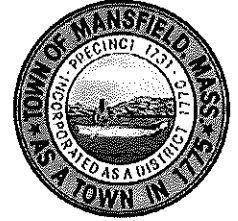


Town of Mansfield

6 Park Row, Mansfield, Massachusetts 02048



Finance Committee

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Meeting Minutes 4.27.2023

2023 MAY 31 P 7:44

Present: Ms. Sara Walsh, Chair, Mr. Scott Feely, Vice Chair, Ms. Greta Thurston, Clerk, Mr. Walter Wilk, Mr. Michael Flaherty, Mr. Jack Cooney, and Ms. Melinda Tarsi.

Guest: Mr. Barry LaCasse, Assistant Town Manager, Mr. Dumais, Town Manager and Mr. Reinke, DPW Director

Minutes: Sharon Varricchione

1. **Call the Meeting to order:** Ms. Sara Walsh, Chair, called the meeting to order at 7:30pm.

2. **Approval of Minutes: 3/16/2023, 3/29/2023 and 4/13/23**

Motion: To adopt the meeting minutes 3/16/2023

Passes: 7:0 (Feely/Flaherty)

Motion: To adopt the meeting minutes 3/29/2023

Passes: 5:0:2 (Feely/Cooney) Mr. Flaherty and Ms. Tarsi abstained as they were not at the meeting.

Motion: To adopt the meeting minutes 4/13/23

Passes: 7:0 (Feely/Flaherty)

3. **FY23 Financial Update and FY24 Budget Updates:**

FY23 Updates: Mr. LaCasse shared the following the FY23 Period 9 through March 2023 Budget highlights.

General Government Revenue: We are 75% done through FY23 and 79% collected. We are One Million Dollars over budget which is good and means we collected One Million Dollars more than we budgeted for. This is also a good sign of the times. We have one more quarter to collect additional revenue from Hotels, Meals and Cannabis tax.

General Government Expenses: We are 75% done through FY23, 67% expended and in a good position.

Enterprises Revenue: Sewer is 79% collected, Water is 85% collected, Parking is 113% collected and Airport is 82% collected which are all good positions to be in.

Enterprises Expenses: Sewer is 75% expended however we have some large expenses that are paid up front in July. Water is 62% expended, Parking is 68% expended and Airport is 26% expended.

Ms. Walsh then stated that this has been a very positive budgeting process, with nine budget meetings since June 2022 and we are presenting a balanced budget with a lot of good information. It's been one of the most public informative budget processes including the Town Website which has a lot of information available.

FY24 Updates: Mr. LaCasse stated there have been several updates since the last Tri-Board meeting on March 29th.

- We received the Southeastern Regional School Districts FY24 assessment, we budgeted for a 5% increase and they came through with a 14% increase which created a \$119,000 shortfall.
- On April 10th the Mansfield Light Commissioners took two important votes.
 1. Voted to: level fund the FY24 Pilot to FY23 Pilot payment in lieu of taxes which was a gain for \$132,000 on the positive side
 2. Voted to: decrease the increase of the rate hike by 20%, which allowed us to go back into the FY24 budget and reduce the rates by 20% for the Schools and Town which was very helpful.
- On April 17th we received our second House Ways and Means Committee Cherry Sheet for \$95,000 and wish it was more. We are hoping the House version and the Senate version are more.
- The SEMRECC assessment was a \$150,000 hit to the budget due to the available grants being less.

Mr. LaCasse then informed the Finance Committee that he is carefully tracking the local receipts and that he was able to bump up the local receipts projections by \$187,000 which is a positive thing. The bottom line is that we are still balanced and look forward to the public hearing during the Select Board meeting on May 3rd. Due to all the plus and minuses for the budget, we were able to reduce the amount of Free Cash that we needed to \$169,000. This \$169,00 will help fund the Electric Rate increases that we believe are temporary. The Free Cash that is funded

in the \$193,000 Smart Boards for the Schools that they are carrying in their FY24 budget is not going to be an operating expense in FY25 and beyond, it will be a CIP item going forward.

Ms. Walsh stated the Free Cash we are using is for the OPEB Reserve, the Capitol expenses and the one time use for Electrical Funds which is an operating expense that we are working to bring down but for now due to extreme circumstances with the loss of financial funding coming out of the pandemic and such high inflationary costs. Based upon her read, they are within policy. Mr. LaCasse stated that she is absolutely right and their goal is to get down to \$0 Free cash and that we may get there because of the upcoming Cherry Sheets. If they are positive, we will use the Cherry Sheet money to reduce the \$169,000 Free Cash amount. The Free Cash is only the first step in an emergency, we also have the Stabilization Fund to go to and we haven't had to touch that money since the pandemic plus we have replaced/added some. The Stabilization Fund is at its highest amount in the history of Mansfield. This is a rainy-day fund for emergencies and it's not raining too hard.

Mr. Cooney asked about the MMED rate and could it be projected. Mr. LaCasse stated no, as we don't know what the commercial rate will be, we have a split rate and the Select Board votes on that rate and we never know what that rate is going to be. Mr. Cooney then asked if MMED had numbers to back up the 20% decrease, Mr. LaCasse said yes that they have consultants to help determine them.

Mr. Wilk inquired how much did we use from the Health Care Stabilization fund and Mr. LaCasse said \$400,000 and the fund still has \$1.2 Million left. We don't have to use it every year and the more we don't, the better off we are. Mr. Wilk said other Towns use Free Cash and other Towns put it in the budget and Mr. LaCasse said for them he believes using the Free Cash is the better way to go.

Ms. Thurston then asked what local receipts increased. Mr. LaCasse said Hotels, Restaurants and Cannabis and we seem to be on an upswing. Investment income interest has gone up as well.

Ms. Walsh asked about a potential cliff for FY25. Mr. LaCasse called it a projected shortfall.

Ms. Walsh stated a question from the February 8th Finance Committee meeting: what is the salary differential for the Police Chief situation and what is the budget impact on this. Mr. LaCasse stated it was \$1,700 a month difference. There is a \$50,000 difference in salary between the Police Chief and the Deputy Chief but when you raise the Deputy Chief to the Chief's salary and there's a difference in the Quinn Bill, it's about \$2,800 per month and then it drops down to \$1,700 per month. Mr. Dumas reminded everyone that this issue is still in mediation.

Ms. Walsh said they are looking forward to the May 3rd open forum at the next Select Board meeting.

4. Article 1 Discussion:

Ms. Walsh stated that there was a question in the September 15th 2022 Fin Com meeting regarding Article 1 and we have a resident online that would like to address it. Mr. LaCasse stated the Article 1 language has been in place since 2018 and it allows the Town Manager to transfer money between department funds and inside department funds as well. For example, if our Health Insurance suddenly increased we would be able to see if there were any lines available in the entire budget and could move money so that we can pay our bills. If we had an emergency and a plane crashed and we needed to transfer funds for a bill for cleanup, this Article language would allow the Town Manager the flexibility to move money from one account to another without having to go to Town Meeting. He then reminded everyone that the Schools already have that ability to do this via statute and the Town is able to use this tool via Article 1 and had been doing this since the Annual Town Meeting in May 7th 2019. This significantly improved the running of this Town. No one had ever raised any concern whether this flexibility had been abused. In fact, during our September 15th, 2022 meeting we had a lengthy discussion on this and Mr. LaCasse pledged that if there was ever a movement of funds from one account to another that is in excess of \$10,000 that he would bring that to the Finance Committee's attention and reported that it hasn't happened in FY23. He then shared that this tool is helpful when they settle the contracts, they can move that money from the Town Manager's Office to the respective salary accounts of all the departments once. Mr. LaCasse stated he knows the Finance Committee believes this as it was stated in the September 2022 meeting, you want to give us as many tools as you can to be as flexible and as effective as we can to be able to run the Town and Article 1 does that. He also believes that they have not given any cause for concern to the Finance Committee or the Residents and he respectfully asked for the Finance Committees support to continue with Article 1 language at the Annual Town Meeting.

Mr. Cooney asked how this Article 1 came about. Mr. Dumas said the reason why we did that was due to workers compensation to become self-insured and we were able to save the Town \$300,000 in premiums and by doing this we take on the liability and, in the future, we may hit a bad year where the claims would need to be paid so we may need to transfer money. Little did we know that we would have a Fire in the Fire Station and a plane crash at the

airport so we need that flexibility to be able to move money when needed as we know how difficult it is to get people to a Town meeting in order to have to vote on being able to move the money. There is also every day changes that could happen with our insurance as employees get married or have children or change from an individual plan to a family plan and the Town needs the flexibility to be able to transfer the money and not wait for a Town meeting. Mr. Dumas gave another example: cyber security insurance went up and he only had a day to decide as he could not contract for something where he did not have the funds encumbered into a purchase order so he needed that flexibility to move money when needed.

Ms. Walsh invited the virtual audience to ask questions. Mr. Eagle stated back during the original Finance Committee discussion there was an agreement to go to Town Counsel to discuss alternative language and did any conversations occur with Town Counsel regarding potential changes? Ms. Walsh stated that that discussion did not happen on September 15th 2022 nor is it in the minutes. She believed that that discussion took place in December 2022 and it was not during a meeting and the Finance Committee did not say that they wanted to go to Town Counsel and that Mr. Eagle wanted the chance to go to Town Counsel and they said of course, anybody can go to Town Counsel to ask questions. She then stated that they discussed bringing it to the Town Managers attention in a Finance Committee meeting so they could have a discussion like they did on September 15, 2022 and that it was one-member, Mr. Eagles viewpoint at that time and there was no discussion about changing language at that time we just discussed it and then later on the discussion about alternative language happened and not during a meeting it was after a meeting and it was one person's opinion and no one voted on it from the Finance Committee. Mr. Eagle stated there was never a need to vote and that the Town Manager and the Finance Committee continues to muddy the waters of the original discussion. He then stated that the original discussion was never about small amounts or to move money within a department it was about moving larger amounts like \$25,000. It was about checks and balances which there are none. The promise was: after the fact, we will tell you, after the fact, you will have the ability to deal with it, after the fact, is too late. It's not about the current Town Manager and Assistant Town Manager, it's about the next Town leaders, we want to make sure there are good guardrails around it. What happens when the Assistant Town Manager leaves, will the next one stay within \$10,000 notification, nothing is in writing. There is no good financial policy to stop a future leader from coming in and transfer large sums of money.

Ms. Walsh turned the meeting over to Mr. Wilk who spoke about how the schools have the flexibility to move money between departments, we have the munis system that flags it, we have an auditor, a Town Manager, a CFO, a Finance Committee and a Select Board so in theory we have five touch points that if something happened that was unethical or illegal, we have enough in place to raise a red flag if something happened. Ms. Tarsi also stated that they could expand the reserve fund to handle these unforeseen expenses. Mr. Cooney spoke about possibly putting a cap on the amount you could move and Mr. Feely stated he did not see any reason why they need to do this and that that there will be future Finance Committees that could make future decisions. Mr. Flaherty said the Schools can do this statutorily but do they have any guardrails up? Mr. LaCasse stated we can have Town Counsel draft any language that you are comfortable with. Mr. Feely felt like they were spinning their wheels and thought this board should think about how they feel. Mr. Dumas mentioned that the amount of transfers over the past five years would be very limited.

Mr. Wilk asked why Mr. Eagle was concerned. Mr. Eagle responded that down the road the Town Manager decides to play favorites and takes money from one department that he does not like, enough to cover two FTEs. This gives one person, the Town Manager the authority to play around with budgets and he does not feel that's appropriate. Ms. Walsh asked what was the process to add and FTE. Mr. Dumas said they would put this before the Select Board, they do this for FTEs for Retirements, job classification changes. We also started something new, nine Budget Sub meetings ago, where we discussed back filling positions, or if we are adding something and will it be funded by a grant or the General Fund, those are things that we currently do throughout the year. He also pointed out that if something wrong is going on, the appropriate board would act. Ms. Walsh recapped that we need a report of transfers over \$100,000 within the last five years. Mr. LaCasse stated that in the monthly report on the right side in the General Government expenses you will see the revised budget and would be able to see if he has transferred money. Ms. Tarsi will ask other Town Finance Committees regarding any guardrails they have during her meetings so Mr. LaCasse does not need to. Ms. Walsh said the follow ups are to see what other Towns are doing, get a list of the current guardrails and five years of any transfers over \$50,000. Ms. Walsh went around the room to see if the Finance Committee members were comfortable leaving the language as is after we get all the follow up. The Committee was comfortable except Mr. Cooney would like to see and monetary guardrail, and Ms. Tarsi will follow-up from other Towns to see what they have in place. Ms. Walsh was glad that they had this discussion. Mr. LaCasse

stated he would be happy to back off on some of the reporting but felt the Year To Date report was interesting as it shows you the original budget and what the revised budget was. Ms. Walsh stated that the budget vs actual is very helpful too.

5. COLA Recommendation:

Ms. Walsh stated they had received a request from the Select Board to review the COLA increase options. Based on her recollection, the Finance Committee thought that their recommendation was that 2% was reasonable and had the least budgetary issues. If the Select Board felt an additional amount from the increase of the base up to \$20,000 or the 2% and the \$20,000 that the Finance Committee would recommend easing into it over a few years so it was not a one year hit. Mr. Feely felt that the 2% was great. Ms. Walsh will draft a letter and share it with the Committee.

6. Reserve Transfer Request:

Ms. Reinke, the DPW Director requested a reserve transfer in order to reconstruct their two worst roads, Brown Avenue and Brown Terrace and they would be able to pay for half but would need \$150,000 for the remainder. Mr. Dumas added that they would be able to do the work now and that they can't hold off another year. Ms. Tarsi asked about Chapter 90 funding. Mr. Dumas said these are not accepted under Chapter 90 and we need to use Town funds. **Motion:** To move a transfer of \$150,000 from the General Fund Reserve Fund to the DPW-Highway Non-Vehicular Equipment.

Passes: 7:0 (Feely/Flaherty)

7. Survey Discussion:

Ms. Tarsi told the Committee that she had each of her students come up with 10 survey questions that we could pull from when we are ready to have the discussion. She then spoke about timing and when did they want to do it. Mr. Flaherty said he wanted to see it done correctly. Ms. Walsh confirmed there are 100 questions and we need to figure out a project plan. Ms. Thurston inquired how the time of the survey would affect the Town Meeting. Mr. Feely said we need to get a good survey out. Mr. Cooney agreed and thought it would be good to get it right out of the gate and due to timing Fall would make more sense. Mr. Wilk said they need to get the survey right and they could run it in the Fall and then again in the Spring. Ms. Tarsi explained that the nice thing about Fall Town meeting is that it would give us information for the winter when we start talking about the next fiscal year, but we will also have an audience in person and a person could hand out QR codes or paper versions of the survey so it would just increase response rates in general. Once the survey is programed, it's plug and play and we can decide when to run it. The committee discussed that this could increase Town Meeting attendance too. Ms. Tarsi said one of the questions could be "how do you like to be communicated too", do they want more bulletins or push notifications, what helps them get their information. Ms. Walsh asked Ms. Tarsi how she would recommend that the Committee move forward. Ms. Tarsi said she would like a list of committees that would want to contribute questions and have agenda items. The biggest thing is what kind of data/information do you want and she can help engineer the question, then in the Fall her students can fine tune the questions. Ms. Walsh will put a note out to the other committees.

8. Goals Discussion: Mr. Flaherty said they would discuss the goals at the next meeting.

9. Questions from Community: None

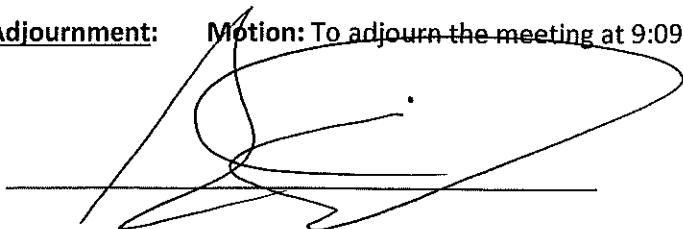
10. Committee Updates: Mr. Feely stated that at the CIP meeting, they voted to advance the CIP to Select Board and Finance Committee. Ms. Walsh will add CIP to the May agenda. Mr. Feely said the Schools got estimates for the turf and gym floors and are getting a good study done for a better quote in the Fall.

11. Items Not Known in 48 Hours: None

12. Finance Committee Member Comments:

Mr. Cooney stated that the Article 1 was a good discussion even though we didn't reach a conclusion. Ms. Thurston agreed and with Mr. Cooney's statement.

13. Adjournment: **Motion:** To adjourn the meeting at 9:09pm. **Passes:** 7:0 (Flaherty/Feely)



5/31/23

Date