

## FINANCE COMMITTEE

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March 8, 2022

FinCom Zoom: 7:30 p.m.

Meeting ID: 781 572 6432

**Members:** Chair: Megan Blackwell Vice Chair: My Linh Truong  
Hafiz Adamjee, Arun Balasubramaniam, Jeff Calabrese, Stefan Carp, Yannis Evrigenis, Bogdan Fedeles, Ruthie Gagne, Patrick Matteson, John Miller, Nicole Soto, Thomas Springer, Enzo Rascionato, Brian Vernaglia

**Missing:**

**Late Arrivals:** Stefan Carp

**Guests:** None

### **General Business**

Chair Blackwell called the meeting to order at 7:32 p.m.

### **Roll Call:**

Megan Blackwell  
Arun Balasubramaniam  
Jeff Calabrese  
Brian Vernaglia  
Nicole Soto  
John Miller  
Thomas Springer  
My Linh Truong  
Ruthie Gagne  
Hafiz Adamjee  
Enzo Rascionato  
Patrick Matteson  
Bogdan Fedeles  
Yannis Evrigenis

**Guests:** None

**Public Comments:** No speakers present.

### **Schedule for Budget Reviews**

Chair Blackwell stated that budget reviews are on track. Presentations still need to be scheduled for Fire, DPW, and Capital. Responsible FinCom Members should reach out to their appropriate Department Heads to confirm a date. She is open in doing a preliminary review of the Capital Budget if not finalized.

### **Budget Reviews**

FinCom Member Nicole Soto moved to approve the Council on Aging FY23 Budget for the amount of \$427,584, which includes \$418,772 Personal Services and \$8,812 Expenses. This was seconded by FinCom Member Ruthie Gagne. FinCom Member Soto stated that cost of living adjustments (COLA) increases for FY23 will not be reflected until next year as actuals. Member Soto gave as an example the FY22 Personal Services is \$384.8K before the COLA was applied and the FY22 actual with the COLA is \$397.9K.

Chair Blackwell stated that the Pre-COLA numbers can be found in the yellow sheet. The revised COLA can be found in Comptroller Stacie Ward's spreadsheet. FinCom Member Soto provided a demonstration as to where to find the COLA figures in the budget book.

FinCom Member Soto began with a brief overview on the Council of Aging. She stated that the Council on Aging focuses on seniors who reside in Town and that each town in Massachusetts must maintain a council. The Council assists seniors with navigating social service programs as well as transportation to and from medical appointments, weekly meals and legal support. Most of the budget is Town-funded but the council does have other sources of funding.

Staffing is level with the added contractual obligations. Personal Service costs are up 8.78% due to the addition of \$4,000 of overtime costs which were previously not reported because staff was given comp time in lieu of overtime pay. This was changed per the Town's request as it is not considered a best practice. Expenses overall remain flat except for a slight change in allocation.

FinCom Member Soto stated that the council relies on other funding sources such as state grants (\$56K annual grant and Cumming \$100K 3-year grant) as well as other income sources. This includes funding from the Winchester Hospital (\$44K) and the Winchester Senior Assoc (\$15K). The council has also requested \$45K in ARPA funds which has yet to be approved. This money is to be used to increase sustainability upgrades at the Jenks Senior Center and to install a fiber optic connection to Town Hall. She further added that year-to-date expenses are on track.

Chair Blackwell questioned if the \$56K grant is based on the number of seniors in town. FinCom Member Soto felt that it is a fixed amount regardless of the number.

Chair Blackwell asked about the purpose of the van to be purchased. FinCom Member Soto replied that it will be used to transfer residents to/from the hospital. Winchester Hospital is contributing \$44K which will be used to partially fund the vehicle.

Regarding the ARPA funds, Chair Blackwell has received the ARPA fund list of requests. She will put into Dropbox after the tonight's meeting. She has not received any replies from the Town Manager or Select Board concerning the ARPA process.

FinCom Member Brian Vernaglia asked why there is an 8% year-over-year increase in Personal Services. FinCom Member Soto stated that this was questioned but was advised it was related to contractual obligations.

FinCom Member Jeff Calabrese questioned the level of detail for the interviews. It was felt that this is subjective but is normally reserved for the larger budgets. FinCom Member Hafiz Adamjee felt that we should be developing standard metrics in an effort to do year-over-year comparisons.

A motion to approve the \$427,584 budget for the Council on Aging passed unanimously.

FinCom Member Calabrese moved to approve the FinCom FY23 Budget for the amount of \$6,000, which includes \$3,500 Personal Services and \$2,500 Expenses. This was seconded by FinCom Member Soto. He started off by saying that we should consider using more technology especially in the area of collaboration tools. One option is to use G Drive. FinCom John Miller mentioned that Microsoft teams could be another option. FinCom Stefan Carp thought a Town-wide document sharing tool would be advantageous. Chair Blackwell presented the costs for Dropbox which is now at maximum storage.

FinCom Vice Chair My Linh questioned why are Personal Services is going down given the addition of a recording secretary. It was thought that a reserve fund transfer might have been done to cover part of the expense.

A motion to approve the \$6,000 budget for FinCom passed unanimously.

FinCom Member Adamjee moved to approve the Information Technology FY23 Budget for the amount of \$427,584, which includes \$131,523 Personal Services, \$538,932 Expenses and \$6,700 Equipment. This was seconded by FinCom Member Ruthie Gagne.

FinCom Member Adamjee began by stating that Information Technology supplies all technology support to Town Hall and its Agencies, except for the Police and Library. The Town's IT department and School IT department are budgeted and staffed separately; however, they do collaborate with each other. Mr. Matt Griffin is the department's only employee.

Overall, the Town's IT budget is projected to increase by 6.5% driven by \$26K in new software and increases in annual maintenance contracts, \$3K in professional services, and \$6.7K in equipment expenses.

The main software renewals are as follows: \$10,757 for Sophos anti-virus software, \$3,000 for SmartDraw licenses and \$12,490 for MUNIS software upgrade for a new HUB.

IT expenses are proposed to increase by 5.8% driven by Software & Maintenance renewals (73% of all IT expenses) and Professional Services (15% of all IT expenses)

Without additional resources, administrative IT activities are being transferred to external consultants. The goal is to free up Mr. Griffin's time whereby he can focus on more value-add activities. Professional Services is requested at \$80K, \$22K over typical annualized costs. This increase is broken down as follows: \$17K for Total Technologies, \$3K for LCN to support replacement of 12 Town Hall wireless access points, \$2K for RDM to support the Munis upgrade. FinCom Member Adamjee noted that that a similar amount was spent with Total Technologies in FY22 but had to be reversed due to latency issues. FinCom Member Thomas Springer felt that there should be a claw back for the funds spent given that the service contracted was not delivered. Chair Blackwell thought that Acting Town Manager, Beth Rudolph or Mark Twogood should make the case to the vendor. FinCom Member Adamjee agreed to follow up with them. Fincom Member Calabrese asked what guarantee there is that a second go around with Total Technologies will work. It was agreed by all that it might be a good idea to incorporate performance standards into the next agreement.

FinCom Member Patrick Matteson asked what is being done for cyberattack prevention. FinCom Member Adamjee advised that there used to be stress tests done in previous years. On a related note, Chair Blackwell questioned if there is cyber awareness training. FinCom Member Adamjee agreed to follow-up on these points.

FinCom Member Calabrese asked about the negotiation of software contracts. FinCom Member Adamjee replied that the Town's contracts are not multi-year which makes it very difficult to negotiate with suppliers.

Vice Chair Truong questioned why isn't the IT equipment capitalized. FinCom Member Balasubramaniam replied by stating that if the equipment is used operationally, it does not have to be capitalized.

Motion to approve the \$677,155 budget for IT passed unanimously.

FinCom Member Springer moved to approve the Human Resources FY23 Budget for the amount of \$246,408 (includes \$213,408 Personal Services, \$33,000 Expenses). This was seconded by FinCom Chair Blackwell.

FinCom Member Springer stated that there has been a sharp increase in the Personal Services FY23 budget line from previous years primarily due to the hiring of a new HR team in 2021. FinCom was not involved in the approval because it was post-budget. Former Chair Enzo Rascionato added that an RFT was done to cover the additional salaries. The former HR director had limited experience and was replaced by Mr. Mike Towne who has 20 years of experience. The former HR Coordinator was replaced by Ms. Jackie Souza who has 10 years of experience. Some of the areas of focus of the new team will be: Labor negotiations, tighter management of the Workers Comp budget, new Federal and State funding sources and avoidance of costly litigation.

Vice Chair My Linh Truong asked if the salaries of the new hires are reflected in the FY23 budget. FinCom Member Springer replied that they are included. In FY22 they will receive the normal step increases.

Expenses are up \$9,000 due to following: updating the HR policy manual (\$10K) and the employee flexible spending plan. (\$1K) Other expenses down \$2,000. Overall spending for FY22 is on budget. The HR policy manual is required to conduct employee training on workplace issues, and act as a source of language to be included in key provisions of collective bargaining agreements. FinCom Member Evrigenis commented that there are many things missing from the current policy guide. (i.e., workplace violence, harassment) FinCom Member Gagne concurred.

FinCom Member Calabrese asked what we gain by having a Human Resources Department. FinCom Member Springer replied we are going from a startup environment to a professional department that oversees 350 town employees. Not having an HR department puts the town at legal risk. FinCom Member Yannis Evrigenis commented that the salaries in Winchester have been historically low when compared to other communities. FinCom Member John Miller concurred.

FinCom Member Gagne questioned the three discrimination complaints. She asked if there are any metrics as to the number of complaints received over the years. FinCom Member Springer agreed to follow-up.

Motion to approve the \$246,408 budget for the Human Resources passed unanimously.

FinCom Member Arun Balasubramaniam motioned to approve the Cultural Council FY23 Budget for the amount of \$10,000. This was seconded by FinCom Chair Blackwell.

FinCom Member Balasubramaniam began by stating that the Cultural Council is a group of volunteers appointed by the Select Board who work to serve the artistic and cultural life of Town. Funding is received by a grant through the Massachusetts Cultural Council. The Town Manager did not include a budget for the Cultural Council in FY23, however there is a request to transfer \$10,000 to the cultural council fund in the expenses section as stated on page 11 of the budget book. This will keep the council funded at the same level as prior years.

It was noted that prior to FY20 all of the Winchester Cultural Council's \$5,200 budget came from state grants.

Motion to approve the \$10,000 budget for the Cultural Council passed unanimously.

FinCom Member Evrigenis motioned to approve the Undistributed Unemployment FY23 Budget for the amount of \$75,000 all in expenses. This was seconded by FinCom Member Soto.

FinCom Member Evrigenis began by stating that the amount budgeted for FY23 was based in part on previous year's expenses. The outlier was in 2020 which was directly related to the pandemic (40% attributed to schools and 40% to the Recreation Department). The \$75,000

includes \$2,000 for the company that manages the claims with the balance representing actual claims.

FinCom Member Miller re-emphasized that FinCom should be receiving the undistributed breakdown without asking repeatedly. Chair Blackwell agreed to follow-up with the Acting Town Manager.

Chair Blackwell asked how the crossing guards can collect unemployment. FinCom Member Evrigenis responded by stating they fall under Police but it is worth looking into.

Motion to approve the \$75,000 budget for Undistributed Unemployment passed unanimously.

FinCom Member Evrigenis motioned to approve the Undistributed Workers Compensation FY23 Budget for the amount of \$350,000 all in expenses. This was seconded by FinCom Member Gagne.

FinCom Member Evrigenis stated that the Town self-insures its Workers Compensation and Police /Fire IOD liability. It encompasses legal & administration costs, salaries for job-related lost time, and medical related injuries sustained on the job.

Year-over-year totals have fluctuated considerably. The FY23 request is in line with the historical average. The town maintains a reserve fund to pay claims once the budget has been exhausted. The fund currently has \$7,257.19 in it. In addition, the Town received funds from the State's Emergency Paid Sick Leave Act, totaling \$117K which enabled the Town not to use benefit funds.

A claim has been submitted by a retiree which will be heard by the Retirement Board. If approved, it could have a significant cost implication. In addition, there has been another recent injury but it is too soon to access potential damages.

FinCom Member Adamjee asked if an analysis was ever done to review the feasibility of not self-insuring. FinCom Member Evrigenis replied that there needs to be a comprehensive Town-wide insurance study. It was felt that this should be taken to the Select Board to determine if there is an interest.

Former Chair Rascionato questioned as to what "encumbrances" means. FinCom Member Evrigenis questioned this but did not receive a clear answer. FinCom Member Evrigenis agreed to follow up on this.

FinCom Member Stefan Carp asked about the source of the injuries and what can be done to reduce future injuries. FinCom Member Evrigenis stated that there is no real data on this however it is a valid point.

FinCom Member Miller brought up an error in the budget overview document. Under FY23 Budget it should read \$350,000 instead of \$425,000. This will be corrected by FinCom Member Evrigenis.

FinCom Member Vernaglia commented that if we want to get insurance, we need to look at a year when costs are low. Insurance companies will charge based on the prior year.

FinCom Member Adamjee asked if Workers Compensation applies to contractors. FinCom Member Evrigenis agreed to follow-up and advise.

Motion to approve the \$350,000 budget for Undistributed Workers Compensation. Vote was 14 in favor and 1 abstaining.

### **New Business**

Chair Blackwell had three updates. These are:

1. Received the ARPA spreadsheet with the requests. Will place into Dropbox for review.
2. Received the most recent Controller's report. Will place into Dropbox.
3. Carriage House update. FinCom Member Miller advised that there will be two warrant articles created. One, for the Carriage House and the Second for adding modules at Parkhurst which would serve as swing space for Lynch. There will be two financial scenarios created.

Chair Blackwell asked why wouldn't we do the analysis first and weigh the pros and cons. FinCom Miller stated that it is a timing issue and we need a Plan B. There needs to be two options. Execution will be key. There was general agreement that FinCom will need to be involved with the financial analysis.

FinCom Member Vernaglia is frustrated that the EFPBC is now driving this initiative and added that he has many questions about the Carriage House proposal.

FinCom Member Soto felt that we need a plan for Parkhurst because we may have a building that will have no future utilization and will be expensive to maintain.

Any additional questions regarding the Lynch project should be forwarded to Chair Blackwell and FinCom Member Miller.

### **Adjourn**

FinCom Member Springer moved to adjourn the Finance Committee meeting and the motion was seconded by Vice Chair Truong. The motion passed unanimously and FinCom adjourned at 9:44 p.m.

Respectfully submitted,  
Gary Lozowski, Recording Secretary of Finance Committee

Approved by:  \_\_\_\_\_  
Megan Blackwell, Chair of Finance Committee