved. Ms. Rassias explained to the group the functionality of this program and how it proved to be useful to her department, and the availability to other departments to use this program. Ms. Rassias provided a demonstration of Near Maps, showing the ability to show flyovers of properties at a close distance, eliminating the need for door-knocking. These flyover views allow the Assessor to find things that are not typically seen, such as a new fence, an added pool, and even air-conditioning units on roofs; Ms. Rassias noted the helpfulness of the program in estimating project completion of local buildings to establish a tax bill.

TOWN COUNSEL BUDGET

Mr. Hull stated that the Town Counsel budget includes Town Counsel services provided by KP Law and Special Counsel Dan Deutsch. Mr. Hull stated that he believed that this account may be level funded this year.

MATURING DEBT AND INTEREST BUDGET

Mr. Perry informed the group that the Maturing Debt and Interest budget had changed very little over the past few years. He stated that in FY 21, the school debt had been refinanced; between FY 21 and FY 37, this action will provide an average of \$230,000 a year saved on Interest.

Mr. Perry noticed that included in the short-term debt would be the water tank which is a \$2,500,000 note which has been funded through the statehouse notes program with remarkable rates of 1-2%.

Mr. Perry acknowledged that employee retirement and unused sick time had been budgeted as \$220,000 for the past four or five years. The Medicare town contribution has been decreased, as the

costs had not been increasing to the rate of the budget. Salary adjustments are considered in the budget when multiple unions have not been settled for the fiscal year.

Mr. Perry informed the group that Ambulance Services and billing layout had been changed last year; the netted revenues and expenses were combined.

The Peg Cable Access must be presented in the budget; this money is received from Verizon and Comcast, put into the general fund, and then paid to WCTV. Dollar for dollar received is paid out.

Mr. Perry informed the group that the Finance Committee Reserve fund is typically kept at 1% of the budget, thus seeing a modest increase to \$1,300,000. Mr. Neville asked what this reserve fund was used for. Mr. Doherty informed Mr. Neville that this fund is used by the Finance Committee for transfers out for instances such as the recent oil spill at the Wildwood School.

Dr. Jackson asked Mr. Perry to go over the salary adjustments again, asking if these adjustments were for potential costs of collective bargaining agreements. Mr. Perry stated Dr. Jackson was correct and that there currently are two police unions that have not been reached for FY 24 which are considered in the budget for salary adjustments. Additional costs would include services such as pre-employment physicals.

Mr. DiOrio requested the contract for Ambulance Services, where the town has been spending \$600,000 contracting Ambulance Services and in the future \$700,000. Mr. Hull noted that the expected cost from July 1 was \$568,000. Previous discussions had been had with Fire Chief William F. Cavanaugh III and Ms. Inman about ALS services, and a Request For Proposals had been conducted, with one vendor providing a price of \$714,000. In the current contract, there were two option years. Currently, the town is operating in the first option year.

INSURANCE BUDGET

Ms. Inman started by informing the Finance Committee that the Mass Tax reimbursements for sick leave due to Covid had been returned in the amount of \$53,644. This allowed employees to have their sick banks replenished for the time used for Covid related absences.

Ms. Inman stated that Public Liability, Worker's Compensation, Automobile Liability, Property, and General Liability, are grouped together with MIIA.

The Public Officials' Liability had increased by 5%; this was caused by a 25% loss ratio over the past three years; percentages are estimated as budgeting takes place during the year.

Ms. Inman informed the group that the actual spent was \$411,000 was spent on Worker's Compensation which is calculated. This has been estimated to increase by 10% due to the calculation of a 1.05% experience modification which is calculated by diving actual losses and expected losses.

Ms. Inman informed the committee that Property and General Liability is expected to increase 15%, essentially caused by the oil spill claim at the Wildwood School which caused a 254% loss ratio for FY 21 and FY 22.

Ms. Inman informed the committee that there are 7 employees who require bonds to protect the town in the event of theft.

Ms. Inman stated the Fire and Police Accident Insurance, which is typically level funded with an estimated three 111F, to which there is a high deductible of \$35,000 of which the town is liable for medical and health claims associated with Fire and Police claims.

Ms. Inman informed the group that in Employee Health and Life Insurance had a current medical trend of 6-8%. The town has seen a decline in elective procedures provided the Covid 19 pandemic; however, they are expecting an upswing where employees are returning to elective procedures post-pandemic. Mr. Doherty asked what the deductible was for this plan. Ms. Inman informed the group that the deductible for Employee Health and Life would be \$175,000.

Mr. Doherty asked how the reimbursement for the Wildwood School oil spill claim was progressing. Ms. Inman stated that the town has been arguing as to why the town should see an increase in costs due to something the town was not responsible for. In the meantime, the town will expect to pay these costs and continue through the claims process. Mr. Hull and Ms. Inman informed the Finance Committee that, given the legal matter at hand, they would not be able to comment further as the situation is in the hands of MIIA. Ms. Gallezzo asked what the final bill would be at this date; Mr. Hull clarified that the estimated bill would be \$1,500,000, not including prospective costs, which may occur. Mr. Hull stated the town's intent to pursue any reimbursement involving the situation.

Dr. Jackson asked if the Employee Health and Life Insurance would include the School Department and retirees. Mr. Hull clarified that the Blue Cross Blue Shield Medex plan would cover 75% of the rate for retired employees, both town and school employees.

As a side note, Ms. Inman added that in 2022, 20 employees retired, and 47 positions had been filled, externally and internally. In the previous year, 21 positions had been filled. Ms. Inman acknowledged Ms. Wendy Martiniello's dedication and efficiency in overseeing these hiring and promotions, all while handling civil service responsibilities. Ms. Inman expressed her gratitude for filling positions internally; for example, the position of Treasurer Collector with Pennilyn Dudley was considered well deserved. Ms. Inman informed the committee that internal promotions would contribute to added education costs. Ms. Inman also informed the committee that grandfathered longevity has contributed to salaries balancing where they should be in the market, and salaries may look different in the future to coincide with salary studies, not including the grandfathered longevity.

STATUTORY CHARGES

Mr. Perry stated that the first charge seen is \$900,000, is an offset to the revenue, which has been constant budget to budget. Retirement Contributions are budgeted for \$8,900,000 and paid out annually in July; if this was paid in installments, it would cost the town over \$9,000,000.

The remaining items consist of charges that the town receives in revenue from the state, in the form of aid, for example, the MBTA. Offset items include \$44,000, which is applied to the library and then comes right back out of the budget. Where it is early in the state budget year, the increase of 2.5% has been generated from historical data. Real numbers should be produced sometime in June.

WARRANT ARTICLES

Mr. Perry stated that annual items such as Memorial Day, Veterans Day, Fourth of July Celebration, Other Post Employment Benefits, and Prepayment of Retirement Benefits; have remained constant and are expected to remain level funded.

Mr. Doherty asked Mr. Perry how FY 23 was looking. Mr. Perry informed the group that one of the areas which may be over budget was Police overtime was at \$466,000 against the budgeted \$700,000, about 2/3rds spent in the first half of the year. Fire has come in at \$685,000 against the budgeted \$1,000,000. Mr. Hull added new hiring of police officers would contribute to the overtime cost.

Ms. Gallezzo noted the \$15,000 allocated for Design Services at the Harnden Tavern. Mr. Hull informed that this would be used for an architectural firm to evaluate the condition of the windows and establish a cost estimate. Mr. Hull stated that this would be the approach taken for any building project. Mr. Hull referenced the appropriation of \$170,000 for engineering and design services at the West Intermediate School. to generate a cost estimate for window replacement, and the following year an appropriation would be requested to coincide with the cost estimate generated. Ms. Gallezzo noted that Harnden Tavern has been replacing a window on their own every year. Mr. Hull noted that last year the Harnden Tavern received a quote of \$76,000 for window replacement; however, this project would need to adhere to procurement procedures.

Ms. Manganelli asked if there was any way to expedite the replacement of windows at the Harnden Tavern in FY 24. She expressed her concern that the condition of the windows would possibly contribute to the further deterioration of a historical building. Mr. Hull stated that if the \$15,000 is granted over the summer, a cost estimate could be developed, and a bid would be generated, possibly starting work at the end of 2024.

Ms. Gallezzo expressed her concern about having ten windows already completed by a historical restoration contractor, and these did not go through a bid process. Mr. Hull stated that he would need to consult with Building Superintendent George Hooper to further evaluate the condition of various pieces of all windows, including the sashes.

Mr. Neville questioned the excise tax and the drop of \$600,000 caused by decreased auto sales. Mr. Hull informed Mr. Neville that the town is being conservative with their estimated 8-9% decrease in auto sales to help underestimate revenues instead of overestimating.

Mr. Neville asked about new growth of \$1,100,000 and if there were any upcoming projects that would contribute to this growth. Mr. Hull informed Mr. Neville that when companies change out machinery or equipment, it is difficult to know when it's happening; however, larger projects such as Upton Drive, Lowell, and Woburn Streets would contribute to new growth as well.

Mr. Neville asked if there were any upcoming capital projects at Shawsheen Tech. Mr. Hull stated that there was not anything specific, although they had put in for MSBA funding, however, they did not receive it. Mr. Hull informed Mr. Neville there would be an opportunity for the public to meet with the Superintendent of Shawsheen Tech in February.

Mr. Hull added that the Finance Committee meeting schedule had been updated; Public buildings had been moved to February 14, and Planning and Conservation will present on February 7. Mr. Hull noted that School Superintendent Dr. Brand had sent out an email to establish a strategic planning effort. Mr. Doherty informed the group that Andrew Lavigne would be representing the Finance Committee for the school's strategic planning effort.

Mr. Hull requested that the Finance Committee designate someone to interview along with Ms. Rassias, Ms. Gingrich, and himself to interview 6K, a company interested in renting space on Upton Drive. This company creates new cell batteries for automobiles and planes. Ms. Rassias informed the group that 6K is currently testing in North Andover. However, they are looking to begin manufacturing locally. Mr. Hull referenced a past situation involving Analog Devices, which has proven to be successful. Mr. Doherty asked how the real estate taxes would be divided if the building on Upton Drive were to be a triple-net lease. Ms. Rassias stated that the occupants would pay their taxes through the owner of the facility.

Mr. Doherty provided the opportunity for further questions.

APPROVAL OF MINUTES

The Finance Committee Reviewed the Minutes from June 21, 2022. A motion was made By Ms. Manganelli, seconded by Mr. Neville, and unanimously:

VOTED: To approve the minutes from June 21, 2022

The Finance Committee Reviewed the Minutes from October 4, 2022. A motion was made By Mr. Manganelli, seconded by Ms. Gallezzo, and unanimously:

VOTED: To approve the minutes from October 4, 2022

The Finance Committee Reviewed the Minutes from October 18, 2022. A motion was made By Ms. Gallezzo, seconded by Ms. Manganelli, and unanimously:

VOTED: To approve the minutes from October 18, 2022

At the conclusion of the discussion, being no further business, a motion was made by Mr. Doherty for the Finance Committee to adjourn, seconded by Ms. Gallezzo and unanimously:

VOTED: That the Finance Committee adjourn.

The meeting adjourned a 9:28 pm.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Tom Donahue", is written over a horizontal line.

Thomas F. Donahue

Recording Secretary

