

Approved: 4/10/23

WINCHENDON TOWN CLERK  
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# TOWN OF WINCHENDON



## Finance Committee

Telephone (978)-297-5419

### Regular Meeting & Joint Board Meeting with BOS

Finance Committee Minutes

March 30, 2023 6:30PM

Town Hall 2nd Floor Auditorium

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<b>Finance Members Present:</b>	Chairman Thomas J. Kane Jr., Vice-Chair Dr. Maureen Ward, Charles C. Corts, Doug Delay, Anthony Dickson, Adrian Guerrero, James Reed
<b>BOS Members Present:</b>	Chair Audrey LaBrie, Vice-Chair Richard Ward, Barbara Anderson Amy Salter
<b>Absent:</b>	Danielle LaPointe
<b>Guests:</b>	Justin Sultzbach- Town Manager, Linda Daigle- Executive Assistant Katie Medina- Town Accountant

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#### List of Documents Presented at Meeting:

- March 30, 2023 Meeting Agenda
  - Final FY24 Town Budget Presentation
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**6:30PM:** Chairwoman Audrey LaBrie called the Board of Selectmen meeting to order. Chairman Thomas J. Kane Jr. called the Finance Committee meeting to order, followed by the Pledge of Allegiance.

A. LaBrie announced the audio/video recording disclosure. Hearing none.

#### Final Review of the Draft FY24 Town Budget:

Justin Sultzbach, Town Manager, reviewed the final FY24 Town Budget Presentation.

#### Budget Priorities

- Present a balanced budget that meets the needs of the community while setting the Town up for future success.
- Provide the resources necessary to adequately fund critical services
- Accurately the equitable calculate indirect costs for the Enterprise Funds and School Department.

- Provide the public a transparent and digestible view of all information used in the development of the budget.

#### Future Budget Goals

- Adhere to financial policies approved by the Board of Selectmen and Finance Committee
- Proactively identify and prepare for future community needs
- Build stabilization funds to insulate the Town from financial liability and future unforeseen expenses.
- Build on and maintain a Capital Improvement Plan that paints an accurate picture of existing capital assets and future needs.
- Explore opportunities to share resources with Winchendon Public Schools and regionalized efforts with surrounding communities.

#### Budget Process- Guide to the FY24 Budget

March 13, 2023- Town Manager's Draft Budget

March 30, 2023- Town Manager's Final Budget

April 3rd, 2023- Town Meeting Warrant Closes

April 26, 2023- Finance Committee Public Hearing

May 15, 2023- Town Meeting

#### Anticipated Warrant Articles

Special Town Meeting:

1. Committee Report
2. Payment of Prior Year Bills

Annual Town Meeting:

1. Committee Report
2. Establish/Discharge Committees
3. Establish PEG (Public Education Government) Media Enterprise Account
4. Authorize Revolving Funds
5. Senior Tax Work-Off Program
6. Community Action Committee Non-Profit Support
7. FY24 General Government Budget
8. FY24 Water Department Enterprise Budget
9. FY24 Wastewater Department Enterprise Budget
10. FY24 Transfer Station Enterprise Budget
11. FY24 PEG Access and Cable Related Enterprise Budget
12. FY24 School Budget
13. FY24 Monty Tech Assessment
14. FY24 Capital Improvement Plan- Free Cash
15. FY24 Capital Improvement Plan- 5 Year Borrowing General Fund
16. FY24 Capital Improvement Plan- 5 Year Borrowing Transfer Station Enterprise Fund
17. FY24 Capital Improvement Plan- 5 Year Borrowing Water Enterprise Fund
18. FY24 Capital Improvement Plan- Grants/Other Sources
19. FY24 Capital Improvement Plan- Free Cash
20. FY24 Capital Improvement Plan- 5 Year Borrowing General Fund
21. FY24 Capital Improvement Plan- Cemetery Perpetual Care

22. Cemetery Expansion- Cemetery Perpetual Care
23. General Code Adoption
24. Zoning ByLaw- Amendment
25. Authorize Asset Management
26. Establish Opioid Remediation Stabilization Fund
27. Accept Fourth Paragraph of Chap 40 Section 5B
28. Dedicate Receipts from Statewide Settlement

Article 7- Annual General Fund Budget Summary

Budget Reconciliation

Real and Personal Property Taxes- \$14,647,139

Prior Override v Inflation Adjust- \$324,659

Less Property Tax Levy Surplus

State Aid- \$16,291,299

Local Receipts- \$3,168,909

Indirect Charges- \$380,674

Transfers From Other Funds- \$40,191

Homeless Transport- \$20,000

Total Budget Sources- \$34,872,870

Total Town Appropriation- \$17,889,644

Total School Appropriation- \$16,953,226

Total Appropriations- \$34,872,870

Annual Real and Personal Property Taxes

Levy Limit 2023- \$13,906,524

Proposition 2 1/2% increase- \$347,663

New Growth Estimate- \$90,000

Solar PILOT Revenues

Debt Exclusions- \$302,951

Maximum Allowable Levy 2023- \$14,647,139

Debt Exclusion

- One of Management's important goals is the adequate stewardship of municipal infrastructure
- It is challenging for the Town to carry out a sufficient capital improvement plan without assistance from the taxpayer outside the boundaries of Proposition 2 1/2.
- This is accomplished through debt and capital exclusions, which when approved by the voters allows the Town to assess taxes above the 2 1/2 limits set by law.
- Debt exclusion amounts for FY24 equals \$302,951. This is reflective of appropriations approved at prior Town Meetings including the recent approval of the Fire Station Addition Design, but does not include other future initiatives such as the Water Main Replacement from Ashburnham.

Detail of State Aid

	2023	2024	% Change
Chapter 70	12,492,076	14,000,926	12.08%
Charter School Reimbursements	46,335	21,024	(54.63%)
Unrestricted Local Aid	1,898,924	1,987,824	4.68%

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Veteran's Benefits	190,066	60,500	(68.17%)
Other	<u>157,676</u>	<u>221,025</u>	40.18%
<b>Total</b>	<b>14,785,077</b>	<b>16,291,299</b>	<b>10.19%</b>
Cherry Sheet Offsets	<u>292,158</u>	<u>319,396</u>	9.32%
Total State Aid	15,077,235	16,610,695	10.17%
State and County Assessment	1,146,430	1,002,483	(12.56%)

#### Indirect Charges

- These are charges incurred by the General Fund on behalf of the Water, Sewer, and Transfer Station Enterprise Funds
- They are allocated back to these Enterprise Funds based on a reasonable and methodical allocation process.
- This is primarily in the form of staff support provided by our Financial, Administrative, and Data Processing teams.

	FY23	FY24	Change
Water	\$145,328	\$141,327	(2.75%)
Wastewater	\$135,363	\$141,655	4.65%
<u>Transfer Station</u>	<u>\$9,457</u>	<u>\$12,482</u>	<u>31.99%</u>
<b>Total</b>	<b>\$290,148</b>	<b>\$290,148</b>	<b>1.83%</b>

#### Transfers from Other Funds

On an annual basis funds are transferred from various available sources to supplement the operating budgets. FY24 amounts are as follows:

\$20,000- Stabilization Infrastructure Transfer- Used to offset debt service associated with the landfill cover and other landfill associated costs incurred by the general fund.

\$3,344- Cemetery Trust Transfer- Used to subsidize a portion of the costs incurred by cemetery operations

\$16,747- Title V Lien Redemption Transfer- Used to subsidize a portion of the debt service associated with this activity.

#### Explanation of Significant Changes in FY24 Funding Requests

**Planning and Economic Development Director-** this role has been vacant for the better part of the year, with duties redistributed among the Planning office and Town Manager's office. The \$85K salary is being returned to the budget to fund targeted increases in Town Hall, the Library, and Council on Aging.

**Public Works-** The apparent addition of a DPW Assistant (\$87,000) is more nuanced than at first glance and will operate as a Town Engineer. This is funded in part by three items- 1. \$36K "savings" by shifting the DPW Director role to assist with the schools. 2. \$40K "savings" by not increasing MSW4 DEP Order to cover reporting obligations in 2024. This task will be covered in house by the Town Engineer. 3. This role will also cover peer review duties, tasks we typically "Farm out" up to \$100K a year at the expense of applicants. An additional \$22,000 has been earmarked for Snow & Ice, line items that we have consistently overspent over the past ten years. This line should be increased incrementally year over year until it represents a more realistic figure.

**Broadcasting-** The apparent cut of all broadcasting expenses is reflected by mirrored reductions to revenue for the same purpose. Both revenue and expenses have been removed from the General Operating Budget and will be housed in a proposed PEG Enterprise Fund.

**Health Insurance-** This expense continues to grow. An over 7% increase represents a \$160,000+ hit to the FY24 budget.

**School In Town Transportation-** Contractual increases represent an additional \$150,000+ expense to the FY24 Budget

#### Proposed Water Fund Budget

- Using data from the most recent Water/Sewer Rate Study provided by Raftelis, it has been determined that a rate adjustment is required to support the Water Fund Budget. The recommended increase is 8% in FY24.
- This recommended water budget does not incorporate additional future construction expenses for the Water Main from Ashburnham. As such, a discussion should be had regarding rate increases for FY25.
- The Water Enterprise Budget is presently projecting a surplus for the first time in five years. Retained earnings should be built up to an amount mirroring 5% of the annual operating budget before rates can be tapered back.

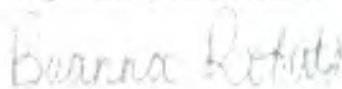
#### Proposed Wastewater Fund Budget

- The Raftelis Water/Sewer Rate Study also determined that a rate adjustment is required to support the Wastewater Fund Budget. The recommended increase is 3% in FY24.
- The recommended wastewater budget incorporates \$250,000 in annual debt service to resolve unaddressed upcoming capital needs throughout the wastewater system.
- Initiatives to take in outside septage may help drive revenues. Efforts should be made to built retained earnings, however rates could be raised at a slower pace (if supported by increased revenue) to offset rising water costs from the Water Main Replacement.

**Public Input:** Michael Barbaro, 375 Brown St., voiced his concern with the override money being removed from the school budget.

**8:03PM-** Dr. M. Ward motioned to adjourn the Finance Committee, 2nd by C. Corts.  
**Corts (Y) Delay (Y) Dickson (Y) Guerrero (Y) Reed (Y) Ward (Y) Kane (Y) 7-0**

Respectfully submitted:



Brianna Roberts, Finance Committee Recording Secretary

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Thomas Kane, Chairman

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Dr. Maureen Ward, Vice-Chair

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Charles C. Corts

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Douglas Delay

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Anthony Dickson

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Adrian Guerrero

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James Reed