

Town of Mansfield

6 Park Row, Mansfield, Massachusetts 02048

Finance Committee

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Meeting Minutes 10.19.2023

Present: In-person: Ms. Sara Walsh, Chair, Mr. Scott Feely, Vice Chair, Ms. Greta Thurston, Clerk, and Mr. Jack Cooney.

Virtual attendees: Mr. Michael Flaherty

Not present: Mr. Walter Wilk and Ms. Melinda Tarsi

Guest: Mr. Barry LaCasse, Assistant Town Manager, Ms. Sarah Raposa, Planning Director, Mr. Wilson, WWII Committee Chair and Mr. Josh Reinke, DPW Director

Minutes: Sharon Varricchione

1. **Call The Meeting To Order:** Ms. Sara Walsh, Chair, called the meeting to order at 7:02pm.

2. **Approval Of Minutes: 9/21/23 and 9/27/23**

Motion: To adopt the meeting minutes 9/21/23 and 9/27/23

Flaherty – Yes

Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 5:0 (Feely/Thurston)

3. **FY24 Financial Update:**

Mr. LaCasse gave an FY24 update.

General Fund:

Information Technology is 47% expended this year primarily because we had to pay the Munis contract up front for FY24. The Public Safety Dispatch is 100% expended as we need to pay our SEMRECC Assessment Dispatch dues up front which is \$450,000. Town Employee Benefits/Workers Comp – School Employee Benefits and Property Liability Insurance, we paid expenses up front so the Employee Benefits is expended at 63%, the School Employee Benefits has the 2 Million Pension benefit that we paid up front at the beginning of the year which can throw the accounts off.

General Government Revenue, Local receipts:

Excise tax from hotel/motel, meals tax and cannabis tax, caught Mr. Lacasse's eye. The cannabis tax collected to date was \$57,912, the amount collected at the same time last year was \$75,000. This may be an indication of a saturated market and he wanted to point this out.

Licenses and permits, Mr. LaCasse wanted to point out last year we collected \$107,000, this year we are at \$181,000. It could be a couple of large building permits or it could be an indication of some construction and improvements going on Town wide.

Non-Recurring Miscellaneous Expense, was the \$359,890 sale of inventory that we did not have last year, which was the North Main Fire Station and we are about 28% collected. This ended up in Miscellaneous as we didn't know when it was going to close.

Water Revenue: 25% collected which is right where we are in the budget process right now and tracking on target.

Sewer Revenue: 22% collected which reflected the very wet summer we had.

Park & Recreation: 25% through the budget and 35% collected which is good news.

Airport Revenue: 27% collected.

All in all, our revenue is tracking at or above expectations with the exceptions of sewer, so we are in good shape.

Ms. Walsh asked what is the ratio of when the activity occurs and when we get the revenue. Mr. LaCasse stated

that it's quarterly. Ms. Thurston asked if there was a point where cannabis is going down and you would change the projections? Mr. LaCasse answered that we would not change it but would watch it as they only budgeted for \$125,000 which is very conservative.

4. Reserve Fund Transfer Requests:

Mr. LaCasse stated that there are five requests and that they are all worthy.

Planning Department FY24-03 \$5,000 Request

Mr. Feely spoke about the request application to resuscitate the contracts and if we are successful in receiving the award and that there is no guarantee that we will be. He then stated that Ms. Raposa was requesting money but that she does not have a guarantee that they will be able to resuscitate the contract. Ms. Raposa stated that the awards have been given and that this is bridge funding to get us through to January 2025. This money is for a consultant to help with her suggested written language for bridge funding.

Motion: Moved to approve FY24-03 a transfer of \$5,000.00 from the General Fund Reserve Fund to the Planning Board (Professional/Technical Services Account)

Flaherty – Yes

Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 5:0 (Feely/Cooney)

WWI Scholarship fund FY24-01 \$19,593 Request

Mr. LaCasse read the following summary. The expenditure is extraordinary or unforeseen for the following reason(s):

As a "Memorial to veterans of World War II", special legislation was passed in 1952 (and late amended) authorizing the Town to "Raise and appropriate" up to \$5,000.00 annually "to provide a scholarship fund the income of which may be used for the higher education" of all high school graduates who live in Mansfield. The Town was also authorized to establish a "board of trustees...to administer said fund". This in 1952, the World War II Memorial Scholarship Fund" and the "World War II Scholarship Committee" were established.

The World War II Memorial Scholarship Fund consists of two (2) separate funds: a "Non-Expendable" fund and an "Expendable fund, and any interest generated by that fund was then placed into the "Expendable" fund. The money in the "Expendable" fund was then used to award scholarships. That process continues up until 2010.

However, in 2010 (and for unknown reason) the "raise[d] and appropriate[d]" funds began being placed into the "Expendable" fund. This practice was only recently discovered and has been resolved going forward. The requested Reserve Fund transfer will restore the "Non-Expendable" fund to its appropriate balance.

A second corrective action they took was to change the investment strategy for the "Non-Expendable" fund so it is invested in a higher yield account. Since making this correction the funds have earned almost \$1,000. He projected that by 2024 the Committee will have about \$4,000 in interest available for next years scholarships and it will keep going forward.

To make sure this process continues, going forward in April, the Committee will reach out the Treasurer Collector to determine and verify how much interest are available in the "Expendable" fund and that will become the maximum amount the committee can award for the upcoming year. Tonight, we are here to request a transfer of \$19,593.00 from the General Fund Reserve Fund to the WWII Non-Expendable Trust "Transfer In" Account. If the Finance Committee approves this then the Non-Expendable fund will be at its appropriate level of \$137,090.00 that will stay there and earn interest. For FY24 we have already budgeted \$3,000 to put into the Non-Expendable fund and Mr. LaCasse said he hoped his successor can do the same with the Town Manager and with Town Meeting approval. He then stated that he and Mr. Wilson, the Chair of the WWII Committee have discussed the possibility of raising money to put additional money into the Non-Expendable fund.

Mr. Feely talked about the formal policy that the Finance Committee had that would help with their policy going forward. Mr. Cooney asked about the scholarships going forward with higher earning interest rates and

did we plan to give out more scholarships? Mr. Wilson said due to the rising cost of tuition he would love to give out more. He discussed going forward the process that Mr. LaCasse mentioned earlier and will follow that protocol going forward. He then mentioned that the actual scholarships are given to the High School Graduates in January of their Freshman year. Mr. Feely discussed how the scholarship money was not a lot, Ms. Walsh said maybe they could work toward a plan to see if that could be increased as interest on \$137,000 will not be a lot for scholarship money. Mr. Wilson agreed and would like to see how they could get more money. He also mentioned there have been gracious, he's received thank you letters from the student recipient.

Motion: Moved to approve FY24-01 to request a transfer of \$19,593 from the General Fund Reserve Fund to the WWII Non-Expendable Trust "Transfer In" Account.

Flaherty – Yes

Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 5:0 (Feely/Cooney)

DPW FY24-02 \$12,000 Request: Otis Street Complex

Mr. Reinke, DPW Director mentioned there was significant damage to the Otis Street Baseball Fields Complex due to the tornado that came through Town. The Town contracted work to help handle work like this and the work was done within a week and the fields were back up and running. This is really a refund request.

Mr. Feely asked why we were not paying for the remaining damage. Mr. Reinke did not know the answer to that. Ms. Walsh offered that she believed that the Mansfield Youth Baseball is responsible for all maintenance of the fields and this request is the Town helping out in an extraordinary circumstance.

Ms. Thurston asked about storm insurance and Mr. LaCasse mentioned that the deductible was not worth it.

Motion: Moved to approve FY24-02 to request a transfer of \$12,000 from the General Fund Reserve Fund to the DPW-Highway Account.

Flaherty – Yes

Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 5:0 (Feely/Flaherty)

DPW Highway FY24-4 \$8,428.07 Request: Motor vehicle Equipment 1-Ton Chevy 4x4 Dump Truck with Plow

Mr. Reinke requested additional funds to complete the purchase of a vehicle previously authorized at the 2020 Fall Town Meeting under Article 5, Motion 3. When this authorization was approved the pandemic had severely disrupted the supply chain. DPW was unable to purchase this vehicle, nor place it on a long-delayed order. This problem persisted throughout the pandemic. Now that the supply chain has substantially recovered we face a different problem of price inflation. In order to meet the intent of the vehicle purchase request, he requested \$8,428.07.

Motion: Moved to approve FY24-4 to request a transfer of \$8,428.07 from the General Fund Reserve Fund to the DPW-Highway Account.

Flaherty – Yes

Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 5:0 (Feely/Cooney)

DPW Sewer FY24-S1 \$24,502.13 Request: 1-Ton Chevy 4x4 Pick-Up Truck with Plow

Mr. Reinke stated that this was the same situation and they needed additional funds to complete the purchase of a vehicle previously authorized at the 2020 Fall Town Meeting under Article 5, Motion 3. When this authorization was approved the pandemic had severely disrupted the supply chain. DPW was unable to

purchase this vehicle, nor place it on a long-delayed order. That problem persisted through the pandemic. Now that the supply chain has substantially recovered we face a different problem of price inflation. In order to meet the intent of the vehicle purchase request, we are requesting \$24,502.13.

The Committee and Mr. Reinke discussed the cost and how inflation was due to the increase. Ms. Thurston was surprised that the pickup truck cost was more expensive than the dump truck and Mr. LaCasse explained that he was able to use monies that they had in surplus of another dump truck to help offset the cost. So, your point was correct but due to the surplus we came in under.

Ms. Walsh asked what would be remaining after these transfers. Mr. LaCasse said there will be about \$255,000 and if everything is approved at Town Meeting, you'll be up to \$704,000

Motion: Moved to approve FY24-S1 to request a transfer of \$24,502.13 from the Sewer Enterprise Fund to the Sewer Enterprise Fund (Vehicle Supplies) Account.

Flaherty – Yes

Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 5:0 (Feely/Cooney)

5. Trash and Recycling Program Discussion with Mr. Rhein and Mr. Reinke from Waste Reduction and Recycling:

Mr. Reinke stated that they are here to start the conversation and raise awareness about price increases and how they can manage this once the contract comes up for renewal 2027. Currently it's \$2.34 Million to have your Trash and Recycling picked up at your house which comes with the resident's taxes. There's a 4% increase each year from now until 2027. This will push up against the Town's budget so we wanted you to be aware. He mentioned that there are 6,893 Trash Barrels that get picked up. Mr. Feely mentioned the dramatic effects of recycling and what happens in the future. Prior to 2018, you would make money on recyclables and now it's the opposite. Sometimes we do make money on it and it's unpredictable. Mr. Rhein, spoke about cardboard and steel getting returns but not on the plastic. He then spoke about how our trash is incinerated in Millbury and that contract is up on 2027 and what happens after that, we may see a huge increase in cost. Also, some of our trash goes to other states we don't know what will happen in the future. We may need to send our trash to a landfill, there are only five left in the state and they are due to close in 2030. Mr. Rhein said we need to think about do we take this big hit now to soften the blow in 2027 and build up a financial cushion? He's concerned that the residents don't know how expensive this is. Ms. Walsh mentioned that we should start creating awareness of how much it would cost so they know how much it is. Mr. Rhein spoke about the pay by bag feature and the residents may be more aware of the costs and may do what they can to reduce it. Mr. Feely agreed that we need to get the message out to create awareness and to let them know why their taxes may increase. Mr. Rhein said there may be people who will pay more to keep the current system or let's go the other way. Ms. Thurston asked if this was a competitive market and Mr. Reinke said no. Then she mentioned that the pay as you go would most likely reduce waste which would be great. Mr. Rhein mentioned there's the financial aspect and the environmental aspect which is important as well. They are looking into composting as it's usually is about 45% of the waste itself which is a huge volume and weight/money. If they could get households to do it, it would help. 98 households are doing it now and you have to pay for it, close to \$180. If they get 200 residents, we could get a 20% discount. Mr. Thurston asked if we did more recycling would that reduce the cost. Mr. Reinke said that is a good question, his initial thought was to have it bundle together but that it was very unpredictable. Ms. Walsh would like to see the forecast for the next few years to start so they could come up with a plan for the future. She would also like to promote and educate the residents. The committee discussed how they thought the residents liked having the trash and recycling managed.

Mr. LaCasse mentioned that in 2000 the Town approved an override to keep the trash tax in the levy as the residents would rather keep the trash without a fee. We are one of the only communities that has it in the levy to pay the trash, other surrounding towns do pay as you throw.

6. Borrowing Capacity:

Mr. LaCasse explained there is a debt limit by State statute, which is 5% of the evaluation of the Town. We can't

have 5% debt that exceeds the worth of the Town unless we have permission from the State. Our last equalized evaluation was at \$4.7 Billion, take 5% of that which gives us a debt authorization of \$238 Million. There are two types of debt. Debt that is included in the debt limit calculation and debt outside of the debt limit calculation. The debt outside of the calculation are water projects for example, the State says don't count those projects towards your debt limit, that's why they are negative 10 Million (it's outside the calculation). The bottom line is that we have \$43 Million which represents .9% and our ceiling is 5%.

What is our debt long term policy? We are at 4.48%. It should not be more than 10% and not lower than 2% so we are where we should be.

7. Town Meeting Preparation Article Review:

Ms. Walsh mentioned that the Special Town Meeting is on November 2nd at 7pm in the Mansfield High School auditorium.

Mr. LaCasse stated that nothing is needed for **Article 1 and Article 2**, we don't have FY24 budgeted adjustments which is **Article 1** and we don't have any prior year bills which is **Article 2**.

Article 3 and 4 have to do with our 5-year reevaluation for assessors that you would typically see at a Special Town Meeting or and Annual Town Meeting and **Article 4** is saving for the 10-year cyclical. These are things that we want to save towards, so when things hit, we have money.

Article 5 are important as Mr. Feely pointed out, those are your CIP items.

Article 5, Motion 1, appropriates \$1.8 Million from Free Cash and about \$50,000 from closing some Articles that were completed CIP projects which are listed on the motion. Mr. Feely stated that some of these were reviewed and approved by the Committee last Spring but they did make it back onto the Warrant again. Some are new and some were adjusted. Mr. LaCasse and Mr. Feely explained that although they may not have the funding now for certain projects, they need to get "shovel ready" so when the funding does become available, they are ready.

Article 5, Motion 2, appropriates \$360,000.00 from the Water Enterprise Retained Earnings for Meters and Readers and to improve security.

Article 5, Motion 3, Mr. Feely explained is our ongoing Sewer Collection System Improvements.

Article 5, Motion 4, is \$4,000,000.00 for the Qualters Middle School Boiler Replacement Project which is 52.89% reimbursable from the MSBA which is good news.

Article 5, Motion 5, is the Mansfield High School Turf, Field and Track renovations, the Gym Floor and Robinsons School Playground Improvements. Phase 1 was ordering all the equipment and to get the site ready (remove an oil tank out of the ground). This is phase 2, the Gym Floor replacement simply can't wait any longer and it's becoming a safety issue for this and the MHS Turf, Field and Track.

Ms. Walsh asked what was the financing strategy for all of this? Mr. LaCasse keeps track of all of our debt service in a what he calls his "debt bible". It shows what is currently owed and it goes out the length of the loan, so he can see the year to year of how much is being added and how much is being loaned. Even though you see some rather large loan authorizations, that does not mean that we need to go long term in FY25 or even FY26. We go long term when it's ready, when the projects done, we know what the final costs are and when the time is right from our Financial Advisors point of view. Not all the debt will hit in FY25, we will have to pay temporary interest on the amount we borrow. In Mr. Lacasse's "debt bible", he's able to see FY26 all things being equal, we have about \$510,000 debt service dropping off in the General Fund, in FY27 we have another \$300,000 dropping off which means we are creating some sort of capacity in our debt service section of the budget to absorb additional debt. He can't tell us when the long-term debt will hit but he can tell us that the capacity is there.

Ms. Walsh asked short term, how will this work with FY25. Mr. LaCasse said we will be working with our Financial Advisors and our project person regarding when the shovel is hitting the ground, when we need to borrow the money. As soon as you borrow the money you have to start paying that year. So, we need to review the projects and only borrow the money. Ms. Walsh if all the projects were expected to be done this summer, Mr. LaCasse answered yes. Ms. Walsh then asked that they get updates into these projects from Mr. Lacasse's replacement so they can monitor how it is impacting what's coming off versus what is coming on which would be helpful for them. Mr. Cooney and Ms. Walsh asked for Mr. LaCasse to share his "debt bible" spreadsheet

with the Finance Committee. Mr. Cooney asked who at the Special Town Meeting would be presenting the track request and Mr. LaCasse mentioned that the Schools would be giving a presentation for these projects.

Article 5, Motion 6, Mr. LaCasse stated that this was the PFAS improvements to our wells and overall well improvement programs. Mr. LaCasse said per the green sheets, they will be getting ARPA 1 and 2 funding from the county towards this. We will borrow the full amount, Nine Million One Hundred Thousand Dollars (\$9,100,000) to be spent by the Town Manager, and is appropriated for the purpose of financing the costs of designing, upgrading, constructing and/or replacing various infrastructure at the Dustin and Prescott well, and including the payment of all incidental costs. We will then be seeking money from the Mass Clean Water Trust Fund. In order to qualify and potentially get some loan forgiveness, we need to show we are borrowing the full amount. Mr. LaCasse and Mr. Feely discussed the PFAS improvements and they along with Ms. Walsh talked about setting up a field trip to go visit. Mr. LaCasse added that other communities are coming to visit so they could see what we did. Ms. Walsh said it would be great for Mr. Dumas in his presentation to share how we are ahead of the curve on this.

Article 6, Mr. LaCasse explained that it was there intention to move \$450,000.00 from Free Cash to the Finance Committee Reserve Fund. He said he thought that model works well for everyone. It allows the Finance Committee some additional funding and it allows us a place to go in the event that something comes up.

Article 7, 8 and 9, Mr. LaCasse explained that following the same model to move money from the Retained Earnings to the Reserve Fund for Sewer, Water and Airport which gives all of us the flexibility that we really need in these challenging times when prices go all over the place.

Article 11, Mr. LaCasse explained that it was important to him and the Town to continue to invest in funds to put our Town in a stronger position with the following transfers from Free Cash to the following funds: \$400,000 transferred to OPEB Liability Trust Fund, \$150,000.00, transferred to Future Payment of Accrued Liabilities for Compensated Absences Reserve Fund, \$50,000.00 transferred to Special Education Reserve Fund, \$650,000.00 transferred to Town Stabilization Fund and \$52,321.48 transferred to the Opioid Mitigation Stabilization Fund.

Article 12, Mr. LaCasse stated that the Town Manager, as Chief Procurement Officer, is authorized to enter into School Technology contracts beginning January 1, 2024 for a period in excess of three years, but not to exceed six years in length, including any and all options to renew or extend said contract which may be exercised in the sole discretion of the Town.

Articles 13-14 Mr. LaCasse stated it would be a good use of Free Cash to pay off some of these accounts as rates are going up. Article 13, \$129,000 is to be transferred from Free Cash in the Treasury of the Town (Undesignated Fund Balance) to Capital Account, to pay off the Bond Anticipation Note (BAN) for two (2) Dump trucks. Article 14, \$108,000.00 is to transfer from Water Enterprise Fund Retained Earnings to Capital Account, to pay off the Bond Anticipation Note (BAN) for one (1) Dump Truck and three (3) Pick-Up Trucks.

If everything is approved at Town Meeting, we will have \$1.7 Million of Free Cash left. We do have some items that we will need to deal with at Annual Town Meeting. Some of these items include \$700,000 snow and ice deficit, a \$301,000 payment was built in to pay down short term on a long-term loan as vehicles do not have a long life and there's no need to go past the five years. From the Budget Sub meetings, the Schools \$193,000 Smart Board lease payments we are going to be paying those out of Free Cash as this is a CIP item as well. Mr. Dumas will be speaking about the Airport as this is a part of our Town and apart of the CIP.

Motion: Mr. Feely moved to support the Financial Articles that was presented and discussed at this meeting.

Flaherty – Yes

Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 5:0 (Feely/Thurston)

8. CIP Discussion:

Mr. Feely mentioned a parent showed up last Spring who was enthusiastic about the track and field and there are parents who have the same like mind.

Mr. LaCasse stated that what impressed him the most about Mansfield is that not only do you have a CIP plan but that you have funded it. If everything is approved at Town Meeting, we would have funded all of our FY24 projects that were approved by the CIP Committee.

9. Questions from Community: None

10. Survey Discussion:

Ms. Walsh talked with Ms. Tarsi and the Survey is ready to go and has been reviewed by the Finance Committee. She stated that she is going to meet with Ms. Tarsi to discuss how they will work with the Town and she will send an update via email. We will work with the Town to promote via Facebook page and the Town website. This will be ready in time for Fall Town Meeting.

11. Committee Updates:

Mr. Cooney stated that the Fall Festival was very successful and that the Town did a lot of work on it.

Mr. Feely thought things were going smoothly and they are getting things ready for the upcoming audit. It seems like a robust process, it has been implemented and they did reorganize. Ms. Walsh asked if Mr. Feely could share the presentation. Ms. Thurston has it and will share it with the Committee.

Ms. Walsh said that the next Budget Sub Committee meeting is in November for a check in and then again in January 2024.

12. Items Not Known in 48 Hours:

None

13. Fin Com Member Comments:

Ms. Walsh stated that she had two quick things:

1. She received an invitation from the Southeastern Regional Vocational Technical reception for their new building projects for the 13th if anyone would like to attend they should email her.
2. She will be working on Special Town Meeting slides and will get them to the Committee for their review. On the slides, she will include the financial score card and discuss our financial health.

14. Adjournment:

Motion: To adjourn the meeting at 7:40pm.

Flaherty – Yes

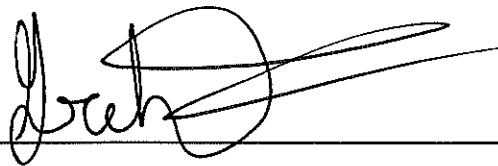
Cooney – Yes

Thurston - Yes

Feely - Yes

Walsh – Yes

Passes: 7:0 (Feely/Cooney)



11.16.23

Date