



## Town of Wilmington

Finance Committee

121 Glen Road Wilmington, 01887

RECEIVED  
TOWN CLERK

2022 FEB -2 AM 11:49

TOWN OF WILMINGTON, MA

Meeting Minutes  
Tuesday, January 25, 2022

Finance Committee Chairman, John F. Doherty III, called the meeting to order at 7:00 pm. Members present via video conferencing on ZOOM were Marianne Gallezzo; Secretary, Jonathan Dugas, Scott Neville, David Tamang, and Joseph Lavino. Theresa M. Manganelli; Chairman, Andrew Lavigne and Leigh Martinson was absent.

To begin the meeting Mr. Doherty read a statement regarding Open Meeting Law and public access to the meeting via technological means, then took a verbal roll call of the attendees.

### FY21 BUDGET UPDATE

PRESENT IN INTEREST: Jeffrey Hull, Town Manager; Kerry Colburn-Dion, Assistant Town Manager; Bryan Perry, Finance Director; Karen Rassias, Town Assessor

Mr. Hull began the budget overview by referencing the presentation he gave of the budget on the night before at the Board of Selectmen's meeting. Before turning the budget presentation over to Bryan Perry, Finance Director, Mr. Hull highlighted a few key points. We are about 6 months into the fiscal year and most accounts are in good shape. One area we are watching is the Police overtime. We have several vacancies there. We can discuss this in more detail when the Chief comes in for his meeting. Mr. Hull discusses some of the difficulties the WPD has had recently with filling vacancies. Mr. Perry adds that we will keep you updated through the spring on the 3 big ones we like to keep an eye on. We think the police is trending higher than the \$675,000 we had budgeted. At this rate we are looking at \$800,000. Mr. Doherty adds how are doing on Fire overtime? Mr. Perry adds that we are doing excellent on fire and on dispatch. Fire has been excellent at a little over \$400,000 but against the \$1.4 million budget there is a lot of capacity. Mr. Doherty says were there a number firefighters out with Covid? Ms. Colburn-Dion responds that she has been working on covid numbers. There have been 41 Town employees that have had covid and filed for reimbursement money that we can get back from the state. It's up to \$850/week and includes the cost of their benefits. We still have a few people out, but it has calmed down a bit. Ms. Gallezzo asks Mr. Perry you said the Fire Chief expects the overtime to ramp up in the next few months. Is he expecting more in the next few months? Mr. Perry responds that It's a seasonal type thing. I don't know the details, but it typically trends up around now.

Mr. Tamang says that it looks like we are using the overtime to is being used to compensate where there is a lack of personnel. Is there any cost savings in that open positions relative to overtime or is it a wash? Mr. Doherty responds that a couple years ago we authorized to hire several new positions but with covid and getting though the academy it's been very difficult to get them filled.

Mr. Perry continues to say that along with fire, dispatch overtime has been doing well. Just overtime thought the end of 70,000 again 175,000. If it trends as, is we are looking at 140,000 this year. But there are always staffing issues in that department. Otherwise, the budget has been staying the course.

Chair asks if there are any other questions? Mr. Hull goes on to explain the process of hiring for the fire and police departments to provide a little more detail to the new members of the committee.

Mr. Perry says one more line item to mention is Shelly Newhouse and the Board of Health. With contract tracing the BOH has been using the cares money through the end of the year. We will try to use up the Arpa and other grant money. Mr. Doherty says that when we met with Shelly in December, we let her know that we will authorize the use of reserve funds if needed.

#### FY2023 Budget Overview

Mr. Hull starts by saying not to repeat what was presented last night but to highlight some of what was said this year's total is at \$125,516,578 and the increase is up 3.89%. If you look on page 2 I have highlighted the 4 biggest areas of expenditure. WPS is the biggest share, along with shared cost, which includes insurances, general government and Shawsheen tech. The table references 4.83% and it is because our auditors noted that we received money from Comcast and Verizon that is paid in by cable subscribers. That money gets appropriated at town meeting to WCTV and supports their operation. Also separate is our ambulance service revenue, we contract with Action ambulance for advance life support. If you compare our current budget to the FY2023 the gross is up 4.83%. Previous years did not include these numbers as part of revenue and expense but at the advice of the auditors and it shows this additional bump. This purely just a presentation change. Chair asks Did the auditors give any other discrepancies. Mr. Perry responds says that's just it, there was no discrepancy just a suggestion.

Mr. Hull continues to discuss the budget saying one of the biggest increases is the personnel cost. The towns salary account we are looking to increase by 4200,000. We have 5 of 6 collective bargaining agreements expiring this year. We have increases in the WPS, police, Shawsheen tech, and Middlesex County Retirement. Heating oil is also going up due to inflation. Mr. Doherty asks how many of our buildings are still on oil? Mr. Hull responds that he doesn't know that offhand, but the majority of buildings are on oil. He goes on to say another category hit by inflation is the salt and trash/recycling. Mr. Doherty asks, On the trash and recycling have we been meeting our goals? Mr. Hull responds fortunately; we have been able to maintain the certain level of cleanliness. We also looking at a decline in healthcare coverage cost, it is down \$326,950. On the fire side we are seeing a decline in overtime. In veterans service most of the expense is the benefits and its tracing below budget and we will be reducing it to below \$250000. With covid we did have some real concerns about the impact on local aid which is 12% of the towns budget. We thought it would be reduced, but in fact it was increase by about \$348,000. He goes on to discuss some of the impact of covid and the towns conservative approach to forecasting some of the revenue in various categories, such as new growth, motor vehicles, and meal's tax. There is a brief discussion regarding new growth.

We are level funding local aid. I would expect that it would be around 2.7%. We will not receive this information until the end of this fiscal year. The other categories of revenue would be meals tax, building inspections, and dog licenses, we are expecting a small decrease there. There is motor vehicles, sales have been robust this year. We are anticipating far less new vehicle purchases in the new year. We have reduced the motor vehicle excise. That is a general picture in terms of where we are in terms of our revenue and expenditure.

#### Revenue

Bryan Perry, Finance Director, led the Committee through the budget page by page, explaining the organization of each section and how the figure of \$125,516,578 was calculated. Mr. Perry began by reviewing in detail the summary of revenues located on page one of the budget. The first and biggest component of page one is the tax levy, which we can discuss in more detail when we get to page 5.

Local receipts were scaled back as well. Local aid is received from the state & we will have a better number for that in July. We discussed the amount from the Town's certified Free Cash and capital stabilization that will be appropriated and used as a source of funding for some of the capital projects that Jeff explained last night. The indirect charges has spiked since we moved the PEG/cable access fees. He goes on to discuss some of the water and sewer budget. We will go into more detail when we meet with the department of public works. The pie chart on page 2 is a little more detail of the tax levy breakdown of funds. Page 3 is a comparison of annual charges in available funds. It will show you the differences in a dollar and percentage figures. Ms. Gallezzo asks what is the current balance in the free cash and capitalization fund? Mr. Perry responds that free cash was certified as of July 1 at \$32 million, 7 hundred thousand and some change. The capitalization fund is at \$16.1 million as of June 30<sup>th</sup>. On Page 4 is another table showing the sources of the revenue in dollar figures and in percentages for FY22 and FY23. Page 5 is showing the tax levy but in more detail. The biggest wild card is the new growth, and in FY22 we were just a shade below \$2.4 million. Pages 6 & 7 are the tax rate classifications. How Wilmington compares with other nearby towns in the residential and commercial rates. There is a brief discussion of the comparison of the various rates and what drives up the tax bills.

With local receipts on page 8, we do not expect motor vehicle excise tax to continue as it has been. It makes up roughly half of the local receipts. We try to remain conservative in our projections. Meals tax came in at \$316,377 in 2021 and it is tricky to project this number. If you look at payments in lieu of taxes the numbers, it looks volatile. But what happens is a timing issue. The RMLD pays us two payments one in December and one at the end of June. It's about \$840,000 total and depending upon when the payment is June is made it could be in the current or the next fiscal year. As you can see 1 year we deposited 3 payments and another only 1. Mr. Doherty asks what other entities are in lieu of taxes? Mr. Perry responds that the selectmen take in some of those but the big one is RMLD. You will notice that charges for ambulances has jumped up. Building permits has gone up and we believe that it is because of covid. We have seen dramatic increases in investment income but we can only project that conservatively. The library FY22 reflects that fact that they were not open due to covid and had to basically change their business model.

Local Aid on page 9. We are remaining conservative in our projections for the upcoming fiscal year. The Governor will throw out a number and well after town meeting we will get a firm figure.

Page 10 is the Indirect charges and water is the biggest piece of this. You will also notice that the receipts reserved for appropriation which is the PEG/cable access. That was recommended by the auditors and was mentioned earlier. Mr. Doherty asks were the cable contracts up for renewal this year? Mr. Hull responds the Comcast license has some years left on it and Verizon will be in negotiations soon. Ms. Colburn-Dion says that we will be meeting with them on Friday and we will ask for an extension because the license expires on Feb 25th. Ms. Gallezzo asks have we paid off Yentile note? Mr. Perry responds that is on page 66 of the budget book. Mr. Doherty asks was that refinanced along with the high school? Mr. Perry answers that only the high school had met the criteria and was refinanced. Page 11 is the breakdown of the budget on the expenditure side. Page 12 is the breakdown of expenses. Pages 13 and 14 are changes of staffing levels by department. The only changes for FY23 is 1 full time addition to Police, 1 full time addition and 1 part time subtraction to the Fire departments.

Mr. Hull then reviewed the expenditure detail for the Board of Selectmen, Finance Committee, Town Manager, Finance Director/Town Accountant, Treasurer/Collector and Board of Assessor with the

Committee and explained in detail the changes incorporated to each department and gave a breakdown of the items that each category covers.

Chair asks if there were any questions for Mr. Hull regarding the expenditure details for the departments discussed.

Mr. Doherty asks when the new Assistant Town Manager is starting? Ms. Colburn-Dion responds that Susan is starting on January 31<sup>st</sup>.

Mr. Doherty asks why does the postage for tax bills come out of your budget? Mr. Hull responds that for as long as I can remember the postage has been centralized to come out of one office.

Mr. Tamang asks do we know that there are grants that we are not taking advantage of because we do not have the bandwidth or somebody to manage it? Mr. Doherty responds yes; the state has come out with some grants that we have not taken advantage of and I am sure there are more on the federal side. Also, there are private businesses, we did get one from Cummings Properties for the Police Department.

Ms. Gallezzo asks if it is possible to get a breakdown of contractual services and history by department for the past 2 years? Mr. Perry says that it is possible to get that breakdown.

Ms. Gallezzo asks we are still running up collector tax title? Do we still have a lot of tax title left? Mr. Perry responds that the bills came in the first of July so it was extended to the following year.

Mr. Doherty asks how many land court cases do we have currently? Mr. Perry responds that he has the values not the number of cases on hand. We are looking at about 2.5 million or so of values tied up.

Mr. Doherty asks do we have any major cases the assessor's office are trying currently? Ms. Rassias responds we just tried Walgreens and are waiting a decision on that. We have 200 Ballardvale pending. Also, the warehouse space at 613 Main Street.

Mr. Doherty asks if KP Law is the law firm for the water department as well? Mr. Hull responds that they are.

Debt and Interest on page 59. We haven't taken on any new debt in the past 3+ years. Since the short term note for the water tower and the bond for Yentile and some fire equipment. The school has decreased about \$230,000 per year. The total savings there will be about 3.9 million on the school side. Page 60 will give you a totals for all debt and interest of the projects we have out there. We will get into more detail on these projects starting on page 61 through page 66.

Unclassified Miscellaneous Support on page 67. This is more of a catch all of the unclassified expenditures. We have employee retirement and unused sick time in here. There are salary adjustment costs in here and this will increase based on the new union contracts. Local Trans/Training conference and also out of state travel have been level funded. We have talked about the ambulance and the PEG/cable access. We also have the town report and calendar which is the same figure along with professional and tech services and then finance committee reserve fund.

Chair asks if there are any questions for Mr. Hull or Mr. Perry.

Insurance Budget on page 68. Ms. Colburn-Dion begins with an overview of the insurance budget. The top part of the budget is the insurance we procure through MIIA. MIIA provides insurance for most of the communities in Massachusetts. The general topics they bill is on is workers comp, property and

liability. They also bill us for performance bonds. The performance bonds are to protect the town from people in particular positions who could steal from the town. The other category is Police and Fire accidents. We use Gowrie for this. The budget at the top is increasing about \$40,000. We are planning ahead for any compensation in the future. Every year we do a claims review. Looking at past year claims, vehicle, liability and workers comp in general which are always increasing and we are looking at keeping the costs down as much as possible. The other part is the employee health and life insurance. We are comfortable in decreasing the budgeted amount here about \$326,950. Mr. Perry asks to add in that State has passed some legislation that allows the local acceptance to potential to handle some compensation claims in a special revenue fund which gives you more flexibility. We could discuss this at a later time as an option.

Chair asks if there are any questions for Ms. Colburn-Dion?

Statutory charges on page 69. The current year overlay is a reduction to the revenue we get on real estate and personal property. The retirement projection was a pretty big jump. A lot of the other items are historical trends. Mr. Doherty says to Mr. Perry that the amount for Charter schools has gone up. How many do we have going to Charter schools now? He responds that he doesn't have that number off hand but can reach out to the school to get the number for you. Mr. Tamang asks what falls in the bucket of offset items? It looks like it has jumped 30K. Mr. Perry responds that it relates to the library and the funding that the state provides.

Chair asks if there are any more questions for Mr. Perry.

Warrant articles on page 70. Mr. Perry says that these are all the same as last year but I wanted to touch on one, prepay retirement. There was a period where the town put money into a stabilization to help defray cost of the retirement obligation of it. The prepay amount of \$1.5 million dollars ended up reducing the long-term obligation by \$3.4 million. There is a brief discussion of keeping so much money in OPEB and retirement. Mr. Doherty asks what are the current liabilities right now? Mr. Perry responds that right now its OPEB and retirement and it is at \$90-100 million long term.

Capital Items by department on pages 71-73 will go with each department as we meet with them.

That is the operating budget on the general government side of things as presented last night.

#### PUBLIC COMMENTS

There were no public comments.

#### APPROVAL OF MINUTES

The Finance Committee reviewed the Minutes from November 17, 2021 on was made by Mr. Doherty, Mr. Tamang noticed a discrepancy of the decision to vote on the reorganization of the Finance committee is missing. A motion was made by Mr. Doherty, seconded by Ms. Gallezzo, and by the affirmative roll call vote of all it was:

VOTED: To amend the minutes from November 17, 2021.

The Finance Committee reviewed the Minutes from December 9, 2021. A motion was made by Mr. Doherty, seconded by Ms. Gallezzo, and by the affirmative roll call vote of all it was:

VOTED: To approve the minutes from December 9, 2021.

PUBLIC COMMENTS

There were no public comments.

OTHER BUSINESS

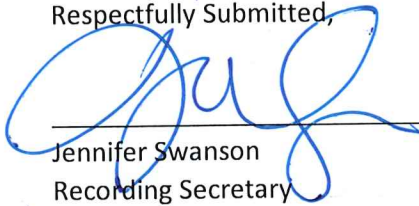
There was no other business.

At the conclusion of the discussion, there being no further business to come before the Committee, a motion was made by Ms. Gallezzo and seconded by Mr. Dugas, it was unanimously and by roll call:

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 9:18pm

Respectfully Submitted,



---

Jennifer Swanson

Recording Secretary