

**Finance Oversight Committee Meeting April 8, 2021  
Minutes**

Present: James Broderick, Chair, Christine Saulnier, Kathleen Hill, Thomas O'Connor, Richard Freccero, Town Manager Mary McNally, Director of Finances Stephen Loneragan, and Michael Kane (ex-officio, non-voting)

The meeting was held by virtual participation (Zoom) and was called to order by Jim Broderick at 1:30pm. Jim stated that the purpose of today's meeting was to continue the department-by-department review of budget submittals, determine a schedule for meeting with department heads whose budget necessitated further review, and to determine if any other information was needed in order for the FOC to complete its task for the Council.

Rich made a motion to approve the April 1, 2021 minutes, seconded by Kathy. Voting YES were Broderick, Saulnier, Hill, O'Connor, and Freccero.

Chris asked if additional backup information for the DPW Enterprise Funds would be forthcoming. Jim indicated that Bruce Fenney stated there will be no increase in the Stormwater Fee Schedule for FY22. Chris also pointed out that there appeared to be a typo in the amount to be expended from the Sewer Enterprise Fund (p.17/18). Steve confirmed the discrepancy was a typo and would correct the amount in question. Tom requested a list of the Board of Health fee schedule and asked where the monies were deposited. Mary indicated that most fees collected were the General Fund, and some like the Trash bag sales, were deposited in the BOH Revolving Fund.

Tom reminded the FOC that a practice used in the past of scrutinizing any line item in the Sources & Uses Summary that was +/- 5% from the previous year was found to be a useful method of budget review. He suggested that the committee continue use of that practice.

Continuing the review of the Sources & Uses Summary, the following remarks were noted:

|                       |  |
|-----------------------|--|
| 910 Payroll Taxes     | This figure represents taxes for current overall salaries. It does not reflect amounts for pending union agreements or step increases  |
| 912 Workers Comp.     | This figure is -24.4% from last year per MIIA. Tom thought it could be COVID related.  |
| 914 Health/Life Ins.  | This figure is +7.6% over last year, per Scantic Valley Region Health Trust. Tom asked if health care coverage could be reduced to offering just one insurance carrier. Chris noted that such an action would be subject to union negotiation. |
| 945 Liability Ins.    | This amount is +19.7% from the previous year due to the necessity to increase coverage amounts in certain categories, especially for IT and its equipment.   |
| 946 Retirement Assmt. | This amount is +4.7% and represents the annual assessment from the Hampden County Retirement Board.  |

Chris asked how soon would figures be known. Mary indicated that the costs for FY22 health and life insurance were actuals. Other numbers, especially those dependent upon passage of the State budget, would not be known for some time.

Jim continued with a brief overview of the balances in the General Fund:

|                  |   |
|------------------|---|
| 710 GF Principal | This amount will be -47.4% less due to re-bonding in debt service   |
| 751 CPC Interest | This amount will be -29.8% also due to re-bonding. Steve is pursuing a Bond Anticipation Note for these purposes as well as for the FY 21 and FY22 Capital Projects once they are approved. |
| Stab. Fund       | Recommending \$50,000.  |
| OPEB             | Recommending \$50,000.  |
| Comp. Abs.       | This amount will be -33.3% less.  |
| Val. Serv. Fund  | The \$53,000 amount is recommended by Diane Bishop each year to better  |

Budget for the town's revaluation every three years. Chris noted that the Commonwealth will require a five-year revaluation cycle beginning in 2023.

Continuing, Mike asked if the CPC recommended projects that will be on the Town Council April 13 Agenda will affect the budget. Jim stated there would be no impact. Chris noted that Diane Bishop has mentioned a concern for residents who may request a tax abatement due to crumbling foundations claims. Tom inquired if the State Charge and State Offset figures are firm, and Mary responded they are not. Jim reminded the FOC that a date for the budget public hearing needs to be set by the Council and Tom noted that the public needs sufficient time to review the budget prior to the hearing. Kathy inquired if the Manager's Draft budget could be put on the website by the end of April for that purpose. Mary noted that her draft budget and her final budget (May 1) will be quite similar.

Jim moved forward with establishing a schedule for meeting with certain department heads at the FOC's weekly Thursday meetings. The following schedule was adopted:

|                    |   |
|--------------------|---|
| Thursday, April 15 | Police and Fire Departments, new hire request in Accounting |
| Thursday, April 22 | Capital Projects  |
| Thursday, April 29 | DPW and IT Departments                                      |
| Thursday, May 6    | School Committee  |

Jim also mentioned the need for a follow up with Diane Bishop regarding the new growth figure and what the increase in the non-salary line item represents. A follow up with Jeannie Quaglietti will also occur regarding details about the -27% decrease in her non-salary amount. Steve indicated he would email the committee regarding the Human Resources question (consultant). Mary also indicated a concern for the town's participation in the IMA with Hampden, Monson, and Wales for Veterans' Services and the amount of the annual assessment.

Finally, Council President Mike Kane indicated he would set the Budget Public Hearing for the May 11 Council Meeting. The FOC agreed to hold an additional meeting on Wednesday, May 12 at 1:30pm in an effort to respond to public hearing input and have a budget recommendation report ready for May 25 Town Council meeting.

Rich made a motion to adjourn (seconded Chris). Voting YES to adjourn were Hill, O'Connor, Broderick, Saulnier, and Freccero. The meeting adjourned at 2:56pm

Respectfully submitted,  
Kathleen Hill,