

Finance Committee Meeting Minutes Monday August 28, 2023

Finance Committee

12 in attendance

Dennis Crowley (Chair)

Douglas Shea (Vice Chair)

Kathleen Foley Greulich

Steve Hendricks

Lisa Van der Linden

Audrey Grace

Lawrence Pitman

Mark Sullivan

Mark Trudell

Josette Burke

Susan Lawson

Jean Kenney (Joined late)

Absent: Scott Wassel

Additional attendees:

Jim Johnson, Patrick Shield, Jodi Cuneo, Lisa Sinkus

Meeting minutes of recorded meetings include time stamps from the video for viewing actual content.

The video can be found at: <https://www.youtube.com/watch?v=4snKcW-QJuc&list=WL&index=4>

Approval of minutes is based on the printed word and not the video

The meeting was called to order by Dennis Crowley at 7:00pm.

Annual vote to Nominate Chair and Vice Chair (2:15)

Motion by Douglas Shea to nominate Dennis Crowley as Chair, seconded by Mark Trudell.

Motion passed 10-0-1 (Crowley Abstained).

Motion by Josette Burke to nominate Douglas Shea as Vice Chair, seconded by Susan Lawson.

Motion passed 10-0-1 (Shea Abstained).

Motion by Susan Lawson to nominate Josette Burke, seconded by Mark Trudell.

Motion passed 10-0-1 (Burke Abstained).

Crowley welcomed Susan Lawson back to the Finance Committee.

(3:49) Town Administrator Warrant and Fall Town Meeting Timeline Overview

Jim Johnson discussed the draft warrant, which was issued to members in the form of a memo on August 24, 2023.

Article 2 – FY24 Budget Adjustments –

Jim Johnson explained that the State Aid came in at approximately \$1,497,000. The items being considered are \$190,000 towards the reserve fund, Town Clerk Salary \$6,500 to accommodate payouts, promotions, and a new hire. \$35,000 in legal, for confidential items. \$250,000 towards Walpole Public Schools and Norfolk Aggie came in under \$15,000 over what was budgeted in the spring, which will be made up in the fall, and any remaining will go toward Walpole High School. There is also a \$10,000 request from the Board of Health Director, but Jim Johnson will have to get more information on this.

He added that \$141,000 from the National Opioid Settlement, and the money has been reserved until there is better guidance on how it can be spent.

Josette Burke asked if the Board of Health funds would be grants, and Jim Johnson replied no, that it is part of a legal settlement.

Mark Sullivan asked if there are any other funds for that could be used for emergency and pull the money back, and Jim Johnson explained that, with the exception of OPEB funds, a 2/3rds vote at Town Meeting would allow money to be pulled back.

Mark Trudell asked if there is a mechanism for tax relief to offset the rate adjustment, and Jim Johnson will have to research this question

Larry Pittman asked about the Town Clerk funds, and what specifically they were for, and Jim Johnson explained that it was accrued vacation time. Pittman then asked what the current balance is in the reserve fund, and Johnson replied that there is \$450,000. Pittman followed up, asking if that would be enough to get past June 30, 2024, and Johnson replied that he prefers to keep it as is. Pittman then asked what the current Stabilization fund is, and Johnson replied \$2,904,397. Pittman asked why none of this is being added to OPEB, and Johnson feels its money well spent being put toward Capital Stabilization, as this money is needed for the High School Project in the following year.

Article 3 – OPEB

Jim Johnson discussed the \$1,071,252 that will be placed in OPEB.

Mark Sullivan discussed accounting changes, and the steady increase. He asked for the number of active employees versus retirees, and Johnson is unaware of the ratio, but will find out.

Larry Pittman feels that the liability is underestimated.

Mark Sullivan asked about the percentage that the pension fund is currently at, and Lisa Sinkus explained that it is currently at 79%, and is expected to be fully funded by 2029, and that every town is responsible to fully fund their own assessment.

Motion by Mark Trudell for favorable action in the amount of \$1,071,252 from free cash to OPEB, seconded by Doug Shea. Motion passes 11-0-0.

Michael Friscia spoke to the committee regarding shortfalls on the original school budget request. This requires the schools to cut other costs. He has figured that the \$250,000 that would be funded would then cover the deficit.

Article 4 – Stabilization

Jim Johnson is recommending moving \$1,300,000 into regular stabilization account from free cash, and would cover 10% of the operating budget. It is intended to be maintained year over year.

Mark Sullivan asked if the 10% is looked upon more favorably by bonding agents, and Jim Johnson said yes.

Doug Shea suggested that the Committee wait to vote on this, in order to see if Capital Budget has any feedback on any of the articles.

Article 5 – Capital Stabilization

Jim Johnson explained that if Article 5 and Article 2 pass, it would bring the balance up, and work towards funding the High Scholl project.

Mark Trudell asked if the capital budget and stabilization funds are used, would it be one vote, and Jim Johnson explained that it would be assembled in the same fashion as the Police Department vote, as one vote, but in subsections.

Article 11 – School Transfer from Free Cash

Jim Johnson explained that this is an annual transfer back to the school funding the amount of \$462,141.

Motion by Susan Lawson to approve Article 11 in the amount of \$462, 141, seconded by Kathleen Foley Greulich. Motion passes 11-0-0.

Article 12 – Revolving Funds

Jim Johnson explained that they are adding to revolving funds for COA, increasing from \$100,000 to \$150,000, and the Recreation Department is increasing from \$700,000 to \$1,000,000.

Jodi Cuneo explained that there has been about a 50% increase in COA programs, and Recreation needs to be increased as well, since they were exceeding \$700,000.

Mark Sullivan asked regarding revolving funds, and how that works, and Jodi Cuneo explained that there is no supplementing from the General Fund, and it is all based on revenue.

Doug Shea asked about the Turner Pond fund, and if revolving funds could be used, and Jodi Cuneo explained that they do not have enough funds.

Susan Lawson gave kudos to the Recreation Department, and the selection of programs that are available.

Motion by Josette Burke to approve Article 12, seconded by Doug Shea. Motion Passes 11-0-0.

Articles 16, 17, 18 – Finance Department Articles

Jim Johnson explained that these articles were placed at the request of the Treasurer Collector.

Lisa Cuneo explained that at the 2022 Spring Town Meeting, there was an account and funds set up for betterment. Each Spring Town Meeting, the town will need to appropriate the amounts spent from the accounts.

Members of the committee decided to hold off on the vote until the article numbers were fixed.

Josette Burke asked if this is going to be used exclusively, or if it would be used for similar betterments, and Jodi Cuneo explained that it would be opened and established, and then used for any betterments moving forward.

Kathleen Foley Greulich asked if there has ever been a betterment account, and Jodi Cuneo explained that it had been done in the past, but it was done differently.

Lisa Sinkus explained Article 16, to amend the General Law CH 40 Sec 57, which requires anyone applying for permits in town to conduct signoffs with each department to ensure there are no taxes or

fees that are overdue. The change would remove the 12-month waiting period if there are any fees or taxes owed by the applicant.

Josette Burke asked if it is the building department making this change, and Lisa explained that it is a benefit to all departments, and it allows the town to say that they owe money and to try and collect it sooner than the 12 months.

Jean Kenney joined the meeting by Zoom.

Mark Sullivan asked if the due process remains the same, and that all the Town is doing in this case is shortening the amount of time that the applicant would have to wait, and Lisa Sinkus agreed.

Doug Shea asked for clarification, and Lisa Sinkus explained that in the past, if taxes or fees were over 12 months old, the town was able to then deny the application. The change would now allow any type of back taxes or fees to be grounds for a denial.

Lisa Sinkus explained that this doesn't happen often, but they have been given the opportunity to change this in order to protect the town.

Audrey Grace expressed concern with the hurdles this could create for a smaller business, and would appreciate more time to consider.

Larry Pitman added that if there were fees owed, the Town typically works with that individual to create a payment plan, and make things possible.

Lisa Sinkus explained that Article 17 is a motion to accept Chapter 208 Section 9, unclaimed property, which is mostly uncashed vendor and payroll checks. It provides a more streamlined method to keeping unclaimed money. In the past, the Town would escheat it to the State, but with the change, it would allow the Town to keep those funds.

Mark Sullivan asked if the same procedure would apply to everyone, and Lisa Sinkus agreed.

Mark Trudell asked if a person waited to day 366 to claim, could an individual claim their money, and Lisa Sinkus explained that they would go through a process and make a decision in order to issue this money.

Doug Shea asked what triggered these changes, and Lisa Sinkus explained that they are new options that better define the process.

Motion by Susan Lawson to Approve Article 17, Seconded by Mark Trudell. Motion passes by roll call 12-0-0.

Doug Shea discussed when the Committee will review any of the Articles that were not discussed, along with the Capital Budgets.

Jim Johnson explained that the DPW contract is still being negotiated, and so that particular Article may be withdrawn.

Josette Burke explained that on October 24th, there will be a vote for the Tri-County Regional School. She would like to know what all of the communities are doing, and whether there has been a decision as far as taking a stand either pro or against the vote. Jim Johnson explained that there was a meeting held between all the communities, and how this would impact the Town. He has drafted a fact sheet, including impacts for each town. He expects \$1,112,000 from Walpole, with a 35- year borrowing for the school. He expects low voter turnout, but all usual signs and advertising will take place.

Susan Lawson asked what would happen if it gets voted down, and Jim Johnson explained that he is unaware what the plan is.

Josette Burke added that all these regional schools were built around the same time, and would expect the State would be more forward thinking to provide funding and resources.

Mark Sullivan is concerned that Walpole High School would have less enrollment once the new vocational school is built.

Minutes

Motion by Mark Trudell to approve the minutes from February 27, 2023, as revised, March 2, 2023, as revised, March 27, 2023, as revised, April 6, 2023, as revised, April 27, 2023, and May 3, 2023, as revised. Seconded by Doug Shea. Motion passes by roll call 11-0-1 (Josette Burke Abstained).

Adjournment

Motion by Mark Trudell and seconded by Josette Burke to adjourn.

The motion passed 12-0-0.

The Finance Committee adjourned.