

Finance Committee Meeting Minutes Monday, August 29, 2022

Present: (Z – zoom)

Finance Committee

Roll Call 15 in attendance

Dennis Crowley (Chair)

Douglas Shea (Vice Chair)

Josette Burke (Clerk)

Brian Bain (Z)

Audrey Grace

Kathleen Foley Greulich (Z)

Steven Hendricks

Jean Kenney

Leigh Ann Luetzen

Lawrence Pitman

Adrienne Rogers

Mark Sullivan

Mark Trudell

Lisa Van der Linden

Scott Wassel

Absent: None

Additional attendees:

Jim Johnson, Patrick Shield, Lisa Sinkus, Jodi Cuneo, Elizabeth Gaffey

The meeting was called to order by Mark Trudell at 7:05pm.

Meeting minutes of recorded meetings now include time stamps from the video for viewing actual content. The video can be found at: <https://www.youtube.com/watch?v=4oeK5wrnrH0>

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

Introductions & Committee Reorganization (2:45)

The Finance Committee welcomed its new members to the Finance Committee and went around the room with brief introductions.

Mark Trudell announced that he would not be seeking reappointment to the position of Finance Committee Chair.

(14:04) Motion by Douglas Shea and seconded by Josette Burke to **appoint Dennis Crowley to Chair**.

The motion passed 15-0-0.

(15:20) Motion by Jean Kenney and seconded by Dennis Crowley to **appoint Douglas Shea to Vice Chair**.

The motion passed 14-0-1 (Douglas Shea abstained).

(16:24) Motion by Jean Kenney and seconded by Mark Trudell to **appoint Josette Burke to Clerk**.

The motion passed 14-0-1 (Josette Burke abstained).

Appointments to School Building Committee and Capital Budget Committee (17:17)

(17:32) Motion by Mark Trudell and seconded by Scott Wassel to **appoint Jean Kenney to Representative to the School Building Committee.**

The motion passed 14-0-1 (Jean Kenney abstained).

(19:53) Motion by Mark Trudell and seconded by Josette Burke to **appoint Lawrence Pitman to Representative to the Capital Budget Committee.**

The motion passed 14-0-1 (Lawrence Pitman abstained).

Article 2 – FY 23 Budget Adjustments (20:44)

Town Administrator Jim Johnson gave a brief overview of the proposed FY 23 budget adjustments. The first adjustment is to add funds to the Town's legal budget to cover various ongoing lawsuits. The second adjustment amounts to adding \$30,000 to the Town Clerk salary line to pay for more poll workers and supplement the Town Clerk's salary. The next adjustments are for \$23,500 to the Finance Department to offset the cost of hiring a new Assistant Town Accountant and \$20,000 to the Assessors Department to create the position of Deputy Assessor. The last budget adjustment is for \$60,000 to the Vehicle Maintenance Department to account for the rising cost of gas and diesel.

Lawrence Pitman asked how the Town typically recruits for open municipal positions. Jim Johnson replied that in the case of the new Assistant Town Accountant, Finance Director/Town Accountant Jodi Cuneo did some networking in other towns, but typically a posting is put out to various Massachusetts municipal groups and organizations.

Audrey Grace asked about the litigation with which the Town is involved. Jim Johnson described some of the larger cases the town is a party to, included cases related to the construction of 40B housing and cases regarding sewer and water rates.

In response to questions about town employee salary increases, Jim Johnson stated that across the board, all municipal department head salaries are rising substantially in neighboring towns, and in order to remain competitive, Walpole's salaries will need to keep up. Jodi Cuneo added that even hiring and retaining lower level employees is easier when the upper management team is strong and creates a positive work environment.

Brian Bain asked how gas and diesel is purchased, to which Jim Johnson replied that the Town purchases gas with a state credit card that gives the town a cheaper rate, and it buys diesel through competitive bid pricing with other towns.

Mark Trudell asked if the Deputy Assessor would be a permanent position or disappear once that person becomes Assessor, but the answer to that question has yet to be determined.

Dennis Crowley asked how the funds within the revenue source New Growth were calculated, and Jim Johnson replied that it is an estimate that is conservative and historically underestimated.

Lawrence Pitman asked for a breakdown of fuel usage costs. Jim Johnson said that he has a spreadsheet put together by the Finance Department that he will can send to the whole Committee.

Lawrence Pitman asked about the Town Clerk contract. Jim Johnson shared that it extends until June 2023, after which, if it is not renewed, Elizabeth Gaffey has agreed to help train her replacement. This amendment increases her annual salary to \$117,000 per year.

Dennis Crowley moved to table further discussion and vote on Article 2 to a later date.

Article 3 – OPEB (47:49)

Jim Johnson began by explaining the agreement made in Fall 2018 to allocate 2.5% of the first \$2 million of the Town's annual certified free cash to OPEB, as well as 7.5% of anything above that. The current OPEB balance is about \$7.7 million and Article 3 would add \$850,000.

Mark Sullivan asked about the status of the Norfolk County Retirement System, and Lisa Sinkus replied that funding is still on target to hit being fully funded by 2029. Lawrence Pitman stated that we've been neglecting OPEB in recent years and it would be wise to compensate for that by prioritizing future contributions. Jim Johnson pointed out that historically the Town has been aggressive with OPEB over the past decade, and only faltered recently because of COVID. He stated that the alternative to funding OPEB is raising the rate current employees pay into the retirement system, which nobody wants to do.

Dennis Crowley moved to table further discussion and vote on Article 3 to a later date.

Article 4 & 5 – Stabilization and Capital Stabilization (59:25)

Jim Johnson stated the Town's current Stabilization balance is about \$9.6 million, and Article 4 proposes to add \$650,000 this year. Article 5 proposes to place \$650,000 into the Capital Stabilization funds. Jim Johnson shared that Walpole's free cash is \$10.7 million this year, the largest sum in Walpole history. This is largely due to the fact that many revenue sources came in significantly higher than Jim's original estimates. If everything goes to plan, the free cash balance after this year's fall Town Meeting should be around \$3.1 million.

Mark Trudell explained for any new members who may not have been aware that the purpose of the Stabilization fund is to act as a rainy day fund in case there is need of emergency funds for surprise expenses. It requires a majority vote of Town Meeting members to put money in, and a 2/3 vote of Town Meeting members to take money out.

Douglas Shea asked if there were any negative consequences to having too much free cash on hand, to which Jim Johnson replied that no, there essentially are not. Mark Trudell pointed out that taxpayers may be upset if the increase in residents' taxes due in large part to the middle school override result in the Town sitting on the money without spending it. However, because many of the revenue sources are not recurring, allocating too much money towards budget items would be a big risk. Jim Johnson suggested that he could draft a memo to explain this to Town Meeting members.

Douglas Shea stated that he would like to see more money allocated to OPEB and the Capital Stabilization fund. Dennis Crowley decided to hold off on voting for any articles until a later meeting.

Article 14 – Revolving Funds (1:23:30)

Jim Johnson presented Article 14, which consists of changes proposed by the Bylaw Review Committee. The first change would increase the Turco Field maintenance and turf replacement funds from \$508,000 to \$1.5 million. The second proposal would remove the Net Metering fund altogether. The third proposal is for the installation of an electric vehicle charging station at the Walpole Public Library, and the final request is for the payment of Adams Farm fees.

Douglas Shea requested renaming the Turco Field fund to just the Turf Field fund, since there are now multiple turf fields which receive that funding. Brian Bain asked if the Turner Pond fund goes to more than just Turner Pond, and Mark Trudell stated that it is separate from other ponds because it is primarily funded by concessions sold at Turner Pond alone.

Leigh Ann Luetzen asked if there are any grant programs the Town could pursue to pay for the installation of vehicle charging stations. Jim Johnson stated that they are indeed available and the Town is actively pursuing any applicable funding opportunities. The Town would also receive revenue from customers who pay to use the charging stations.

Adjournment (1:35:45)

Motion by Josette Burke and seconded Mark Trudell to adjourn.

The motion passed 15-0-0.

The Finance Committee adjourned at 8:40pm.