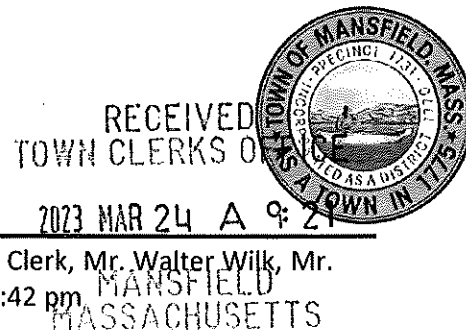


# Town of Mansfield

6 Park Row, Mansfield, Massachusetts 02048

## Finance Committee



### Meeting Minutes 1.19.2023

**Present:** Ms. Sara Walsh, Chair, Mr. Scott Feely, Vice Chair, Ms. Greta Thurston, Clerk, Mr. Walter Wilk, Mr. Michael Flaherty, Ms. Melinda Tarsi arrived at 7:40 pm, and Mr. Jack Cooney at 7:42 pm

**Guest:** Mr. Barry LaCasse

**Minutes:** Sharon Varricchione

**1. Call the Meeting to order:** Ms. Sara Walsh, Chair, called the meeting to order at 7:36 pm. Ms. Walsh stated that they have new members that have been sworn in and then thanked Mr. Michael DeSantis and Mr. Brian Eagle for their service to the Committee and looked forward to their participation in other Town forums. She then welcomed the new members, Ms. Greta Thurston and Ms. Melinda Tarsi.

**2. Approval of Minutes: 11/17/2022, 12/1/22 and 12/14/22**

**Motion:** To adopt the meeting minutes 11/17/2022, 12/1/22 and 12/14/22

**Passes 4:0:2** (Feely /Flaherty) Ms. Thurston and Ms. Tarsi abstained as they just joined the Finance Committee and were not present for these meetings.

**3. Reorganization**

- **Chair: Sara Walsh: Motion:** To Appoint Ms. Walsh by Mr. Feely. **Passes 7:0** (Feely:Flaherty)
- **Vice Chair: Scott Feely: Motion:** To Appoint Mr. Feely by Ms. Walsh **Passes 7:0** (Feely:Flaherty)
- **Clerk: Greta Thurston: Motion:** To Appoint Ms. Thurston by Mr. Flaherty **Passes 7:0** (Feely:Flaherty)
- **Committees/Liaison:**
  - **Budget Subcommittee:** Ms. Sara Walsh and Mr. Walter Wilk
  - **School Committee:** Mr. Scott Feely and Ms. Melinda Tarsi
  - **Audit Committee:** Ms. Greta Thurston
  - **Downtown Committee:** Mr. Jack Cooney
  - **CIP Committee:** Mr. Scott Feely and Mr. Mike Flaherty
  - **TIF Committee:** Melinda Tarsi

**4. Financial and Budget Update:**

Mr. LaCasse welcomed the new members and then shared the background of the reports for them per Mr. Wilk's suggestion. He then gave the financial statement highlights below for period six which ended on December 31<sup>st</sup> and noted that as of January 1<sup>st</sup>, they are now in period seven. He also stated that although they are 50% through FY23 that does not mean they are 50% through their budget and that fluctuation can be seasonal. For example, Excise tax bills are collected in March or April for the year for the revenue side. For the expense side, we pay our insurance during the FY23 beginning in July.

- **Town Revenue:**

Tax liens redeemed revenue is higher then the last couple of years due to the tax foreclosure auction that was recently held. They auctioned off over \$500,000 and are currently collecting the funds from all the closings.
- **General Fund Other Revenue:**

Is tracking higher compared to the past few years due to the Opioid funds we received from an Opioid settlement that the Massachusetts Attorney General negotiated. This money will be transferred to a Stabilization Fund where the money can be used for Opioid related expenses.

State revenue, is tracking higher then the last two years due to our meals and cannabis tax.

Mr. Feely then asked Mr. LaCasse how he felt about local revenue and getting us back to pre covid levels.

the community. Mr. Wilk then stated that his concern is that there are a lot of hard costs such as employee benefits, the insurance costs, the contractual costs and the energy costs. If Mr. LaCasse can get the budget down to \$2.8 Million, that would be huge. These are hard numbers so we really need to get the message out and also note that these numbers are due to inflation, covid and insurance costs. Ms. Walsh stated that they need to keep going and work collectively and feels that there will be solutions to where they want to get to and its going to be a difficult year so a lot of explaining needs to happen.

Mr. LaCasse spoke about shaving down the budget as they move forward and look at the revenue projections and the Governments budget so things will shift.

Mr. Flaherty then asked Mr. LaCasse to explain what "OPEB" means for the new Fin Com members. Mr. LaCasse answered OPEB stands for "Other Post Employee Benefits" and if everything were to stop now, how much would it cost to fund the medical insurance for our retirees. The regulations say that we need to report it and show what our OPEB obligation is if the world ended today which is a very large number. We currently pay as we go. Every year we put \$400,000 in an OPEB trust which grows and grows and eventually we will meet our OPEB obligation by using the trust to pay off OPEB going forward. So, it is a reporting requirement not a funding requirement. We have a funding schedule to get there and it's a pay as you go and that's what our Bond Agency likes to see that we have a plan to get there. During the Covid years we paid less initially into the fund to give us breathing room and then asked for free cash at Fall Town meeting to help supplement. Initially the \$400,000 was not in the operating budget. Now, its included in the budget that's online. Mr. LaCasse stated he will most likely recommend to reduce the amount to \$120,000 and fund the difference at Fall Town Meeting but for now it's in there.

Mr. LaCasse hoped that at the February meeting there will be stronger numbers from the General Government which hopefully gets us from the \$5.3 Million Dollars to a more manageable amount and hopefully the schools can do the same so we can see where we are.

Ms. Walsh then offered that we are still waiting on the Governors budget. Mr. LaCasse stated that is correct and that we have a new Governor that has cherry sheets and the cherry sheets is the Governors budget which shows us all the State revenue we are getting but it also shows you all the State charges that they charge us. He also read that MMA won't expect the Governor's budget until March 1<sup>st</sup> which is later then we normally get it.

Ms. Walsh then added that she would like to do a Facebook post to inform residents where they are in the budget process.

#### **5. Reserve Transfer Requests:**

Mr. LaCasse stated he was here to request money from the Fin Com Reserve and explained that this is money that Fin Com guards very carefully and if the Town Manager or Mr. LaCasse feels it's necessary they will come to you and ask you for money and it's for you to decide if it makes sense to grant the requests. The Fin Com Reserve is currently at \$700,000. Each Enterprise has their own reserve as well that Fin Com oversees too.

Mr. Wilk asked if there were any options to get the money transferred from somewhere else. Mr. LaCasse stated that they need to start here as a best practice first and if they need to move funds in the future they would inform the Finance Committee especially for anything over \$10,000 which was there agreement.

Mr. LaCasse described the five requests and the following motions were made.

1. Mr. LaCasse said the first request was asking for \$24,600 for DPW workplace safety training. The training is for eleven DPW-Water employees, Nine DPW-Sewer employees and twenty-one DPW-General Fund employees.

**Motion:** Mr. Feely moved that they approve the reserve request FY2301 in the amount of \$24,600.00 as

Are we on track and is the momentum still there? Mr. LaCasse stated that he thought we were in an upward slope but we are not there yet.

- **General Government Expenses:**

Mr. LaCasse stated that current year actuals, are 45% expended overall for the first 50% of FY23.

Enterprise revenue accounts under Sewer enterprise revenues, have collected about 57% of these revenues which is on the high side which is good. For water we are 64% collected.

Ms. Walsh asked Mr. LaCasse to explain the difference between the General Fund and the Enterprise Fund. Mr. LaCasse stated the Enterprise Funds are fee based. For example, for water, we charge residents a water rate for water usage and the Water Enterprise collects that money and then they have their own expenses like their own personnel, their own debt numbers such as office expenses. They are their own separate entity. Enterprises need to be in the black, if they don't the General Fund needs to pick up the difference. So, it is important for our Enterprise Funds to be in the black. We need to budget carefully and conservatively as we never want to have the General Government Fund have to come in and supplement the Enterprises. In exchange for that, Mr. LaCasse explained that there are things that the General Government provides to the Enterprises like Mr. LaCasse's services, the Town Managers services.

Mr. Flaherty then pointed out that the Enterprises are up compared to last year and Mr. LaCasse agreed and explained the total of all the Enterprises may be up due to the timing of all the collections coming in.

Mr. LaCasse finished off the report by mentioning that parking is up 76% over last year and the Airport is up 57% so our revenue is meeting or exceeding where we should be right now.

Mr. Wilk asked where we were compared to pre-covid in terms of train station parking. Mr. LaCasse said they are seeing a steady increase as more and more people are now are taking the train.

Mr. LaCasse then spoke about the Enterprise expenses. Sewer is 58% expended and would normally look alarming however we pay our MFN assessment at the beginning of FY23 in July, right out of the gate which is a big expense. All the other Enterprises are running under 50% expended.

Ms. Walsh asked if they could see a Budget vs Actual report for the upcoming February meeting. Mr. LaCasse stated the best way to show how we are doing would be to show where we are verse a comparison.

- **Budget Update:**

Mr. LaCasse stated the budget process was started early in August as they knew that FY24 is going to be difficult. He then stated that he met with all the Departments with the exception of the Schools to review their requested budgets and that they are in Munis right now. The Town and School budgets showed a shortfall of 5.3 Million dollars.

Mr. LaCasse then explained the pressure points of the shortfall:

- Schools came in over 5.8% FY23. Their personnel came in at 4.7% above FY23 and their expenses came in at 12.78% above FY23.
- General Fund side (no schools) came in at 7.07%. The pressure points there were the personnel just like the Schools and the Town expenses.
- General Government, the burden to pay is significant: debt service is up 13.9% due to added projects: The MHS doors and windows, the Schools security project, the Plymouth Street Playground project and two road bonds.
- The final pressure points were that we budgeted \$400,000 for the PEP contribution, our insurance went up \$180,000/17% due to cyber security and Schools and Town employee benefits went up 6%/ \$1.1 Million Dollars.

Mr. LaCasse then noted that we have a great deal of work to do to get that \$5.3 Million Dollar number down and that the Town, the Schools, and the Budget Subcommittee are working together to do that. He said the next Budget Subcommittee meeting is February 8<sup>th</sup>.

Ms. Walsh then added that the Finance Committee needs to work on some messaging to get this out to

described by Mr. LaCasse.

**Passes 7:0 (Feely /Flaherty)**

2. Mr. LaCasse described the second request was for \$83,048.72 for the Water Emergency Salaries and Water Emergency Expenses lines due to the September 11, 2022 Water Emergency where Town Employees were needed to help and for the Town to supply residents with water.

**Motion:** Mr. Feely moved to approve the requests FY2302 in the amount of \$83,048.72 to the accounts described.

**Passes 7:0 (Feely /Cooney) Scott and jack**

3. **Motion:** Mr. Feely moved to approve the request FY2303 requests in the amount of \$100,000.00 from the General Fund Reserve Fund (to General Fund Acct. No. (Town Manager – Legal Fees)

**Passes 7:0 (Feely /Thurston) 41:53**

4. **Motion:** Mr. Feely moved that they approve the FY2304 requests in the amount of \$96,720.00 from the General Fund Reserve Fund to General Fund Acct. No. (DPW Admin. – Specialized Services) 45:40

**Passes 7:0 (Feely /Tarsi)**

5. **Motion:** Mr. Feely moved that they approve the FY2305 requests in the amount of \$194,528.72 from the General Fund Reserve Fund to General Fund Acct. (Police - Non-Vehicle Equipment) 52:37

**Passes 7:0 (Feely /Wilk)**

Mr. LaCasse left the meeting at 8:29pm

**6. Survey (Post on website and plan for next process):**

Ms. Walsh spoke about the survey done last May 2022 and June 2022. She then suggested that they speak with Ms. Zlatkova, the MIS Director regarding setting up the Survey again using new software and starting in May/June 2023. Ms. Tarsi stated that she has done survey research, has done Town surveys and would take this on. Ms. Walsh said she would share the past questions and results with Ms. Tarsi and the Committee said for her to feel free to make suggestions on how to enhance the survey.

**7. Goals: Review and Reset**

Ms. Walsh suggested that two to three Finance Committee members get together to review goals and aspirations. Mr. Cooney, Mr. Flaherty and Ms. Thurston agreed to meet and have something for the March meeting.

**8. Special Education Stabilization Fund Policy – Discussion and Vote:**

Ms. Walsh stated the school committee wants to create a policy regarding how this fund is funded, how they make requests, and to put a process and procedure around it. They have some documentation around it. The School Committee hopes to have something more final for the Finance Committee to review in the February 16<sup>th</sup> meeting. Mr. Feely stated that we get reimbursed for Special Education but the reimbursement usually lags about a year so we need some sort of tool to track this and smooth out the budget. Mr. Wilk mentioned that the reimbursements can fluctuate depending on if parents choose a different school district.

**9. Comments from Community: None**

**10. Comments from Committee: None**

Ms. Walsh said the next Budget Subcommittee meeting is February 8<sup>th</sup> in the Public Safety Building and next Finance Committee meeting will be February 16<sup>th</sup>. She will be sending the Committee a draft of the budget to review and comment. She then noted that the Annual Town Report representing the last fiscal year is due

January 31<sup>st</sup> and she will share it with the Committee for their review and input.

Mr. Flaherty welcomed Ms. Tarsi and Ms. Thurston and thanked Mr. Eagle and Mr. DeSantis for their service and that it was a pleasure to serve with them.

Mr. Cooney welcomed Ms. Tarsi and Ms. Thurston and thanked Mr. Eagle and Mr. DeSantis for their service and noted that being on Fin Com is a lot of work.

Ms. Thurston said she's excited to be there and that she's already learned a lot

Mr. Feeley said he really enjoyed working with Mr. DeSantis and his efforts and Mr. Eagles efforts, he really worked hard at this stuff.

Mr. Wilk wanted to thank Mr. Eagle and Mr. DeSantis for everything that they have done and welcomed the two new members.

Ms. Tarsi wanted to thank everyone for their service and for the opportunity to serve on the Finance Committee. She shared that she had served on a Finance Committee before in Halifax and is happy to be back on the Committee in Mansfield.

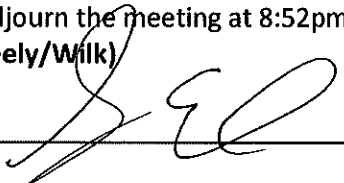
Ms. Walsh welcomed everyone and thanked Mr. Eagle and Mr. DeSantis. We are in a very good spot thanks to them and the members here even though we have a lot of work to do. We've got the right people to do it.

**11. Items not known within 48 Hours: None**

**12. Adjournment:**

**Motion:** To adjourn the meeting at 8:52pm.

**Passes 7:0 (Feely/Wilk)**

  
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3/16/23  
Date