

Approved: 2/8/2022

TOWN OF WINCHENDON

WINCHENDON TOWN CLERK
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Finance Committee

Telephone (978)-297-2766

Finance Committee/Board of Selectmen/School Committee Tri-board Meeting Minutes

January 11, 2022

Town Hall 2nd Floor Auditorium, 109 Front St., Winchendon, Mass.

2

Finance Committee

Present:

Tom Kane Jr., Chair
Dr. Maureen Ward, Vice Chair
Doug Delay
Philip Levine
Charles Corts
Adrian Guerrero

Absent:

Robert O'Keefe

Board of Selectmen

Present:

Audrey LaBrie, Chair
Rick Ward, Vice Chair
Amy Salter
Barbara Anderson
Danielle LaPointe

Justin Sultzbach, Town Manager
Linda Daigle, Executive Assistant
Tamarah Casavant, Administrative Assistant

School Committee (convened at 7:43PM)

Present:

Larry Murphy, Chair
Ryan Forsythe
Greg Vine

Thad King, Superintendent

Absent:

Karen Kast, Vice Chair

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- Michael Barbaro Letter of Interest to Serve on School Committee (filed)
 - Monty Tech 2021 Fall Report from Monty Tech School Board Representative Dr. Maureen Ward (attached)
 - Finance Committee's Proposed Fiscal Policy Amendments (attached)
 - FY22 Six-Month Budget Review Memo from Town Accountant Joanne Goguen (attached)
 - Six Month Water/Sewer/Transfer Station Enterprise Budget Reports (attached)

- Six Month General Fund Town Budget Report (attached)
 - Six Month General Fund School Budget Report (attached)
 - Memo dated 1/11/22 from Town Manager Justin Sultzbach pertaining to the FY23-FY27 Five Year Budget Projections (attached)
 - Five Year Revenue and Expenditure Projection Spreadsheet (attached)
 - Memo dated 1/11/22 from Town Manager Justin Sultzbach regarding the American Rescue Plan Act (ARPA) (attached)
 - ARPA Funding Spreadsheet (attached)
 - DLS Bulletin dated June 2021 pertaining to the “Coronavirus State and Local Fiscal Recovery Funds – Revenue Loss (attached)
 - Draft Agreement with the City of Gardner pertaining COVID Test Kits Purchase (attached)
 - Memo dated 1/11/22 from Town Manager Justin Sultzbach regarding the Review of the 2015-2016 DLS Report
 - 2015-2016 DLS Report (filed)
 - Memo dated 1/10/22 from Town Manager Justin Sultzbach regarding the Community Preservation Act (CPA) Update (filed)
 - Winchendon CPA Projections (filed)
 - PowerPoint presentation titled “Introducing the Community Preservation Act (filed)
 - Amended Special and Annual Town Meeting Draft Schedule (attached)
 - Email dated 1/6/22 to the Town Manager from Linda Daigle, Executive Assistant, regarding “Hybrid Meetings.” (filed)
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Tom Kane, Chair of the Finance Committee, called the Tri-Board meeting to order at 6:30 p.m. All stood for the Pledge of Allegiance.

When asked by the Chair, Mr. Ed Ford disclosed he would be video recording the meeting this evening for Winchendon Farms.

Kane noted that the School Committee does not have a quorum as of yet therefore not convened at this point and they would skip over the first item on the agenda this evening waiting for a quorum of the School Committee.

1. JOINT MEETING with FINANCE COMMITTEE and SCHOOL COMMITTEE

1.1. Appointment of Vacant School Committee Position – Passed over to return later in the evening.

1.2. Montachusett Regional Vocational Technical School Report by Representative Moe Ward – Dr. Ward, the Town’s representative on the Monty Tech Regional School Board reviewed her report with the group. Topics she spoke about were:

- The Test & Stay program protocols pertaining to the COVID-19 pandemic and the vaccination status as of Jan. 3, 2022
- The Safe and Supportive Schools grant award in the mount of \$10,000
- The campus tour held in October
- Professional Development Day also in October
- The District’s Improvement Plan Smart Goals
- The Principal’s Honor Roll list for the 2020-2021 Academic Year listing thirty students from Winchendon
- The Principal and Counselor’s Day held in September with changes on admissions, new student application, modification to vocational programs and academic offerings, lunch and guided tours of the facility. Murdock Middle School students attended
- FY22 Skills Capital Grant of \$150,000 awarded to update the Dental Assistance Program.
- New Generac generator installed
- Surplus equipment sale netted the school \$4,260
- Winchendon’s November 2021 National Honor Society induction of six Winchendon students.
- Report of holiday dinner baskets delivered, annual holiday sale
- December CyberPatriots State Championships with four Winchendon students earning a first place
- SkillsUSA Local Competition awards ceremony held in December

Dr. Ward concluded her report stating her last day on the Board was going to be May 1st and that if anyone is interested, to please send a letter of interest to the Town Manager's office.

- 1.3. Finance Committee's Proposed Fiscal Policy Amendments – Kane noted the DLS report that they have in their packet had a recommendation to create financial policies. In 2016, the Board of Selectmen voted to adopt policies that the Finance Committee proposed. What they have found among the accounts that pertain to the reserve accounts was there was no indication of how to fund these accounts. The proposals the Finance Committee is presenting this evening is language to fund those accounts.
 - 1.3.1. Stabilization Fund – Kane said the proposed policy suggests the Town allocate 10% of Free Cash to the Stabilization Fund annually whenever the balance of the Fund is less than 10% of the Town's general operating budget.
 - 1.3.2. Post Employment Benefits Reserve Fund (OPEB) – Kane explained the Town has a trust fund set up for OPEB, with the currently standing balance now of \$12,000. The Town voted a one-time contribution of \$10,000 to the fund. The liability the Town has now with OPEB is around \$30,000,000. It is certainly in the Town's best interest to come up with a system of adding money to this OPEB Account. He explained the liability is the expectation of what the Town would owe covering retirees' health insurance. To protect the Town and reduce the liability, the Finance Committee proposes the Town Manager would include in the general operating budget an allocation to the OPEB Trust Fund that would be equal to 5% of health insurance in a given year. It was noted that funding this account annually would also improve our bond position.
 - 1.3.3. Contractual Separation Liabilities Fund – Kane explained this fund is to provide monies to cover buyback benefits when people retire, for instance unpaid earned vacation time or earned sick time. He noted the Town has worked hard to reduce the liability with labor contracts pretty much eliminating buyback of sick time but there still is a liability of about \$300,000 with current employees that is owed when they retire. This is a new reserve account to build up to the amount of that liability. The policy dictates that the Town will allocate \$50,000 from Free Cash annually until the total fund equals the total liability of the contractual buyouts.

Chairwoman LaBrie asked the proposed policies be placed on the Selectmen's agenda for the next step in approving them.

- 1.4. FY22 Six Month Budget Review – Town Accountant Joanne Goguen began her review with reporting the Town Revenue which she stated was at 48.8% pretty much on target with half the year gone by. She noted she has not received investment revenue for the month of December or motor vehicle excise revenue with a large billing going out in February/March; the Veterans Blind & Surviving Spouse is high right now because she didn't receive FY21 until recently. In 2022, we will probably have double. The ambulance revenue is also down a little but, the Fire Chief said the ambulance runs are right up there but the receivables are only \$60,000 more than they were in July. Not sure why revenue is down but something she will keep her eye on. M. Ward asked how the money is collected. Goguen explained two companies are involved. Coastal does the initial billing and First Financial is the collection agency. They get a percentage of what they collect. Building permits are high at 63% being a good thing. Total revenue is pretty much on target at 48.8%.

Goguen next reviewed the Expense side of the review stating we are at 60% total. She is not concerned with that because some bills are paid in full at the beginning of the year. The police reserve account and fire department on-call people are a bit higher than they should be at this time. Both chiefs have assured her that they will be covering this with overtime funds that they have. The DPW Clerk is high due to an overlap with a retiree. Health Insurance is lower due to only five months being shown here instead of six.

Goguen moved on to the Water Revenue stating it is at 58.9% which is good but does include the two transfers from the ARPA fund and from the General Fund that were voted at Special Town Meeting. The Sewer Revenue

is the same at 52.3% and includes the two transfers voted at Special Town Meeting. The Transfer Station revenue is at 54.2% and that has been doing well all along. The Enterprise expenses are at 61.4% for water explaining we have had some debt payments and had the full transfer out for Indirects which will skewer a little bit the six month mark. Sewer is at 61% with the same scenario having paid debt already and transferring the Indirects out to the General fund. The Transfer Station is at 53%, pretty much on target.

Next reviewed was the School Dept. expenses. Goguen explained there are a couple negative balances but the bottom line is right at 50%. So everything looks good with the School Department.

1.5. Presentation of Five Year Financial Forecast

Sultzbach explained the FY23-FY27 Five Year Budget Projection Plan is a five year financial plan put together using past revenue and is a best practice recommended by the 2015 DLS report and something that has been done since then. He noted the figures should be viewed as abstract until the financial picture becomes clearer with some outstanding numbers that still need to be put together, a concrete budget and the Cherry Sheets coming out. He reported the projections were run fairly conservative in revenues while continuing to address challenges and financial uncertainties resulting from the COVID19 Pandemic. He pointed out a few things in his revenue projections:

- The full 2 1/2 % increase allowed for property taxes
- Solar PILOT revenues include revenues from all solar arrays that are currently constructed and generating power to the electric grid
- Currently, there is no history on cannabis revenue so not incorporated here

Pertaining to expenditures, the Town Manager pointed out anticipated items to note:

- All union contracts are presently in negotiation as the prior agreements expire July 1st
- The School Budget is being developed with anticipated delivery in mid-February
- He is not anticipating any immediate additions to the debt service recognizing various capital projects, like the Old Murdock, have approved funding however, those funds have not yet been borrowed with not having the construction phase set yet

Sultzbach provided a spreadsheet with a five year revenue and expenditure projection including a five year look back and a five year projection. He also provided a PowerPoint presentation highlighting the forecast presented. He asked all present to stop him if they had questions and welcomed them to call with any questions they might have. He reviewed the spreadsheet with historic data and trends to predict the financial future of the town using this detailed analysis.

1.6. Review of 2015-2016 DLS Report

Kane referenced the Department of Local Services (DLS) report the Town received in July of 2015 assessing the financial difficulties noting the Town was about \$3.6 million dollars in deficit. There were several primary recommendations and other recommendations for the Town at the time. The report has been put on the agenda this evening to take the opportunity to look back and see where we are given the intent of the recommendations.

The group reviewed the “Primary Recommendations” which have all been addressed.

Next reviewed were the “Other Recommendations.” Items discussed were the following:

“10. Develop Long Term Capital Plan”

Kane noted that this has begun but would like to see it include more items that we know are going to need attention in future years. LaBrie commended and thanked Town Manager Sultzbach with his approach the day he began here wanting to create an inventory and looking at what the needs might be for the Town down the road. She feels that puts the Town in a good position to be able to project the best we can what will be needed.

“11. Consider Town-School Revenue Sharing Model”

Kane said we did have a committee set up three years ago consisting of the Superintendent, School Business Manager, the Town Manager and Town Accountant. They discussed the concept of the sharing model but never really developed a specific proposal. Ryan Forsythe, a School Committee member, stated that proposal is worth re-visiting as the School Department's budget makes up a sizeable expenditure of the Town and any opportunities to generate revenue and share it is worth revisiting.

"12. Define Audit Committee Responsibilities in Bylaw"

Kane and M.Ward expressed they would like to see the Audit Committee meet more often and a guideline or booklet with an understanding of what the role is and include a timeline to accomplish tasks. M.Ward offered to work with the Town Manager with developing a set plan.

"18. Acquire Counter Computer Terminal"

Sultzbach said this hasn't been done yet but the Treasurer is working on this now pricing out equipment.

"19. Continue Office Filing Project"

Sultzbach said this pre-dates him but he would follow up with the Assessor's office to see if the filing project is completed.

"21. Implement Disaster Recovery Plan"

Sultzbach said he didn't believe that has been done and he would follow up with the IT Director.

"22. Adopt Internet, Email, Social Media, and Computer Acceptable Use Policy"

Sultzbach said yes for some but they probably are outdated given how technology progresses. He will put on his list over the next year for review. M.Ward asked how the monitoring is being done once the acceptable use policy is done. Sultzbach responded as a practice we don't regularly monitor but it's nice the forms in hand if an issue should arise. M.Ward also asked if certain sites were blocked. Sultzbach said he would confirm with the IT Director if certain sites are in place to be blocked and if not, to get it in place.

"23. Shift Website Oversight"

It was noted that the Town's website has gone through many changes. Sultzbach would follow-up with the IT Director to confirm oversight.

"24. Implement a Help Desk"

Sultzbach noted that an IT Help Desk ticketing software has not occurred yet offering that some IT Directors prefer just picking up the phone and calling them. He would confer with the IT Director about this when he speaks to him about the other issues.

LaPointe asked if they could get the Town Manager's opinion on what he sees on the seven "Primary Recommendations". Sultzbach noted that even though all the boxes are checked, the work is never done and it's a continuous process and it's good to go back and review. He is satisfied where the Town is with the initial seven "Primary Recommendations" but would like to sit as a group with the Finance team to review some of these and see if there is an opportunity to bring to a next step or address anything that needs to be changed with 2015-2016 being a long time ago and things have certainly changed. It would be important to take the opportunity to review these items one by one with the staff.

LaBrie asked at the next Tri-Board meeting if he could bring his comments or report on the seven "Primary Recommendations."

- 1.7. Community Preservation Act/Timeline/Committee - Town Manager Sultzbach stated the Community Preservation Act (CPA) has come up before the Selectmen and he wanted to also bring it before the Finance Committee and School Committee with this being a community effort and having all hands on deck involved. He is interested in getting as many diverse opinions on this topic as he can. He reviewed the packet of information they had before them this evening. He explained the CPA needs local activation with it already being active in 187 communities in Massachusetts. CPA projects fall into three categories: Historic

Preservation, Open Space & Recreation and Housing initiatives. He noted a presentation from the Mass. Executive Director of the Community Preservation Commission was held recently with representation from the Selectmen, Finance Committee, Conservation Commission, Planning Board and the Historic Commission. CPA activation would require a Town Meeting vote. Sultzbach reviewed the projections if this was to be approved and the initiatives that could be funded. It would consist of a 1 to 3% surcharge on taxes with possible exemptions. There are several different paths available depending on what would best fit the community. The Town of Winchendon qualifies for the highest possible match from the State at 100%. If the Town collected \$225,000, the state would double that with an estimate total of \$450,000. For an example of what it might cost, for someone with the average home valued at \$200,000, the annual surcharge would be \$56.00 annually. This fund and the projects considered would be overseen by a Community Preservation Act Committee and approved by the citizens of Winchendon. There are a lot of fail safes with this. There was some discussion on how the amount would be calculated with the \$100,000 exemption in play. Kane expressed there is a lot to learn and felt the Town should look at it with the opportunity to raise money and have it be matched by the state allowing us extra money in our pockets. He hopes to get to understand it very well and be able to present it at a future Town Meeting generating support for it. LaBrie noted a prior Selectmen's meeting, they did vote to develop and appoint a Community Preservation Act Exploratory Committee consisting up to nine members. She concluded the discussion asking anyone that might be interested to serve on this exploratory committee, to please send a letter to the Town Manager's office.

- 1.1 Appointment of Vacant School Committee** – With the School Committee now having a quorum with Larry Murphy, Ryan Forsythe and Greg Vine present, Mr. Kane noted the School Committee vacancy is an action to fill by both the School Committee and Finance Committee.

Chairman Larry Murphy called the School Committee meeting to order at 7:43P.M.

Murphy announced they are seeking to fill the vacancy on the School Committee and thanked Mr. Mike Barbaro for coming forward with his interest.

Vine moved to appoint Mike Barbaro to fill the vacancy on the School Committee at this time; Forsythe seconded.

The motion was open for discussion. R.Ward thanked Mr. Barbaro for coming forward. G.Vine also thanked Mr. Barbaro for applying to fill the vacancy noting he had been on the School Committee for many years before he left to serve on the Board of Selectmen. His knowledge and experience will be helpful. L.Murphy also thanked Mr. Barbaro for coming forward in their time of need and he apologized to the Boards that evening of the tardiness of the meeting with difficulties the Committee had experienced that evening. Mr. Barbaro was invited up to the table and welcomed to address the gathering. Mr. Barbaro noted he served on the School Committee for eleven years during some of the best of times and the worst of times. He is happy and proud to be part of the team and he is passionate about Winchendon Public Schools. He thanked them for the opportunity to serve again and he looks forward to working with them. After the following roll call vote taken, Mr. Barbaro was welcomed to the School Committee and was thanked.

**Forsythe (Y), Vine (Y), Murphy (Y), Salter (Y), Anderson (N), LaPointe (Y), R.Ward (Y), LaBrie (Y)
7-1-0 Approved**

- 1.8 ARPA Update** – Town Manager Sultzbach reported the Town has received roughly \$3.2 million dollars in ARPA funds as part of the American Rescue Plan Act. A bulk of the funds are restricted targeting towards a response to COVID19 as well as water, sewer and drainage improvements. Information has been brought to the Board anytime any expenditure is made using ARPA funding wanting to make sure the community was aware what some of the priorities are that have been identified and provide a public venue for public feedback. He thanked DPW Director Brian Croteau for maintaining the ARPA funding spreadsheet that was being shared with the group this evening.

Sultzbach noted a change that had come up and asked our auditors to do a revenue loss calculation due to the impact of COVID19. One of the smaller aspects of ARPA funding is proving your loss revenue due to COVID19 that may then loosen up the restrictions on how you can spend the funding opening up some opportunities. He wanted to bring this information to the three groups gathered this evening and to the public and also provide updates to spending to date. The Town Manager noted he has had conversations with Chairman Kane with the Finance Committee's interest on some of the uses of the fund so far and in addition to hope shape the conversation on how to use the remaining funds. DPW Director Brian Croteau was invited to join the conversation. Mr. Croteau reviewed additional items on the spreadsheet; the Beech St. Road and Utility Design, Water Meters and the Fire Alarm Cable Removal. Kane questioned items he thought were shovel ready like the bridge repair on Robbins Rd. and the Central St. project. Croteau explained why the items were on the list and the need for this funding mentioning inflation and the need for inside oversight of the Construction project costs on Central St. Kane expressed his surprise when he viewed the report and saw all the projects and wondered what the approval process was for this \$3.2 million dollars. Sultzbach replied when ARPA funding came to Town, there was no playbook for it; some communities, the money is just spent by the Administrator or Town Manager where they deem fit and some communities set up committees. He and his staff determined from the beginning they did not want to make the decisions in a vacuum and did put some controls in place. One of them was financial accounting maintaining the spreadsheet that shows every dollar going in and every dollar going out. The information is regularly brought to the Board of Selectmen, making the public aware of the ARPA funds and talking about the ARPA program and funding. Every project you see here was a need determined by himself and staff and then brought to the Board of Selectmen so they could provide input. He asked if Mr. Kane felt that a committee be put together for this purpose; he noted that it hasn't been asked of them and there was no precedent to go off of. Kane understood it is a new program and new funding and has spoken a bit with him to have some conversation, some committee to make decisions and prioritize the funding. He doesn't question any of the uses listed here but with \$1.3 million dollars allocated with very little Board insight, he thought it made sense for the Town to look at creating a committee to have close oversight of the funding. He thought formalizing the process would be in the best interest of the Town. Sultzbach deferred the formation of a committee to the Board of Selectmen stating he wouldn't have any interest in appointing individuals but would be happy to place on an upcoming agenda if the Board wishes to address. LaPointe said the ARPA funding is very specific in terms of things that are earmarked for what it can be used for and a finite timeline needing to act quickly. Sultzbach noted the timeline is a couple years but in terms of the technical aspect of specific items that ARPA is permitted to be expended for is something a bit of a wrinkle for him. He enjoys and appreciates the input from boards and committees and citizens but trying to use funds directly slated for water and sewer capital improvements and repairs to catch basins, things like that, he's not sure what citizen input would provide and he would want to defer to an expert with technical input which was Mr. Croteau sitting beside him this evening. LaPointe commented if they did form a committee, the individuals would need to be able to meet on short notice. Kane thought people already involved in committees now, like the Capital Planning Committee, the Board of Selectmen, the Finance Committee, the School Committee, could look at the big picture and would be able to offer advice in developing a plan and prioritizing to make the best use of this significant amount of money. LaBrie asked this be placed on an upcoming Board of Selectmen meeting agenda for further discussion.

Sultzbach had a couple more items to review and explained he did not want to expend the funds on something that disappears or blends into the background. Targeted uses for a lot of them are going to initiatives that create potential for future grant funds or future progress in town or future revenues for the Town pointing out the water meters and the design for Beech St.

Next on the list is a request for five additional hours for Jim Abare, our Board of Health Agent, due to the COVID response. Jim is doing an excellent job and is flat out with his other day to day duties. This supplements adding an additional five hours to his work schedule.

Sultzbach reported he received notice from Representative Zlotnik today who expressed concerns that Heywood Hospital is at a breaking point with people coming to the emergency room for COVID test and looking for a way for Town's to help distribute free home tests. The City of Gardner has sent over an agreement to join them in a bulk purchase for free tests to disperse to residents with the amount being up to \$15,000 in turn giving some relief to our health care system. The Town Manager was seeking input from the Board in signing the agreement.

There was some discussion on how to disperse but realistically an imperfect situation and a time sensitive thing. LaPointe asked for communication in advertising when the test kits are received. There was no objection from the group in signing the agreement.

M.Ward asked if another column could be placed on the spreadsheet to highlight supplemental income for each project.

Lastly, Sultzbach noted there is an amount of \$42,432 earmarked to the Fire Dept. Chief Tom Smith came forward to speak about this. He said they have been using CARES funding for an additional staff member on opposite hours the Captain is working. It is an additional fourteen hour shift during the week and an additional twenty-four hour shift over the weekends. This gives us the continued ability to put four people on around the clock for calls, sanitizing, and an availability with an additional second ambulance out the door at the same time. This amount would take them from April 1 through June 30th at which time they would sit down and reevaluate. These staff members are used both for fire and ambulance calls. LaBrie asked what happens to the position when the funding runs out. The Chief said it would be reevaluated at that time against what the calls bring in. The positions are on-call and not full-time positions and would not cause a layoff. Kane said his priority for one of the criteria for the use of ARPA funding is that it has a lasting impact on the community and if under that criteria, this wouldn't qualify.

Sultzbach concluded his presentation asking if there were any objections, to which none were heard.

1.9 Draft Special and Annual Town Meeting Schedule – Sultzbach reviewed the Budget and Special and Annual Town Meeting schedule. M.Ward asked if the auditorium would be available for the meeting on February 15th for the Capital Improvement Presentation. The Finance Committee asked to have the schedule emailed to them. Forsythe asked when was the ideal time for the School Committee budget to be received and the Town Manager responded Department budgets are due mid-February and understands the school piece, the sooner the better he replied. Kane noted the School Committee usually submits their budget to the Finance Committee mid-March.

1.10 Hybrid Meeting Update – The Town Manager said he wanted to provide an update to the group with other communities going hybrid with numbers continuing to tread up. He deferred to Ms. Daigle for this update. Daigle informed the group that progress has been made since the departure of AccessAV. Athol/Orange TV (AOTV) is assisting us and helping connect us to technical people that can help guide us. Shane Brown, the Production Manager, from AOTV visited Town Hall last week and took pictures and compiled a list of equipment we had to forward to the technical folks that can assess what our needs might be for hosting Zoom/remote meetings. She's hoping to receive a new quote in the near future but forewarned of difficulties she has heard with the supply of equipment due to the COVID pandemic we are currently in.

2 MEMBERS COMMENTS AND ANNOUNCEMENTS: There were no additional comments or announcements.

3 PUBLIC COMMENTS AND ANNOUNCEMENTS: There were no public comments or announcements.

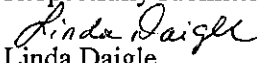
4 ADJOURNMENT:

M.Ward moved to adjourn the Finance Committee; Corts seconded. By a vote of all aye the Finance Committee adjourned at 8:38P.M.

Vine moved to adjourn the School Committee; Forsythe seconded. By a vote of all aye, the School Committee adjourned at 8:38P.M.

R.Ward moved to adjourn the Selectmen's meeting; LaPointe seconded. By a vote of all aye, the Board of Selectmen adjourned at 8:38P.M.

Respectfully submitted,


Linda Daigle
Executive Assistant

Finance Committee Members:



Tom Kane, Chairman

Maureen Ward, Vice-Chair

Douglas Delay, Member

Charles C. Corts, Member

Phil Levine, Member

Adrian Guerrero

Robert O'Keefe, Member

Date: _____