

Finance Committee Meeting Minutes
April 15, 2021

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MANSFIELD
MASSACHUSETTS

Present: Mr. Brian Eagle, Chairman; Ms. Sara Walsh, Vice-Chairman; Mr. Scott Feely; Mr. Walter Wilk; Mr. Michael DeSantis; Mr. Michael Flaherty; and Mr. Jack Cooney, Clerk

Also Present: Mr. Kevin Dumas, Town Manager and Mr. Barry LaCasse, Assistant Town Manager and Finance Director

Not Present: None

1. Call the Finance Committee meeting to order and review the agenda

Chairman Eagle called the meeting to order at 7:32 p.m.

2. Specific Agenda items- See Minutes summary below

- Budget update
- Town Manager update on economic development (Fire Station, Tax-Title properties, Police Station, Industrial Park, Marijuana facilities)
- Update on FinCom Goals
- Committee updates

3. Items not known within 48 hours

- None

4. Audience Q&A

- None

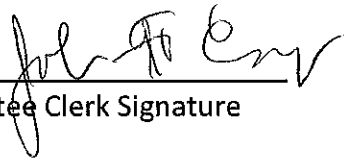
5. Adjourn

Motion: To adjourn the Finance Committee meeting of April 15, 2021 at 9:07 p.m. (Feely/Cooney)

Pass 6:1

John Cooney

Finance Committee Clerk Signature



Date

6/17/21

Minutes Clerk Signature

Date

Minutes Prepared by Jack Cooney

FinCom 4/15 mtg summary. The budget is in good shape, with significant support from federal dollars helping us balance it. Effort includes replenishing the town's Stabilization fund, drawn down during last year's budget though FinCom has concerns over lack of contribution for Other Post-Employment Benefits (OPEB). Significant progress is finally being made on town-owned properties, an issue FinCom has focused on for 3+ years. As a reminder, this summary reflects my own views and notes, not those of the Committee as a whole.

The Finance Committee and Town Manager discussed the current Town portion of the budget (Schools are still finalizing their piece) and walked through issues Members had identified. The Town Manager began by laying out the requirement from Massachusetts that we cannot spend any federal funding until the state issues guidance. A question was asked whether it matters that the federal funds have not been delivered and may not hit our coffers for a few months; TM replied this will not impact the budget. The TM also reiterated he is only using a portion of available funds (about 50% of Town and 33% of County) in FY '22 budget, as a means of minimizing future budget holes. Other guiding principles for this year's budget was to keep us at level services (same services, but understanding prices to supply those services naturally increase Year-to-Year) and return us to where reserve funds were pre-pandemic.

Some of the more important details about the FY '22 budget includes (1) Return \$1.5M to the Town Stabilization Account, (2) No new FTEs and a continued net reduction in 1 FTE as town is not filing a COA position and (3) Town will be helping Schools fill their revolvers that are usually funded from School Champs program (which could not run because of the pandemic).

FinCom and the TM then walked through specific budget questions:

- Why is new growth 31% lower than FY '21 – TM chose a low number he believes we will hit (continued decline from past years), but the new growth amount is not certified until Sept/Oct. There was no explanation for why our Town's new growth continues to drop.
 - Does the TM control any undesignated funds – only a small amount to be used as a placeholder for contract negotiations
 - How has pandemic affected parking revolver – Revolver is down to \$200K from pre-Covid \$600K and we are still dealing with AMTRAK/GATRA assessments, but these have been factored into the budget and will likely be lower in future years.
 - Estimated impact from losses tied to Xfinity Center and downstream business – TM doesn't have it broken out that way but we have used conservative estimates for expected revenue similar to last years, so feel comfortable we will hit those levels.
 - Why has insurance costs increased 12% - TM will provide exact details separately
 - Why are we underfunding our normal OPEB contribution by \$280K – TM wants flexibility and this is consistent with what other town and cities are doing. It's not a priority at this time for the TM. He suggested we can use free cash certified in the fall to make up the difference if everyone agrees.
 - \$2M+ health care stabilization fund usage – continue to apply 10 year drawn down previously discussed. There's about \$1.6M left
 - Applying for grants – TM said we applied for all grants eligible for and known at this time [For consistency in topic, I'm covering conversations held later in the meeting here]. Multiple FinCom Members expressed concern with the low amount set aside for OPEB. There is a thought that we need to return to pre-Covid contribution levels and have the financial ability to meet that now by either drawing from the health stabilization or using slightly more of our federal funding. A FinCom member expressed concern that we make policy based on what other towns are doing and argued we should be a leader, not just copy others. FinCom did not take a position on how to fund but did agree to have our representatives to the Budget Subcommittee push for our contribution this year to be at \$240K with an agreement to fund remainder from free cash in fall. FinCom believes it's important to plan for the future and meet our outstanding obligations.
- There was also a discussion on the health care stabilization funds and ability to use those to help with meeting OPEB funding. FinCom's representatives to the OPEB Policy Task Force shared some details from fellow Task Force Member, Selectperson Schoonveld. That led to a discussion when Selectperson Trowbridge commented on the issue and concerns over the email itself. There was no resolution to the questions raised nor did FinCom Members express concern over the email, though the Committee will continue to look at this funding and how the Town plans to use it.
- The TM provided FinCom an update on outstanding issues, including disposition of town owned properties, marijuana businesses and the PFAS/well water efficiency projects.
- Police station – TM had lengthy discussion at previous night's Select board meeting and suggested we watch that. He mentioned issues related to communications equipment and tower.
 - Fire station – still in due diligence stage and may end up going beyond current Fiscal Year for conclusion of sale.
 - Tax-title properties – extending road and water for some properties to allow sale of at least 5 prior to end of current fiscal year. Other 2 properties likely sold before end of calendar year.
 - PFAS/well-water – continued progress as town finalizes environmental portion of the effort.

• Marijuana facilities – waiting on state for certain approvals and may not see either open up in near term. While it's unlikely we'll be able to count potential revenue until FY '24 budget, we are likely to see revenue by calendar year 2022 if not sooner.

FinCom reviewed progress on our goals, including approval of significant progress on sale of tax-title properties (something FinCom has pushed for 3+ years). We also learned that the Select Board approved a policy on distribution/sale of town owned surplus properties. This was something that FinCom had raised and though we have not seen the final policy are glad the Town was able to capitalize on recent efforts to create something that will help all parties in future situations. FinCom liaison to the Budget Subcommittee/Budget Subcommittee chair will be sharing the draft budget planning timeline, a goal not only for FinCom but the Select Board and School Board as well. FinCom will next meet in early May to review relevant budget warrant articles and consider any final thoughts on the budget itself.