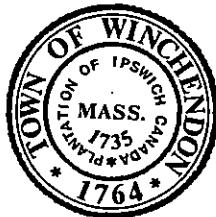


Approved: 12/14/21

TOWN OF WINCHENDON



Finance Committee

Telephone (978)-297-5419

Regular Meeting
Finance Committee Minutes
November 9th, 2021
Town Hall 2nd Floor Auditorium

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

Absent: Phil Levine

List of Documents Presented at Meeting:

- Notice of Public Meeting- November 9, 2021
- YTD Budget Report

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

Approval of Minutes: 10/12/21 & 11/08/21

10/12/21

Motion by M. Ward. Seconded by C Corts.

Corts (Y) Delay (Y) Guerrero (Y) Kane (Y) Ward (Y) 5-0

11/08/21

Motion by C. Corts. Seconded by D. Delay.

Corts (Y) Delay (Y) Guerrero (Y) Kane (Y) Ward (Y) 5-0

Year To Date Reports:

T. Kane & P. Levine met with the Superintendent King. They had a few questions, mainly regarding the unusual number of encumbrances, which was a result of the availability of CARES money. They were able to take advantage of the balances and purchase some equipment that wouldn't have been possible otherwise. The school department still does not have a business manager, so Superintendent King has taken on a lot of those duties. M. Ward mentioned at the last school department meeting, she was happy

to see them reviewing the YTD Reports, as this was not done in the past few years. She thanked Superintendent King for making it a priority.

Funding Reserve Accounts Discussion:

A. Stabilization Fund

The Stabilization Fund is the Town's main reserve fund designed to provide financial stability for the Town while improving the Town's credit worthiness and flexibility. The Stabilization Fund should be maintained between 5 and 10 percent of the general operating budget.

Proposed language: ***The Town shall allocate 10% of its Free Cash to the Stabilization Fund annually whenever the balance of the Fund is less than the 5% of the Town general operating budget threshold. When the balance of the Stabilization Fund is greater than 5% but less than 10% of the general operating budget, the town shall allocate 5% of certified Free Cash to the Stabilization Fund.***

Appropriations from the Stabilization Fund may be for any lawful purpose (Chapter 40, §5) and may only be made by a two-thirds vote of Town Meeting. Interest earned on Stabilization Fund balances will be retained in the Stabilization Fund. If and when the Town draws monies from the Stabilization Fund, the Town should also present a plan for replenishing the fund. The Stabilization Fund will not be used to fund recurring budget items.

M. Ward proposed adding "The Town shall allocate ***at least*** 10%". The committee agreed to changing the language to ***The Town shall allocate at least 10% of its Free Cash to the Stabilization Fund annually whenever the balance of the Stabilization Fund is less than 10% of the Town's general operating budget.***"

B. Post Employment Benefits Reserve Fund (OPEB). A separate Trust Fund shall be established to provide a reserve fund for future retiree post employment benefits. The Governmental Accounting Standards Board's (GASB) Standard 45 requires the actuarial calculation of the value of future post employment benefits that the Town will need to pay.

~~The Town Manager shall take into consideration the building of this reserve to meet the actuarial requirements. The Town Manager shall include in the annual general operating budget an allocation to the OPEB Trust Fund. The allocation shall be a percentage of the cost of health insurance in any given year. The allocation percentage shall be 3% in FY 23, 4% in FY 24 and 5% in FY 25 and subsequent fiscal years.~~

M. Ward suggested keeping the first sentence the same, and changing the second sentence to "The allocation shall be 5% of the cost of health insurance", and removing the last sentence.

C. Contractual Separation Liabilities Fund

Town Employees are eligible for certain contractual buy-back benefits upon separation from employment. Typically, these buy-back benefits are for unused vacation or sick leave. The Town shall maintain a Fund to mitigate the impact of these unfunded pay-outs on the operating budget. The Town will allocate \$50,000 from Free Cash annually until the total fund equals the total liability of the contractual buyouts to the Town.

M. Ward motioned to approve the Stabilization Fund, OPEB, and Contractual Separation Accrual Policy Language Changes Agreed Upon. Seconded by C. Corts
Corts (Y) Delay (Y) Guerrero (Y) Kane (Y) Ward (Y) 5-0

Enterprise Funds Discussion:

T. Kane mentioned one of the committee's goals is to be knowledgeable about the ARPA funds. At the previous nights Special Town Meeting, ARPA funds were used for the first time to address a need in the community. It was questioned if it was an appropriate use of the funds, so the town consulted with an auditor, and they confirmed it was. There was a great deal of discussion around the Water and Sewer Enterprise Funds at the Special Town Meeting, due to a significant deficit that the town is liable to cover. M. Ward mentioned the language regarding the funding and that it states its for infrastructure, not deficits. Also, it states its for costs incurred beginning March 3rd, 2021, yet the town meeting passed two resolutions that insured prior to that date. D. Delay commented that the bigger question is, even if the funding can be used for those issues, **should they?**

Member Comments:

M. Ward mentioned the committee is down one member and the Town Moderator is still accepting applications for the next two weeks.

Public Input:

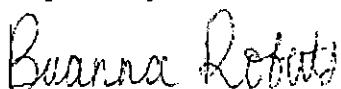
Rick Ward came forward and briefly explained the Veteran's Services. Veteran's services benefits are provided under Massachusetts General Law Chapter 115. The town provides financial assistance for qualifying low income Veterans for food, shelter, clothing, housing supplies, and medical care.

Adjourn:

7:41PM- Motion by M. Ward to adjourn, seconded by C. Corts.
Corts (Y) Delay (Y) Guerrero (Y) Kane (Y) Ward (Y) 5-0

The meeting adjourned at 7:41PM.

Respectfully submitted:



Brianna Roberts, Finance Committee Recording Secretary

Tom Kane, Chairman

Maureen Ward, Vice-Chair

Charles C. Corts

Douglas Delay

Adrian Guerrero

Phil Levine