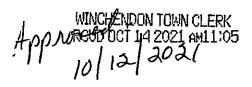
TOWN OF WINCHENDON





Finance Committee

Telephone (978)-297-5419

Regular Meeting/Public Hearing

Finance Committee Minutes September 14, 2021 Second Floor Town Hall

Present: Chairman Thomas J. Kane Jr., Vice Chair Maureen Ward, Charles C. Corts, Douglas Delay, Phillip Levine.

Absent: A. Cyganiewicz

List of Documents Presented at Meeting:

- YTD Reports
- Draft Warrant Articles
- Draft Goals

6:30PM: Chairman Thomas Kane called the Finance Committee meeting to order followed by the Pledge of Allegiance.

Minutes: Aug. 3, 2021 Motion by M. Ward. Seconded by C. Corts. Passed: 5-0 Roll Call

Aug. 9, 2021 Motion by M. Ward. Seconded by C. Corts. Passed: 5 -0 Roll Call

Year to Date Reports: Explanation of Negative Encumbrances – Prior year bills encumbered so those dollars do not impact current year's budget.

Discussion on different balances in YTD – ie: Principal salary at 16% but Assistant Principal's salary at 30% - why?

Mr. Levine will liaison with Mr. Kane for School Business and report back to the committee.

Free Cash: Current \$627,705. Estimated new \$1.3 mil for a total of \$1,927,700.

Reserve Accounts:

OPEB: Discussion on OPEB (Other Post-Employment Benefits – current liability around 41 Million Dollars. First step is to make an effort to be solvent. Discussion on Policy versus

Bylaw regarding the setting aside of a percent of Free Cash to fund the OPEB Account on a regular basis. Future discussion will include the question: Will it be a set amount or a percentage? Policy revisions/insertions will be made at a future date. The Worchester County Pension Fund will also have to be addressed going forward.

Motion by M. Ward to put forth an Article for the Nov. 8, 2021 Fall Town Meeting to read: To see if the Town will vote to transfer from Free Cash the sum of \$50,000 to the OPEB Trust Account that was established to mitigate the Town's Liability for Other Post-Employment Benefits (OPEB), or act in relation thereto. (Majority Vote Required) Seconded by C. Corts.

ROLL CALL 5 - 0

Contractual Separation Accruals: Discussion on current spreadsheet of employees who have separation benefits – unused sick and vacation time. The Town's current exposure is \$324,940 should those employees with these benefits choose to retire. The creation of a reserve account would mitigate the impact on the Town's budget. Future discussion will include policy language on what the criteria would be to access this account, how it would be funded, what the target dollar amount would be.

Motion by M. Ward to put fort an Article for the Nov. 8, 2021 Fall Town Meeting to read: To see if the Town will vote to transfer from Free Cash the sum of \$50,000 to a Reserve Account established to mitigate the Town's liability for Contractual Separation Pay-outs, or act in relation thereto. (Majority Vote Required).

Seconded by C. Corts.

ROLL Call 5 – 0

Stabilization Fund: The current balance is estimated to be \$1,166,075. The Town current Policy is to maintain a stabilization fund of between 5 – 10% of the general operating budget, or \$1.6 - \$3.1 Mil. Discussion on adding the "HOW" to that policy – eg: using 10% of NEW Free Cash annually until the 5% goal is reached then adding 5% until the 10% goal is reached. These discussions will be ongoing until a policy is developed by the Finance Committee and forwarded to the Selectmen for adoption.

Motion by M. Ward to put fort an Article for the Nov. 8, 2021 Fall Town Meeting to read: To see if the Town will vote to transfer from Free Cash the sum of \$130,000 to the Stabilization Fund, or act in relation thereto. (Two-thirds Vote Required). Seconded by D. Delay.

ROLL Call 5-0

Further discussion suggested that Mr. Kane speak with the Town Manager about reviewing the articles prior to printing to ensure that they are accurate. It is possible that a member of the Selectmen and of the Finance Committee would be willing to meet with the Town Manager to review each of the articles prior to submitting for printing.

Fall Town Meeting: The Town Manger called Mr. Kane to see if the FinCom would agree to a joint meeting with the Board of Selectmen on Oct. 12, 2021. The Finance Committee did not see a need for a joint meeting and requested the should the Selectmen meet at 6:00 pm it should be on the 4th floor leaving the second floor for the regular Finance Committee meeting at 6:30 pm followed by the Public Hearing on the Fall Town Meeting Warrant Articles at 7:00 pm.

Member Comments: M. Ward brought up Bylaw 38 which states that "There should be a Group Insurance and Benefit Committee in the Town of Winchendon comprised of one member of the Selectmen, Finance Committee, School Committee, and two registered voters. Mr. Kane had not heard of this committee which was formed at the May 18, 2015 Town Meeting. The Committee directed M. Ward to meet with the Town Manager to gather more information.

Mr. Kane updated the committee that Brianna Roberts again will be the recording secretary for the Finance Committee and will start after tonight's meeting. The only request from Fin Com was that those draft minutes be sent to us for review within two weeks of the meeting.

Mr. Kane also gave an update on the vacancy on the FinCom. Moderator Grout received four applications for the vacancy. She is in the process of collecting responses to a series of questions and will hopefully be ready to make an appointment by our next meeting.

Motion by M. Ward to adjourn at 8:10 pm. Seconded by C. Corts. Unanimous

Thomas Hove, Chairman

Respectfully Submitted M. Ward, Vice Chair