



Town of Wilmington

Finance Committee

121 Glen Road Wilmington, 01887

Meeting Minutes
Tuesday, January 28, 2020

Finance Committee Chairman, John F. Doherty III, called the meeting to order at 7:00 pm in Room 9 of Town Hall. Members present were Theresa M. Manganelli, Vice Chairman; Michele Kincaid, Secretary; Jonathan Dugas, Marianne Gallezzo, Bernard P. Nally, Hirak Shah and Kevin Stokes. Leigh Martinson was absent.

FY 21 BUDGET OVERVIEW

DOCUMENTS: The Budget Fiscal Year 2021

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. The total budget is proposed to increase \$4,606,989 or 3.96% over the current year to a total amount of \$120,817,437. Mr. Hull gave an overview of the major categories of expenses and the projected changes in each category. As the committee meets with individual departments the discussion will go into greater detail. The School Department will see an increase of 4.25% due primarily to personnel costs including step changes, collective bargaining adjustments and new hires. Shared Costs, which include the retirement assessment (increasing by \$513,000), insurance, statutory charges and debt and interest, will increase in total by 5.18%. General Government will see an increase of 1.92%. This category includes staffing increases and trash and recycling costs, for which Mr. Hull gave a brief review of the ongoing issue with Russell Disposal and the future of services. Capital improvements is another area for which there is a projected increase in spending. Mr. Hull described the proposal to fund a feasibility study and schematic design for the Senior Center and a new shared Town Hall and School Administration building, as well as the possible expansion of the cemetery through discussions with an abutting property owner. Shawsheen Valley Technical High School is projecting an increase of 5%.

REVENUE

Bryan Perry, Finance Director, then led the Committee through the budget, explaining the organization of each section and how the figure of \$120,817,437 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 \$90,234,330. The Local Receipts revenue is conservatively projected. Mr. Perry noted the increase in Motor Vehicle Excise revenue as a result of economic factors, the ultimate result of which is having more motor vehicles on the road and therefore increasing assessments. Mr. Perry stated that most of the other line items are projected at level funding. One item of note is the charge for sewer services, which had always been a line item in the General Fund, last year was voted to have its own Enterprise Fund, therefore skewing the comparison from year to year. The amount from the Town's certified Free Cash that is appropriated to be used as a revenue source is \$4,865,000. Mr. Doherty asked for the new balance of the Free Cash account and Mr. Perry replied that it will bring the account from just over \$24,000,000 when certified to just over \$19,000,000, with essentially \$2,000,000 being moved to the Capital Stabilization Fund to support the Warrant Article and being held in a separate reserve fund by the Town, and the remaining \$2,865,000 for Capital Projects.

Mr. Perry continued to explain the line items found on page one. Mr. Doherty asked about the Town's competitiveness with other towns regarding Local Receipts. Mr. Hull stated that the Town has not made that comparison in a few years and there is an opportunity to once again make that comparison and perhaps adjust some of the fees.

Mr. Perry reviewed the tax rate comparison as found on page six and the split tax rate on page seven. Wilmington has a competitive residential tax rate and by comparison one of the higher commercial tax rates in the area. Mr. Doherty asked about the Town's vacancy rate on commercial properties and Mr. Perry deferred to the Town Assessor, Karen Rassias. Ms. Rassias stated that the Town has very low commercial vacancy, there is high demand for office space. Mr. Perry continued to review the budget page by page. While reviewing Staffing Levels, Mr. Hull noted some staffing additions in Town Manager, Police, Public Safety Dispatch and Elderly Services. Two of these positions had been funded through grants and it is Mr. Hull's recommendation that the Town assume some of the cost of continuing these positions.

Mr. Hull 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.

TOWN MANAGER

Expenditures include the potential addition of one staff member in the Town Manager's Office was discussed, a Human Resources Generalist. Mr. Hull proposed a budget of \$60,000, which aligns with the average for this position in comparable towns. Mr. Hull also noted that many communities our size have a dedicated human resources department with its' own staff and in our situation our human resources work is spread among staff who are already performing other duties in their full capacity. Kerry Colburn-Dion, Assistant Town Manager/Director of Human Resources offered data analysis on the increasing volume of human resources functions the Town performs and detailed the need for a position of Human Resources Generalist.

Another item being proposed is the replacement of 160 chairs for the auditorium and meeting room for \$5500. In addition, a new Fastback tape binding machine for \$4500 for the creation of bound documents, as the current binding machine needs replacement. Also needing replacement due to its malfunction and inability to be repaired is the time stamping machine in the office, which costs approximately \$455.

After a question from Ms. Gallezzo, an update on the Town's software transition to MUNIS was discussed as it relates to payroll and human resources. Mr. Perry gave an update on the schedule and progress. The Town is on-track to "go live" on July 1, 2020, in line with the start of the fiscal year, with the payroll function live on January 1, 2021, to coincide with the creation of W-2s.

TREASURER/COLLECTOR

A budget increase for staff salary due to the previous senior clerk floater recently taking a position in the accounting department and leaving a vacancy in the office. The person now hired to fill that position comes from the town of Tewksbury with over a decade of experience, at a very skilled level and with MUNIS experience. The increase is for competitive hiring, to meet this person's current salary. Also in this department is the proposal for a new check-folding machine for \$750. The current machine has a broken part that is unavailable for replacement. Repairs have been made over the years but are no longer aiding the functionality of the machine.

Mr. Hull asked Pamela MacKenzie, Treasurer/Collector for tax collection data for the last year. Ms. MacKenzie stated that for fiscal year to date the total number of collections is 731,000 with a tax title balance of \$1.9 million.

ASSESSOR

There is an increase in Miscellaneous Contractual Services for costs the Town will incur in this revaluation year, for data collection and fees associated with the Department of Revenue (DOR) requirements. There is an increase in Appraisals & Inventories due to changes the DOR has made to the standards by which utilities will now be valued and the use of consultants to meet these mandatory requirements.

TOWN COUNSEL

Spending is level from last year. The Town is negotiating cable license renewal with Verizon. With changes in streaming services versus cable services, Verizon is considering a 180-day cancellation notice. Ms. Colburn-Dion briefly reviewed the details of the situation. Other sources of legal costs come from the ongoing activity with both Olin Corporation and New England Trans Rail. Mr. Hull also mentioned the consulting services of GeoInsight who review technical reports and provide comments to the Environmental Protection Agency (EPA).

Ms. Gallezzo asked if the detox center is still an ongoing process and influencing the Town's legal bills. Mr. Hull said that part of the ongoing cost is associated with insurance counsel from when the Town was sued and filed a claim with our carrier through Mass Municipal Association (MMA).

MATURING DEBT & INTEREST

Mr. Perry presented the status of the Town's debt. There has not been any new debt except for two small MWRA borrowings. Mr. Nally asked if work has started on the water tank on Nassau Avenue. Mr. Hull stated that the new tank has been constructed and the old one remains for the moment until testing of the new tank and installation is complete.

MISCELLANEOUS SUPPORT

With the aging demographic of the workforce of the Town, Mr. Perry noted that there is an increase in the sick-time payouts at retirement. He stated that although that debt obligation has increased, it is in control in comparison to other towns due to measures taken over the years to limit the amount of payouts and stay to a fixed dollar rates as opposed to per diem payouts. Some changes were made in the contracts to limit these payouts. Mr. Doherty asked which contracts were up for negotiation this year. Mr. Hull stated that the only open contract currently is the Police Superiors.

UNCLASSIFIED INSURANCE

Ms. Colburn-Dion explained changes to the alignment on the expenditure detail to more accurately represent what the Town is paying for regarding insurance. Umbrella and Automobile Liability is now grouped with Property & General Liability. There is a 1.5% increase over LY in employee health & life insurance, bringing the overall total for unclassified insurance to \$14,154,000. Ms. Colburn-Dion stated that one of the areas that will be looked at is whether the Town is paying too much insurance for vehicles that are beyond the point of replacement costs. Mr. Doherty asked if the Town has too many vehicles. Ms. Colburn-Dion and Mr. Hull agreed that this is something that can be investigated. Ms. Colburn-Dion stated that so far this year the Town has no high-cost claims over the stop loss amount. Ms. Colburn-

Dion will be meeting with Blue Cross Blue Shield on Thursday morning to discuss what the rates look like for the coming fiscal year.

STATUTORY CHARGES

Mr. Perry stated that retirement contributions are up about \$513,000 over the prior year. This will continue to go up and the town has been taking steps to control retirement increases. MBTA charges are budgeted at \$546,380 based on trends and falls in line with estimates. Mr. Doherty asked if the MBTA was going to install a bus stop in town and would that increase this line item. Mr. Hull stated that he would investigate this further. School Choice, Charter Schools, Special Education and North Shore Agricultural & Technical School District increases are caused by fluctuations in student enrollment from year to year.

WARRANT ARTICLES

Requests for funds that will be in warrant articles for FY 2021 stay level to FY 2020. Capital Stabilization is down from 4,000,000 to 2,000,000. Retirement Stabilization funds are moved to Prepay Retirement to offset future costs based on assessments from the retirement board.

OTHER BUSINESS

DISCUSSION RE: SCHOOL DEPARTMENT

DOCUMENTS: Status of FY19 Local Appropriation as of September 16, 2019

Various members of the Committee had requested information of Superintendent Dr. Glenn Brand and the documents received by the Committee were his response to those requests. The C.A.R.E.S. program has had a reduction of over \$200,000. Last year this account was of concern, being over \$1,000,000. The Committee asked for more clarification for the way that revenues from the program are used to offset costs of staff salary and materials for the program. Mr. Doherty will follow up with Superintendent Brand. Discussion will continue when the Committee meets with the School Department in March.

APPROVAL OF MINUTES

The Finance Committee reviewed the Minutes from September 26, 2019. A motion was made by Ms. Manganelli, seconded by Ms. Kincaid, and by the affirmative vote of all it was:

VOTED: To approve the minutes from September 26, 2019.

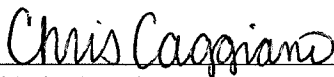
Mr. Doherty then reminded the Committee of three appointments that are up for renewal, his own and that of Ms. Manganelli and Mr. Dumas. Mr. Doherty said that statements of interest emails are due to the Town Clerk by April 1, 2020.

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. Kincaid, it was unanimously:

VOTED: That the Finance Committee adjourn.

Meeting adjourned at 9:05 pm

Respectfully Submitted,


Chris Caggiano
Recording Secretary