



## Town of Wilmington

Finance Committee

121 Glen Road Wilmington, 01887

### Meeting Minutes

Tuesday, January 26, 2021

Finance Committee Chairman, John F. Doherty III, called the meeting to order at 7:00 pm. Members present via video conferencing on ZOOM were Theresa M. Manganelli, Vice Chairman; Jonathan Dugas, Marianne Gallezzo, Bernard P. Nally and Kevin Stokes. Michele Kincaid and Leigh Martinson were 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.

### COVID-19 UPDATE

PRESENT IN INTEREST: Shelly Newhouse, Director of Health; William F. Cavanaugh, Fire Chief

Ms. Newhouse reviewed for the Committee the updates that were shared the previous night with the Board of Selectmen. Ms. Newhouse stated that the positive infection rates in Wilmington are starting to decline post-holiday-surge. The focus is now on vaccines. None are being received. Wilmington is still in Phase 1 of the distribution plan and will stay there until vaccinations for first responders and others in this category are completed. There is no way to tell how long this will take as it depends on how many vaccines are received. Ms. Newhouse requested 1500 and has been told to expect around 100. She is hopeful that shipments will arrive weekly. A vaccine clinic has been set up at Shriner's Auditorium and the team is ready to administer up to 500 per day once they are received.

Ms. Gallezzo asked about the staffing in the Health Department. Ms. Newhouse reviewed the staff and volunteer nurses available and spoke to the overtime being used to keep up with the need for contact tracing. There was a discussion about the resistance generated by collective bargaining issues for the School Department to take over contact tracing for school staff and students.

Mr. Nally asked about the vaccines being ordered. Ms. Newhouse noted all local health departments are receiving the Moderna vaccine as the Pfizer vaccine must be held at sub-zero temperatures and so those are only being sent to hospitals and medical facilities.

Mr. Doherty asked about the expenses related to this. Mr. Hull stated that all departments that have COVID-19 related expenses have been instructed to send those to Chief Cavanaugh as the point person to submit for reimbursement through the CARES Act. If any expenses are not covered by CARES they would then be submitted to FEMA (the process for reimbursement through FEMA can take up to two years).

Chief Cavanaugh reviewed the breakdown of the total allocation to Wilmington for CARES funding and the amounts that have been submitted for reimbursement and paid out in rounds one and two. There is still \$1,434,754 available for reimbursement of eligible items. The actual items that are eligible change over time and with changing administration. Overtime for the Fire Department is still a reimbursable item. The CARES Act was extended to the end of 2021 and the FEMA project is still indefinite. CARES reimbursements are done quarterly and take four to six weeks on average to be received.

Mr. Hull then reviewed some of the funding that the School Department has been eligible for, including several different grants. Ms. Gallezzo requested that Mr. Hull share the report that he was reviewing with the Committee so that they may look it over. He stated that he would have the recording secretary send out a copy to the Committee members.

Many thanks and appreciations were offered to Ms. Newhouse and Chief Cavanaugh for all the hard work, long hours and dedication they and their staff are displaying to the Town.

#### PUBLIC COMMENTS

There were no public comments.

#### FY21 BUDGET UPDATE

PRESENT IN INTEREST: Jeffrey Hull, Town Manager; Kerry Colburn-Dion, Assistant Town Manager; Bryan Perry, Finance Director; Pamela MacKenzie, Treasurer/Collector; 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. The overall budget is expected to increase by less than .5%. The total budget is proposed to increase \$545,773 or .46% over the current year to a total amount of \$119,852,135. Mr. Hull gave an overview of the major categories of expenses and the projected changes in each category. The School Department will see an increase of 2.5% due primarily to salary increases. Shared Costs, which include the retirement assessment, insurance, statutory charges and debt and interest, will decrease in total by 4.56%. General Government will see an increase of 2.16%. This category includes Town services and departments. Shawsheen Tech has the greatest increase at 12.81% driven largely by an increase in student enrollment. This is a projected figure and will be presented later when a finalized budget is reached and signed off by the School Committee. Mr. Hull then reviewed collective bargaining updates and spoke to increases in insurance and technology. Categories with expected savings are borrowing, trash collection (due to the switch from Russell Disposal to Casella), heating fuel costs and legal services. Mr. Hull then reviewed Capital Improvements and stated that there are several major building projects in the works. He updated the Committee on the status of the Senior Center project, Substation, Town Hall/School Admin. project and updates needed at the schools. Mr. Hull reviewed the budget recommendations for FY22. Mr. Hull is recommending the addition of only two positions to the Town, a Police Sergeant and a relief custodian.

#### FY22 BUDGET OVERVIEW

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

#### REVENUE

Bryan Perry, Finance Director, then led the Committee through the budget page by page, explaining the organization of each section and how the figure of \$119,852,135 was calculated. Mr. Perry began by reviewing in detail the summary of revenues located on page one of the budget. The Tax Levy is estimated at \$93,455,686. The Local Receipts revenue is conservatively projected. He reminded the Committee that the charge for sewer services, which had always been a line item in the General Fund, was voted to have its own Enterprise Fund, therefore skewing the comparison from year to year. Local

aid is aid received from the State and Mr. Perry noted it was challenging to estimate based on the effects of COVID-19. The amount from the Town's certified Free Cash that was voted to be appropriated to be used as a source of funding for stabilization accounts or capital improvement plans is \$2,252,000. Mr. Perry continued to explain each of the line items. He then reviewed the tax rate comparison and the split tax rate.

Mr. Perry reviewed annual changes in available funds, local receipts, tax levy and community comparisons. One note on Local Receipts is that they were inflated in FY 2020 because of non-recurring payments including a reimbursement from a snowstorm that occurred in 2018 and had been received. Motor vehicle excise tax had a slight drop off in collections and ambulance services dropped as well so that figure was budgeted conservatively. Local meals tax reduced due to the effects of the pandemic and Mr. Perry stated that collections cannot be expected to be consistent year to year.

Speaking to Local Aid, Mr. Perry noted that last year there was a projected decrease of 5% in Chapter 70 and 15% in unrestricted government aid. Generally, state revenues have started trending up over the last couple months but LY22 is expected to be worse so Mr. Perry stated he tried to stay consistent with previous years. Other line items for Local Aid were kept primarily level funded. Mr. Perry also reviewed Indirect Charges.

#### MATURING DEBT & INTEREST

Reviewing the Budget Summary Mr. Perry noted that Mr. Hull covered much of this in his overview summary. Mr. Perry did note that the recent refinancing of the debt from the High School project offers a savings of over \$3,600,000 or \$229,000 per year for 16 years. In Unclassified expenses, Mr. Perry reviewed the unused sick leave by-back for retiring employees. Given the age demographic of employees there is a potential for this to be a significant expense. Salary adjustments and Additional Costs increased to \$900,000 and will cover any collective bargaining increases, cost of living (COLA) increases and longevity payments as well as miscellaneous HR costs including employee screening costs.

#### UNCLASSIFIED INSURANCE

Ms. Colburn-Dion reviewed three major categories of insurance expenditures, the insurance procured through Massachusetts Interlocal Insurance Association (MIIA), Police & Fire Accident Insurance and Employee (and Retiree) Health & Life Insurance. MIIA notified the Town in November to expect an increase anywhere from 10% to 15% for Fiscal 2022. Ms. Colburn-Dion stated that this expectation combined with actual claims in worker's compensation and public officials claims makes it reasonable for the Town to budget for a 15% increase in Unclassified Insurance. She reviewed some of the changes that will account for the increase from MIIA. In the past there was an employee training incentive program offered that the Town participated in to receive a discount on the insurance bill at year end. MIIA has diminished this program over the years. The Town does take advantage of a 3% pre-pay discount for paying the year's bill up front.

An increase of \$20,000 is expected in Police & Fire Accident insurance (111F from Gowrie Insurance) bringing the total to \$150,000 for FY22.

Under the Employee (and retiree) Health & Life Insurance category Ms. Colburn-Dion is projecting a 1% increase in health insurance. The Town's trend is positive with zero high-cost claims (claims over \$175,000) for the plan year so far, which began on June 1, 2021. This is due to the delay of elective

procedures during the COVID-19 pandemic. Regular claims in general are also showing a positive trend. The Town has a positive balance of \$1,200,000 for the plan year after making level-funded payments each month to Blue Cross Blue Shield. This positive balance could be offset by year end, if people start seeking procedures that have been delayed, and depending on how much they will cost.

Ms. Gallezzo asked how many employees are currently out on worker's compensation. Ms. Colburn-Dion stated that she would have those numbers by the next meeting as she was awaiting the most recent report to be available.

#### STATUTORY CHARGES

Mr. Perry reviewed Statutory Charges. Overlay for abatements is consistently set at \$900,000 year to year. Retirement Contributions for Middlesex County Retirements has increased roughly 2.7% to \$7,801,298 due to retirement obligations. The Town pre-pays some of this obligation with advanced additional funds allowing for a savings. If paid in installments versus the lump sum, the obligation would be about \$7,900,000 for FY22. Mr. Perry continued to review the State assessments for Statutory Charges before experiencing some technical difficulties with his connection. He was briefly frozen on screen before being dropped out of the Zoom session and then quickly returning.

In the interim, Ms. Gallezzo asked about the figure for Special Education and why it was projected so high for FY22. Coming back into the meeting, Mr. Perry answered that when the actual figure for FY21 came out it was \$21,729 and so he used that as the baseline for FY22. His goal, he stated, was to manage and project growth using fair figures without knowing the actual enrollment numbers for the schools.

#### WARRANT ARTICLES

Requests for funds that will be in warrant articles for FY 2022 stay level to FY 2021. The only expected change is the re-funding of the 4<sup>th</sup> of July celebrations which were unable to be held in 2020 due to the pandemic. \$50,000 is funded, keeping in line with previous years.

There was a brief discussion of the enterprise fund for a Public Rink. This is being used as a placeholder in the event the Town pursues the operation of public rink as voted for FY17. No expenditures have been made since the inception of the fund. Should the Town decide to abandon this pursuit in the future, it would require a vote and until then will appear each year in the budget.

#### TOWN MANAGER

Mr. Hull reviewed Staffing Levels for the departments. In the Town Manager's Department there is a reduction of one staff member over LY, the Payroll & Benefits Coordinator position, as that position will now be part of the Finance/Accounting Department. The Accounting Department staff will increase from 3 to 4 as a result of this move. The only other changes to staffing levels are the two positions the Town Manager spoke to earlier, his recommendation for an additional Police Sergeant and the addition of a Relief Custodian.

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.

#### TREASURER/COLLECTOR

Ms. MacKenzie presented the FY22 budget. The only change is due to contractual salary increases. The remainder of the budget is level funded. Ms. MacKenzie reviewed the items under each category.

#### ASSESSOR

Ms. Rassias presented the FY22 budget. She reviewed the number of staff in her department and the training expenses for the Assistant Assessor and herself. There is a substantial decrease in the Misc. Contractual Services due the reduction in parcel inspections for revaluations due to COVID-19. Appraisals & Inventories was affected for the same reason. Ms. Rassias spoke to valuation changes and reviewed commercial property and residential sales as well as upcoming projects.

Mr. Nally asked about the project at Middlesex Avenue. Ms. Rassias noted that the Director of Planning and Conservation could speak better to this during her department's budget review however Ms. Rassias does believe the project is moving forward. Mr. Hull offered details on the status of the project.

#### TOWN COUNSEL

Expenditures are reduced over LY by \$50,000. KP Law continues as Town Counsel with Brooks & Derensis serving as Special Town Counsel for the continuing services related to the ongoing activity with both Olin Corporation and New England Trans Rail. The expenses have been moderating.

Ms. Gallezzo asked for an update on the status with Textron. Mr. Hull stated that Textron has expressed that there is an interested buyer for a portion of their property, which totals 61.7 acres on their campus. National Development, a large-scale developer based in Newton, MA, is the potential buyer of this property. They are looking at about 35 acres to purchase for warehousing and distribution. Textron would then consolidate into the remaining portion of the property and stay in Wilmington.

Mr. Doherty asked if there were any questions. Ms. Gallezzo requested, as a follow up item to today's meeting, a printout of the report that Chief Cavanaugh presented. Mr. Hull stated he would provide that before the next meeting.

#### PUBLIC COMMENTS

There were no public comments.

#### APPROVAL OF MINUTES

The Finance Committee reviewed the Minutes from June 9, 2020. A motion was made by Ms. Gallezzo, seconded by Mr. Dugas, and by the affirmative roll call vote of all it was:

VOTED: To approve the minutes from June 9, 2020.

The Finance Committee reviewed the Minutes from June 11, 2020. A motion was made by Ms. Manganeli, seconded by Ms. Gallezzo, and by the affirmative roll call vote of all it was:

VOTED: To approve the minutes from June 11, 2020.

#### PUBLIC COMMENTS

There were no public comments.

REORGANIZATION OF FINANCE COMMITTEE

Mr. Doherty stated he would entertain a motion to nominate a Chairperson. A motion to nominate Mr. Doherty for Chairman was made by Ms. Manganelli and seconded by Mr. Nally, it was unanimously and by roll call:

VOTED: To elect Mr. Doherty as Chairman of the Committee

Mr. Doherty stated he would entertain a motion to nominate a Vice-Chairperson. A motion to nominate Ms. Manganelli for Vice-Chair was made by Ms. Gallezzo and seconded by Mr. Stokes, it was unanimously and by roll call:

VOTED: To elect Ms. Manganelli as Vice-Chair of the Committee

Mr. Doherty stated he would entertain a motion to nominate a Secretary. A motion to nominate Ms. Kincaid for Secretary was made by Ms. Manganelli and seconded by Mr. Dugas, it was unanimously and by roll call:

VOTED: To elect Ms. Kincaid as Secretary of the Committee

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 Ms. Manganelli, it was unanimously and by roll call:

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 9:34pm

Respectfully Submitted,

A handwritten signature in black ink, reading "Chris Caggiano", written over a horizontal line.

Chris Caggiano

Recording Secretary