

TOWN OF WINCHENDON



Finance Committee

Telephone (978)-297-5419

Quad-Board Meeting

Board of Selectmen, Finance Committee, School Committee, and Audit Committee

January 17, 2023 7:00PM

Town Hall 2nd Floor Auditorium

Board of Selectmen Members Present:

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

Justin Sultzbach, Town Manager
Thaddeus King, Superintendent

Finance Committee Members Present:

Thomas Kane Jr., Chair
Dr. Maureen Ward, Vice-Chair
Charles Corts
Robert O'Keefe

Absent- Douglas Delay
Adrian Guerrero
James Reid

School Committee Members Present:

Larry Murphy
Greg Vine, Vice-Chair
Alicia Jordan

Absent- Dr. Ryan Forsythe, Chair
Karen Kast-McBride

Audit Committee Members Present:

Charles Corts
Audrey LaBrie

Absent- Dr. Chris Casavant, Chair
Michelle Comeau
Karen Kast-McBride

Guests:

Chief Daniel Wolski
Tony Roselli- Roselli, Clark & Associates
Chief Thomas Smith
Kyle Bradley & Andrew Gardner

7:00PM: Finance Committee Chair, Thomas Kane, called the Finance Committee and Audit Committee meeting to order followed by The Pledge of Allegiance. T. Kane requested the public to let the board know if anyone would be audio or video recording the meeting.

School Committee Chair, Dr. Ryan Forsythe, called the School Committee meeting to order at 7:01PM.

Board of Selectmen Chair, Audrey LaBrie, called the meeting to order at 7:01PM.

1. Appointing Ceremony for Police Chief Wolski

Justin Sultzbach, Town Manager, invited Daniel Wolski to the center of the room for an official swearing-in ceremony to be appointed as the Chief of Police. Wendy Stevens, Town Clerk, swore in Daniel Wolski as the Chief of Police for the Town of Winchendon.

Chief Wolski thanked the Board of Selectmen and Town Manager for elevating him to this position and trusting him as Chief of Police for the community. He stated he grew up in Winchendon, and it is an unbelievable opportunity for him to reach this level and continue to impact the community as a Chief. He followed with a quote, "A leader is only as good as his team". as he pointed out several police officers in the room present to support him, and stated they are the finest people to have working for them. He was thankful for their presence and support along with his family; his wife and children, in-laws, and brother. Chief Wolski was looking forward to embarking upon the goals and ambitions he has for himself and for the community of Winchendon.

2. Audit Report- Roselli and Clark

Tony Roselli with Roselli, Clark & Associates, introduced himself and stated he would present the results of the Fiscal year 2022 Audit. Tonights meeting would focus on the Management Letter.

There were a few key factors to consider given the events of the last few years; The Pandemic that brought operations to a standstill and affected revenues, Budget Stimulus from the Government that the Town needs to be accountable for as its spent, Employee turnover, etc.

The Towns unassigned funds balance is the highest he has seen in the last 10+ years, \$3.8 Million. To give context, in 2014 it was negative \$3.6 Million.

Stabilization Funds increased to \$1.3 Million, which is a subset of the \$3.8 Million, not additional.

The Budget for 2023 was balanced.

ARPA allotment was \$3.3 Million. T. Roselli suggested they used the funds on capital or an emergency, something that would not typically occur on a regular basis.

Some key challenges for the Town include the Treasurer/Collectors office is in transition. The assistant is currently the Treasurer/Collectors but still new and learning. The prior Town Accountant is currently working there part time and they are getting reinforcement from Eric Kinshurf and his team on an as needed basis. There has been a lot of turn around in the Schools Business office. The town has had a number of School Business Managers in the past, resulting in inconsistent finances and a lot of findings.

T. Roselli stated there has been a significant impact due to the inflated economy. Not only has it affected the cost of goods and services, it has affected the current wages, resulting in having to pay much higher when trying to attract and hire people for jobs. Interest rates have skyrocketed from 2% to 6% and higher. The cost of construction and the labor has increased immensely. Electricity and fuel cost has gone up about 40-50%.

T. Roselli suggested the Town be open to more creative solutions, especially for labor shortages. Some of the accounting professionals he works with, have created a remote process to manage multiple towns, resulting in a more cost effective strategy.

Since the interest expense has increased, the investment income has provided additional opportunities it didn't have in the past. A lot of towns are migrating to the MMDT, which is around 4%, and some are embracing the under 12 month treasury bills, which are close to 5%. At the end of 2022, the town had about \$11 Million in cash and equivalents and each \$1M is about \$40,000-\$50,000 in interest if you have it in the right vehicle.

A cash forecast for 12 months can calculate where the excess cash is and create an investment strategy based on those numbers.

A Network security assessment was completed a few years ago and some systems got upgraded and fixed. The security is fairly robust, but it was mentioned to make it a priority to train the employees correctly on what to look out for, especially with the high turnover lately.

Pension liability is at 21.2 and OPEB liability is at 19.5.

There are 13 parcels in town that are unidentified. T. Roselli suggested consulting with a tax title attorney.

3. Presentation of the Five-Year Financial Forecast

Justin Sultzbach wanted to point out that the document is an abstract, the numbers are not set in stone and will fluctuate as the year goes on. For revenues, projections call for a full 2.5% increase for property taxes. Cherry sheets for FY24 have not been released, they are accounting for 1% over FY23 state revenues.

In regards to expenditures, they wanted to look into wages and other expenses. They are waiting on a town hall salary survey. The global energy crisis was highlighted. The school budget is still being prepared.

In the summary of estimated revenues, they are forecasting consistent growth every year. Their biggest concern was expenses are growing at a higher rate than revenues, mainly due to the global economy.

In the summary of estimated expenditures, FY24 is forecasting \$36,977,872 and in FY28 \$40,668,408.

Under budgetary factors of note, surplus/deficit for FY24 is -\$288,638, solar pilot revenue \$261,255, and cannabis revenue is TBD. Surplus/deficit for FY28 is -\$1,638,954, solar pilot revenue \$288,376, and cannabis revenue TBD. In regards to the solar pilot revenue, they need to determine the exact figures as it is currently combined with personal property tax revenue.

Staffing shortages have been an ongoing issue. They've hired over 10 new employees the past year, and J. Sultzbach commended those employees stating they are doing a great job.

Debt schedule updates will be determined by the Capital Planning Committee. There are 12 projects totaling just over \$3M, they will narrow the projects down to a more manageable figure.

T. Kane stated it sounded counterintuitive to state their debt is too low, but that is the case. He stated when debt is consistently carried between 5-10% there is space available if/when they need to borrow. Currently, the debt is about 2.3% of the overall budget. They will need to research ways to increase their ability to borrow and determine ways to pay it off over time, while protecting other areas of the budget.

T. Kane stated it would be helpful in the future to look at past years actual figures and compare them to the forecasted amounts.

4. Draft 2023 Special/Annual Town Meeting Schedule

J. Sultzbach projected the Annual Town meeting to be scheduled on 5/15/23. Department budgets are due in the next few weeks. J. Sultzbach will meet with every department to discuss and review the budgets.

Presentation of the Capital Improvement Plan is expected to be held on 2/13/23 for the Board of Selectmen and 2/14/23 for the Finance Committee. T. Kane stated they would entertain the opportunity to have a joint meeting with the BOS on 2/13/23.

J. Sultzbach will be submitting the draft budget presentation on 3/14/23.

3/27/23 Final balanced budget will be presented to the BOS and Finance Committee.

4/3/23 BOS will close the warrant at 12:00PM.

4/10/23 Draft warrant will be presented to the BOS and Finance Committee.

4/24/23 BOS will vote to finalize the warrant and articles submitted.

4/25/23 Final warrant Finance Committee Public Hearing.

4/26/23 BOS will vote their recommendations on the warrant articles.

5/15/23 Annual Town Meeting

Dr. Ward mentioned for the public that 5/1/23 is the town election day.

T. Kane added there will be a finance committee public hearing on 2/7/23 for the upcoming special town meeting on 3/15/23.

5. Town/School Cost/Revenue Sharing Process Discussion

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J. Sultzbach stated at the most recent BOS meeting, as well as a recent school committee meeting, it was proposed to have a group of individuals from the committees to meet on a regular basis throughout the budgeting process to discuss improving the budgeting process while working together to keep everyone on the same page. T. Kane stated they had entertained that concept about 5 years ago but they did not gain much traction.

Dr. Ward motioned to appoint T. Kane to the revenue sharing group, 2nd by C. Corts.

J. Sultzbach wanted to point out this would be a group, not a formal committee.

The School Committee was going to discuss and appoint their member at their next meeting.

6. Review Fire Station Prop. 2 1/2 Ballot Question, Public Forum.

Thomas Smith, Fire Chief, stated he was before the committees and the public to answer any questions.

J. Sultzbach stated they received an updated report from DLS. Since the original figures in September, the tax rate has changed. Due to property values increasing and the tax rate decreasing, it did not affect the figures drastically.

Lawrence Murphy commended the Chief and Town Manager for all their work on the project, as it was quite difficult trying to scale back costs while still meeting the needs of the town.

8:35PM- 5 minute recess

7. CPAEC Presentation

Kyle Bradley, Chair of the Conservation Commission, and Adam Gardner were present before the boards. Adam Gardner explained the bulk of their work has consisted of researching the Massachusetts legislation and determining how it would apply to the residents in Winchendon. It is a matching program, in which the state has a fund that is paid for by real estate transfer tax. The communities that choose to be apart of it have a surcharge on their tax bill, that is then matched by state funds. They have reached out to Templeton to get a more local/rural opinion on their experience with the program. After a lot of meetings and research, they decided to move forward with recommending the program for Winchendon. The surcharge can be 1-3%, the benefit of the 3% would be 100% matching funds from the state. J. Sultzbach went before the Robinson Broadhurst Foundation to request them contributing 1%, requiring the residents to only contribute 2% instead of 3%. It was proposed to be an annual contribution and expected to be in place for 5 years, at which point the residents could vote it out or to continue. For the average home of \$280,000, it would cost the residents \$48.68, Robinson Broadhurst would contribute \$24.34 and the state match would be \$73.02.

8. Member Comments

None.

9. Public Input

None.

9:05PM- R. O'Keefe motioned to adjourn the Finance Committee, 2nd by Dr. Ward. The board unanimously voted aye.

Corts (Y) O'Keefe (Y) Ward (Y) Kane (Y) 4-0

ADJOURNMENT:

The Finance Committee adjourned at 9:05PM

Respectfully submitted:

Brianna Roberts, Finance Committee Recording Secretary



Thomas Kane, Chair

Dr. Maureen Ward, Vice-Chair

Charles C. Corts

Doug Delay

Adrian Guerrero

Robert O'Keefe

James Reid

