

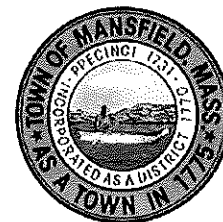
Town of Mansfield

6 Park Row, Mansfield, Massachusetts 02048

Finance Committee

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Meeting Minutes 9.15.2022

Present: Ms. Sara Walsh, Chair, Mr. Jack Cooney, Clerk, Mr. Walter Wilk, Mr. Scott Feely, Vice Chair, and Mr. Michael DeSantis

Present Virtually: Mr. DeSantis

Not present: Mr. Michael Flaherty

Arrived late: Mr. Brian Eagle, 7:43PM

Guests: Mr. Barry LaCasse, Mr. Violette, and Mr. Kevin Dumas

Minutes: Sharon Varricchione

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

2. **Approval of Minutes: 8/18/2022 & 8/31/2022**

Motion: To adopt the meeting minutes of 8/18/2022 – Mr. Eagle had edits, the Committee will review at the next meeting, October 20th.

Motion: To adopt the meeting minutes of 8/31/22

Passes 5:0 (Feely/Cooney)

Roll Call Vote: Mr. DeSantis – Yes, Mr. Cooney – Yes, Ms. Walsh – Yes, Mr. Feely – Yes, Mr. Wilk – Yes,

3. **Review of Financial Reports**

Mr. LaCasse stated he sent out the August Financial Report on September 7th to the Finance Committee. He commented that we are still early in the Fiscal year and mentioned the highlights:

Government Revenue: is tracking higher than FY22. Water revenue is slightly down compared to last year due to the water ban. On the Park and Recreation side we are almost double and Airport Revenues are tracking slightly higher. Sewer is down which is also tied into the water ban. We hope to recover as we begin to use more water.

Certified Free Cash: Mr. LaCasse thanked Mr. Violette for getting the Free Cash tracking and reporting together so quickly and mentioned we are around \$3.7 Million which is not too bad. Sewer \$1.6 million, Water about the same, Airport about \$151,000 and Parking at \$199,000. Mr. Feely asked if the \$3.7 million is where we were around this time last year and Mr. Violette confirmed. Mr. Cooney asked when the Free Cash was as of and Mr. LaCasse stated as of June 30th 2022.

4. **Discussion with Town Manager regarding Article 1**

Ms. Walsh stated there was some questioning of Article One of the Annual Town Meeting Warrant so Mr. Dumas was invited to talk about the history of it and how it has helped the Town. Mr. Dumas stated that Article 1 changed back in 2018 and just like the Schools in Article 2 the Town has flexibility. He mentioned that one of the things that he and Mr. Wilk spoke about was being self-insured for workman's compensation and not having the ability to move funds and knowing that we are going to have years we will trend as normal. If you have that bad year your responsible to be able to have that significant capacity to move things around. Mr. Dumas also stated we need to be prepared for any emergencies at any given time. We need to be able act on large dollar amount if we need to. You don't think about a bridge collapsing etc. but having that flexibility to be able to do what we need to do, especially in the case of an emergency we need to be able to act. He then gave the example of the recent water emergency and if it went for a longer period of time we would have needed a water reserve transfer.

Mr. LaCasse stated the Mr. Dumas covered the main points he was going to bring up. He mentioned that this is no different than the Schools Article 2 where they are freely able to move money around within their budget. We just need to keep the Finance Committee informed when we are making large transfers. Like last year when the Town

Manager had about \$525,000 in personal expenses that was our collective bargaining had not concluded and once that has concluded we were able to shift money from that personal services line item to the various salary items. This is a good example of where this Article 1 allows us that flexibility, very similar to the schools. Mr. Violette agreed with Mr. LaCasse, especially since now our budget is in excess of \$100 million, the flexibility is really important. Mr. Wilk confirmed you can move money interdepartmental, Mr. Violette stated that the State said there are a few that you can't move like snow and ice for example. Mr. LaCasse stated nothing can move between Government and Enterprise or General Government and Electric. Mr. Wilk then stated if you subtract from one area it gets added to another area of the budget so they offset each other, Mr. Violette confirmed and said the bottom line does not change. Mr. Wilk stated it can be tracked on the Munis report and Mr. LaCasse confirmed in his monthly reports as well.

Mr. Eagle stated he had a few questions and stated when we initially discussed this it made him feel very uncomfortable. He stated Mr. LaCasse always informs Fin Com at a certain level, what is the threshold that you would notify Fin Com in advance? Mr. LaCasse stated that he does not have a monthly threshold, but in his monthly reports if something is tracking more than what we budgeted for he would bring that to Fin Com's attention. It doesn't happen often as we don't always have large transfers that warrant that kind of notification. He will inform Fin Com for expenses that are tracking higher than normal than last year and information about that and that we may need to come to the Finance Committee for a reserve request or we might wait till the end of the year to see how it shakes out. Mr. Feely stated that we are only two months in and we can't possibly have something to talk about now and Mr. LaCasse confirmed. Mr. Dumas stated an example of a cost for something that could change would be cyber insurance. This increased cost has changed for everyone across the country. A policy had to be created as we needed to keep the insurance and we needed to put in a request for the amount for the new fiscal year. Mr. Wilk asked where did that money come from and Mr. Dumas stated, Employee Benefits.

Mr. Eagle then asked when you do a transfer is it usually within a department or moving from one department to another? Mr. LaCasse said it is typically within a department. Mr. LaCasse then stated for the Cyber Security request, we would come back to Fin Com to replenish that "Employee Benefits" fund. Mr. Eagle then said you would typically move line items within the Police Dept when needed. Mr. LaCasse gave a good example of overtime where there are 12 overtime lines of different departments and if one at the end of the year is running low and one is not, they may need to transfer the money from one to the other. Mr. Eagle asked if the bottom line usually stays the same and Mr. Dumas agreed. Mr. Eagle then mentioned the Schools have statutory authority to move however they want and we may feel uncomfortable about that but there is nothing we can do. The Town does not, it has to be approved every year. Mr. Wilk added that someone could present at Town Meeting if they wanted the wording to be different. Mr. LaCasse stated if we ever lost your trust the Towns people have every right to do that. Mr. Wilk stated that there is a failsafe. Mr. Feely added having too strict a framework doesn't seem all that practical. Mr. LaCasse stated when they are doing the end of the year budget you will see the changes and the revised, what did change and we are asking for a different amount so that's full disclosure and full transparency. Mr. Eagle then commended Mr. LaCasse for his monthly reports as we are much more informed and others appreciate that but he's always thinking about the next group. Mr. Eagle then said you can move line items within a department. Mr. Dumas then stated that they met in 2018 and they started to make some structural decisions that would far exceed the capability that was in the Town's reserve fund he needed access so when they made the decision to go premium based workers compensation plan to self-insured. Mr. Wilk took a look at the loss runs and over ten years you are going to hit a bad year and it's costly. That would far supersede anything we have in our reserve fund for transfer never mind anything else that happened over 12 months' worth of time. If that happened and you don't have access to cash then we are left having an emergency Town Meeting gathering and praying to have 200 people to make cash available if we have free cash, if we don't have free cash certified then we have no money and we can't address the needs of the Town. For us to be entrusted, we need to be able to weather the storm.

Mr. Eagle then stated that the Town has done a good job but he would rather the Town approve it than the Town have full flexibility. Mr. Eagle is fine moving money within a department but not from different departments. Mr. Dumas stated last year funds were given but placed into one-line items and then dispersed into other departments as needed. If it was put into one department and the department didn't need all of it, they could spend the money as they wish. Mr. Eagle reiterated how he understands moving money around within their own department but not

department to department because then what is the point of having an individual line item. Ms. Walsh then stated we see things move around and they need flexibility to manage the Town and if we don't pay bills, that costs money too. Also, many of the actions we have done have actually saved the Town money. Ms. Walsh asked does the Town have the ability if they need to pay a bill, Mr. Dumas said "Yes", Mr. Eagle said "No". He then said you would need to go to Town Meeting to do this. It puts the burden back on the individual's verse right now. Ms. Walsh stated that she wanted to hear what Mr. Dumas had to say. Mr. Eagle stated to wait a second, you're ignoring the point, forget that Mr. Dumas and Mr. LaCasse do a good job with their budgets and monthly reviews. If Mr. Dumas and Mr. LaCasse decided to retire, someone else comes in with the flexibility and they can do whatever the hell they want, that's not good. Mr. Feely stated we can not predict the future, Mr. Eagle stated no but you can put some guidelines on. Mr. Wilk stated the government on this is two things, one is we get the monthly Munis report and the other is when Warrant Articles come in front of us you can change the wording. So, if they messed up this year, the Article could be changed next year so the flexibility could be taken away. Ms. Walsh stated if something that egregious happened like that, that the Select Board would act on this and because of the transparency we have on that, they would know about it right away. Mr. Eagle agreed that they are doing a good job now, I don't believe that allowing complete freedom of movement is a positive as he would like to know. Mr. Feely asked who don't you trust. Mr. Eagle said the next administration.

Ms. Walsh then asked Mr. Dumas to answer the question what it would mean to the Town if we could not pay a bill in an emergency because we had to call a Special Town Meeting. Mr. Dumas stated it's actually a very good point because Mr. Violette would not let Mr. Dumas go to procure for a service for an emergency if he does not have the funds. So, he could not even start the process and deal with the problem because he can not put a purchase order into the system since he did not have the funds. Mr. Dumas stated in the latest emergency, if it was line item or restricted, he would not have been able deal with it. To Ms. Walsh's point, it's not even just paying the bill, he can't procure the service. So, unless there is an emergency declaration by the state, he can't even start the procurement process. Another example is with employees coming into the system or Health Insurance changes, the expense is great and if there is no money in the Fin Com Reserve, he has to pay the MIAA bill, and if he does not have the money, we have a problem and if we are already past Town Meeting, he can not tell MIAA that we have to wait to pay the bill until November Town Hall Meeting that is not good business. Mr. Dumas reiterated that is why they need the financial flexibility and if there are any egregious acts, Fin Com can take it up with the Select Board.

Mr. Cooney asked if cyber security happened frequently, should we consider if it's extreme, to ask for Fin Com approval? Mr. Dumas reiterated how they needed the flexibility to move money in the system as things happen very quickly and they need to act.

Mr. DeSantis sees merits on both sides, and we need to allow Mr. Dumas and the Financial people to manage their business and clearly, they can't manage their business if they don't have the flexibility to do it. He said he also sees Mr. Eagle's side as we don't want to set a precedence if a new team came in and his concern was not that they need to come to Fin Com, but the transparency of it, is there a way to tell Fin Com so it's at least transparent. The last thing you want is to get caught with a surprise, then that's the problem and we lose trust. Mr. LaCasse stated yes and he can write those into his monthly reports he can point out the significant ones. Mr. DeSantis just asked for transparency on the larger transfers and why we did it but thought the Town should be able to manage the budget.

Mr. Eagle asked would it have worked with contracts to use Fin Com reserve and Mr. Dumas said it wouldn't because he would need it right away in order for payroll. Mr. Dumas said is it fair to say that with the over under in the report it would be covered in that part of the report. Ms. Walsh stated it would also be covered in the budget and revised budget. Mr. Feely stated keeping us informed and what you are learning about the budget. Ms. Walsh stated that this was a good conversation.

Mr. Dumas then mentioned that they were tracking expenses from the Water emergency and without the Schools tally, we are about \$65,800.98, we will need to tease the different amounts up as multiple departments assisted with this. Mr. Wilk asked if the Town would be coming to Fin Com Reserve for some of the expenses and Mr. LaCasse confirmed yes and that some would come from some of the departments too.

Mr. Eagle then asked about Cyber Security and Mr. Dumas mentioned that they would not be discussing that tonight. Mr. Eagle then asked with the rising costs is there even a cooperative agreement. Mr. Dumas stated it's not just the claim from Cyber, it's the Actual requirements, you need to be able to meet within a certain timeline and notifications of employees and past employees and each state has requirements of when you need to notify the public and if you don't do them within the timeframe, you can get fined for each occurrence. Mr. Wilk stated you are really just buying the services. Mr. Eagle stated that at some point someone is going to come along and sell you the services and you cover the cost and we can't afford to cover the costs because they are going up every year. Mr. Wilk stated that you are really buying the services and they increase their retention and that one of the reasons they can't afford it is because of multi factor authentication. However, larger companies can afford to have a ten-person IT department. Mr. Eagle said that's why it's more important to get the money from the Federal Government and to make sure the Town is applying for it. Mr. Dumas stated that the market is changing already and that the capital is already drying up which is causing issues across the whole business sector. The insurance industry has diminished greatly and other companies have chosen not to insure municipalities but what they have done as a best practice if you are not following the checklist of questions, they won't insure you. So be rest assured that Mansfield is doing its part for what they are insuring us for. Ms. Walsh mentioned that she watched some of the Select Board Meeting the other night where Mr. Dumas mentioned he just attended a property and casualty and health insurance conference. Mr. Dumas confirmed and stated that the Deputy Director for National Cyber Security happened to be at MIT that day and works with the MIAA and had some extra time to speak with a few Town Managers and administrators about the impact that Cyber Security has on municipalities. Mr. Dumas stated sadly some of the smaller municipalities do not have an IT department and they also discussed how other municipalities are dealing with Cyber Security. Mansfield has put resources to this issue and works with the same types of issues with the schools. Not everyone has those partnerships, Mansfield does have those partnerships and we have redundancy plans in place. He then stated that just asking the government to at least understand what's happening as it relates to municipalities, the challenges to look at the haves and the have nots and everything else in between and looking at the Federal level. Similar to how the Flood insurance works and maybe put some stop gap measures in place on a Federal level. The hope was that by educating the Deputy Director she could bring this back to the 60-person department inside the white house to understand what this is doing to the municipalities and to be able to drive back some of the influences that can happen as it relates to policy for the white house to deal with in the future as it relates to municipalities.

Mr. Dumas, Mr. LaCasse and Mr. Violette left the meeting at 8:27PM

5. Discussion of data points, analysis, recommendations for January budget conversation

Mr. Eagle stated he worked with Ms. Zlatkova, MIS Director to get the updated raw numbers for the survey and mentioned that she's already looking at ways to do it better and that we should get software as a service and that we have about 300 responses. Ms. Walsh stated she will be at the November 2nd Select Board meeting and will share the survey numbers with them.

Ms. Walsh kicked off the conversations regarding the budget and having a presentation from the Town and the School to be presented in January and wanted to discuss any request that they want to see in these presentations. Ms. Walsh stated she made some points in the School budget that she would like to see including the Munis reports, a high level summary, the assumptions that are used in the budget, a departmental summary, a waterfall that explains the prior years, FTE changes and additional positions that they are asking for, a review of Federal funding, reserve balances, enrollment history, cost per student with a comparison to other towns, population growth for the Town.

Mr. DeSantis – then stated that he heard 85% that was allocated for the schools by the Federal Government has been unspent, where is that money going and how do we get access to it? Mr. Eagle stated that he knows from past years that extra funds will go back, they will do a return. Mr. Wilk and the Committee stated that there might have been delays or supply chain issues but that the money has been spent or used. Ms. Walsh stated she will look into that.

Mr. Cooney stated it's good to have these budget discussions earlier. Mr. Feely is interested in the cost per student data as it will be informative as we were in a difficult place years ago as it caused difficulties for the Town and it's a

good one to keep our eyes on. Mr. Wilk is still concerned about Union negotiations and the raises this year and that he is fine with all the reports.

Mr. Eagle stated they should update the dollar graphic on where the resident's dollars go. He then stated he liked how the Schools ranked their FTE's in priority order like CIP. Mr. Feely stated that CIP does rank them on the priority level. Mr. Eagle said there are concerns about next year as more contracts will be coming up and we almost have to think about the budget in regards to a two-year cycle, so he would love to have data stating something could hit this year and include in the budget but we are fairly confident that it will be coming next year.

Mr. Feely asked if our five-year starting to look a little different, we can always get through next year but the ripples can add up real fast. Mr. Eagle would like to know what items that the Town Manager and Assistant Town Manager say no to regarding the budget before it gets to the Finance Committee. Mr. Cooney thought that this already happens with the CIP meetings. Mr. Eagle stated he wants to know how our taxes are compared to the surrounding towns, they are high but we are in the middle of all our neighboring towns and we are not extreme. Mr. Feely would like to know how do we compare to other towns, our staffing, DPW, our taxes, we never pulled all that information into one area. Mr. Eagle brought up charges, he would like to see how much we charge for things for example we know that for Ambulances we weren't charging enough for the full cost. We don't want to make money we want to charge for the services provided. He would like to see this on the school side as well, like if they rent out their facilities for sports for example does the rental fee cover the cost. He would also like to see if they can show inflation.

Ms. Walsh stated she will gather all the questions and share with the committee for approval and then provide to the Town.

6. **Public Awareness of Budget Process and Updates**

Ms. Walsh stated they had the first Budget Sub-Committee meeting and talked about what would be available for funds and the factors that they are concerned about. The Committee discussed when it would be appropriate to share the budget and Mr. Wilk added we have potentially hard decisions to make so to possibly share the Town budget presentations when they are shared in January. The Committee agreed to share the budgets when they are ready. Ms. Walsh also stated that it would be a good idea to share a timeline stating here's where we are at and here's what's going to happen in the next few months. Mr. Eagle stated the message to the residents should be, here's how we continue to be "one town one budget", here are some key dates for you and we are going to make it more transparent. Mr. Feely added that "this is the time for your voice to be heard".

7. **Committee Updates**

Mr. Feely stated the next CIP meeting would be held at the Public Safety Meeting on October 26th.

Mr. Cooney stated the Fall Festival would be held on Oct 1st at Fulton's Pond and that the Town has raised money to support it. He mentioned there would be a military band, a ferris wheel, paddle boats, a beer garden for the adults and more.

Mr. DeSantis mentioned the Audit Committee is meeting on October 3rd.

Mr. Eagle asked about the Committee's 8/18 minutes and Ms. Walsh stated they post poned voting on them as there were edits.

Questions from Community: None

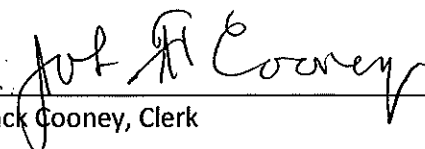
8. **Items not known within 48 Hours: None**

9. **Adjournment:**

Motion: To adjourn the meeting at 8:59pm.

Passes 5:1 (Feely/Eagle)

Roll Call Vote: Mr. DeSantis – Yes, Mr. Cooney – Yes, Ms. Walsh – Yes, Mr. Feely – Yes, Mr. Wilk – Yes, Mr. Eagle – No


Mr. Jack Cooney, Clerk


Date

